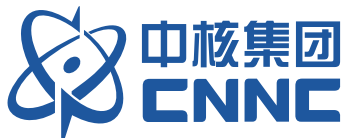

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **China Isotope & Radiation Corporation**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CHINA ISOTOPE & RADIATION CORPORATION 中國同輻股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1763)

PROPOSED A SHARE OFFERING OTHER RELEVANT PROPOSALS REGARDING THE PROPOSED A SHARE OFFERING APPOINTING AN AUDIT FIRM FOR THE DOMESTIC ANNUAL AUDIT OF THE COMPANY AND INDEPENDENT NON-EXECUTIVE DIRECTOR'S REMUNERATION

A letter from the Board is set out on pages 3 to 21 of this circular.

The Company will convene the EGM, Domestic Shares Class Meeting and H Shares Class Meeting at 9:30 a.m. 10:45 a.m. and 11:00 a.m. on Monday, 29 November 2021 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, China.

The notices and the proxy forms for the EGM, Domestic Shares Class Meeting and H Shares Class Meeting have been dispatched and published on 9 November 2021.

THE PRECAUTIONARY MEASURES FOR THE EGM, DOMESTIC SHARES CLASS MEETING AND H SHARES CLASS MEETING

In order to control the spread of COVID-19, the Company will implement the following precautionary measures at the aforesaid meetings:

- all attendees will be required to check temperature at the entrance of the meeting venue;
- maintaining proper distance between seats;
- all attendees will be required to wear face masks during the meetings;
- anyone who does not comply with the above measures might not be allowed to enter the meeting venue;
- no beverages or refreshments will be served, and no Company gift will be distributed; and
- any other precautionary measures the Company may think appropriate and necessary.

The Company strongly encourages the Shareholders to exercise their voting rights by appointing the chairman of the meetings as their proxy to vote according to their indicated voting instructions as an alternative to attending the meetings in person.

12 November 2021

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
1. Introduction	3
2. Proposed A Share Offering	4
3. Other Relevant Proposals regarding the Proposed A Share Offering	10
4. Other Information relating to A Share Issuance	17
5. Appointing an Audit Firm for the Domestic Annual Audit of the Company	20
6. Independent Non-executive Director's Remuneration	20
7. EGM, Domestic Shares Class Meeting and H Shares Class Meeting	20
8. Voting by Poll	21
9. Responsibility Statement	21
10. Recommendation	21
 Appendix I – Proposal on Price Stabilization Plan of A Shares within Three Years after the Initial Public Offering and Listing of A Shares of the Company	 I-1
 Appendix II – Relevant Undertakings of the Company for the Initial Public Offering and Listing of A Shares of the Company.	 II-1
 Appendix III – Details of the Investment of Funds Raised	 III-1
 Appendix IV – Feasibility Study Report on the Investment of Funds Raised from the Initial Public Offering and Listing of A Shares of the Company	 IV-1
 Appendix V – Dividend Distribution Plan for Shareholders for the Three Years after the Initial Public Offering and Listing of A Shares of the Company	 V-1

CONTENTS

Appendix VI	– Dilution of Immediate Returns by the Initial Public Offering and Listing of A shares and Remedial Measures.	VI-1
Appendix VII	– Amendments to the Articles of Association.	VII-1
Appendix VIII	– Amendments to the Rules and Procedures of the Shareholders’ General Meeting	VIII-1
Appendix IX	– Amendments to the Rules and Procedures of the Board of Directors.	IX-1
Appendix X	– Amendments to the Rules and Procedures of the Board of Supervisors	X-1
Appendix XI	– Amendments to the Working Rules of the Independent Non-Executive Directors.	XI-1
Appendix XII	– A Share Connected Transactions Management System of the Company	XII-1
Appendix XIII	– Remuneration Management System of Directors, Supervisors and Senior Management of the Company	XIII-1
Appendix XIV	– Explanation on Use of the Previous IPO Proceeds of the Company	XIV-1
Appendix XV	– Explanation on Related Party Transactions During the Reporting Period (2018, 2019, and 2020 and January-June 2021)	XV-1

DEFINITIONS

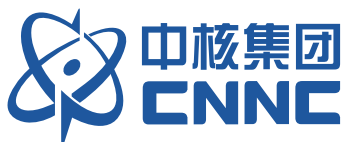
In this circular, unless the context otherwise require, the following expressions have the following meanings:

“A Share(s)”	the ordinary shares proposed to be issued by the Company under the A Share Offering, with a Renminbi-denominated par value of RMB1.00, which will be subscribed for and paid up in Renminbi and will be listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange and traded in Renminbi
“A Share Offering”, “Offering”, “A Share Offering and Listing” or “Offering and Listing”	the proposed initial public offering and listing of RMB ordinary shares (A Shares) by the Company on the Science and Technology Innovation Board of the Shanghai Stock Exchange
“Board”	the board of Directors
“Company” or “CIRC”	China Isotope & Radiation Corporation (中國同輻股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“CSRC”	China Securities Regulatory Commission and its delegate(s)
“Director”	director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in RMB
“Domestic Shares Class Meeting”	the first class meeting of 2021 of the Company’s Domestic Shareholders to be held at 10:45 a.m. on Monday, 29 November 2021 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, the PRC
“Domestic Shareholder(s)”	holder(s) of the Domestic Share(s)

DEFINITIONS

“EGM”	the third extraordinary general meeting of 2021 of the Company to be held at 9:30 a.m. on Monday, 29 November 2021 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, the PRC
“General Meetings”	collectively, the EGM, Domestic Shares Class Meeting and H Shares Class Meeting
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“H Shares Class Meeting”	the first class meeting of 2021 of the Company’s H Shareholders to be held at 11:00 a.m. on Monday, 29 November 2021 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, the PRC
“H Shareholder(s)”	holder(s) of the H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of the Domestic Share(s) and H Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	percent

LETTER FROM THE BOARD



CHINA ISOTOPE & RADIATION CORPORATION

中國同輻股份有限公司

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

(Stock Code: 1763)

Members of the Board

Chairman and executive Director:

Mr. Meng Yanbin

Executive Directors:

Mr. Wang Suohui

Mr. Du Jin

Non-executive Directors:

Mr. Liu Zhonglin

Mr. Chen Shoulei

Ms. Chang Jinyu

Ms. Liu Xiuhong

Independent Non-executive Directors:

Mr. Hui Wan Fai

Mr. Tian Jiahe

Ms. Chen Jingshan

Mr. Lu Chuang

Registered Office

Room 418, South 4th Floor, Building 1

No. 66 Changwa Middle Street

Haidian District

Beijing

PRC

Head Office and Principal Place of Business in the PRC

No. 66 Changwa Middle Street

Haidian District

Beijing

PRC

Principal Place of Business in Hong Kong

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

12 November 2021

To the Shareholders:

Dear Sir/Madam,

**PROPOSED A SHARE OFFERING
OTHER RELEVANT PROPOSALS REGARDING THE PROPOSED A
SHARE OFFERING
APPOINTING AN AUDIT FIRM FOR THE DOMESTIC ANNUAL AUDIT OF
THE COMPANY
AND
INDEPENDENT NON-EXECUTIVE DIRECTOR'S REMUNERATION**

1. INTRODUCTION

The purpose of this circular, of which this letter forms a part, is to provide you with the necessary information to make an informed decision on whether to vote for or against the proposed resolutions at the EGM, Domestic Shares Class Meeting and H Shares Class Meeting.

At the EGM, Domestic Shares Class Meeting and H Shares Class Meeting, the Proposed A Share Offering, other relevant proposals regarding the Proposed A Share Offering, the proposal regarding appointing an audit firm for the domestic annual audit of the Company and the proposal regarding independent non-executive director's remuneration will be tabled for Shareholders' approval.

LETTER FROM THE BOARD

2. PROPOSED A SHARE OFFERING

The Board is pleased to announce that, in order to improve the Company's overall competitiveness strength, enhance the Company's ability for sustainable development, and implement the Company's development plan and strategies, based on the Company Law, the Securities Law, the Guiding Opinions of China Securities Regulatory Commission on Further Reforming the System of Issue of New Shares, the Administrative Measures on the Registration of Initial Public Offering of Shares on the Science and Technology Innovation Board (Trial), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and other relevant laws, regulations and normative documents, the Company has prepared the following proposal for the Offering:

(1) Class and nominal value of shares to be issued

Domestically listed ordinary shares (A Shares) denominated in RMB with a nominal value of RMB1.00 per share.

(2) Number of shares to be issued

The number of shares initially to be issued by the Company under the Offering will account for no more than 13% of the Company's total share capital after the Offering, being the number under the Offering not exceeding 47,797,398 shares (including 47,797,398 shares). The Offering does not have over-allotment option.

The total number of the Company's shares held in public hands will be more than 25% of the total share capital of the Company after the Offering. Section (2) of Rule 2.1.1 of the Listing Rules of the Science and Technology Innovation Board of the Shanghai Stock Exchange, provides that:

- (a) if the applicant(s) for the listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange shall maintain a public float of more than 25% of the total number of its shares;
- (b) if the total equity of the applicant exceeds RMB400 million, the public float shall be more than 10%."

Given that the existing total share capital of the Company is 319,874,900 Shares, the total share capital after the Offering will not exceed 367,672,298 Shares (the sum of 319,874,900 Shares and 47,797,398 Shares) , which will also be less than 400 million Shares, and therefore the Company has to comply with the provision that its publicly held shares shall be more than 25% of its total shares.

Currently, the total share capital of the Company is 319,874,900 Shares, of which 79,968,800 H shares are public shares, accounting for 25% of the total share capital of the Company. After the completion of the Offering, as all A Shares issued under the Offering will

LETTER FROM THE BOARD

be in public hands, the publicly issued shares (the sum of A Shares and H Shares) of the Company will account for more than 25% (i.e. expected to be approximately 35.77%) of the total shares of the Company, which accordingly is in compliance with the provision under Section (2) of Rule 2.1.1 of the Listing Rules of the Science and Technology Innovation Board of the Shanghai Stock Exchange.

The final number of shares to be issued under the Offering will be determined by the Board authorized by General Meetings after negotiations with the sponsor (lead underwriter) pursuant to the requirements of the relevant regulatory authorities and based on the actual situation of the securities market and the amount of funds required from the fund-raising project, subject to the CSRC's approval for registration.

There is no public offering of shares by the Company's Shareholders in the Offering.

(3) Target subscribers

Inquired investors who are in compliance with national laws, regulations and requirements of regulatory authorities, and qualified investors who have opened RMB ordinary shares (A Shares) stock accounts with the Shanghai Stock Exchange (except those who are prohibited from participating in subscription under laws, regulations and normative documents), and where otherwise provided by the securities regulatory authorities, such provisions shall prevail.

(4) Method of issue

The issue will be conducted by a combination of placement to inquired investors through offline placing and offering to public investors through online subscription at market value, or such other means approved by the securities regulatory authorities (including but not limited to placing of shares to strategic investors and a hybrid method combining placing to strategic investors, offline placing to inquired investors, and online subscription pricing).

(5) Strategic placement

In addition to the offering for public investment, the Offering also plans to place shares to strategic investors. The selection of strategic investors will be based on the principle of the investors' ability in introducing capital, talents and advanced system to the Company. The investors shall have excellent business performance, with good reputation in China and abroad, focus on building long-term and stable strategic cooperation with China Isotope, and be conducive to the Company's future business expansion and strategy implementation. Placement can be made to strategic investors in various sectors including domestic and foreign enterprises with reputation in nuclear medicine, nuclear medical equipment, medical services, and other industries and partners in the industry chain.

LETTER FROM THE BOARD

According to the Implementation Measures for the Offering and Underwriting of Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange, if the number of shares in the initial public offering is less than 100 million, the total number of shares placed to strategic investors shall not exceed 20% of the number of shares to be issued under the Offering while senior management and core employees of the issuer may set up special asset management plan to participate in the strategic placement of the Offering.

The Company will consider to set up a special asset management plan (“SAM Plan”) for its senior management and core employees for their participation in the strategic placement under the Offering, with reference to the actual situations of the Company’s business operation, employees’ performance and the Company’s strategic development, so as to effectively motivate high quality talents and enable employees to demonstrate their enthusiasm and creativity. The number of shares allocated to the SAM Plan shall not exceed 10% of the number of shares issued in the Offering where such shares are to be subject to a lock-up period of not less than 12 months. The final number of shares issued under strategic placement to employees through SAM Plan may be adjusted based on actual situations with external strategic investors, but in any event within the range of 10% of the total number of shares to be issued under the Offering.

The SAM Plan is to be managed by the sponsor (or an associate of the sponsor) of the Offering while its operation is independent from the directors of the Company and its subsidiaries, or any connected persons of the Company. None of the directors of the Company and its subsidiaries, or any connected persons of the Company will individually or in aggregate holds more than 30% interests in the SAM Plan. As such, the SAM Plan will be considered as an employees’ share scheme and will not be regarded as a connected person or an associate of connected person of the Company under Chapter 14A of the Listing Rules, in particular Rule 14A.12. Accordingly, the granting of A Shares will not constitute a connected transaction to the Company.

Under the Offering, other than the SAM Plan in which the directors of the Company and its subsidiaries may participate, the Company will not, directly or indirectly, grant any new A Shares to the directors of the Company and its subsidiaries, or any connected persons of the Company in the Offering.

Reference is made to the announcements of the Company dated 13 December 2019, 22 April 2020 and 30 June 2020, and the circular of the Company dated 2 June 2020 in relation to the share appreciation right plan of the Company.

With approval of CNNC and SASAC of State Council, and consideration and approval in the general meeting of CIRC, CIRC has implemented the first share appreciation right plan for H shares on 30 June 2020, and completed the initial grant with participants being 162 employees of the Company, and the total number of share appreciation rights so granted was 8,607,700 shares. Up to now, there still be 148 valid participants (14 participants are no longer entitled to the relevant shares due to transfer or resignation).

LETTER FROM THE BOARD

In accordance with the share appreciation right plan, the Board of Directors has the right to decide the early termination of the share appreciation right plan at any time. If the Board of Directors decides to early terminate the share appreciation right plan, the Company will no longer grant appreciation rights under the share appreciation right plan.

According to the latest requirements of relevant laws and regulations of China and the actual situation of the Company, the Board of Directors of the Company has decided to terminate the share appreciation right incentive plan on 9 November 2021. After the termination, the participants will cease to be entitled to the share appreciation rights that have been granted.

The Company will continue to study and formulate employee incentive plans in accordance with the latest domestic and overseas regulatory regulations, and subsequently the Company will comply with the relevant applicable provisions of the listing rules to fulfill its information disclosure obligations (if applicable).

(6) Pricing method

The Implementation Measures for Issue and Underwriting of Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange provides that:

Section 4: In an initial public offering of shares on the Science and Technology Innovation Board, the share offering price shall be fixed through price consultations with professional institutional investors, such as securities companies, fund management companies, trust companies, financial companies, insurance companies, qualified overseas institutional investors, and private equity fund managers (hereinafter collectively referred to as offline investors).

Section 5: The issuer and the lead underwriter may determine the offering price through initial price consultation, or determine the offering price through a book-building exercise after determining the interval of the offering price by initial price consultation.

Accordingly, the issue price of the Offering will be determined, through a preliminary inquiry from inquiry targets, by joint negotiations between the Company and the sponsor (lead underwriter) based on the preliminary inquiry results, or other means approved by the securities regulatory authority from time to time.

According to the relevant requirements in respect of state-owned assets supervision and management, the offering price under the Offering shall be, in principle, not lower than the latest audited net asset value per share of the Company as at the price determination date. Based on the current and anticipated progress of the Company's listing application, it is expected that the price determination date will be in 2022, thus the audited net assets at the end of 2021 will be used.

LETTER FROM THE BOARD

(7) Use of proceeds

The Company has prudently determined the projects to be invested with proceeds after taking into account the existing principal business, production and operation scale, financial positions, technical conditions, management ability and development goals. The investment projects are related to the Company's principal business with focus on investment in science and technology innovation.

After deducting the issuance expenses, the net proceeds will be invested in the projects by reference to their respective importance and progress, the orders of which are prioritized as below:

Unit: RMB'0000

No.	Project	Proposed investment amount with proceeds
1	Isotope medical center construction project	21,362.08
2	Radiation source R&D and production base construction project	22,154.19
3	Northern China molecularly targeted diagnostic and therapeutic drug production base construction project	40,958.83
4	Shanghai molecularly targeted diagnostic and therapeutic drug R&D and production base construction project	8,879.00
	Subtotal of fixed investment projects	93,354.10
5	Radiation diagnostic and therapeutic drug R&D project	15,761.08
6	Important medical isotope R&D projects	4,141.00
7	Nuclear medical equipment technology and product development projects	19,012.00
8	Radioactive material transportation container development project	1,900.00
9	Low energy electron curtain accelerator R&D project	5,000.00
10	Medical diagnosis series product development project	12,210.00
11	R&D project on industrial application of radiation sterilization of COVID-19 virus in cold chain food	2,800.00
	Subtotal of R&D projects	60,824.08
12	Supplemental working capital	30,000.00
	Total	184,178.18

Further details of the above projects are set out in Appendix III of this circular.

Taking into account its financial position, the Company has sufficient funds to meet the fund requirements according to the project progress before receiving the proceeds from the Offering or if Offering cannot be proceeded. Before the funds raised in the Offering are in place, the Company can use self-raised funds to finance for the projects with reference to the actual progress of the project.

LETTER FROM THE BOARD

According to the estimated fund raising size of the Offering, the proceeds are sufficient to meet the fund needs of all such projects. If the proceeds from this Offering is more than the total amount required for the projects, the excess of proceeds will then be used to replenish the Company's working capital and repay the Company's bank loans. If the proceeds from the Offering are less than the investment amount of the fund-raising project, the Company will resolve the issue through self-raised funds.

(8) Underwriting method

The underwriters will fully take up the unsubscribed shares under the Offering.

(9) Location of listing

Shanghai Stock Exchange.

(10) Time of issuance

The Company will select an appropriate time for the issuance after approval by Shanghai Stock Exchange and registration with the CSRC, and the specific date of issuance will be determined by the Board of Directors as authorized by the General Meetings after approval by Shanghai Stock Exchange and registration with the CSRC.

(11) Valid period of proposal

The proposal of the Offering was considered and approved by the Board on 18 August 2021 and 9 November 2021, and will be proposed at the EGM, the Domestic Shares Class Meeting and the H Shares Class Meeting for the respective Shareholders' consideration and approval.

The proposal of the Offering shall be valid for 12 months from the date of approval by the General Meetings, or shall end on the date of termination or revocation of this proposal at separate general meeting(s) of the Company, whichever is earlier.

If the Company fails to complete the Offering within 12 months from the date of approving the resolutions at the EGM, the Domestic Shares Class Meeting and the H Shares Class Meeting, the Company will seek further approvals at other general meeting(s), H Shares class meeting and Domestic Shares class meeting for the Offering.

LETTER FROM THE BOARD

3. OTHER RELEVANT PROPOSALS REGARDING THE PROPOSED A SHARE OFFERING

(1) Proposal for Shareholders' Approval at General Meetings to Authorize the Board and Its Authorized Persons to Exercise Full Power to Deal with Matters Relating to the Public Offering and Listing of A Shares of the Company

In order to ensure the smooth implementation of matters relating to the public offering and listing of A shares of the Company, it is hereby proposed to the Shareholders for their approval at the general meetings to authorize the Board of Directors and its authorized persons to exercise full power to deal with matters relating to the Offering and Listing of the Company in accordance with the framework and principles as approved, including but not limited to:

- (1) To handle the matters in relation to the Offering and Listing, including but not limited to the application for approvals, registration, filing, approval and consent procedures with the relevant governmental authorities, regulatory authorities and stock exchanges and securities registration and settlement institutions in connection with the Offering and Listing; to approve, sign, execute, amend and complete any agreements, contracts or necessary documents (including but not limited to the letter of intent of the Offering, prospectus, sponsorship agreement, underwriting agreement, listing agreement, relevant announcement, shareholders' notice and related party transaction agreement, etc.) related to the Offering and Listing, and to take all other necessary actions in connection with the Offering and Listing and the implementation of projects to be invested with the proceeds in accordance with the opinion of the relevant regulatory authorities or based on applicable actual conditions, in order to complete the Offering and Listing;
- (2) To respond to the comment from the Shanghai Stock Exchange, the CSRC and other regulatory authorities and departments on matters related to the Offering and Listing of the Company;
- (3) To make relevant undertakings in accordance with the relevant requirements of national laws and regulations, regulatory authorities and stock exchanges and the actual needs of the Offering and Listing;
- (4) To determine the specific number of issued shares, target subscribers, pricing method, issue price, issue method, issue time and other matters related to the Offering and Listing within the scope of resolution of the shareholders' meeting in accordance with the requirements of the relevant regulatory authorities, actual situation of the securities market and the capital requirements of the projects to be funded by the proceeds;
- (5) To determine the commencement and closing dates of the Offering in accordance with the approval of the Shanghai Stock Exchange and the CSRC;
- (6) Matters related to the implementation of the investment projects to be funded with proceeds (including, among other, before the availability of the proceeds from the Offering and listing, organizing the implementation of the projects with self-raised

LETTER FROM THE BOARD

funds based on the actual progress of the projects; determining the special account for the proceeds; making detailed investment with the proceeds after the completion of the Offering and Listing; if the proceeds are insufficient, the Company shall finance the projects with self-raised funds; signing the major contracts involved in the implementation of the investment projects to be funded with proceeds; adjusting the investment project to be funded with proceeds based on the implementation of the proposal of the Offering and listing, market conditions, policy adjustments and the opinions of the regulatory authorities);

- (7) To sign the contracts, agreements and related legal documents involved in the process of the Offering and Listing;
- (8) To handle the procedures related to the Offering and Listing, including but not limited to handling the specific matters of listing of shares in the Offering on the stock exchange in accordance with relevant laws and regulations after completion of the Offering;
- (9) To supplement and amend the relevant provisions of the Articles of Association and other rules and regulations (if required) and to handle the approval and registration procedures for relevant changes with the competent authorities for industry and commerce and other relevant administrative approval procedures based on the results of the share issue upon completion of the Offering;
- (10) If there is any change in the policy on initial public offering during the valid period of the proposal, to continue to handle the matters relating to the Offering in accordance with the new policy;
- (11) To engage intermediaries such as the sponsor/lead underwriter, accounting firm and special legal advisor of the Company for the Offering and Listing, determine their service fees, and sign the engagement or appointment agreements;
- (12) To handle such other matters as necessary, appropriate or suitable in connection with the Offering and Listing, to the extent permitted by relevant laws and regulations;
- (13) The above authorization shall be valid for 12 months from the date of consideration and approval by the shareholders at general meeting, or shall end on the date of termination or revocation of this proposal by shareholders at a separate shareholders' meeting of the Company, whichever is earlier.

LETTER FROM THE BOARD

(2) Proposal on Price Stabilization Plan of A Shares for the Three Years after the Initial Public Offering and Listing of A Shares of the Company

The Company proposes to apply for initial public offering and listing of A Shares. In accordance with the Guiding Opinions of China Securities Regulatory Commission on Further Reforming the System of Issue of New Shares and other relevant regulations issued by the CSRC, the Company has formulated the Price Stabilization Plan of A Shares within Three Years after the Initial Public Offering and Listing of A Shares of China Isotope & Radiation Corporation, and see Appendix I of the circular for details.

(3) Proposal on Relevant Undertakings and Restriction Measures for the Initial Public Offering and Listing of A shares of the Company

The Company proposes to apply for initial public offering and listing of A Shares. In accordance with the requirements of the Guiding Opinions of China Securities Regulatory Commission on Further Reforming the System of Issue of New Shares and the Standard for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 42 – Application Documents for Initial Public Offering and Listing on the Science and Technology Innovation Board of the CSRC, the Company proposes to issue a series of undertakings and restriction measures for the initial public offering and listing of A shares, including a letter of undertaking that the prospectus is true, accurate and complete. Please refer to the Appendix II to the Circular for details of each letter of undertaking.

(4) Proposal on Investment Projects and Plan of Use of Proceeds from the Initial Public Offering and Listing of A Shares of the Company

After deducting the issuance expenses, the proceeds from the Offering and Listing will be invested in the following projects in order of importance and priority based on the plan of the Offering and Listing of the Company and the actual situation of the Company:

Unit: RMB'0000

No.	Project	Proposed investment amount with proceeds
1	Isotope medical center construction project	21,362.08
2	Radiation source R&D and production base construction project	22,154.19
3	Northern China molecular targeted diagnostic and therapeutic drug production base construction project	40,958.83
4	Shanghai molecular targeted diagnostic and therapeutic drug R&D and production base construction project	8,879.00

LETTER FROM THE BOARD

No.	Project	Proposed investment amount with proceeds
	Subtotal of fixed investment projects	93,354.10
5	Radiotherapy drug R&D project	15,761.08
6	Important medical isotope R&D projects	4,141.00
7	Nuclear medicine equipment technology and product development projects	19,012.00
8	Radioactive material transport container development project	1,900.00
9	Low energy electronic curtain acceleration equipment R&D project	5,000.00
10	Medical diagnosis series product development project	12,210.00
11	R&D project on industrial application of radiation sterilization of COVID-19 in cold chain food	2,800.00
	Subtotal of R&D projects	60,824.08
12	Supplement the working capital	30,000.00
	Total	184,178.18

Before receiving the proceeds from the Offering and listing, the Company may fund the projects with self-raised funds based on the actual progress of the projects; after receiving the proceeds from the Offering and listing, the Company will use the proceeds in strict accordance with the relevant rules and regulations, and the proceeds can be used to replace the self-raised funds invested in the projects and pay for the remaining amount of the projects. If the actual proceeds from the Offering and listing are less than the investment amount of the investment projects, the Company will finance the projects with self-raised funds; if the actual proceeds from the Offering and listing are more than the investment amount of the investment projects, such proceeds then may be used to supplement the working capital and repay bank loans. The Company will properly arrange the plan of use of the excess proceeds based on the requirements of development plan and actual production and operation of the Company, and use such excess proceeds for the main business of the Company.

For details of the feasibility study report of investment project with proceeds from the initial public offering and listing of A Shares of the Company, please refer to Appendix IV of this circular.

LETTER FROM THE BOARD

(5) Proposal on the Distribution of Accumulated Undistributed Profits Prior to the Completion of the Initial Public Offering and Listing of A Shares of the Company

The Company proposes to apply for initial public offering and listing of A Shares. According to the plan of the Offering and listing of the Company and based on the actual situation of the Company, the accumulated undistributed profits or accumulated uncovered losses prior to the completion of the Offering and listing of the Company shall be jointly shared or borne by the new and existing shareholders whose names appear on the register of members on after the Proposed Issue of A Shares and listing on a pro rata basis.

(6) Proposal on Dividend Distribution Plan for Shareholders for the Three Years after the Initial Public Offering and Listing of A Shares of the Company

The Company proposes to apply for initial public offering and listing of A Shares. According to the CSRC Releases No.3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies and other regulations, and the Articles of Association of China Isotope & Radiation Corporation, the Company has prepared a dividend distribution plan for shareholders for three years after the initial public offering and listing of A Shares. The plan has been approved by the General Meetings of the Company and shall take effect from the date of initial public offering of A shares of the Company and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange. Please refer to Appendix V of this circular for details.

(7) Proposal on Dilution of Immediate Returns by the Initial Public Offering and Listing of A Shares and Remedial Measures of the Company

The Company proposes to apply for initial public offering and listing of A Shares. In accordance with the Guidance Opinion on Matters Pertaining to Dilution of Return for the Immediate Period Resulting from Initial Offering and Refinancing or Material Asset Restructuring and other regulations, the Company has analyzed the dilution of immediate return by the initial public offering and listing of A Shares and has formulated the Dilution of Immediate Returns by the Initial Public Offering and Listing of A Shares and Remedial Measures of China Isotope & Radiation Corporation. Please refer to Appendix VI to this circular for details.

(8) Proposals on the Amendments to the Articles of Association, the Rules and Procedures of the General Meeting of Shareholders, the Rules and Procedures of the Board of Directors and the Rules and Procedures of the Board of Supervisors

In order to implement the Offering and Listing plan of the Company, according to the requirements of the Company Law, Guidelines for the Articles of Association of Listed Companies, Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the relevant applicable laws, regulations and rules, the Company proposes to amend the Article of Association, the Rules and Procedures of the General Meeting of Shareholders, the Rules and Procedures of the Board of Directors and the Rules and Procedures of the Board of Supervisors.

LETTER FROM THE BOARD

The amendments to the Articles of Association, Rules and Procedure of the General Meeting of Shareholders, Rules and Procedure of Board of Directors and the Rules and Procedures of the Board of Supervisors will take effect as of the date of the Offering and Listing, after being deliberated and approved by the EGM and completed the relevant procedures of the regulatory authorities.

The comparisons of the existing Articles of Association, Rules and Procedures of the Shareholders' General Meeting, Rules and Procedures of the Board of Directors, and Rules and Procedures of the Board of Supervisors against the proposed amendments thereto are set out in Appendix VII, Appendix VIII, Appendix IX and Appendix X to this circular respectively.

(9) Proposal on the Formulation and Amendments of the Relevant Corporate Governance Rules

In order to cooperate with the Offering and Listing plan of CIRC, the Company has formulated and amended the relevant corporate governance rules, including amending the CIRC Work Rules of the Independent Non-executive Directors, formulating the CIRC Management System of A-share connected transaction and the CIRC Remuneration Management System for Directors, Supervisors and Senior Managers, amending the CIRC Work Rules of the Nomination Committee of the Board of Directors, the CIRC Work Rules of the Remuneration and Evaluation Committee of the Board of Directors, and the CIRC Work Rules of the Strategy Committee of the Board of Directors and the CIRC Work Rules of the Audit and Risk Management Committee of the Board of Directors, formulating the CIRC Work Regulations for the Annual Report of the Audit and Risk Management Committee of the Board of Directors and amending the CIRC Work Rules of Law Committee of the Board of Directors.

Of these corporate governance rules, the amendments to the CIRC Work Rules of the Independent Non-executive Directors, the formulation of the CIRC Management System of A-share connected transaction and the formulation of the CIRC Remuneration Management System for Directors, Supervisors and Senior Managers will take effect from the date of consideration and approval of each of such amendments at the EGM.

The comparison of the existing Working Rules for Independent Non-executive Directors of China Isotope & Radiation Corporation against the proposed amendments thereto, the Management System for A Shares Related Party Transactions of China Isotope & Radiation Corporation and the Management System for Remuneration of Directors, Supervisors and Senior Management of China Isotope & Radiation Corporation are set out in Appendix XI, Appendix XII and Appendix XIII to this circular respectively.

(10) Proposal on Appointing an Audit Firm for the Company's Initial Public Offering and Listing of A Shares

In view of the proposed Offering and Listing, after comprehensive consideration and prudent evaluation, the Company intends to appoint KPMG Huazhen LLP as the audit firm to provide special audit services for the Offering and Listing, and propose to the shareholders at

LETTER FROM THE BOARD

the general meeting to authorise the Company's management to negotiate the audit fees and sign the relevant audit service contracts with KPMG Huazhen LLP, based on the audit scope and workload and with reference to the relevant regulations and standards.

KPMG Huazhen LLP has obtained the securities and futures-related business practices qualification, been equipped with the experience and ability to provide audit services for the Offering and Listing, and is able to satisfy the Company's requirements for the audit work of the Offering and Listing.

The above proposal has been considered and passed by the Board on 27 August 2021, and will be submitted to the EGM, Domestic Shares Class Meeting and H Shares Class Meeting for consideration and approval.

(11) Proposal on the Special Report on the Use of Previous IPO Proceeds of the Company

CIRC intends to apply for the initial public offering and listing of A shares. In accordance with laws and regulations as well as regulatory documents such as the Administrative Measures for the Issuance of Securities by Listed Companies and the Provisions for Report on the Use of Previous IPO proceeds, the Company, on the basis of its verification of the use of the proceeds from the previous listing of H shares, prepared the Explanation of China Isotope & Radiation Corporation on Use of Previous IPO Proceeds, of which details can be found in the Appendix XIV of the circular. Independent non-executive directors of the Company have expressed their independent opinions regarding the matter mentioned in this proposal.

(12) Proposal on Confirmation of Related Party Transactions of the Company During the Reporting Period (2018, 2019, and 2020 and January-June 2021)

To meet its business needs, CIRC (including subsidiaries covered by consolidated statements) conducted related party transactions with related parties in 2018, 2019, 2020 and January-June 2021 (the "Reporting Period"). In view of the Company's intention to apply for initial public offering and listing of A shares, the related party transactions of the Company must be subject to strict regulation according to relevant regulations.

According to the self-examination by the Company, related party transactions of the Company during the Reporting Period are in compliance with the principles of equality, voluntariness, fairness and reasonableness in all material aspects, the price of the related party transactions is fair, the decision-making authority and decision-making procedures in relation to the related party transactions are legal, and there was no harm to the interests of the Company and other shareholders, and there was no transfer of interests to the Company or related parties. Independent non-executive directors of the Company have expressed their independent opinions on the matters mentioned in this proposal.

See Appendix XV of the circular for details regarding Explanation on Related Party Transactions During the Reporting Period (2018, 2019, and 2020 and January-June 2021).

LETTER FROM THE BOARD

4. OTHER INFORMATION RELATING TO A SHARE ISSUANCE

(1) Impact of the A Share Offering on the Company's Shareholding Structure

For reference and illustration purposes only, assuming a total of 47,797,398 A Shares are issued upon approval under the A Share Offering (where the Offering does not have over-allotment option) and there is no change in the issued share capital of the Company prior to the completion of the A Share Offering, the respective shareholding structure's of the Company as at the date of this circular and immediately following completion of the A Share Offering are as follows:

	As at the date of this circular		Immediately following completion of the A Share Offering	
	Number of Shares	Approximate percentage of the issued shares of the Company (%)	Number of Shares	Approximate percentage of the issued shares of the Company (%)
Domestic Shares⁽¹⁾				
– Domestic Shares/A Shares converted from Domestic Shares and to be held by the non-public persons ⁽²⁾				
China National Nuclear Corporation (“CNNC”)	106,676,903	33.35	106,676,903	29.01
China Institute of Atomic Energy (“CIAE”)	58,534,835	18.30	58,534,835	15.92
Nuclear Power Institute of China (“NPIC”)	46,994,835	14.69	46,994,835	12.78
– Domestic Shares/A Shares converted from Domestic Shares and to be held by the public	3,755,867	1.17	3,755,867	1.02
– A Shares to be newly issued under the A Share Offering ⁽³⁾	–	–	47,797,398	13.00
Sub-total	239,906,100	75.00	287,793,696	78.25
H Shares				
– H Shares held by the public	79,968,800	25.00	79,968,800	21.75
Sub-total	79,968,800	25.00	79,968,800	21.75
Total	319,874,900	100.00	367,672,298	100.00

Notes:

- (1) The issued Domestic Shares will be converted into A Shares immediately following completion of the A Share Offering;

LETTER FROM THE BOARD

- (2) As at the date of this circular, CNNC, the controlling shareholder of the Company, directly holds 106,676,903 Domestic Shares. Each of CIAE and NPIC is a public institute controlled and managed by CNNC and holds 58,534,835 and 46,994,835 Domestic Shares. CNNC Fund is a non-wholly-owned subsidiary of CNNC and holds 18,779,342 Domestic Shares. Each of CNNC 404 Company Limited and China Baoyuan Investment Co., Ltd. is a wholly-owned subsidiary of CNNC and holds 3,755,868 Domestic Shares and 1,408,450 Domestic Shares, respectively. Upon the completion of the A Share Offering, CNNC and its subsidiaries will hold 236,150,233 A Shares, the number of which is the same as that of Domestic Shares held by it prior to the issuance, and the A Shares held by it shall not be counted as part of the public float;
- (3) The A Shares are expected to be held by non-core connected persons of the Company and will be counted as part of the public float;
- (4) The sum of equity percentages might not be in line with the total due to rounding.

As at the date of this circular, based on the information available to the Company and to the knowledge of the Directors, the Company's public float complies with the requirements of Rule 8.08 of the Listing Rules. Assuming that all 47,797,398 A Shares under the A Share Offering are issued upon approval and that all are issued to non-core connected persons of the Company, the percentage of the H Shares held by the public in the total number of the issued Shares after the A Share Offering is expected to be approximately 21.75%, and the percentage of the Shares (total of A Shares and H Shares) held by the public in the total number of the issued Shares after the A Share Offering is expected to be approximately 35.77%. The Company's public float will still be able to comply with the requirements of Rule 8.08 of the Listing Rules. The Company will closely monitor its public float to ensure its compliance, at all times, with the relevant public float requirements. The Company will review its A Share and H Share registers from time to time for the purpose of monitoring its position for full compliance of the public float requirements.

As at the date of this circular, the Company has not entered into or intends to enter into any agreements with any of its connected persons in connection with the subscription of A Shares. In addition, no connected person(s) of the Company has indicated its intention to participate in the Offering of the A Shares.

Under the PRC regulatory regime, there are certain restrictions on the Offering of A Shares to connected person(s) of the Company. Pursuant to the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), and the Implementation Measures for Issue and Underwriting of Shares on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷實施辦法》), for offline placing which the Company will adopt in the Offering, underwriters are required to remove all related parties from the application list (if any) and shall not allocate shares to connected persons. To this end and in practice, the underwriters will check the list of offline investors against the list of connected persons of the Company one by one so as to ensure that all connected person(s) are removed from the allocation list.

As it is expected that the Offering will not involve any connected persons of the Company and that all subscribers will be independent third parties of the Company, the Offering does not constitute a connected transaction to the Company and is not required to seek independent shareholders' approval under Chapter 14A of the Listing Rules. However, in case that the Offering finally does involve any connected persons of the Company, the Company will further comply with the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to seeking approval from its independent shareholders (if required).

LETTER FROM THE BOARD

(2) Reasons for and Purpose of the A Share Offering

(i) Broadening financing channels and optimising financing structure to enhance sustainable development capabilities

The A Share Offering can help the Company establish more flexible and diversified financing channels as well as utilise both domestic and overseas capital markets, broaden sources of funds, enhance capital strengths and improve risk tolerance, so as to enhance sustainable development capabilities. It is conducive to the Company to enhance financial security and financial flexibility and reduce leverage in ways that further optimise the financing structure, and meet the Company's urgent need to build a dual platform for domestic and foreign financing and improve financing efficiency.

(ii) Improving the corporate governance and raising strategic development funds to enhance comprehensive competitiveness

The A Share Offering is conducive to the optimisation of the Company's governance structure. By introducing strategic investors who are compatible with the Company's development strategy, complementary in capabilities and resources, and have synergistic effects, the level of governance will be improved and the comprehensive competitive strengths will be further enhanced, which will also provide the Company with intellectual and technical support. The Company will be committed to a comprehensive layout in the fields of radiopharmaceuticals, medical diagnosis, radioactive sources, irradiation applications, nuclear medical equipment, etc., to build a world-class nuclear technology application product and complementary service provider with strong independent innovation capabilities. In this regard, strong capital operation is critical to the support and guarantee of the implementation of strategies. The A Share Offering will help the Company improve its corporate governance structure, raise funds for strategic development, and promote innovation and development, thus further improving business performance, and enhancing market competitiveness.

(iii) Fostering a corporate image of technology innovation to enhance brand value

The A Share Offering is beneficiary to the Company's full display of achievements in technology innovation and brand value expression. It will help the Company comprehensively develop a new pattern of diversified development in the industrial chain, and foster a corporate brand image of technology innovation, enhancing its influence on economic and social development, scientific and technological progress, and the improvement of its competitiveness in the international market.

(3) Equity Financing Activities in the Past Twelve Months

The Company did not conduct any equity financing activities or issue any equity securities within the 12 months immediately preceding the date of this circular.

LETTER FROM THE BOARD

5. Appointing an Audit Firm for the Domestic Annual Audit of the Company

In accordance with the Articles of Association, the Listing Rules, the Administrative Measures for Issuance and Trading of Corporate Bond and the administrative requirements of SASAC for financial final accounts, and with deliberation by the General Manager's office meeting of the Company, the Company intends to appoint ShineWing Certified Public Accountants (Special Partnership) as its domestic annual auditor for 2021, with a 45% discount of the standard annual final accounts audit fee published by Beijing Municipal Finance Bureau.

6. Independent Non-executive Director's Remuneration

At the first extraordinary general meeting of 2021 of the Company, Mr. Tian Jiahe was elected as an independent non-executive director of the third session of the Board .

Mr. Tian Jiahe is a top expert in the field of cardiology, oncology and brain nuclear medicine, and can contribute to the business development of the Company. Moreover, Mr. Tian Jiahe has the necessary working experience and professional ability to perform the duties as an independent non-executive director, and can ensure that he will act diligently, make judgments independently, perform the duties as an independent non-executive director effectively and safeguard the interests of the Company and shareholders.

Mr. Tian Jiahe did not receive any remuneration from the Company previously. Based on comprehensive consideration of multiple factors such as business expertise, senior professional experience, and years of working experience of Mr. Tian Jiahe, the Board hereby propose that the remuneration of Mr. Tian Jiahe, an independent non-executive director, is RMB200,000/year.

7. EGM, DOMESTIC SHARES CLASS MEETING AND H SHARES CLASS MEETING

The Company will convene the EGM, Domestic Shares Class Meeting and H Shares Class Meeting at 9:30 a.m. 10:45 a.m. and 11:00 a.m. on Monday, 29 November 2021 at Room 305, 3/F, No. 66 Changwa Middle Street, Haidian District, Beijing, China. The notices and the proxy forms for the EGM, Domestic Shares Class Meeting and H Shares Class Meeting have been dispatched and published on 9 November 2021.

LETTER FROM THE BOARD

8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 82 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman, 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. Accordingly, the chairman of the EGM, Domestic Shares Class Meeting and H Shares Class Meeting will demand a poll in relation to every resolution proposed at the EGM, Domestic Shares Class Meeting and H Shares Class Meeting.

9. RESPONSIBILITY STATEMENT

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

10. RECOMMENDATION

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

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

By Order of the Board
China Isotope & Radiation Corporation
Meng Yanbin
Chairman

Beijing, PRC

**APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

Annex:

**PRICE STABILIZATION PLAN OF A SHARES WITHIN THREE YEARS
AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES
OF CHINA ISOTOPE & RADIATION CORPORATION**

In order to protect the interests of investors and further define the measures to stabilize the A Share price of China Isotope & Radiation Corporation (hereinafter referred to as the “Company”) when the A Share price of the Company is less than the net assets per share within three years following the initial public offering and listing of A Shares on the Science and Technology Innovation Board (hereinafter referred to as the “Listing”), the plan to stabilize the A Share price of the Company within three years after the initial public offering and listing of A Shares on the Science and Technology Innovation Board has been formulated as follows in accordance with the requirements of the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of New Share Offering System:

**(I) CONDITIONS FOR INITIATING MEASURES FOR STABILIZING SHARE
PRICES**

If the closing price of A Shares of the Company has been lower than the latest audited net assets per share (net assets per share = total equity attributable to the ordinary shareholders of the parent company in the combined financial statements ÷ total number of shares of the Company as at the end of the period, hereinafter the same; in case of ex-rights and ex-dividends matters, the above net assets per share will be adjusted correspondingly) for 20 consecutive (hereinafter referred to as the “Triggered Conditions”) within three years following the Listing, the Company will initiate this plan according to the then effective laws, regulations, normative documents, the Articles of Association and other requirements, and will negotiate with the Company’s directors and senior management to propose a specific plan for stabilizing the share price, so as to promptly fulfill the corresponding approval procedures and information disclosure obligations. Upon the announcement of proposal to stabilize the A Shares price by the Company, if the closing price of A Shares of the Company has been higher than the latest audited net assets per share of the Company for 20 consecutive trading days, the Company will cease implementing share price stabilizing measures. After the Company guarantees the implementation of A Shares price stabilizing measures, the equity distribution of the Company should still meet the listing conditions.

(II) SPECIFIC MEASURES TO STABILIZE THE A SHARE PRICE

If the Company triggers the Triggered Conditions, and if the Company also satisfies the requirements of regulatory authorities for repurchase, increase in equity and other changes in equity, the Company and relevant entities will take one or more of the following measures to stabilize the share price of the Company in the following order: (1) repurchase of A Shares by the Company; (2) increase in holding of A Shares by the controlling shareholders of the Company; (3) increase in holding of A Shares by directors (other than independent Directors

APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF THE COMPANY

and directors who have not been paid by the issuer, hereinafter the same) and senior management of the Company; (4) other A Share price stabilizing measures recognized by the securities regulatory authorities. The Company and the directors and senior management of the Company can implement specific share price stabilization measures simultaneously or step-by-step, depending on the actual situation of the Company and stock market conditions.

While the Company is formulating specific implementation plans for A Share price stabilization, it shall consider the actual situation at that time as well as the function and effect of various A Share price stabilizing measures comprehensively. Subject to the requirements of relevant laws and regulations, the parties shall then determine and inform the implementation subject of this plan of A Share price stabilization, and announce the specific implementation plan before initiating the share price stabilization measures. If the A Share price of the Company no longer satisfies the conditions of initiating the share price stabilization measures of the Company before the implementation of A Share price stabilization plan, such plan shall no longer be proceeded with.

1. Repurchase of A Shares by the Company

- (1) The Company's repurchase of A Shares with a view to stabilizing the share price shall comply with the requirements of the relevant laws and regulations such as the Administrative Measures for the Repurchase of Public Shares by Listed Companies (Provisional) (《上市公司回購社會公眾股份管理辦法(試行)》), and the Supplementary Provisions on the Repurchase of Shares by Listed Companies through Call Auction (《關於上市公司以集中競價交易方式回購股份的補充規定》). The method of A Share repurchase shall be call auction, offer or other methods recognized by the securities regulatory authorities.
- (2) The Board of the Company shall make a resolution on the implementation of the plan to repurchase A Shares (including the number of shares to be repurchased, price range, repurchase period and other contents related to the repurchase) within 10 trading days from the date on which the obligation to repurchase A Shares is triggered for the first time, and submit to the general meeting for consideration. The A Shares repurchased according to a resolution of general meeting of the Company shall be cancelled by law, and capital reduction of the Company shall immediately be carried out.
- (3) The amount of funds for the repurchase of shares by the Company shall not exceed 30% of the audited net profit attributable to the shareholders of the parent company for the previous accounting year before the share repurchase. If the share price of the Company no longer satisfies the conditions for the initiation of the share price stabilization measures of the Company, the Company may cease to repurchase shares from the public shareholders.

**APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

2. Increase in holding of A Shares of the Company by the controlling shareholders

- (1) When any of the following conditions occurs, the controlling shareholders shall increase their holding of A Shares for the purpose of share price stabilization according to the requirements of relevant laws and regulations such as the Measures for the Administration of the Acquisitions of Listed Companies (《上市公司收購管理辦法》): 1) after the implementation period of the A Share repurchase plan of the Company expires, the closing price of A Shares of the Company has been lower than the most recent audited net assets per share of the Company for 20 consecutive trading days; 2) the Company does not announce the A Share repurchase plan as scheduled according to the requirements of this plan; 3) the share repurchase plan of the Company is not passed at the general meeting of the Company due to various reasons.
- (2) The controlling shareholders of the Company shall, within 10 trading days from the date triggering the obligation to stabilize A Shares, inform the Company in written form regarding their specific plan to increase the holding of A Shares of the Company (including the intended number of shares to be acquired, price range, period of acquisition and other contents related to the acquisition), and the Company will make an announcement thereon.
- (3) The requirements for the controlling shareholders to increase their holding of A Shares:

Subject to the relevant requirements of stock trading, the controlling shareholders shall increase their holding of A Shares through call auction in the stock exchange based on the amount and period of share acquisition determined in the specific plan of A Share price stabilization of the Company; the total amount of A Shares acquired shall not exceed 30% of the accumulated cash dividends obtained by the controlling Shareholder from the Company since the Listing of the Company. Upon the announcement of the plan of increase in holding of A Shares of the Company by the controlling shareholders, if the A Share price of the Company fails to meet the conditions for initiating the share price stabilization measures of the Company, the controlling shareholders may cease to increase their holding of shares. The controlling shareholders of the Company shall not sell the acquired shares within 6 months after the completion of the share acquisition plan.

3. Increase in shareholding by directors and senior management

- (1) When any of the following conditions occurs, the directors and senior management of the Company shall increase their holding of A Shares for the purpose of A Share price stabilization according to the requirements of relevant laws and regulations such as the Measures for the Administration of the Acquisitions of Listed Companies (《上市公司收購管理辦法》) and the Rules on the Management of Shares Held by the Directors, Supervisors and Senior Management of Listed Companies and the

**APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

Changes Thereof (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》): 1) after the implementation period of the A Share acquisition plan of the controlling shareholders expires, the closing price of A Shares of the Company has been lower than the most recent audited net assets per share of the Company for 20 consecutive trading days; 2) the controlling shareholders do not announce the share acquisition plan as scheduled.

- (2) The directors and senior management of the Company shall, within 10 trading days from the date triggering the obligation to stabilize A Shares, inform the Company in written form regarding their specific plan to increase the holding of A Shares of the Company (including the intended number of shares to be acquired, price range, period of acquisition and other contents related to the acquisition), and the Company will make an announcement thereon.
- (3) Subject to the relevant requirements of stock trading, the controlling shareholders shall increase their holding of shares through call auction in the stock exchange based on the amount and period of share acquisition determined in the specific plan of A Share price stabilization of the Company; the total amount of A Shares acquired shall not exceed 30% of the total amount of post-tax remuneration and post-tax cash dividends obtained from the Company during the period from the beginning of the previous year to the date when the Board of Directors approves the specific plan of A Share price stabilization. Upon the announcement of the plan of increase in holding of A Shares of the Company by the directors and senior management of the Company, if the A Share price of the Company fails to meet the conditions for initiating the share price stabilization measures of the Company, they may cease to increase their holding of shares. The directors and senior management of the Company shall not sell the acquired shares within 6 months after the completion of the share acquisition plan.
- (4) If the Company appoints new directors and senior management within three years since the Listing date of the Company, and the aforementioned newly appointed personnel comply with the relevant requirements of this plan, the Company will require such newly appointed directors and senior management to fulfill the corresponding commitment of the directors and senior management made at the time of the Listing of the Company.

4. Other A Share price stabilizing measures

- (1) Subject to the laws, regulations and relevant requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and under the premise of ensuring the operating funds requirements of the Company, as approved by the Board of Directors and at the general meeting, the Company stabilizes the share price of the Company by means of profit distribution or converting capital reserve fund into share capital;

**APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

- (2) Subject to the laws, regulations and relevant requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange, the Company enhances the performance of the Company and stabilizes the share price of the Company through expenditure reduction, limiting remuneration of senior management, halting equity incentive plans and other means;
- (3) Other means required by laws, administrative rules, normative documents and recognized by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

(III) CIRCUMSTANCES OF TERMINATING A SHARE PRICE STABILIZATION PLAN

This share price stabilization plan and the relevant subject undertakings are deemed to be completed, and the announced share price stabilization plan shall be terminated, if any of the following events occurs during the period from the date of announcement of A Share price stabilization plan to the completion of such plan:

1. The closing price of A Shares of the Company has been higher than the most recent audited net assets per share of the Company for 20 consecutive days;
2. Proceeding with the increase in the holding or repurchase of A Shares of the Company will lead to the failure of the distribution of the Company's shareholding to comply with the statutory listing conditions.

(IV) RESTRICTION MEASURES ON FAILING TO FULFILL THE REQUIRED OBLIGATIONS

If the Triggered Conditions are met but the Company, the controlling shareholders, directors and senior management with share acquisition obligation fail to take the above specific measures to stabilize the A Share price, they undertake to accept the following restriction measures:

1. If the Company fails to take the A Share price stabilization measures, the Company shall announce the relevant situation within 5 trading days from the date when the Company's failure to take the A Share price stabilization measures is confirmed. The Company will explain and timely disclose the specific reasons for failure to fulfill, being unable to fulfill or not being able to fulfill as planned, and make an apology to the shareholders and public investors of the Company at the general meeting of the Company and on the newspapers designated by the China Securities Regulatory Commission. Except for force majeure, if the investors suffer losses due to the failure of the Company to fulfill its undertakings, the Company shall compensate the investors for losses and assume corresponding responsibilities according to the requirements of the laws, regulations and relevant regulatory authorities.

**APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

2. If the controlling shareholders of the Company fail to take the A Share price stabilization measures, the Company shall announce the relevant situation within 5 trading days from the date of obtaining confirmation. The controlling shareholders of the Company will explain and timely disclose the specific reasons for failure to fulfill, being unable to fulfill or not being able to fulfill as planned, and make an apology to the other shareholders and public investors of the Company at the general meeting of the Company and on the newspapers designated by the China Securities Regulatory Commission. Except for force majeure, if the other investors suffer losses due to the failure of the controlling shareholders to fulfill their undertakings, such controlling shareholders shall compensate the other investors for losses and assume corresponding responsibilities according to the requirements of the laws, regulations and relevant regulatory authorities. The Company is entitled to withhold the cash dividends equivalent to the funding required for the controlling shareholders to fulfill their undertakings, until the controlling shareholders take corresponding measures and complete the implementation as undertaken.
3. If the directors and senior management of the Company with A Share acquisition obligation fail to take the A Share price stabilization measures, the Company shall announce the relevant situation within 5 trading days from the date of obtaining confirmation, the directors and senior management of the Company with share acquisition obligation will explain and timely disclose the specific reasons for failure to fulfill, being unable to fulfill or not being able to fulfill as planned, and make an apology to the shareholders and public investors of the Company at the general meeting of the Company and on the newspapers designated by the China Securities Regulatory Commission. Except for force majeure, if the investors of the Company suffer losses due to the failure of the directors and senior management of the Company with share acquisition obligation to fulfill their undertakings, the above directors and senior management shall compensate the investors of the Company for losses and assume corresponding responsibilities according to the requirements of the laws, regulations and relevant regulatory authorities. Since the date of incompliance with the aforementioned undertakings, the Company is entitled to withhold the remuneration payable to the above directors and senior management equivalent to the funding required for the above directors and senior management to fulfill their undertakings for that year and subsequent years, and restrict the shares of the Company held by the above directors and senior management (if any) from transferring, until the directors and senior management of the Company with share acquisition obligation take corresponding share acquisition measures and complete the implementation as undertaken. Within three years from the date of the Listing, if the Company is going to elect new directors and senior management in the future, the Company will request them to make and fulfill the above undertakings.

**APPENDIX I PROPOSAL ON PRICE STABILIZATION PLAN OF A SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

- (V) THIS PLAN WILL TAKE EFFECT FROM THE DATE OF THE LISTING UPON
CONSIDERATION AND APPROVAL BY THE GENERAL MEETING OF THE
COMPANY**

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING REGARDING THE TRUTHFULNESS,
ACCURACY AND COMPLETENESS OF THE PROSPECTUS FOR
THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING ON
THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

With regard to the truthfulness, accuracy and completeness of the contents of the prospectus (the “Prospectus”) submitted by China Isotope & Radiation Corporation (the “Company”) to the Shanghai Stock Exchange (the “SSE”) and the China Securities Regulatory Commission (the “CSRC”) and relevant restrictions, the Company hereby undertakes the following:

- (1) The prospectus does not contain any false statement, misleading representation or material omission, and there is no fraudulent issuance and registration. The Company severally and jointly accepts legal responsibility as to the truthfulness, accuracy and completeness of the contents of the prospectus.
- (2) If the prospectus contains any false statement, misleading representation or material omission, or if there is any fraudulent issuance and registration causing losses to investors when trading securities of the Company, the Company shall compensate the investors in accordance with the law. In particular, after the CSRC issues an official written administrative punishment decision to the Company and determines that the Company had committed the aforementioned violations, the Company shall make arrangement for registration for public investors who had claimed for compensation, and make timely payment upon verification of their qualification and amount of loss.
- (3) If the CSRC, the SSE or other competent authority determines that the prospectus contains any false statement, misleading representation or material omission which materially and practically affects the judgment on whether the Company fulfills the conditions for the initial public offering and listing of A Shares on the Science and Technology Innovation Board as stipulated under laws, regulations and regulatory documents, or if there is any fraudulent issuance and registration, the Company to undertake that it will repurchase all new shares of the Company issued under the initial public offering in accordance with the law through the following means, specifically:
 - ① to the extent permitted by laws, if the aforementioned events occurred during the period in which the issuance of new shares of the Company issued under the initial public offering had completed but the new shares are not yet listed for trading, the Company shall repurchase all new shares of the Company issued under the initial public offering from successful online investors and offline investors at the offer price, plus interest thereon at the prevailing bank deposit rate, within 30 working days from the date on which the CSRC, the SSE or other competent authority determined that the aforementioned events had occurred within the Company;

- ② to the extent permitted by laws, if the aforementioned events occurred after the completion of listing of new shares of the Company issued under the initial public offering, the Company shall formulate a share repurchase proposal and submit such proposal to the shareholders' meeting for approval within 5 working days from the date on which the CSRC, the SSE or other competent authority determined that the aforementioned events had occurred within the Company. All new shares of the Company issued under the initial public offering shall be repurchased through the trade system of the SSE. The repurchase price shall be determined based on the offer price with reference to relevant market factors. In the event of any ex-right or ex-dividend events, such as dividends distribution, issuance of bonus shares or capital conversion from capital reserve, upon the listing of A Shares of the Company, the aforementioned offer price shall be adjusted accordingly.

If the Company fails to make repurchase or compensation to investors on a timely basis, the Company will explain the specific reasons for non-performance at the general meeting and on the media designated by the CSRC, and apologize to its shareholders and public investors. Shareholders and public investors are entitled to request the Company through legal means to fulfill its commitments. Meanwhile, the Company will make compensation for any loss incurred by shareholders and public investors as a result of such non-performance in accordance with laws.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on the Truthfulness, Accuracy and Completeness of the Information Provided for the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON THE TRUTHFULNESS,
ACCURACY AND COMPLETENESS OF THE SUBMISSIONS FOR
THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING ON
THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

With regard to the truthfulness, accuracy and completeness of the submissions made by China Isotope & Radiation Corporation (the “Company”) to the Shanghai Stock Exchange (the “SSE”) and the China Securities Regulatory Commission (the “CSRC”) in relation to the initial public offering of A shares of the Company and listing on the Science and Technology Innovation Board, the Company hereby undertakes the following:

During the period of application for public offering of shares and listing on the Science and Technology Innovation Board of the SSE, the Company has fully disclosed the information necessary for investors to make value judgments and investment decisions in accordance with relevant laws, and the information disclosed and the application documents submitted by the Company are true, accurate and complete, and there is no false statement, misleading representation or material omission. If the Company breaches the above undertaking, it will bear all legal responsibilities arising therefrom.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on the Truthfulness, Accuracy and Completeness of the Submissions for the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON STABILIZATION OF A SHARE PRICE
FOR THREE YEARS AFTER THE COMPANY'S INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCIENCE
AND TECHNOLOGY INNOVATION BOARD**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “Listing”), in order to stabilize the A share price of the Company, the Company hereby undertakes the following:

1. Within three years from the listing of the Company, if the closing price of the Company's A shares is lower than the Company's latest audited net assets per share (net assets per share = total equity attributable to holders of ordinary shares of the parent company in the consolidated financial statements ÷ total number of shares of the Company at the end of the period, the same shall apply below; in the event of any ex-right or ex-dividend events, the above net assets per share shall be adjusted accordingly) for 20 consecutive trading days (the “Triggered Conditions”), the Company will activate the Company's share price stabilization plan as considered and approved by the board of directors and the shareholders' general meeting of the Company in accordance with relevant laws, regulations, regulatory documents, Articles of Association and other requirements in effect at the time, and take one or more of the following measures in order to stabilize the Company's A share price.
 - (1) Repurchase of its own A shares by the Company;
 - (2) The controlling shareholders increase their shareholdings in the A shares of the Company;
 - (3) Directors (excluding independent non-executive directors) and senior management increase their shareholdings of A shares of the Company; and
 - (4) Other measures to stabilize the price of the Company's A shares as approved by the securities regulatory authorities.

2. Upon fulfillment of the Triggered Conditions, if the Company, directors and senior management who have the obligation to increase their shareholdings fail to take the above specific measures to stabilize the share price, the Company undertakes to accept the following restrictions:

If the Company fails to perform the share price stabilization measures, the Company shall announce the relevant circumstances within five trading days after the fact of non-fulfillment of the share price stabilization measures is confirmed, and the Company shall make a public explanation at the shareholders' general meeting and in the newspaper designated by the CSRC, so as to fully disclose in a timely manner the specific reasons why the undertaking has not been fulfilled, cannot be fulfilled or cannot be fulfilled as scheduled, and apologize to the shareholders of the Company and public investors. Except for force majeure, if the Company causes losses to investors as a result of its failure to fulfill its undertakings, the Company shall compensate the investors for the losses and bear the corresponding responsibilities in accordance with the laws, regulations and the requirements of relevant regulatory authorities.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on Stabilization of A Share Price within Three Years After the Company's Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON NO SPECIAL AGREEMENT OR
ARRANGEMENT FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND
LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of A shares and listing on the Science and Technology Innovation Board, the Company hereby undertakes the following:

As of the date of this letter of undertaking, there is no special agreement or arrangement such as a bet-on agreement between the Company and all shareholders of the Company, including China National Nuclear Corporation, China Institute of Atomic Energy, Nuclear Power Institute of China, Beijing CNNC Industry Investment Fund (LLP), CNNC 404 Company Limited, China Aerospace Investment Co., Ltd., China Baoyuan Investment Co., Ltd. and Beijing Aerospace Industry Investment Fund LLP.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on No Special Agreement or Arrangement for the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON NOT HAVING RELATED RELATIONSHIPS
WITH MAJOR SUPPLIERS AND CUSTOMERS**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of A shares and listing on the Science and Technology Innovation Board, the Company hereby undertakes the following:

1. From January 1, 2018 to June 30, 2021, except for China National Nuclear Corporation and China National Nuclear Corporation Dalian Institute of Applied Technology, the Company has no relationship with the Company’s major suppliers and customers (referring to the Company’s major suppliers and customers for the years of 2018, 2019 and 2020 and January to June 2021, as detailed in the appendix) and their actual controllers or major shareholders¹.
2. If any of the above is untrue, the Company undertakes to bear all responsibilities arising therefrom and to fully compensate or indemnify investors for all losses caused thereby.

In the event of any change in the above matters, the Company will immediately notify the investors and the intermediaries engaged by the Company for the listing. If it is necessary to re-sign the letter of undertaking due to changes in the above matters of undertaking, the Company will re-sign the letter of undertaking to replace this letter of undertaking.

¹ No related relationship means that there is no following relationship between the Company and the suppliers or customers: (1) directly or indirectly controlling the other party or acting in concert with the controlling shareholder of the other party; (2) controlled by the same controlling shareholder or actual controller as the other party; (3) the Company is a legal person controlled by the directors and senior management of suppliers and customers and their close family members or in which such persons serve as directors, supervisors or senior management; (4) the suppliers and customers are legal persons or other organizations controlled by the Company’s directors, supervisors, senior management and their close family members or in which such persons serve as directors or senior management; (5) the suppliers and customers are legal persons or other organizations controlled by the directors, supervisors, senior management of the controlling shareholders of the Company and their close family members or in which such persons serve as directors or senior management. Control is defined and determined herein by reference to the provisions of Articles 7 to 25 of the Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements as currently in effect, and the amendments and changes to the foregoing provisions in subsequent revisions.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on Not Having Related Relationships with Major Suppliers and Customers, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON HAVING NO EQUITY RELATIONSHIP OR
OTHER INTEREST RELATIONSHIP WITH INTERMEDIARIES**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of shares and listing on the Science and Technology Innovation Board, the Company hereby undertakes the following:

As of the date of this letter of undertaking, there is no direct or indirect equity relationship or other undisclosed interest relationship between the Company and the intermediaries related to the offering and listing (including China International Capital Corporation Limited (“CICC”) and Beijing Junhe Law Firm and KPMG Huazhen LLP) and their principals, senior management and executives.

In accordance with the requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange, the relevant subsidiaries established by CICC, the sponsor of the Company, in accordance with relevant laws or other relevant subsidiaries established by the securities companies actually controlling CICC in accordance with relevant laws which participate in the strategic placement under the offering and obtain shares of the Company are not subject to the undertaking.

In the event of any change in the above matters, the Company will immediately notify the investors and the intermediaries engaged by the Company for the listing. If it is necessary to re-sign the letter of undertaking due to changes in the above matters of undertaking, the Company will re-sign the letter of undertaking to replace this letter of undertaking.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on Having No Equity Relationship or Other Interest Relationship with Intermediaries, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
MEASURES AND UNDERTAKINGS TO RECOVER DILUTED
IMMEDIATE RETURN**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of shares and listing on the Science and Technology Innovation Board (the “Offering and Listing”), upon completion of the Offering and Listing, the Company’s share capital and net assets will be significantly increased. However, given that it will take some time to implement the investment projects to be financed by the proceeds, which may lead to a decrease in the Company’s earnings per share, return on net assets and other indicators, investors are exposed to the risk of dilution of the Company’s immediate return after the listing.

In order to reduce the impact of the public offering on dilution of the Company’s immediate return, the Company will continue to implement various improvement measures to enhance the efficiency of the Company’s daily operations, reduce operating costs and improve the Company’s operating performance. The Company undertakes to take the following measures.

**1. IMPROVING THE COMPANY’S SUSTAINABLE PROFITABILITY THROUGH
STRENGTHENED RESEARCH AND DEVELOPMENT AND BUSINESS
EXPANSION**

The company will continue to consolidate and give full play to its advantages in research and development, production and sales, continuously diversify and improve its products, enhance research and development of technologies, continue to expand its market, and enhance its sustainable profitability, thereby achieving sustainable and stable corporate development.

**2. STRENGTHENING INTERNAL MANAGEMENT, ENHANCING OPERATIONAL
EFFICIENCY AND REDUCING OPERATING COSTS**

The Company will actively promote product optimization, improvement of R&D and production processes and transformation and upgrading of technical equipment, strengthen refined management, continuously improve operational efficiency and reduce losses. At the same time, the Company will strengthen budget management and control the Company’s expense ratio.

**3. STRENGTHENING PROCEEDS MANAGEMENT, ACCELERATING THE
CONSTRUCTION OF INVESTMENT PROJECTS AND ENHANCING THE
EFFICIENCY OF USE OF PROCEEDS**

The Company has formulated the Rules for Management of Proceeds from A Share Offering of China Isotope & Radiation Corporation in accordance with relevant laws, regulations, regulatory documents and the provisions of the Articles of Association of China Isotope & Radiation Corporation (Draft) (the “Draft Articles of Association”), which provides clear regulations on the special deposit account, use, change of use, management and supervision of the proceeds. In order to ensure that the Company uses the proceeds in a standardized and effective manner, upon receipt of the proceeds, the board of directors of the Company will continuously supervise the Company’s special deposit of the proceeds, ensure that the proceeds are used for the construction of the aforementioned projects, cooperate with the supervisory bank and the sponsor in the inspection and supervision of the use of the proceeds, ensure the reasonable and standardized use of the proceeds, and reasonably prevent the risks in relation to use of proceeds.

In addition, the Company will also focus on the preliminary work of the investment projects and make reasonable arrangement for the investment and construction of the projects, strive to shorten the construction period of the projects and achieve early commencement of production and operation of the investment projects. With the gradual implementation of the projects, the gradual increase in production capacity and further market expansion, the Company’s profitability will be further enhanced and its operating results will be significantly improved, which will help to recover the dilution of immediate return of shareholders caused by the offering.

**4. IMPROVING PROFIT DISTRIBUTION MECHANISM AND STRENGTHENING
INVESTMENT RETURN MECHANISM**

The Company has formulated a dividend distribution plan for shareholders in accordance with the relevant requirements of the CSRC and specified the dividend policy in the Draft Articles of Association to safeguard the interests of the Company’s shareholders, especially minority shareholders, and enhance investor returns.

The Company undertakes that it will take active measures to compensate for the diluted immediate return. In the event of any breach of the foregoing undertaking, the Company will promptly announce the facts and reasons for the breach and, except for force majeure or other reasons not attributable to the Company, will apologize to the shareholders of the Company and public investors, and at the same time propose supplementary undertakings or alternative undertakings to investors in order to safeguard the interests of investors with best efforts and implement the supplementary undertakings or alternative undertakings after consideration and approval at the shareholders’ general meeting of the Company.

(This is the signing page for the Measures Taken by and Undertakings of China Isotope & Radiation Corporation to Recover Diluted Immediate Return, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON ABSENCE OF MATERIAL LITIGATION,
ARBITRATION OR ILLEGAL ACTS**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of A shares and listing on the Science and Technology Innovation Board, the Company hereby undertakes the following:

1. As of the date of this letter of undertaking, the Company and its holding subsidiaries are not subject to any litigation or arbitration that may have a significant impact on the Company’s financial position, operating results, reputation, business activities and future prospects.
2. The Company is not involved in any criminal offences of corruption, bribery, embezzlement of property, misappropriation of property or disruption of order of the socialist market-oriented economy, fraudulent issuance, violation of laws in relation to material information disclosure or other material illegal acts in relation to national security, public security, ecological safety, production safety, public health and safety or any other material illegal acts within the last three years (including those occurred three years ago but are still ongoing), nor is there any public or disguised public issuance of securities without the approval of statutory authorities.

The Company agrees to be responsible for and indemnify the investors for all losses, damages and expenses caused by confirmed untruthfulness of the above statement.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on Absence of Material Litigation, Arbitration or Illegal Acts, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON RESTRICTIONS FOR FAILURE TO
FULFILL PUBLIC UNDERTAKINGS IN RELATION TO
THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING ON
THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of A shares and listing on the Science and Technology Innovation Board (the “Offering and Listing”), in order to safeguard the interests of public investors, the Company undertakes the following with respect to the fulfillment of undertakings made by the Company during the Offering and Listing:

1. The Company will strictly fulfill the obligations and responsibilities under all public undertakings (the “Undertakings”) made by it during the Offering and Listing.
2. In the event that the Company fails to fully or effectively fulfill its obligations or responsibilities under the Undertakings for reasons other than force majeure, the Company undertakes to restrict itself, as the case may be, by taking the following measures:
 - (1) The Company will publicly explain the specific reasons for not fulfilling its commitments and apologize to its shareholders and public investors at the shareholders’ general meeting and in the newspapers designated by the CSRC;
 - (2) The Company will assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities;
 - (3) If investors suffer losses in securities trading as a result of the Company’s failure to fulfill the above Undertakings, the Company will compensate the investors for the losses in accordance with relevant laws; the investors’ losses shall be determined in accordance with the manner and amount determined by the securities regulatory authorities and judicial authorities or through negotiations between the Company and the investors;
 - (4) The Company shall not increase the salaries or allowances of the directors, supervisors and senior management of the Company in any form until the Company has completely eliminated the adverse effects arising from the non-fulfillment of the relevant Undertakings.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on Restrictions for Failure to Fulfill Public Undertakings in Relation to the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON THE COMPANY'S PROFIT
DISTRIBUTION POLICY**

In view of the proposed application of China Isotope & Radiation Corporation (the "Company ") for initial public offering of shares and listing on the Science and Technology Innovation Board (the "Offering and Listing"), the Company hereby undertakes the following:

I. PROFIT DISTRIBUTION POLICY AFTER THE OFFERING AND LISTING

(i) Principles of profit distribution

1. The Company shall fully consider the return to investors and distribute dividends to shareholders annually based on a certain percentage of the profits for year available for distribution in the consolidated statements of the Company:
2. The Company shall maintain a continuous and stable profit distribution policy, while taking into account the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company:
3. The Company shall prioritize cash dividends for profit distribution.

(ii) Detailed policies for profit distribution

1. Form of profit distribution: Subject to the relevant provisions and conditions of the relevant laws, regulations and regulatory documents, while maintaining the continuity and stability of the profit distribution policy, the Company may distribute profits by way of cash dividends, scrip dividends or a combination of both. The board of directors of the Company may formulate an annual or interim dividend distribution plan based on the Company's current profit size, cash flow position, development stage and capital requirements.
2. Specific conditions and ratio of cash dividends: Except for special circumstances, if the Company is profitable in the current year and the accumulated undistributed profits are positive, the Company shall give priority to the distribution of dividends in cash after full appropriation of statutory reserve and discretionary reserve. Provided that the conditions for cash dividends are met, the accumulated profits distributed in cash by the Company in the last three years shall not be less than 30% of the average annual distributable profits realized in the last three years.

Special circumstances refer to:

- (1) where the production and operation of the Company is significantly affected by force majeure events (such as war, natural disasters, etc.);
- (2) where the net cash flow from operating activities for the year is negative and the distribution of cash dividends will affect the subsequent sustainable operation of the Company;
- (3) the auditor has not issued a standard unqualified audit report on the Company's financial report for the year;
- (4) where the Company has significant investment plans or other significant cash expenditures (except for the fund-raising projects).

Significant investment plan or significant cash expenditures refer to the Company's proposed external investment, acquisition of assets or purchase of equipment within the next twelve months with a total amount equivalent to 30% or above of the Company's latest audited net assets.

3. Specific conditions for distribution of scrip dividends by the Company: The Company may propose for distribution of scrip dividends when it maintains stable operation and when the board of directors believes that the price of the Company's shares does not match the size of the Company's share capital and that the distribution of scrip dividends is beneficial to the overall interests of all shareholders of the Company, provided that the above conditions for cash dividends are satisfied. When the Company distributes profits by way of scrip dividends, it shall be conducted on the premise of giving shareholders a reasonable cash dividend return and maintaining an appropriate size of share capital, and the Company shall take into account actual conditions and reasonable factors such as the growth of the Company and dilution of net assets per share.
4. Interval of profit distribution: Provided that the conditions for profit distribution are met, the Company will, in principle, make profit distribution once a year. Provided that the conditions for cash dividends are met, the Company will actively distribute dividends in cash. When conditions are available, the board of directors of the Company may propose the Company to distribute interim cash dividends based on the actual operating conditions of the Company.

(iii) Differentiated cash dividend policy

When distributing dividends, the board of directors of the Company shall take into account the characteristics of the industry in which it operates, the stage of development, its own business model, the level of profitability and whether there are significant capital expenditure arrangements, distinguish the following circumstances and propose a differentiated cash dividend policy in accordance with the procedures stipulated in the Articles of Association of China Isotope & Radiation Corporation:

1. Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution during the profit distribution;
2. Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution during the profit distribution;
3. Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution during the profit distribution.

If it is difficult to determine the Company's stage of development while it has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding paragraph. The main dividend distribution method of the Company is cash dividend; while making the above cash dividend distribution, the board of directors of the Company may propose a profit distribution plan for scrip dividends at the shareholders' general meeting for consideration.

(iv) Decision-making procedures and mechanisms for profit distribution of the Company

1. The profit distribution plan of the Company shall be prepared by the management and submitted to the Board of Directors and the Board of Supervisors of the Company for consideration. The Board of Directors shall thoroughly discuss the reasonableness of the profit distribution plan and form a special proposal and submit it to the shareholders' general meeting for consideration. When the Company has achieved profitability in the previous fiscal year but the board of directors does not distribute cash dividends or distributes profits at a ratio lower than the cash dividend ratio stipulated in the articles of association, the independent non-executive directors shall provide independent opinions and the Company shall provide online voting to facilitate the public shareholders to vote at the general meeting;

2. When the Company formulates a specific proposal for cash dividends, the board of directors shall carefully study and discuss matters such as the timing, conditions and minimum ratio of the Company's cash dividends, the conditions for adjustment and the requirements of its decision-making procedures, and the independent non-executive directors shall provide their independent opinions. Independent non-executive directors may solicit the opinions of minority shareholders and put forward dividend distribution proposal and submit it directly to the board of directors for consideration;
3. Before considering the specific cash dividend proposal at the general meeting, the Company shall communicate and exchange views with shareholders (especially minority shareholders) through various channels (including but not limited to telephone, fax, email, physical meeting, etc.), fully listen to the opinions and demands of minority shareholders and promptly respond to the concerns of minority shareholders.

(v) Adjustment of profit distribution policy of the Company

In the event of force majeure such as war, natural disasters, or changes in the Company's external business environment (such as adjustments in national policies and regulations) that have a significant impact on the Company's production and operation, or if the Company's own operating conditions change significantly, the Company may adjust its profit distribution policy.

Adjustment of the profit distribution policy by the Company shall be subject to a special discussion by the board of directors, a detailed justification for the adjustment, a written justification report and consideration by the independent non-executive directors before submission to the shareholders' general meeting for approval by way of special resolution. The Company shall provide the shareholders with the online voting method when considering the matters of change of profit distribution policy. The shareholders' general meeting shall fully consider the opinions of the minority shareholders when considering the matter of change of policy on profit distribution plan.

**II. ARRANGEMENTS FOR THE DISTRIBUTION OF THE COMPANY'S
ACCUMULATED PROFITS BEFORE THE OFFERING AND LISTING**

The Company's undistributed profits accumulated prior to the completion of the Offering and Listing shall be shared by the new and existing shareholders registered after the Offering and Listing in proportion to their shareholdings.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on the Company's Profit Distribution Policy, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING REGARDING THE INITIAL PUBLIC OFFERING OF
A SHARES AND LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION
BOARD WITHOUT FRAUDULENT ISSUANCE AND LISTING**

In view of the proposed application of China Isotope & Radiation Corporation (the “Company”) for initial public offering of shares and listing on the Science and Technology Innovation Board of the SSE (the “Offering and Listing”), the Company hereby undertakes the following:

There is no false statement, misleading representation or material omission in the application documents for the Offering and Listing of the Company, and the Company does make any fraudulent act for the registration of issuance due to failure to not meet the conditions for the Offering and Listing.

If the foregoing undertaking is violated and the Company has completed the Offering and Listing, the Company will repurchase its shares under the initial public offering from investors within a certain period in accordance with relevant laws after the competent authorities such as the China Securities Regulatory Commission, the stock exchange or judicial authorities have made a determination or punishment decision on the above facts in accordance with relevant laws.

(This is the signing page for of the Letter of Undertaking of China Isotope & Radiation Corporation Regarding the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board without Fraudulent Issuance and Listing, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON THE CONSISTENCY BETWEEN
THE ELECTRONIC APPLICATION DOCUMENTS AND THE ORIGINAL
DOCUMENTS IN RELATION TO THE INITIAL PUBLIC OFFERING OF A SHARES
AND LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

For the electronic documents submitted by China Isotope & Radiation Corporation (the “Company”) to the Shanghai Stock Exchange (“SSE”) and the China Securities Regulatory Commission (“CSRC”) in connection with the Company’s application for the initial public offering of A shares and listing on the Science and Technology Innovation Board (the “Offering and Listing”), the Company hereby undertakes the following:

The electronic documents submitted by the Company to the SSE and the CSRC in connection with the Offering and Listing are consistent and in conformity with the original documents kept by the Company. If the Company breaches the above undertaking, it will bear all legal responsibilities arising therefrom.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on the Consistency Between the Electronic Application Documents and the Original Documents in relation to the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON NO INFLUENCE ON AND INTERFERENCE
WITH THE VETTING PROCESS FOR THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCIENCE AND TECHNOLOGY
INNOVATION BOARD**

China Isotope & Radiation Corporation (the “Company”), as an applicant for the initial public offering of A shares in China and listing on the Science and Technology Innovation Board (the “Offering”), hereby undertakes to you as follows:

1. During the vetting process of the Offering, the Company undertakes not to provide funds, gifts and other benefits directly or indirectly to your entity (including the Listing Committee of the Science and Technology Innovation Board), and undertakes not to influence the judgment of your entity (including the Listing Committee of the Science and Technology Innovation Board) on the issuer by improper means.
2. The Company undertakes not to interfere with the vetting process of your entity (including the Listing Committee of the Science and Technology Innovation Board).
3. The Company undertakes that its statements in response to the questions from the members of the Listing Committee of the Science and Technology Innovation Board are true, objective, accurate, complete, concise, and without any contents irrelevant to the vetting of the Offering.
4. If the Company violates the above undertaking, it will bear all legal responsibilities arising therefrom.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on No Influence on and Interference with the Vetting Process for the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
LETTER OF UNDERTAKING ON THE TRUTHFULNESS, ACCURACY AND
COMPLETENESS OF THE INFORMATION PROVIDED FOR THE INITIAL
PUBLIC OFFERING OF A SHARES AND LISTING ON THE SCIENCE AND
TECHNOLOGY INNOVATION BOARD**

For the initial public offering of A shares of China Isotope & Radiation Corporation (the “Company”) and listing on the Science and Technology Innovation Board (the “Listing”), the Company hereby undertakes the following:

As of the date of this letter of undertaking, the Company has disclosed truthfully and completely to the listing-related intermediaries (including China International Capital Corporation Limited and Beijing Junhe Law Firm and KPMG Huazhen LLP) and their executives all information, documents, data and materials required by the listing-related laws and regulations and reasonably requested by the listing-related intermediaries for the purpose of Listing. The information, documents, data and materials disclosed by the Company to the listing-related intermediaries are true, accurate and complete, and do not contain any untrue or misleading statements.

The Letter of Undertaking will take effect from the date of the affixation of the common seal of the Company.

(This is the signing page for the Letter of Undertaking of China Isotope & Radiation Corporation on the Truthfulness, Accuracy and Completeness of the Information Provided for the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

**CHINA ISOTOPE & RADIATION CORPORATION
SPECIAL LETTER OF UNDERTAKING ON DISCLOSURE OF SHAREHOLDERS'
INFORMATION FOR THE INITIAL PUBLIC OFFERING OF A SHARES AND
LISTING ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD**

For the initial public offering of A shares of China Isotope & Radiation Corporation (the “Company”) and listing on the Science and Technology Innovation Board (the “Listing”), according to the Guidelines on Application of Regulatory Rules – Information Disclosure on Shareholders of Enterprises Applying for Initial Public Offering and Listing issued by the China Securities Regulatory Commission, the Company undertakes that the domestic shareholders of the Company do not have the following circumstances:

1. Entities prohibited by laws and regulations from holding shares directly or indirectly hold the shares of the Company;
2. The Company’s intermediaries for the offering or their principals, senior management or executives directly or indirectly hold the shares of the Company;
3. The Company’s shareholders use the Company’s equity for improper transfer of benefits.

(This is the signing page for the Special Letter of Undertaking of China Isotope & Radiation Corporation on Disclosure of Shareholders' Information for the Initial Public Offering of A Shares and Listing on the Science and Technology Innovation Board, and contains no text)

Under the seal of China Isotope & Radiation Corporation

Signed by legal representative:

Dated:

APPENDIX III DETAILS OF THE INVESTMENT OF FUNDS RAISED

After deducting the issuance costs, the use of proceeds from the Offering are to be invested in the following projects:

No.	Project name	Total investment (RMB10,000)	Amount of proceeds proposed for use (RMB10,000)
1	Isotope medical center construction project	39,873.22	21,362.08
2	Radiation source R&D and production base construction project	54,417.19	22,154.19
3	Northern China molecular targeted diagnostic and therapeutic drug production base construction project	60,964.24	40,958.83
4	Shanghai molecular targeted diagnostic and therapeutic drug R&D and production base construction project	26,777.13	8,879.00
5	Radiotherapy drug R&D project	17,053.95	15,761.08
6	Important medical isotope R&D projects	11,005.40	4,141.00
7	Nuclear medicine equipment technology and product development projects	19,952.00	19,012.00
8	Radioactive material transport container development project	1,900.00	1,900.00
9	Low energy electronic curtain acceleration equipment R&D project	5,000.00	5,000.00
10	Medical diagnosis series product development project	12,210.00	12,210.00
11	R&D project on industrial application of radiation sterilization of COVID-19 in cold chain food	2,800.00	2,800.00
12	Supplement the working capital	30,000.00	30,000.00
Total		<u>281,953.13</u>	<u>184,178.18</u>

1. ISOTOPE MEDICAL CENTER CONSTRUCTION PROJECT**(1) Implementation schedule:**

No.	Project	Year 1	Year 2	Year 3
1	Kunming positron project	Completion of the installation, adjustment and trial of accelerators, and acquisition of positron drug radiation safety permit	Applying for two certificates and three batches of trial production of positron, off-site commissioning approval for positron to commence operation	–
2	Taiyuan positron project	Completion of the installation, adjustment and trial of accelerators, and acquisition of positron drug radiation safety permit	Applying for two certificates and three batches of trial production of positron, and obtaining off-site commissioning approval for positron to commence operation	–
3	Yichang medical center project	Completion of renovation of plant, acquisition of radiation safety permit, and completion of on-site examination of 3 batches of trial production	Obtaining two certificates and GMP compliance check to commence operation; and obtaining radiation safety permit for positron	Applying for two certificates and three batches of trial production of positron, and obtaining off-site commissioning approval for positron to commence operation
4	Lanzhou medical center project	Completion of plant construction and cleanroom GMP conversion	Obtaining radiation safety permit, conducted three batches of trial production and two certification submission	Obtaining two certificates and GMP compliance check, and obtaining off-site commissioning approval for positron to commence operation

No.	Project	Year 1	Year 2	Year 3
5	Guiyang medical center project	Completion of plant construction and cleanroom GMP conversion	Obtaining radiation safety permit, and conducting three batches of trial production and two certification submission	Obtaining two certificates and GMP compliance check, and obtaining off-site commissioning approval for positron to commence operation
6	Urumqi medical center project	Completion of plant construction and cleanroom GMP conversion	Obtaining radiation safety permit, and conducting three batches of trial production and two certification submission	Obtaining two certificates and GMP compliance check, and obtaining off-site commissioning approval for positron to commence operation
7	Zhengzhou medical center project	Completion of the GMP renovation of the cleanroom, installation and trial of the accelerator	Obtaining radiation safety permit, and conducting three batches of trial production and two certification submission	Obtaining two certificates and GMP compliance check, and obtaining off-site commissioning approval for positron to commence operation
8	Huzhou medical center project	Completion of the GMP renovation of the plant's cleanroom	Obtaining radiation safety permit, and conducting three batches of trial production and two certification submission	Obtaining two certificates and GMP compliance check, and obtaining off-site commissioning approval for positron to commence operation

(2) **Current progress: Kunming positron project and Taiyuan positron project are in the construction stage, other projects are in the preliminary preparation stage**

(3) **Total investment amount: RMB398,732,200**

2. RADIATION SOURCE R&D AND PRODUCTION BASE CONSTRUCTION PROJECT

(1) Implementation schedule:

Project	Year 1				Year 2				Year 3				Year 4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Civil construction																
Installation of equipment																
Certification of production																

(2) **Current progress:** Filing with development and reform authority have been completed, and the relevant procedures for environmental assessment filings are underway

(3) **Total investment amount:** RMB544,171,900

3. NORTHERN CHINA MOLECULARLY TARGETED DIAGNOSTIC AND THERAPEUTIC DRUG PRODUCTION BASE CONSTRUCTION PROJECT

(1) Implementation schedule:

Project	Year 1				Year 2				Year 3				Year 4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preliminary preparation																
Equipment procurement																
Civil work construction																
Installation and commissioning of equipment																
Acceptance of works																
Preparation for trial production																

(2) **Current progress:** Filing with development and reform authority have been completed, and the relevant procedures for environmental assessment filings are underway

(3) **Total investment amount:** RMB609,642,400

4. SHANGHAI MOLECULARLY TARGETED DIAGNOSTIC AND THERAPEUTIC DRUG R&D AND PRODUCTION BASE CONSTRUCTION PROJECT

(1) Implementation schedule:

Project	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preliminary preparation												
Equipment procurement												
Civil work construction												
Installation and commissioning of equipment												
Acceptance of works												
Preparation for trial production												

(2) **Current progress:** Filing with development and reform authority have been completed, and the relevant procedures for environmental assessment filings are underway

(3) **Total investment amount:** RMB267,771,300

5. RADIATION DIAGNOSTIC AND THERAPEUTIC DRUG R&D PROJECT

(1) Implementation schedule:

1) *Clinical trial research project of sodium fluoride-18 injection*

Project	Year 1				Year 2				Year 3				Year 4	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Preliminary preparation														
Preclinical pharmacy studies														
Preclinical Chinese pharmacy studies														
Preparation of clinical trial														
Commencement of trial: enrolment period														
Commencement of trial: follow-up period														
Conclusion report														
Submission of application information														

2) Research project of Florastamin-18 injection

Project	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preliminary preparation																				
Quality research																				
Preparation process studies of ¹⁸ F-ions																				
Preparation process studies of Florastamin-18 injection																				
Registration document writing																				
IND application and clinical trial research																				
Submission of application information																				

3) Preclinical research project of positron A plaque imaging agent [¹⁸F] Florbetazine and Phase I clinical research project of

Project	Year 1				Year 2				Year 3				Year 4	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Overall process and quality research														
Labelling condition research														
Formulation prescription and process research														
Formulation quality research														
Non-clinical experiment research														
Submission of IND application														
Phase I clinical trial and research														

(2) Current progress: Research and development related preliminary work has been carried out

(3) Total investment amount: RMB170,539,500

6. IMPORTANT MEDICAL ISOTOPE R&D PROJECTS

(1) Implementation schedule:

1) *The implementation schedule of the large-scale production technology development project of pharmaceutical ^{68}Ge - ^{68}Ga generator and carrier-free $^{177}\text{LuCl}_3$ solution is as followed:*

① Large-scale production technology research of ^{68}Ge - ^{68}Ga generator

Project	Year 1				Year 2				Year 3				Year 4	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Determination of technical proposal														
Production equipment design														
Production equipment commissioning														
Purification process of ^{68}Ge liquid														
Cylinder sterilization process														
Quality inspection method of generators														
Adsorption process of ^{68}Ge														
Preparation of ^{68}Ge adsorbent														
Process verification and trial production														

② Large-scale production technology research of carrier-free $^{177}\text{LuCl}_3$ solution

Project	Year 1				Year 2				Year 3				Year 4	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Determination of technical proposal														
Production equipment design														
Production equipment commissioning														
Irradiation process research of enriched $^{176}\text{Yb}_2\text{O}_3$ reactors														
Purification process research of ^{177}Lu														
Quality inspection method research														
Ytterbium recycling process														
Process verification and trial production														

2) *The implementation schedule of the key preparation technology research project of important accelerator nuclide zirconium-89 and palladium-103 is as followed:*

① Preparation process of zirconium-89

Project	Year 1		Year 2				Year 3				Year 4			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Target deign														
Preparation process of yttrium targets														
Separation purification process														
Irradiation process														
Quality research														
Target irradiation verification														
Establishment of quality document														
Production process verification														
Manuscript report writing														

② Preparation process of palladium-103

Project	Year 1		Year 2				Year 3				Year 4			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preparation process of rhodium targets														
Separation process of dissolved targets														
Purification process														
Irradiation process														
Thermal test verification														
Trial production verification														
Establishment of quality control method														
Establishment of quality document														
Manuscript report writing														

- 3) *The implementation schedule of the technology research project of preparation of copper-64 with accelerator is as followed:*

Project	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-process research												
Process analysis												
Target plating process optimization												
Separation process optimization												
Automation device design												
Automation device assembly												
Automation device commissioning												
Automation device verification												
Establishment of verification method												
Process verification												
File organization and conclusion												

- (2) **Current progress: preliminary preparatory work related to R&D has been carried out**

- (3) **Total investment amount: RMB110,054,000**

7. NUCLEAR MEDICINE EQUIPMENT TECHNOLOGY AND PRODUCT DEVELOPMENT PROJECTS

- (1) **Implementation schedule:**

- 1) *Research and production project of Smart Cobalt-60-based Cone Beam Focused Stereotactic Therapy System*

Project	Year 1		Year 2				Year 3				Year 4			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
R&D of cone beam gamma knife main body														
Research and production of treatment host														
R&D of stereotactic system														
R&D of CBCT image guidance system														
R&D of dedicated treatment planning system														
Type test														
Clinical trial														
Conclusion of clinical trial														

(2) Research and production project of Tomo-Therapy equipment based on high-speed electric multi-leaf collimator (MLC)

Project	Year 1		Year 2				Year 3				Year 4				Year 5	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Key technology analysis																
System design																
Outsourcing processing																
Assembly commissioning																
System verification																

(3) Research and production project of homologous double-strand image-guided radiotherapy accelerators

Project	Year 1		Year 2				Year 3				Year 4				Year 5				Year 6	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Research, production and processing of accelerating tube																				
Research and production of control system																				
Module integration and testing																				
KV/MV homologous double-strand module																				
Frame design and processing																				
Imaging system test																				
Frame integration and testing																				
Procurement of ring frame and other sub-components																				
Research and production of control system and image guidance system																				
Integration of the fullest of machinery																				
Test and improvement of the fullest of machinery																				

(2) Current progress: preliminary preparatory work related to R&D has been carried out

(3) Total investment amount: RMB199,520,000

8. RADIOACTIVE MATERIAL TRANSPORT CONTAINER DEVELOPMENT PROJECT

(1) Implementation schedule:

Research and production project of radioactive material transport container:

Project	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preliminary preparation												
Process design												
Prototype manufacturing												
Safety analysis												
Obtaining approval from the National Nuclear Safety Administration												
Completion of manufacturing and delivery for use												

Research and production project of a new type of radioactive material transport container:

Project	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preliminary preparation												
Structural design												
Prototype manufacturing												
Experimental test												
Safety analysis design												
Obtaining approval from the National Nuclear Safety Administration												
Preparation and submission of overseas certification materials												
Obtaining overseas certification approval for the containers												

(2) Current progress: R&D related work has not yet been carried out

(3) Total investment amount: RMB19,000,000

9. LOW ENERGY ELECTRONIC CURTAIN ACCELERATION EQUIPMENT R&D PROJECT

(1) Implementation schedule:

Project	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design of electron gun, power supply and titanium window																				
Design and processing of vacuum, inert gas and control system																				
Electron beam test, power supply test and system test																				
Commissioning of the fullest of machinery and parameter measurement																				
Production line regulation																				

(2) Current progress: R&D related work has not yet been carried out

(3) Total investment amount: RMB50,000,000

10. MEDICAL DIAGNOSIS SERIES PRODUCT DEVELOPMENT PROJECT

(1) Implementation schedule:

1) New [^{13}C]-urea breath test preparation and instrument development project

Project	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New specification products																				
Drug marketing registration application																				

Project		Year 1				Year 2				Year 3				Year 4				Year 5			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New model equipment	Proposal design																				
	Prototype design																				
	Prototype manufacturing																				
	Prototype test and delivery																				
Raw materials	Research and process design																				
	Equipment manufacturing and installation																				
	Process research																				
	Systematic verification																				
	Pilot test and process verification																				
	Stability test																				
	Registration and report																				

2) *Hypertension and nervous system testing reagent R&D and registration project*

Project	Year 1				Year 2				Year 3				Year 4	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Raw materials selection														
Research on traceability and uncertainty														
Production process and reaction system research														
Laboratory batch trial production														
Performance evaluation analysis														
Stability research														
Three batches of trial production and registration inspection														
Clinical trial research														
Registration and report														
System assessment														
Registration approval														

3) Integrated product for multiple respiratory virus detection development project

Project	Year 1				Year 2				Year 3				Year 4	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Development path design														
Raw materials selection														
Product development and trial production														
Product verification and optimization														
Medical instrument registration and report														

4) In-vitro diagnostic key biological raw materials product development and industrialization project

Project	Year 1		Year 2				Year 3				Year 4	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Laboratory renovation and upgrade (completion acceptance report)												
Construction of protein expression technology platform (physical products on the platform)												
Research on the refining process of biological raw materials (existing) (SOP and SMP)												
Compliance with CNAS-CL04 requirements for system construction and certification conditions												
Obtaining not less than 15 monoclonal antibody cell lines												
Obtaining not less than 10 genetically engineered bacteria (strains)												
Completion of iterative research (SOP) of existing monoclonal antibody cell lines												
Commercialized standard products, quality control products and serum plates eligible for marketing												

(2) Current progress: R&D related work has not yet been carried out**(3) Total investment amount: RMB122,100,000**

11. R&D PROJECT ON INDUSTRIAL APPLICATION OF RADIATION STERILIZATION OF COVID-19 IN COLD CHAIN FOOD

(1) Implementation schedule:

Project	Year 1		Year 2			
	Q3	Q4	Q1	Q2	Q3	Q4
Information research and preparation of implementation plan						
Accelerator irradiation inactivation research						
Research on optimal layout of automated production system						
Research on automated production and transportation system						
Automation system setup and integration						
Automated production assembly and performance evaluation of quality control analysis system						
Report preparation and project acceptance						

(2) Current progress: R&D related work has not yet been carried out

(3) Total investment amount: RMB28,000,000

12. SUPPLEMENTARY WORKING CAPITAL: THE TOTAL INVESTMENT AMOUNT IS RMB300,000,000

As of 30 June 2021, the balance of cash and cash equivalent of the Company amounted to RMB2.385 billion, therefore the Company is capable to make the preliminary investment into the investment project before the Offering. As of 30 June 2021, the asset-liability ratio of the Company stood at 40.77%. If the amount of proceeds from the Offering is less than expected or the Offering fails, the Company could still meet its capital needs on its own or through self-financing.

APPENDIX IV FEASIBILITY STUDY REPORT ON THE INVESTMENT OF FUNDS RAISED FROM THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF THE COMPANY

**CHINA ISOTOPE & RADIATION CORPORATION
USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING OF
A SHARES AND LISTING AND FEASIBILITY REPORT**

The Company has formulated the use of proceeds for this public offering and conducted a feasibility analysis.

I. USE OF PROCEEDS

The Company intends to use all the proceeds from the Offering after deducting the issuance expenses for the Company's main business-related projects and the working capital required for the development of the main business, and plans to invest in the following projects:

Unit: RMB'0000		
No.	Project name	Amount of proceeds proposed for use
1	Isotope medical center construction project	21,362.08
2	Radiation source R&D and production base construction project	22,154.19
3	Northern China molecular targeted diagnostic and therapeutic drug production base construction project	40,958.83
4	Shanghai molecular targeted diagnostic and therapeutic drug R&D and production base construction project	8,879.00
5	Radiotherapy drug R&D project	15,761.08
6	Important medical isotope R&D projects	4,141.00
7	Nuclear medicine equipment technology and product development projects	19,012.00
8	Radioactive material transport container development project	1,900.00
9	Low energy electronic curtain acceleration equipment R&D project	5,000.00
10	Medical diagnosis series product development project	12,210.00
11	R&D project on industrial application of radiation sterilization of COVID-19 in cold chain food	2,800.00
12	Supplement the working capital	30,000.00
	Total	184,178.18

Before the proceeds from this public offering are available for use, the Company will pay for the projects with self-raised funds according to the actual construction progress and capital requirements of the projects, which will be replaced by the proceeds the same is available for use. If the actual net proceeds cannot meet the fund required for all projects, the insufficient part will be raised by the Company itself. If the net proceeds exceeds the estimated amount of proceeds to be used, the excess will be added to the Company's main business-related project construction, product development and working capital after the review procedures are performed in accordance with relevant regulations.

II. FEASIBILITY ANALYSIS OF THE USE OF PROCEEDS

(I) Isotope medical center construction project

1. Overview of the Project

The imaging diagnostic drugs widely used in the clinical application of modern nuclear medicine (technetium [99mTc] labeled drugs, fluorine [18F] deoxyglucose injection, etc.) have the characteristics of short radioactive half-life and limited transportation range. Learning from the mature operating models in developed countries, the Company has built regional short-lived isotope medicine and distribution centers in Beijing, Shanghai, Guangzhou, Tianjin, Hangzhou, Jinan and other places successively, all of which have been put into operation. Those centers have achieved good economic and social benefits, initially forming an isotope pharmaceutical industry landscape radiating to large cities with a developed economy, a high level of clinical application of nuclear medicine, and a dense population.

This project intends to continue the construction of positron drug production lines and medical center projects in Kunming, Taiyuan, Yichang, Lanzhou, Guiyang, Urumqi, Zhengzhou, Huzhou and other places based on the development level of nuclear medicine and existing resource advantages in various regions. It will continue to promote the project construction and business expansion, gradually realizing the development plan of comprehensive coverage of domestic large and medium-sized cities and provincial capital cities in the PRC.

2. Necessity of the Project

(1) Conform to the development trend of the industry and promote the optimal allocation of resources

Short-lived radiopharmaceuticals are characterized by their short half-life and limited distribution range, thus being incapable to be distributed over long distances or for a long time. The construction of isotope medicine centers in areas with concentrated medical institutions not only meets the necessary needs for the development of nuclear medicine, but also responds to the national development strategy of "Healthy China" and meets the people's needs for early diagnosis and treatment of serious diseases such as cancer. It is also helpful for environmental protection departments to strengthen the centralized management of isotope use and promote the optimal allocation of social resources.

(2) Ample potential for development of the industry to consolidate and enhance the market position

Currently, hospitals in areas not covered by the medical center mainly use fission molybdenum generators to prepare their own technetium [^{99m}Tc] labeled drugs. Compared with the drug supply model of some hospitals in which the hospitals produce drugs by themselves, the short-lived isotope medicine production and distribution center has certain advantages in environmental protection, drug quality control, radiation safety management, comprehensive drug costs and other aspects. The market development prospect of the isotope medicine center is promising. The isotope medical center construction project of the Company conforms to the industry development trend and the actual needs of all parties, which is conducive to further exerting the Company's advantages in technology and brand, consolidating and enhancing its market position, and enhancing market competitiveness.

(3) Fulfill the needs of the regional market, and consistency with the strategic development plan

Upon preliminary market research, the regions selected by the Company for this project including Kunming, Taiyuan, Yichang, Lanzhou, Guiyang, Urumqi, Zhengzhou and Huzhou all show a high level of nuclear medicine and a large market demand for positron drugs. With the lack of accelerator equipment in the medical institutions around cities and decommissioning of such institutions, the market demand for positron drugs will continue to increase. The Company's construction layout ahead of schedule is conducive to consolidating its leading advantages in business in various regions, forming an effective supplement to business coverage in surrounding areas, and in line with the overall strategic development plan. It is a necessary measure for the Company to seize market opportunities, consolidate market share, and achieve coordinated development.

3. Feasibility of the Project

(1) Being experienced in medical center construction projects

The Company has absolute leading technical advantages and accumulates experience in the field of isotope medical projects, and has continued to deploy medical center projects in core cities for many years. The Company has so far put 17 medical centers into operation, with 10 medical centers under construction, being experienced in project construction and business development. For medical center construction, business development and other areas, the Company has formed a standardized management system and instruction manual, allowing for summarizing and guiding multiple sections such as project design, financial estimation, construction, acquisition of certificate, and business operations.

(2) Guarantee for the capability of management and technical personnel

In the process of the construction of medical center projects in various places, the Company has trained a group of management personnel with construction experience and operational capabilities, as well as engineering and technical personnel with outstanding capabilities in the field of radioisotope product development and production, forming a complete production and quality assurance, safety protection, operation management system and sound marketing network. This will provide sufficient guarantee for the smooth advancement of new projects.

(3) Adequate preliminary market research

The Company has conducted sufficient preliminary market research and supply and demand analysis in various regions, and comprehensively considered factors such as the distribution of medical institutions around the project site, the demand for positron drugs, the number of nuclear medicine diagnostic equipment, and the development level of nuclear medicine. The construction site of the medical center project is selected upon considering the aforementioned factors combined with the Company's business development layout and market development prospects. For Kunming and Taiyuan, the level of nuclear medicine is relatively high and the market prospect is promising. For Yichang area, the construction project can effectively supplement the Company's business layout in Hubei area. For provincial capital cities such as Lanzhou, Guiyang, and Urumqi, the layout of such regions is in line with the Company's business development strategy. For Zhengzhou and Huzhou regions, there is strong market demand and fierce competition, with a need to supplement and strengthen on top of existing businesses. The construction of isotope medicine centers in the above regions can effectively enhance the Company's competitiveness in the industry.

(II) Radiation source R&D and production base construction project

1. Overview of the Project

In order to achieve the development goal of building a world-class radioactive source R&D and production base, fully considering the relocation and transfer requirements of the Company's radioactive source production line and the current production line and supporting facilities of the business development unit, the Company plans to carry out the radiation source R&D and production base construction project in Leshan City, Sichuan Province. The project planning is divided into three phases. The fund-raising project involves the construction of the first phase.

2. *Necessity of the Project*

(1) Fulfill the development needs of the nuclear technology application industry

Currently, the proportion of the nuclear technology application industry output value of the PRC in the national economy is much lower than the average level of developed countries. According to the “Key Report on the Development of China’s Civil Nuclear Technology Industry” (《中國民用核技術產業發展主旨報告》) issued by the China Nuclear Energy Association, the level of the civil nuclear technology of the PRC is developing rapidly, and it is expected to exceed one trillion by 2030, and the entire industry has huge room for development.

The R&D and production of radioactive sources is the most important basic project in the field of nuclear technology applications. The equipment and facilities currently used by the relevant domestic R&D and production bases are still at a relatively backward level. The technical level and processing capacity can no longer meet the actual needs of downstream applications. It is necessary to make up for the shortcomings of the industry by building a new production base for radioactive sources, and to comply with the continued development trend of the nuclear technology application industry as a whole.

(2) Comply with the development strategy plan and develop as the industry leader

In accordance with CNNC’s requirements for the development of the nuclear technology application industry, the Company has formulated a development strategy based on its own conditions, and clarified that as a leading enterprise in the domestic nuclear technology application industry, it will strive to become a world-class product and service supply group. The Company has established the strategic goal of “strengthening, improving and expanding”, clarified the strategic realization path of “investment control source, strengthening the core, and expanding application”, affirmed that capital operation is the key to industrial extension, and proposed to strengthen the core, carried out “concentric and diversified” development, to create a brand new layout of seven major industrial directions.

On the basis of this project, the Company will continue to integrate the resources of the radioactive source industry and establish a flexible production and processing base for radioactive sources with the largest variety, largest quantity and best quality. Meanwhile, the Company will provide nuclear technology services such as inversion of radioactive sources, transportation of radioactive materials, recovery of decommissioned radioactive sources, and decommissioning of nuclear technology utilization facilities. The Company will gradually provide extension services such as flaw detection and well tracer testing for petrochemical, water conservancy and hydropower, mineral resources, environmental protection and other industries. The Company will build itself into a world-class leading enterprise in the integrated supply of radioactive sources and related application services.

(3) Enhance core competitiveness and promote the centralized layout of the industry

The Company's existing radioactive source production facilities have certain limitations in terms of function, layout, technology and other areas. Facing the actual demand for transformation and upgrading, taking advantage of the opportunity of the new base construction project, based on the technology of the old production line, the Company can learn from the advanced technology of the industry, optimize existing procedures, improve production efficiency, expand production scale, and build a leading domestic and international first-class industrial base, comprehensively enhancing the Company's core competitiveness.

In addition, the radioactive source R&D and production base will coordinate and centralize the production lines of the subsidiaries, which can effectively avoid the problems of investment dispersion, inconcentration of technical strength, and high operating costs caused by the construction of multiple bases. These will help optimize the Company's industrial structure, accelerate the development and utilization of nuclear technology, and further consolidate the leading position of the companies under the Group in the domestic nuclear technology application industry.

3. *Feasibility of the Project*

(1) Support from the local industrial policy, as the project is in line with the development strategy of military-civilian integration

As one of the eight comprehensive innovation and reform pilot zones in the PRC, the development of military-civilian integration of Sichuan Province is put in a more prominent position in the province's development layout. Leshan, Sichuan is one of the key areas where military industrial enterprises and scientific research institutes were deployed during the national "three-line construction" period. It is known as China's "pile of valleys" and has a solid foundation for the development of the nuclear industry. In 2017, the Leshan Municipal People's Government formulated the "Leshan Military-civilian Integration Industry Development Plan" (《樂山市軍民融合產業發展規劃》), which clearly made Leshan a first-class domestic and internationally influential nuclear technology application base. It has also formulated detailed support and incentive policies to support the development of residents' integrated industries through the joint funding of the city and county finances. The radiation source R&D and production base construction project is valued by the local government and supported by industrial policies, and has high feasibility.

(2) Being experienced in project operation, with highly professional staff

The Company has years of operation and R&D experience in the field of radioactive source technology and has established a complete management system and quality standards. The project participants mainly come from the Company's radioactive source production, inspection and service guarantee related positions, with many years of working skills and experience. Relevant personnel have obtained practicing qualifications through training and regularly participate in retraining. Their expertise in fulfilling the requirements of project construction will provide sufficient guarantee for the smooth progress of this project.

(3) The park has complete ancillary facilities to fulfill the requirements of project construction

The Company carried out the radiation source R&D and production base construction project in the Nuclear Technology Application Industrial Park of Jiajiang County, Leshan City. The planned area of the park is 1.5 square kilometers, with convenient transportation in the project planning area, complete infrastructure of water, electricity, gas, road, and communication, level project site and stable regional geological structure. The Company plans to requisition 85 mu of construction land to fully comply with the requirements of project construction and the smooth development of follow-up business.

(III) Northern China molecularly targeted diagnostic and therapeutic drug production base construction project

1. Overview of the Project

This project relies on the geographical advantages and ancillary facilities conditions of the Songlindian Economic Development Zone in Zhuozhou, Hebei, and the Company's technological resource advantages in the field of nuclear medicine applications and years of experience in running the isotope medicine center. On the basis of fulfilling the current national GMP, environmental protection, occupational safety, transportation safety and other relevant requirements, the Company intends to build Asia's largest isotope drug R&D and production base.

2. *Necessity of the Project*

- (1) *Meet the market demand for radiopharmaceuticals and protect the health of the people*

With the rapid development of molecular imaging in the field of biomedical research, the research of molecularly targeted diagnostic and therapeutic drugs has become the most active branch in the current interdisciplinary field of applied radiochemistry, nuclear medicine and molecular biology, becoming an indispensable high-tech method in modern medical diagnosis and treatment of difficult diseases. With the continuous progress of the economy and technology of the PRC and as the proportion of the aging population continues to rise, the Company, as a leading enterprise in the R&D and production of radioisotope drugs in China, needs to build a radiopharmaceutical R&D and production base with a high starting point, high standards and complete varieties to meet market demand and stabilize market supply. This is of positive significance for the sustainable development of the nuclear medicine industry and the health protection of the people.

- (2) *Comply with the Company's strategic development plan and consolidate the foundation for business development*

Under the continuous development of the radiopharmaceutical market and the increasingly fierce competition in the industry, combined with the Company's strategic planning and specific requirements for the development of the isotope technology industry, it is of long-term strategic significance to build a molecular targeted diagnostic and therapeutic drug R&D and production base in Northern China with a high starting point, high standards and complete varieties. Upon completion of this project, it will further meet the requirements of standardized and large-scale production and operation, effectively optimize the existing industrial structure, consolidate the foundation for business development, promote product and technological progress, and consolidate the Company's leading advantage in the industry.

- (3) *Improve the Company's drug R&D and production level, and enhance market competitiveness*

Under the continuous development of the radiopharmaceutical market and the increasingly fierce competition in the industry, combined with the Company's strategic planning and specific requirements for the development of the isotope technology industry, it is of long-term strategic significance to build a molecular targeted diagnostic and therapeutic drug R&D and production base in Northern China with a high starting point, high standards and complete varieties. Upon completion of this project, it will further meet the requirements of standardized and large-scale production and operation, effectively optimize the existing industrial structure, consolidate the foundation for business development, promote product and technological progress, and consolidate the Company's leading advantage in the industry.

3. *Feasibility of the Project*

(1) Being experienced in engineering organization with a complete qualification certification system

The Company has a technical management team familiar with engineering construction, which has accumulated ample experience in the process of cooperating with domestic design units and government administration authorities. In recent years, the Company has successively completed the GMP transformation of the original radiopharmaceutical production facilities, and successfully passed the GMP certification and quality, environmental and occupational health and safety management system certification. The implementation of various practical work has allowed the Company to accumulate ample experience in engineering construction and organization. Under the complete qualification certification system, it has laid a good foundation for the smooth development of construction projects.

(2) Location advantage in the project implementation

The project site is located in the Songlindian Economic Development Zone in Zhuozhou, Hebei. The development zone is located in the core area of Northern China with superior traffic conditions. The municipal and park's pipe network, road network, communication and other infrastructure and public works such as water supply system, sewage treatment system, heating system, power system, pipe rack and fire protection system are fully equipped and in good development and construction conditions. It can fully meet the actual needs of project construction.

(3) A special department responsible for the preparation, guaranteeing the safety and quality

After years of accumulation, the Company has a high-quality management team and talent team. In order to meet the needs of the construction of the new base, the Company transferred key personnel and professional technicians from various departments to set up a dedicated department to be responsible for the preparation of this project. At the same time, it is equipped with professional and technical personnel in technology, machinery, automation control, radiation protection, and quality assurance files. The dedicated department can provide solid guarantees in terms of organization and management, human resources, technology development and safety assurance. In the process of planning the construction of the new base, the Company always adheres to the principle of putting safety and quality in the first place. The Company strives to improve the rationality of the layout of production facilities, guarantees environmental protection, radiation safety, and drug quality, and is able to comply with relevant national regulatory requirements.

**(IV) Shanghai Molecular Targeted Diagnostic and Therapeutic Drug R&D and
Production Base Construction Project**

1. Overview of the Project

This project plans to build a molecular targeted diagnostic and therapeutic drug R&D and production base in Shanghai, mainly involving the production of radioactive drugs such as Fluorine-18-FDG injections, Technetium-99m instantly labeled pharmaceuticals, Strontium-89 chloride injections, and research and development of 18F-labeled products, 68Ga-labeled products, 90Y microsphere products, 177Lu products and other scientific research products. At the same time, laboratories for chemical analysis, instrument analysis, microbiological testing, and radioactive testing will be established for quality analysis and control.

2. Necessity of the Project

(1) Satisfying the market demand for radiopharmaceuticals and protecting the public health

With the rapid development of molecular imaging in the field of biomedical research, the research of molecularly targeted diagnostic and therapeutic drugs has become the most active branch in the current intersection of applied radiochemistry, nuclear medicine and molecular biology, becoming an indispensable high-tech method in modern medical diagnosis and treatment of refractory diseases. As the domestic economy and technology advances and an increasing proportion of people ages, the Company, as a leading enterprise in the R&D and production of radioisotope drugs in China, needs to build a radiopharmaceutical R&D and production base with a high starting point, high standards and complete varieties to meet market demand and stabilize market supply, which are of positive significance to the sustainable development of the nuclear medicine industry and the health protection of the general public.

(2) Huge room for industry development with strong downstream market demand

The current production capacity of the Company in Shanghai cannot fully meet the needs of treatment and diagnosis in Jiangsu, Zhejiang and Shanghai, causing a large market gap. With the improvement of medical conditions and self-awareness of patients, the gap between the Company's production capacity and downstream medical needs will further expand. In this regard, the project has vast potentials for development. It is an inevitable choice for the Company to consolidate its competitive advantage and meet market demand by increasing the production capacity of molecularly targeted diagnostic and therapeutic drugs through investment and construction.

(3) Meeting the needs of product development and production technology improvement

Shanghai is a key area for the R&D layout in the overall strategy of the Company. The subsidiary, Yuanzi Kexing, has started to carry out related businesses in Shanghai in the early 1990s. After nearly 3 decades of development, the level of R&D and production technology has been improving, and it is necessary to configure experimental facilities and production equipment that meet relevant requirements to improve the overall utilization efficiency. The previously leased plants of the Company have no extra space for new equipment and the transformation of new production lines. The construction of new bases through the purchase of land is an inevitable requirement for the business and technological development of the Company, which is conducive for the Company to improve R&D strength and product quality, and better achieve strategic planning and development goals.

3. Feasibility of the Project

(1) Professionals with extensive experience and mature and reliable technical solutions

This project is a nuclear technology application project. After years of operation of related business, the Company has a professional and technical personnel pool with rich experience in the fields of radiochemistry, isotope separation, isotope material operation management and safety protection, which can provide sufficient guarantee for the smooth development of the project. The technical route chosen for this project is mature and reliable. The Company has completely independent intellectual property rights and has obtained relevant national approval documents. The downstream demand and product quality are highly guaranteed.

(2) Favorable geographical advantage for implementation of project

The project is located in Xuxing Industrial Park, Jiading District, Shanghai. By positioning in the advanced manufacturing industry, the Park has become the home to various advanced manufacturing enterprises such as electronics, machinery, metallurgy, pharmaceuticals, and new building materials. The infrastructures in relation to transportation, water and electricity are in good conditions and various ancillary facilities are complete, which can fully meet the actual needs of project construction. In addition, the location of this project is relatively close to the Company's other sites in Shanghai, which facilitates better internal communication management and business collaboration.

(3) Solid guarantee for construction and production safety

This project addresses the production of medical radioactive diagnostic reagents, with high safety, as it does not involve chemical reactions, and use of toxic, harmful, flammable and explosive materials. During the production, advanced production equipment, reliable concrete shielding and metal lead protective materials will be adopted to ensure that the isotope radiation level of the production site meets the national standards. The Company will take safe and reliable measures in the fields of architectural design, mechanical protection, electrical safety, noise control, and personnel protection, so as to provide guarantee for the safe construction and production of the project.

(V) Radiotherapy Drug R&D Project

1. Overview of the Project

The Company plans to start the research and development of three types of pharmaceuticals in the field of radiological diagnostic and therapeutic drugs, sodium fluorine-18 injection, Florastamin-18 injection, and positron A β plaque imaging agent [18F] Florbetazine.

2. Necessity of the Project

(1) Expansion of the Company's product pipeline to maintain market competitiveness

The Company has extensive development experience and knowledge reserves in the field of radiological diagnostic and therapeutic pharmaceuticals, and has created a rich radiological diagnostic and therapeutic pharmaceutical product matrix. The smooth development of this project will help further expand the Company's product pipeline and enhance its technological advancement and product leadership. In the continuous development of the nuclear medicine industry, there is a high demand for iterative technology upgrades. The Company needs to actively promote the development and registration of new products, thus consolidating its industry position, and maintaining competitive advantages.

(2) Vast market development potential for R&D products

Fluorine [18F] sodium PET/CT has outstanding diagnostic effects in the diagnosis, efficacy evaluation and detection of recurrence of bone tumors. However, there is currently no commercial sodium fluorine-18 injection in China. This R&D project has a huge market development potential. [18F] Florastamin products are of great significance in the development of radiation targeted PSMA prostate cancer diagnosis (treatment) pharmaceuticals. As the incidence of prostate cancer in China increases year by year, the downstream demand for such products will continue to improve. [18F] Florbetazine products are mainly used in the diagnosis of patients

with Alzheimer. There are approximately 10 million Alzheimer patients in China. The development of molecular probe products with high affinity and selectivity with A β protein, combined with nuclear medicine imaging technology, can realize early non-invasive diagnosis of such disease.

(3) In line with the overall strategic plan of the Company

Those three types of pharmaceuticals involved in this R&D project expects bright development prospects. The technical research and development and industrial layout in this field will effectively supplement the Company's product matrix of imaging radiological diagnostic and therapeutic pharmaceuticals, which is in line with the overall development strategic plan of the Company.

3. Feasibility of the Project

(1) Experienced R&D team

The Company has a professional project team in the field of R&D of radiological diagnostic and therapeutic pharmaceuticals, including excellent talents in radiochemistry, organic synthesis, analytical chemistry, biology, pharmacy, nuclear medicine, drug registration, etc., and basic capabilities of drug R&D and the accumulation of rich R&D experience, which will provide a solid guarantee for the smooth advancement of this project.

(2) Highly specialized basic R&D facilities

The R&D laboratory has mature hardware conditions that can carry out various basic researches, including positron drug preparation, medical accelerator nuclide separation process research, radiopharmaceutical process research, nuclide labeling experiment, biological experiment, radiochemical analysis experiment, freeze-drying experiment, drug stability experiment, which fully meet the research and transformation of radionuclide technology and drugs involved in this project.

(3) Mature technical route plan with advantages in the product application

The overall product R&D plan involved in this project are relatively mature, and the technical route and product performance have leading advantages. Sodium fluorine-18 injection has a positive effect on the accurate diagnosis of tumor bone metastasis, and also can fill the gap in domestic PET bone phenomenon drugs, improving the accuracy of orthopedic disease diagnosis. [18F] Florastamin has a clear mechanism of action as a diagnostic drug for prostate cancer PSMA, and possesses the advantages of lower effective dose and higher safety as compared with similar products. 18F Florbetazine is a product selected by the Company after the preliminary research on "Dihydrazone compounds with high affinity to A β protein and Tau protein and their derivatives and applications", which can effectively distinguish patients with Alzheimer and shows lower non-specific white matter intake as compared with similar products.

(VI) Important medical isotope R&D projects

1. Overview of the Project

Compared with developed countries such as Europe and the United States, industry-oriented research and development of integrated tumor radiological diagnostic and therapeutic drugs in China is relatively lagging behind. One of the important reasons is that key nuclides such as lutetium-177 and copper-64 rely on imports and are expensive, making it difficult to support the R&D and industrialization of radiopharmaceuticals with integrated diagnosis and treatment by related institutions and enterprises. In light of the above, it is necessary to carry out research and large-scale production technology development of integrated diagnosis and treatment nuclides, such as 68Ge-68Ga generator, carrier-free 177LuCl3 solution, and zirconium-89, palladium-103, and copper-64.

2. Necessity of the Project

(1) Inevitable requirement to be independent and controllable in terms of key isotope materials

Radioactive medical isotopes play an irreplaceable role in the diagnosis and clinical treatment of modern diseases. Medical isotope raw materials in China are highly dependent on imports, and are vulnerable to the supply and demand balance and price fluctuations in the international market, which has caused greater uncertainty on the orderly development of the national medical system and the health needs of the general public. The development of important medical isotope R&D projects is of great significance for realizing the independent supply of key isotope materials and promoting the sustainable development of the nuclear medicine industry.

(2) Layout in emerging hotspots to enhance market competitiveness

In recent years, many lu-177 and gallium-68-labeled drugs have been approved for marketing across the world. These two types of nuclides and related products have become the focus of product development in the field of nuclear medicine. Except for several traditional nuclides such as iodine-131, technetium-99m, fluorine-18, cobalt-60, etc., there are no new nuclide production technology with specific functions such as zirconium-89, actinium-225, lutetium-177, and gallium-68. This project focuses on the layout in emerging hotspots of the industry, which will help to consolidate the Company's leading position and further enhance the business size and market competitiveness.

- (3) Supporting the development strategy of the Company to enhance the comprehensive competitiveness of isotope products*

CIRC currently relies on imports for its main isotope raw materials, and the purchase demand and price are experiencing great fluctuations due to the international political and economic situation, which restrains the Company's demand for increasing the production capacity of related products and effective control of production costs. The strategic goal of the Company is to become a world-class group that provides nuclear technology application products and services. Realizing independent supply of key raw materials is a necessity to effectively reduce product costs, increase supply, and enhance market competitiveness.

3. Feasibility of the Project

- (1) In line with the direction of national industrial policy*

From the perspective of national strategy and industry development, China must adhere to the path of independent development of medical isotopes. In light of this, the Company expects to gradually meet the domestic demand for various medical isotopes in a way of independent production through continuous promotion of other related projects including R&D, production and application. By these effort, it is highly feasible to realize the process of independent R&D and localization of radiopharmaceuticals, and make the project in line with national management policies and industry development trends.

- (2) Bright market prospect of new nuclide*

As the nuclear medicine industry evolves rapidly, the worldwide accelerator-produced radionuclide market has shown a high growth rate in terms of the size. Traditional commonly used nuclear products has not satisfied the needs of the clinical nuclear medicine field, such as iodine-131, technetium-99m, fluorine-18. New nuclides such as gallium-68, lutetium-177 and zirconium-89 have a large domestic and international market development space, and radiopharmaceuticals labeled with such nuclides have achieved good clinical effects.

- (3) Advantages in core technologies and talents*

The Company's R&D team has used the Cyclotron 30 proton cyclotron to successfully prepare nuclide products including cobalt-57, gallium-67, indium-111, cadmium-109, palladium-103. It also developed the first set of ⁶⁰Co source for gamma knife, the first ⁶⁰Co brachytherapy sources and the first ⁶⁰Co industrial radioactive source in China, originated the iodine [¹³¹I] dry production process and built the first gel-type ^{99m}Tc generator production line in the world. After years of development, the Company has accumulated extensive experience in isotope R&D and production, and trained a group of high-level talents in the field of radionuclide manufacturing, providing reliable technical support and talent guarantee for the smooth implementation of the project.

(VII) Nuclear Medical Equipment Technology and Product Development Project

1. *Overview of the Project*

The Company is planning three R&D projects, namely the research and production of Smart Cobalt-60-based Cone Beam Focused Stereotactic Therapy System, the research and production of Tomo-Therapy equipment based on high-speed electric multi-leaf collimator (MLC), and the research and production of homologous double-strand image-guided radiotherapy accelerators in application of nuclear medical equipment. All are high-end medical equipment in the field of nuclear medicine, consistent with the relevant industrial policies of the state, and boast a booming development prospect of market.

2. *Necessity of the Project*

(1) In line with the national industrial policy guidance, with a solid development foundation

With the sustained improvement of China's economic development level and people's living standards, residents' awareness of disease prevention and control and demands for the quality of healthy life have increased accordingly. The state has issued a series of general policies to promote the overall development of nuclear medical equipment. In 2017, the "13th Five-Year" Health and Wellness Plan of the State Council demanded support of constructing provincial and ministerial-level comprehensive or specialized hospitals in weak areas such as oncology and cardiovascular; in November of the same year, the National Development and Reform Commission formulated and issued the "Three-year Action Plan for Enhancing the Core Competitiveness of Manufacturing Industry" (2018-2020)》, naming nine key areas of manufacturing that shall focus on enhancing their core competitiveness, including "Industrialization of key technologies for high-end medical equipment and pharmaceuticals". The Company's planned R&D in nuclear medical equipment is in line with the national industrial policy guidance, with a solid development foundation.

(2) Meet the demand for upgrading related products in actual application

The three staple products developed and produced by the Project, namely Smart Cobalt-60-based Cone Beam Focused Stereotactic Therapy System, Tomo-Therapy equipment based on high-speed electric multi-leaf collimator (MLC) and Homologous double-strand image-guided radiotherapy accelerator have leading technical advantages over the existing products on the market, can effectively solve lack of intelligent tools, long-period treatment, and high percentage of equipment failures, and meet the needs for upgrading products during the application process.

(3) Get rid of dependence on imports and expand into the international market

Based on the needs in application and leveraging on technical experiences accumulated, this project will launch cost-effective products through continuous research and development, and gradually get rid of the dependence on imported nuclear medicine equipment in the field of high-end nuclear medicine equipment such as gamma knife and radiotherapy equipment, and increase the market share of domestic products. Meanwhile, it will take advantage of its own advantages to accelerate expansion into the international market.

3. Feasibility of Project

(1) The R&D team are well-experienced and equipped with adequate hardware

The research and development team of the Project, which is composed of various key production technicians and production experts proficient in processing, will make full use of the resources and experiences accumulated in the field of nuclear medicine such as Radiation sources to gradually figure out a complete technology research and development route. Meanwhile, necessary hardware is available for assembly and integration testing of the full set of machinery, which provides sufficient guarantee for the process of product development, testing, optimization and improvement.

(2) Cooperate with scientific and research institutions to improve overall product quality

According to the characteristics and technical requirements of different products, the Company started cooperative R&D with Xi'an Eukaryotic Medical Technology Co., Ltd., the Department of Mechanical Engineering of Tsinghua University, and the Department of Engineering Physics of Tsinghua University, and established cooperative relation with scientific and research institutions and universities in the industry. The cooperative organizations selected by the Company has undertaken a number of national key R&D programs and formed relevant research patents. Such technical cooperation will further facilitate the successful development of related work of this Project, improve the products' technical standards and overall quality, and is highly feasible.

- (3) *The industry has entered a period of rapid development and boasts of brilliant market prospect*

The gamma knife and other radiotherapy equipment industries are about to usher in a new round of development. In April 2018, the authority for issuing the Procurement License of Gamma Knives was delegated to Category B management; in September 2018, the National Health Commission released the 2018-2020 Procurement Plan For Major Medical Instrumentation (2018-2020年大型醫療設備配置規劃). The increasing of the minimum requirement for the Procurement License and the clarification of the Procurement plan will give strong impetus to the development of the gamma knife industry. At present, the use of gamma knives is mainly concentrated in the coastal economically developed provinces and cities. The needs of the people in the northeastern, central, and western regions of China have not been fully satisfied. After the Procurement License is substantially relaxed across the country in the future, huge demand may exist in many of the above-mentioned areas. The domestic target customer groups for newly-developed radiotherapy equipment products are: users of international mainstream products in all prefecture-level hospitals, county-level hospitals, and some county-level hospitals who have just bought such new equipment, made additional purchases and updated their equipment, intending procurement of additional equipment, users of imported low-end products who need to update their equipment in county-level hospitals and certain provincial hospitals that use international mainstream products and prefers functions and performance of products to brand names.

(VIII) Project of developing transportation containers for radioactive materials

1. *Overview of the Project*

According to transportation management requirements for the Company's radiation source and other products, this project engages in research and development of advanced, safe and reliable new-type first-class transportation containers that meet the certification requirements of multiple countries to foster the Company's product sales and market development. It mainly includes a new type of container suitable for transportation of cobalt-60 industrial radiation sources, gamma knife radiation sources, and sealed radiation sources.

2. *Necessity of the Project*

- (1) *Meet the growing demand of the radiation source market*

Radiation sources play an extremely important role in the nuclear technology application industry and are widely used in many fields such as industry, agriculture, and medical treatment. With the gradual development of China's nuclear technology application industry, the application range of Radiation sources has become wider and wider, and the demand for the types and quantities of radiation sources continues to increase. It is necessary to improve the transportation capacity in the field of industrial products and medical products to meet the needs of the global market.

(2) Ensure the successful development of the Company's sales business

In recent years, due to the overhaul of reactors overseas and the increase in market demand, the global industrial cobalt source market has been in short supply, and the demand for gamma knife equipment is also increasing. The Company has only one method of loading and unloading of existing transportation containers, and the quantity is difficult to meet the demand. A few overseas companies with international container transportation qualifications also refuse to rent or sell transportation containers. The research and development of a new type of first-class radioactive material transportation container and the acquisition of international transportation qualifications will be beneficial to the long-term successful development of the Company's industrial cobalt source and cobalt-60 medical source business.

(3) Comply with the Company's development strategy and enhance its comprehensive competitiveness

In recent years, CHINA ISOTOPE has successfully exported bulk industrial cobalt sources and other products overseas. According to the Company's development strategy, it will become an important supplier in the international market through continuous business expansion. In order to meet the Company's development strategy, it is necessary to develop a container that can transport a variety of contents and has internationally accepted qualifications to better meet the export needs of industrial cobalt sources and cobalt-60 products. It is an effective way to contribute to the Company's goal to grow bigger, stronger and better and enhance the Company's comprehensive competitiveness.

3. Feasibility of Project

(1) The project's technical proposal is reliable and meets the requirements of product performance

Having conducted a detailed investigation of the existing contents and future market demand, this project formed a complete technical proposal, which will further optimize the existing container design, improve product inclusiveness, select more stringent check indicators, and increase the surplus features for air transportation and detachable functions. Such container products, once being successfully manufactured, will effectively meet the performance requirements in the fields of content type, surface radiation level, transportation index, and maximum contact surface temperature.

- (2) *Under control of professional supervision department, technical support is assured*

The container design plan and prototype manufacturing process will be reviewed by the National Nuclear Safety Administration and other authoritative regulatory agencies in the radioactive material transportation industry to continuously optimize the container design plan, ensure the quality of the containers, and ensure that the inherent safety of radioactive material transportation is essentially improved. The relevant technical support in the development process is fully assured.

- (3) *The sales demand is very certain, which is conducive to the continuous development of the radiation source business*

The Company has negotiated with customers in irradiation stations in Vietnam, Malaysia and other countries and signed a letter of intent for cooperation in respect of the supply of industrial cobalt sources. It is estimated that the current annual demand for industrial cobalt sources from potential foreign users exceed 1 million Curie, and the business needs are highly certain. With reference to the current use of containers, upon the successful development of the new radioactive containers, the Company will be in a better position to meet the needs of the domestic and foreign markets, facilitate the scheduling of cobalt source shipment and reduce the impact of container failures, and foster the sustained development of radioactive source-related businesses.

(IX) Research and development project of low-energy electron curtain accelerator equipment

1. Overview of the Project

This project intends to develop a highly reliable wide-width electronic curtain irradiation devices, including power supply, under-beam device, inert gas system, cooling device, etc., which can accurately control the beam current, so as to expand the scope of application of the electronic curtain irradiation device, to improve the quality and speed of coating curing and modified products, and push the development of the radiation curing industry to high efficiency, high precision and high quality of products.

2. *Necessity of the Project*

- (1) *Realize the independent R&D of advanced equipment, and command the “bottleneck technologies” in domestic manufacturing” to promote the development of the industry*

“Longitudinal multi-filament electron curtain accelerator”, which is a key device for low-energy electron beam curing process, remains under monopoly by foreign countries, and therefore a bottleneck problem. Large companies including COMET in Switzerland and ESI in the United States provide such products and related services. However, there is currently no high-performance domestically produced electronic curtain accelerator devices in China. Domestic related surface coating, packaging and printing companies can’t afford technology upgrade at high prices created by monopoly, and find it difficult to produce internationally-competitive high-quality products. Promotion of research and development of domestic equipment will contribute to the development of domestic related industries.

- (2) *The potential domestic demand is strong and there are considerable market expectations*

There are about 800 electron accelerator production lines worldwide engaged in electron beam curing business, including more than 400 in the United States, more than 300 in Japan, and more than 50 in Europe. Several production lines were introduced into China, but none of them was running well. If China can equip approximately 300 EB curing production lines in the future, assuming each production line will have one electron accelerator, the entire market of selling electron accelerator for radiation curing purpose is expected to reach RMB1.5 billion, translating into expected bullish market of related products and services as well.

- (3) *Meet the Company’s development strategy and enhance the Company’s comprehensive competitiveness*

The smooth progress in the project will help the Company to realize its strategic arrangement in the field of radiation curing, accumulate the related technologies and R&D capabilities, and enhance the technical advantages and competitive strength in the field of radiation curing.

3. *Feasibility of Project*

(1) The Project has obvious technical advantages and boast of brilliant development prospect

In the current offerings of radiation curing products, the UV curing accounts for approximately 90%, while electron beam curing products only takes a market share of only 10% due to significant one-off investment. With the development of new low-energy accelerators in recent years, product prices were gradually dropping. In addition, thanks to the advantages of electron beam curing such as no need for photo initiator, lower cost, less energy consumption and no pollution, etc. there is brilliant market development prospect for the products.

(2) Excellent technical foundation and R&D team

The cooperative partner of the Project is a service and manufacturing enterprise focusing on low-energy electron beam curing technology, and is deeply involved in the field of civil nuclear technology. It has gradually formed a complete electron beam curing technology research and development, application and promotion system, made various milestone achievements in the industry. In January 2021, it completed the first multi-functional electron beam curing pilot scale experiment center and electron beam curing plate mass production line in China. It is already in a leading position, with an excellent research and development foundation and team in China's electron beam curing field.

(X) Medical Diagnostic Series Development Project

1. *Overview of the Project*

This project addresses the issue of industrial development and production of reagents, equipment and raw materials for genetic testing, POCT/chemiluminescent immunodiagnostic testing, and develops and industrializes in-vitro diagnostic products for the demand of high-throughput and rapid testing of cardiovascular, stroke, neurodegenerative and respiratory diseases. Based on the existing layout of the Company in the field of in-vitro diagnostics, the Company will continue to carry out R&D innovation, increase the diversification of product categories, expand the coverage of the product matrix and promote the high-quality development of the in-vitro diagnostics business.

2. *Necessity of the Project*

(1) *Improving in the in-vitro diagnostic product system and enhancing the core competitiveness*

The Company has a leading position in the industry in terms of the number of in-vitro diagnostic projects and has accumulated certain advantages in the diagnostic fields of cardiovascular, tumor, liver fibrosis and diabetic diseases, and has initially gained market recognition, but there are also problems such as slow product iteration. The project is closely focused on the main business, R&D of new products in line with the development trend of the in-vitro diagnostic industry, focusing on the development of diagnostic products for hypertension and neurodegenerative diseases with potential huge market demand, forming an effective expansion of the existing platform product system, forming a synergy effect with the Company's existing tubular fully automated chemiluminescence product series, promoting the Company's breath diagnostic instruments to move towards intelligence and automation and enhancing the core competitiveness of the Company.

(2) *Ensuring the independent control of important raw materials to reduce overall production costs*

Currently, the total amount of carbon [13C]-urea produced globally is still difficult to fully meet the downstream demand, and the expensive price of outsourced carbon [13C]-urea restricts the further expansion of the market scale of the Company's urea [13C] breath test kit. Therefore, carrying out research on the purification process of high-volume urea [13C] raw materials and realizing the independent supply of key raw materials will help reduce the overall production cost, which is of great significance to the capacity enhancement and long-term development.

Through the construction of a technology platform for biological raw materials, the acquisition of R&D equipment, the introduction of high-end R&D talents and the enhancement of the development capability of raw material products such as antigens, antibodies and enzymes, we will achieve the iterative upgrading of existing raw material products and promote the independent development of new products. Through continuous investment in R&D, we will enhance the accumulation of core technologies in the direction of biological raw materials and improve the independent development capability of raw materials products, which will effectively support the cost control, quality improvement and new product development of the Company's existing immunodiagnostic products.

(3) Cultivating new market directions and consolidating industrial leadership

From the perspective of technological upgrading and iteration in the in-vitro diagnostic industry, the demand for technologies of fully automated chemiluminescence and products in the downstream market continues to rise, and there are still certain gaps in the detection throughput, sensitivity and ease of operation of the Company's existing listed products. Therefore, the development of in vitro diagnostic products for hypertension and neurodegenerative diseases based on the Company's newly built fully automated tubular chemiluminescence technology platform can effectively develop high value-added products, cultivate new profit growth points and consolidate the Company's leading position in the industry.

3. Feasibility of the Project

(1) Encouragement and support from the national industrial policy

At the national level, the country frequently releases favorable policies for the in-vitro diagnostic industry in medical devices, which brings important opportunities for the development of the medical diagnostic industry: firstly, the policy encourages the use of domestic devices, selects excellent products to establish benchmarks, builds domestic brands and gradually realizes import substitution; secondly, it promotes medical device enterprises to enhance their innovation and R&D capabilities, focusing on the development of medical imaging, in-vitro diagnostic and other high precision products, building technical barriers and a protective boundary of products. As an important industry for the development of national healthcare, in-vitro diagnostics is encouraged and supported by a number of national industrial policies, which will provide sufficient guarantee for the smooth implementation of this project.

(2) Good market development prospect helps project implementation

The accelerated aging of the population and other factors promote the number of visits and per capita examination costs continue to grow by the accelerated aging of the PRC, with the influence of the increase in the number of people covered by the health insurance system, and the increase in health awareness of residents, the demand for medical and health care in the PRC has been released relatively quickly, and the number of visits to medical and health care institutions and the per capita examination cost have shown rapid growth, which will provide impetus for the rapid growth of the in-vitro diagnostic market in the PRC, and the project has good market development prospects.

(3) Accumulation of outstanding technology, talent pool and project development and management experience

The Company has a good talent pool and equipment foundation in the fields of isotope labeling, urea breath test technology and radioactivity measurement, etc. Members of the project team have long been engaged in the R&D of drugs and medical devices and have a good theoretical foundation and practical experience in the design and development, production and quality control of medical device products. After years of development, the in-vitro diagnostic R&D centre has a number of core technologies in product development, sample processing and stability enhancement, and has a rich technical reserve to provide technical support for this project.

(XI) R&D Project on Industrial Application of Irradiation Disinfection of New Coronavirus on Cold Chain Food

1. Overview of the Project

This project will carry out research on the industrial application of irradiation disinfection on cold chain food products with the aim of clarifying the dose of irradiation disinfection of new coronavirus and the impact of different irradiation doses on the quality of cold chain products, establishing a biosafety quality control analysis and product quality assessment system, and establishing irradiation processes and application standards for inactivation treatment based on cobalt-60 irradiation and high energy accelerator irradiation.

2. Necessity of the Project

(1) Strong support for the prevention and control of COVID-19

COVID-19 in the PRC is gradually under good control, but there are cases of cold chain products testing positive for COVID-19, posing a threat to the overall prevention and control of the epidemic. In order to prevent the spread of COVID-19 through cold chain products, large quantities of cold chain products need to be inactivated and this project is highly necessary in the context of the ongoing prevention and control of the epidemic.

(2) Enhancing the sterilization capacity of materials to protect people's health and environmental safety

The security of imported materials and emergency supplies is an important part of the national security strategy system. The use of high-energy radiation for irradiation and sterilization will produce good results and can effectively kill viruses and bacteria in a relatively short period of time, ensuring rapid and safe supply of materials. Compared to traditional methods, irradiation sterilization is a cold process, without the addition of chemicals, without contact with the irradiated material, without radioactive contamination, and can quickly and safely sterilize relief or imported materials, providing a strong guarantee for people's health and environmental safety.

(3) Automation of irradiated sites and enhancement of core technical capabilities

The project plans to establish a comprehensive irradiation disinfection system and adopt an automated production line to reduce staff exposure and enhance the practicality of the technology. Currently irradiated sites are mainly manually loaded and unloaded with irradiated products, making it difficult to avoid human exposure. The research for this project starts with a high degree of automation and includes: a robotic arm system for automatic depalletizing and palletizing, a mass thickness detection system, an intelligent cargo judgement system with barcode recognition, as well as the control and mechanical implementation of the robotic arm, the development of sensors and software, and the design and process implementation of an intelligent transmission line. This project has independent intellectual property rights and has the advantage of being more convenient to use, more intelligent in its operation and able to meet the requirements of various large quantities of rapid automated sterilization, which can enhance the core technological strength of the Company in the field of irradiation sterilization automation.

3. Feasibility of the Project

(1) The leading irradiation technology of the Company and the experienced team

The Company has been cultivating in the field of irradiation application and service for many years, and has accumulated rich experience in the design, production, transportation and installation of irradiation products. We have a group of technicians who have long been engaged in radioactive sources and irradiation-related services. We are able to give full play to the advantages of our cobalt-60 products and accelerator resources, establish a perfect irradiation disinfection process and corporate standards, and form a good quality control analysis and product quality assessment system, which will provide effective support for the smooth development and orderly construction of this project.

(2) Increasing the emergency reserve production line to provide continuous irradiation sterilization service

The development and application of irradiation sterilization technology can not only contribute to the inactivation and prevention of the epidemic in the current New Coronavirus epidemic, but the relevant project results can also serve as an emergency reserve production line for similar emergencies in the future. Upon the full elimination of this epidemic, the relevant production lines involved in the project can still be used as irradiation sterilization lines to provide sterilization services and complete irradiation sterilization of food, drugs, medical devices and other related products, which has a strong sustainability.

(3) Profound technical experience and broad space for development

Irradiation sterilization technology has been widely used in medical supplies irradiation sterilization, food preservation, irradiation sterilization of the processing industry and other fields, the operation effect is stable, the economic benefits are obvious. In the environmental protection field of sewage treatment and solid waste treatment, electron beam irradiation technology has also carried out extensive in-depth exploration and research and has achieved considerable results. The existing overseas high-energy electron beam irradiation sterilization equipment is too large to meet the demand for automated irradiation transmission. The automated irradiation sterilization technology developed in this project has a wide scope for development in terms of application areas and targets.

(XII) Supplementary Working Capital

Taking into account the development trend of the industry, its own operating conditions, strategic development planning and other factors, the Company intends to utilize RMB300,000,000 of the proceeds to supplement the working capital to ensure the daily production and operation of the Company and to help improve its market competitiveness.

With the continuous increase in investment in R&D, the enrichment of product categories and the growth of business scale and personnel, the demand for liquidity will continue to increase. After the funds raised are used to supplement the working capital, it will help strengthen the Company's capital and improve the quality of its assets. The Company will combine its business development objectives and strategic plans to invest working capital in its daily operations at the appropriate time, in order to improve its profitability, help maintain its competitive edge, gradually realize its strategic planning and better resist market risks.

APPENDIX V	DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF THE COMPANY
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Appendix:

**CHINA ISOTOPE & RADIATION CORPORATION
THE DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS
FOR THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

China Isotope & Radiation Corporation (“CIRC” or “the Company”) formulated the Price Stabilization Plan of A Shares within Three Years after the Initial Public Offering and Listing of A Shares of China Isotope & Radiation Corporation (“Shareholder Return Plan”) in accordance with the relevant documents of the China Securities Regulatory Commission’s “Notice on Further Implementation of Matters Relating to Cash Dividends of Listed Companies”, “No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies” and the Articles of Association of China Isotope & Radiation Corporation (“Articles of Association (Draft)”), in order to further regulate the dividend distribution behavior of the Company, promote the Company to establish a scientific, sustainable and stable dividend distribution mechanism, ensure reasonable investment returns to shareholders, increase the transparency and operability of dividend distribution decision.

**1. FACTORS TO BE CONSIDERED IN THE FORMULATION OF THE
SHAREHOLDER RETURN PLAN**

The Shareholder Return Plan should focus on the strategic development plan and sustainable operation of the Company, and take into account the actual business development of the Company, shareholders’ requirements and wishes, the cost of social capital, the external financing environment, the characteristics of the industry in which it operates, the stage of development, its own business model, profitability level and whether there are major capital expenditure arrangements, etc., and consider the interests of shareholders from both the realistic and long-term perspectives to establish the Shareholder Return Plan and mechanism which are scientific, sustainable and stable.

2. PRINCIPLES OF THE FORMULATION OF THE RETURN PLAN

In accordance with the provisions of the Company Law of the People’s Republic of China and other relevant laws and regulations and the Articles of Association (Draft) of the Company, and on the basis of attaching importance to reasonable investment returns to shareholders and taking into account the sustainable development of the Company, the Company will fully listen to and consider the opinions and demands of shareholders (especially minority shareholders) and independent directors of the Company, to formulate a reasonable Shareholder Return Plan, and take into account the relationship between short-term interests and long-term development of the Company, so as to ensure the continuity and stability of the profit distribution policy.

**APPENDIX V DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR
THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
AND LISTING OF A SHARES OF THE COMPANY**

**3. THE SHAREHOLDER RETURN PLAN FOR THREE YEARS AFTER THE
INITIAL PUBLIC OFFERING AND LISTING OF A SHARES**

(1) Forms of profit distribution

Subject to the relevant provisions and conditions of the relevant laws, regulations and regulatory documents, while maintaining the continuity and stability of the profit distribution policy, the Company may distribute profits in the form of cash dividends, stock dividends or a combination of both, and the Board of Directors of the Company may formulate an annual or interim profit distribution policy in accordance with the scale of the Company's earnings, cash flow position, development stage and capital requirements for the current period.

(2) Specific provisions for the distribution of profits

1. Specific conditions and percentages for cash dividend distribution

Except for the special circumstances, if the Company is profitable for the year and has positive accumulated undistributed profits, the Company shall give priority to the cash dividend distribution after full withdrawal of the legal reserve and arbitrary reserve. Subject to the conditions for cash dividends distribution, the Company's cumulative cash dividend distributed in the last three years shall not be less than 30% of the average annual distributable profits achieved in the last three years.

Special circumstances refer to:

- (1) When the production and operation of the Company is significantly affected by force majeure events (such as encountering war, natural disasters etc.).
- (2) When the net cash flow from operating activities for the year is negative and the implementation of cash dividends will affect the subsequent continued operation of the Company.
- (3) When the auditor has not issued a standard unqualified audit report on the Company's financial report for the year.
- (4) When the Company has significant investment plans or other significant cash expenditure and other matters occurring (except for the fund-raising projects).

Significant investment plan or significant cash outflow refers to: the cumulative amount of the Company's proposed external investment, acquisition of assets or purchase of equipment within the next twelve months reaches or exceeds 30% of the Company's latest audited net assets.

APPENDIX V	DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF THE COMPANY
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2. *Specific conditions for distribution of bonus shares*

The Company may propose a proposal for the distribution of stock dividends when its operation is in good condition and when the Board of Directors considers that the price of the Company's shares does not match the size of the Company's share capital and that the payment of stock dividends is in the interests of all shareholders of the Company as a whole, provided that the above conditions for cash dividends are met. When the Company adopts stock dividends for profit distribution, it should be based on the premise of providing shareholders a reasonable return on cash dividends and maintaining an appropriate size of share capital, and taking into account real and reasonable factors such as the Company's growth and dilution of net assets per share.

3. *Intervals of Profit Distribution*

Provided that the conditions for profit distribution are met, the Company will, in principle, distribute profits once a year. Provided that the conditions for cash dividends are met, the Company will actively distribute cash dividends. Subject to the conditions, the Board of Directors of the Company may propose the Company to pay interim cash dividends in accordance with the actual operating conditions of the Company.

(3) Differentiated Cash Dividend Policy

During the actual profit distribution, the Board of Directors of the Company shall comprehensively take into account factors including the characteristics of the industry of the Company, the development stage of the Company, its own business model, profitability, and if there are any substantial capital expenditure arrangements, etc., to categorise the Company's situation into the followings and propose a differentiated cash dividend distribution policy according to the procedures as stipulated in the Articles of Association (Draft):

1. If the Company's development is in maturity stage without substantial capital expenditure arrangement, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 80%;
2. If the Company's development is in maturity stage with substantial capital expenditure arrangements, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 40%;
3. If the Company's development is in growth stage with substantial capital expenditure arrangements, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 20%;

APPENDIX V	DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF THE COMPANY
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Where the Company's stage of development is not easily distinguishable but there are significant capital expenditure arrangements, they may be dealt with in accordance with the preceding paragraph. The Company's main form of dividend payment is cash dividend; while fulfilling the aforesaid cash dividend, the Board of Directors of the Company may propose a profit distribution plan for the issuance of stock dividends for consideration by the shareholders' general meeting.

(4) Decision-making procedures and mechanism for the distribution of profits of the Company

1. The profit distribution proposal of the Company shall be prepared by the management and submitted to the Board of Directors and the Board of Supervisors of the Company for consideration. The Board of Directors shall fully discuss the reasonableness of the profit distribution proposal, form a special proposal, and submit it to the general meeting for consideration. When the Company has achieved profitability in the previous financial year, but the Board of Directors does not distribute cash dividends or distributes profits at a ratio lower than the cash dividends stipulated in the Articles of Association (Draft), the independent non-executive directors shall express independent opinions and the Company shall provide internet voting to facilitate the participation of public shareholders in voting at the general meeting.
2. When the Company formulates a specific proposal for cash dividend distribution, the Board of Directors shall carefully study and discuss matters such as the timing, conditions, and minimum ratio of the Company's cash dividend distribution, the conditions for adjustment and the requirements of its decision-making procedures, and the independent non-executive directors shall express their independent opinions. The independent non-executive directors may solicit the views of minority shareholders to put forward profit distribution proposals and submit them directly to the Board of Directors for consideration.
3. Before the specific proposal for cash dividend distribution is considered at the general meeting, the Company shall communicate and exchange views with shareholders (especially minority shareholders) through various channels (including but not limited to telephone, fax, email, on-site reception, etc.) to fully listen to the views and demands of minority shareholders and provide timely responses to the concerns of minority shareholders.

APPENDIX V	DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR THE THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF THE COMPANY
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(5) Adjustment of the Company's profit distribution Policy

The Company may adjust its profit distribution policy in the event of force majeure such as war, natural disasters, or changes in the Company's external business environment (such as adjustments to national policies and regulations), which have a significant impact on the Company's production and operation, or when the Company's own business conditions have changed significantly.

Adjustments to the profit distribution policy shall be made by the Board of Directors, with detailed justifications for the adjustments, and a written justification report shall be formed and submitted to the general meeting for approval by way of special resolution after consideration by the independent non-executive directors. The Company shall provide shareholders with the means of internet voting when considering matters relating to the change of profit distribution policy. When considering matters relating to the change of policy on Profit Distribution Plan at the general meeting, the views of minority shareholders shall be fully considered.

4. DISCLOSURE OF INFORMATION ON PROFIT DISTRIBUTION OF THE COMPANY

The Company shall disclose in detail in the annual report the formulation and implementation of the cash dividend distribution policy, stating whether it is in compliance with the provisions of the Articles of Association (Draft) or the requirements of the resolution of the general meeting, whether the criteria and proportion of profit distribution are clear and explicit, whether the relevant decision-making procedures and mechanisms are complete, whether the independent directors have performed their duties and played their due role, whether the minority shareholders have adequate opportunities to express their views and demands, and whether the legitimate rights and interests of minority shareholders are adequately safeguarded, etc. Where the cash dividend distribution policy has been adjusted or changed, details of whether the conditions and procedures for adjustment or change are compliant and transparent, etc.

5. OTHER MATTERS

1. This Shareholder Return Plan has been approved by the general meeting of the Company and shall take effect from the date of the Company's initial public offering of A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange, or as amended.
2. Matters not covered in this Shareholder Return Plan shall be implemented in accordance with relevant laws, regulations and regulatory documents and the provisions of the Articles of Association (Draft) of the Company.
3. The Board of Directors of the Company shall be responsible for the interpretation of this Shareholder Return Plan.

Annex:

**CHINA ISOTOPE & RADIATION CORPORATION
DILUTION OF CURRENT RETURNS BY THE INITIAL PUBLIC OFFERING AND
LISTING OF A SHARES AND REMEDIAL MEASURES**

Upon the completion of the initial public offering and listing of A shares of China Isotope & Radiation Corporation (the “Company”) on the STAR Market (the “Offering and Listing”), both of the share capital and net assets of the Company will increase substantially. However, in view of certain implementation cycle of the fund-raising and investment project, which may lead to the decline of the earnings per share, return on net assets and other indicators of the Company, investors are subject to the risk of current returns being diluted by the Offering and Listing. In order to reduce the impact of the Offering and Listing on the diluted current returns of the Company, the Company will continue to adopt a number of improvement measures to improve the Company’s daily operating efficiency, reduce its operating costs and boost its operating performance. The specific measures and undertakings are as follows:

(I) THE PROPOSED MEASURES AND UNDERTAKINGS OF THE COMPANY

1. Strengthen R&D and business expansion to improve the sustainable profitability of the Company

The Company will continuously consolidate and utilize its own advantages in R&D, production and sales, enrich and improve products, upgrade the R&D technology and explore its markets, in a bid to enhance the sustainable profitability and realize the sustained and stable development of the Company.

2. Strengthen internal management to improve operating efficiency and reduce operating costs

The Company will actively promote the product optimization, R&D and production process as well as the transformation and upgrading of technical equipment, and will also strengthen the refined management, aiming to continuously improve operating efficiency and cut losses. At the same time, the Company will strengthen budget management and control its expense ratio.

3. Strengthen the management of raised funds and speed up the setup of fundraising projects to improve the usage efficiency of raised funds

The Company has formulated the A-share Fundraising Management System of China Isotope & Radiation Corporation in accordance with laws and regulations, regulatory documents and the Articles of Association (Draft) of China Isotope & Radiation Corporation (the “Articles of Association (Draft)”), which explicitly stipulates the deposit, application,

changes in usage, management and supervision of special accounts of raised funds. In order to ensure the standardized and effective employment of raised funds by the Company, upon the proper receipt of the raised funds, the board of directors of the Company will continuously supervise the special storage of raised funds by the Company and ensure that the raised funds will be used for the setup of the aforementioned projects. The Company will also cooperate with supervisory banks and sponsors in the inspection and supervision of the use of raised funds to ensure the reasonable and standardized use of raised funds and reasonably prevent risks in the use of raised funds.

Meanwhile, the Company will pay close attention to the preliminary work of fund-raising projects and coordinate and rationally arrange the investment and construction of the project, striving to shorten the construction period and realizing the early commissioning and use of fund-raising projects. With the gradual implementation of the project, the gradual increase in production capacity and the further market expansion, the profitability of the Company will be further enhanced with the operating performance to be significantly improved, which will help to remedy the dilution of current returns of shareholders resulting from this issuance.

4. Improve the profit distribution mechanism and strengthen the investment return mechanism

The Company has made a shareholders' dividend planning in accordance with the relevant regulations of the China Securities Regulatory Commission, and has clarified the dividend policy in the Articles of Association (Draft), in a bid to ensure that the interests of the Company's shareholders, especially those of small and medium shareholders, are protected and the investors' returns are enhanced.

(II) THE UNDERTAKINGS OF THE CONTROLLING SHAREHOLDER

In order to ensure that the above measures to remedy the dilution of current returns are effectively implemented, the controlling shareholder of the Company has made the following undertakings:

During the period as the controlling shareholder of the issuer, we will not intervene in the Company's operation and management activities beyond our powers, and will not encroach on the Company's interests.

If we violate the aforementioned undertakings or refuse to fulfill the aforementioned undertakings, we will publicly explain and apologize in the general meeting of shareholders and the newspapers designated by the China Securities Regulatory Commission, and will also accept the relevant penalties or remedial measures imposed by the China Securities Regulatory Commission and the Shanghai Stock Exchange on the Company. We will compensate for any losses caused to the issuer or its shareholders in accordance with the law.

**(III) THE UNDERTAKINGS OF THE DIRECTORS AND SENIOR MANAGEMENT OF
THE COMPANY**

In order to ensure that the above measures to remedy the dilution of current returns are effectively implemented, the directors and senior management of the Company have made the following undertakings:

1. I undertake not to transfer benefits to other entities or individuals without compensation or at unfair terms, nor to harm the Company's interests in other ways;
2. I undertake to restrain and control my job-based expenditures;
3. I undertake not to use the Company's assets to engage in investment and consumption activities that are not related to my performance of duties;
4. I agree that the remuneration system formulated by the board of directors or the remuneration and appraisal committee is linked to the implementation of the remedial measures for returns of the Company;
5. I agree that, if the Company intends to grant me equity incentives in the future, the conditions for exercising the equity incentives are linked to the implementation of the remedial measures for returns of the Company;
6. I undertake that, if the Company's relevant regulations and my undertakings are inconsistent with the relevant opinions and implementation rules of the China Securities Regulatory Commission and the Shanghai Stock Exchange regarding the remedial measures for the dilution of current returns and their commitments, I will immediately issue supplementary undertakings in accordance with the regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and actively procure the Company to formulate new rules to meet the requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange;
7. I undertake to carry out the remedial measures for the current returns formulated by the Company and any undertakings made by me regarding the remedial measures for the current returns. If I violate the aforementioned undertakings or refuse to fulfill the aforementioned undertakings, I will publicly explain and apologize in the general meeting of shareholders and the newspapers designated by the China Securities Regulatory Commission, and will also accept the relevant penalties or remedial measures imposed by the China Securities Regulatory Commission and the Shanghai Stock Exchange on me. I will compensate for any losses caused to the issuer or its shareholders in accordance with the law.

**COMPARISON TABLE FOR AMENDMENTS TO THE ARTICLES
OF ASSOCIATION OF CHINA ISOTOPE & RADIATION
CORPORATION (DRAFT)**

The Company has made the following amendments to the Articles of Association, and the number of articles shall be changed accordingly due to deletion, merging and splitting of relevant articles.

Original	Amended
<p>Article 1 China Isotope & Radiation Corporation (hereinafter referred to as the “Company”) is a joint stock limited liability company founded under the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Letter of Opinions of Overseas Listing Department of CSRC and Production System Department of the State Commission for Restructuring the Economic System on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong (hereinafter referred to as the “CSRC Overseas Letter”), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (hereinafter referred to as the “Applicable Adjustment Reply”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) as well as other relevant laws and administrative rules of the People’s Republic of China.</p>	<p>Article 1 <u>In order to safeguard the legal rights and interests of China Isotope & Radiation Corporation (the “Company”) and its shareholders and creditors and to regulate the organizations and behaviors of the Company, these Articles of Association has been formulated under the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (the “Applicable Adjustment Reply”), the Rules Governing the Listing of Securities on the STAR Market of the Shanghai Stock Exchange (the “STAR Market Listing Rules”), the Guidelines for the Articles of Association of Listed Companies, the Governance Code for Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) as well as other relevant laws and administrative rules of the People’s Republic of China.</u></p>

Original	Amended
<p>As a corporation established through the overall alteration from China Isotope Co., Ltd., the Company was registered and licensed at the former State Administration for Industry and Commerce on December 6, 2011. The Company's unified social credit code is: 91110000100001019X.</p> <p>The founders of the Company are China National Nuclear Corporation (hereinafter referred to as "CNNC"), China Institute of Atomic Energy (hereinafter referred to as "CIAE"), and Nuclear Power Institute of China (hereinafter referred to as "NPIC").</p>	<p>China Isotope & Radiation Corporation (hereinafter referred to as the "Company") is a joint stock limited liability company founded under the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Securities Law of the People's Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Provisions"), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), the Letter of Opinions of Overseas Listing Department of CSRC and Production System Department of the State Commission for Restructuring the Economic System on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong (hereinafter referred to as the "CSRC Overseas Letter"), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (hereinafter referred to as the "Applicable Adjustment Reply"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") as well as other relevant laws and administrative rules of the People's Republic of China.</p> <p>As a corporation established through the overall alteration from China Isotope Co., Ltd., the Company was registered and licensed at the former State Administration for Industry and Commerce on December 6, 2011. The Company's unified social credit code is: 91110000100001019X.</p> <p>The founders of the Company are China National Nuclear Corporation (hereinafter referred to as "CNNC"), China Institute of Atomic Energy (hereinafter referred to as "CIAE"), and Nuclear Power Institute of China (hereinafter referred to as "NPIC").</p>

Original	Amended
New	<p><u>Article 2 The Company is s joint stock limited liability company established under the Company Law, the Securities Law, the Special Provisions and other laws and administrative regulations of the People’s Republic of China.</u></p> <p><u>As a corporation established through the overall alteration from China Isotope Co., Ltd. as approved by the State-owned Assets Supervision and Administration Commission of the State Council on the Approval of Issues Concerning the Management of State-owned Equity of China Isotope & Radiation Corporation (Guo Zi Chan Quan [2016] No. 1302), the Company was registered and licensed at the former State Administration for Industry and Commerce on December 6, 2011. The Company’s unified social credit code is 91110000100001019X.</u></p> <p><u>The founders of the Company are China National Nuclear Corporation (hereinafter referred to as “CNNC”), China Institute of Atomic Energy (hereinafter referred to as “CIAE”), and Nuclear Power Institute of China (hereinafter referred to as “NPIC”).</u></p>
<p>Article 3 The Company’s domicile is: Room 418, South 4th Floor, Building 1, No. 66, Changwa Middle Street, Haidian District, Beijing, 100089; phone: 86-10-68522774; fax: 86-10-68512374.</p>	<p>Article 3<u>Article 4</u> The Company’s domicile is: Room 418, South 4th Floor, Building 1, No. 66, Changwa Middle Street, Haidian District, Beijing, 100089; phone: 86-10-68522774; fax: 86-10-68512374.</p>
New	<p><u>Article 5 The registered capital of the Company is RMB[●]. The registered capital of the Company shall be adjusted accordingly after the issuance of new shares according to the actual issuance situation. Any change in the registered capital of the Company shall be registered through the procedures regarding the change in the registered capital.</u></p> <p><u>Renminbi referred to in the preceding paragraph means the lawful currency of the People’s Republic of China.</u></p>

Original	Amended
Article 4 The legal representative of the Company is the chairman of the Board of Directors.	Article 4 Article 6 The legal representative of the Company is the chairman of the Board of Directors <u>serves as the legal representative of the Company.</u>
Article 6 As the code of conduct of Company, the Articles of Association (hereinafter referred to as the “Articles”) are approved by the special resolution of the shareholders’ general meeting. Once the Articles become effective, they shall constitute a legally binding instrument regulating the Company’s organization and activities and the rights and obligations between the Company and each shareholder and between the shareholders.	Article 6 Article 8 As the code of conduct of <u>the</u> Company, the Articles of Association (hereinafter referred to as the “Articles”) are approved by the special resolution of the shareholders’ general meeting. Once the Articles become effective, they shall constitute a legally binding instrument regulating the Company’s organization and activities and the rights and obligations between the Company and each shareholder and between the shareholders.
Article 7 The Articles are binding on the Company and its shareholders, directors, supervisors and senior management officers, all of whom have the rights to make claims in connection with any matters of the Company pursuant to the Articles. A shareholder may take legal action against the Company in accordance with the Articles; the Company may take legal action against any shareholder in accordance with the Articles; a shareholder may take legal action against another shareholders in accordance with the Articles; a shareholder may take legal action against the directors, supervisors and senior management officers of the Company in accordance with the Articles.	Article 7 Article 9 The Articles are <u>legally</u> binding on the Company and its shareholders, directors, supervisors and senior management officers, all of whom have the rights to make claims in connection with any matters of the Company pursuant to the Articles. A shareholder may take legal action against the Company in accordance with the Articles; the Company may take legal action against any shareholders, <u>directors, supervisors and senior management officers</u> in accordance with the Articles; a shareholder may take legal action against another shareholders in accordance with the Articles; a shareholder may take legal action against the directors, supervisors and senior management officers of the Company in accordance with the Articles.
Article 8 All the Company assets are divided into equal shares. The liability of a shareholder of the Company shall be limited to the shares held by each shareholder. The Company shall hold liable for its debt with all of its assets.	Article 8 Article 10 All the Company assets are divided into equal shares. The liability of a shareholder of the Company shall be limited to the shares <u>subscribed</u> by each shareholder. The Company shall hold liable for its debt with all of its assets.

Original	Amended
<p>Article 9 According to the Constitution of the Communist Party of China, the Company shall set up the organization of Communist Party of China. The Party Committee shall give full play to its leading role by controlling the direction, managing the overall situation and ensuring the implementation of policies. The Company shall establish the working organs of the Party, provide the Party organization with enough working personnel and guarantee its working funds.</p>	<p>Article—9Article 11 According to the Constitution of the Communist Party of China, the Company shall set up the organization of <u>the</u> Communist Party of China. The Party Committee shall give full play to its leading role by controlling the direction, managing the overall situation and ensuring facilitating the implementation of policies. The Company shall establish the working organs of the Party, provide the Party organization with enough working personnel and guarantee its working funds.</p>
<p>Chapter 3 Shares and Registered Capital</p>	<p>Chapter 3 Shares and Registered Capital</p>
<p>Article 15 All the shares issued by the Company are par value stock, each with a par value of Renminbi one yuan.</p> <p>Renminbi referred to in the preceding paragraph means the lawful currency of the People's Republic of China.</p>	<p>Article—15Article 17 Shares of the Company are in the form of share certificates. All the shares issued by the Company are par value stock, each with a par value of Renminbi one yuan.</p> <p>Renminbi referred to in the preceding paragraph means the lawful currency of the People's Republic of China.</p>
<p>Article 18 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>Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions that are recognized by the foreign exchange authority of the PRC and that can be used to pay for the shares subscribed.</p>	<p>Article—18Article 20 Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares (or A 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>Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions that are recognized by the foreign exchange authority of the PRC and that can be used to pay for the shares subscribed.</p>

Original	Amended
<p>Foreign shares issued by the Company that are listed in the Hong Kong Stock Exchange 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>Foreign shares issued by the Company that are listed in the Hong Kong Stock Exchange 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><u>The shareholders of domestic shares and the shareholders of overseas listed foreign shares are both ordinary shareholders and enjoy the same rights and assume the same obligations.</u></p>
<p>New</p>	<p><u>Article 21 All the domestic shares issued by the Company are deposited in China Securities Depository and Clearing Co., Ltd. The overseas listed foreign shares issued by the Company in Hong Kong are mainly under the custody of the securities depository and clearing companies in Hong Kong, and may also be held by shareholders in their personal names.</u></p>
<p>Article 20 As approved by the securities authority of the State Council, the Company may issue no more than 91,964,006 overseas-listed foreign shares. After the completion of the above issuance, the shareholding structure of the Company is composed of 319,874,900 ordinary shares, of which 106,676,903 shares shall be held by CNNC (中國核工業集團有限公司), 58,534,835 shares shall be held by CIAE, 46,994,835 shares shall be held by NPIC as promoters, 27,699,527 shares for all the other domestic shareholders, and 79,968,800 shares shall be held by holders of overseas-listed foreign shares.</p>	<p>Article 20Article 23 As approved by the securities authority of the State Council, the Company may issue no more than 91,964,006 overseas-listed foreign shares. After the completion of the above issuance, the shareholding structure of the Company is composed of 319,874,900 ordinary shares, of which 106,676,903 shares shall be held by CNNC (中國核工業集團有限公司), 58,534,835 shares shall be held by CIAE, 46,994,835 shares shall be held by NPIC as promoters, 27,699,527 shares for all the other domestic shareholders, and 79,968,800 shares shall be held by holders of overseas-listed foreign shares.</p> <p><u>After being reviewed by the Shanghai Stock Exchange and registered with the China Securities Regulatory Commission, the Company made an initial public offering of [●] domestically listed shares in [●], which had been listed on the Shanghai Stock Exchange on [●]. After the completion of the above issuance, the total share capital of the Company amounted to [●] shares, comprising [●] domestic shares (including [●] shares held by domestic shareholders of listed domestic shares, representing [●]% of the total issued ordinary shares of the Company, and [●] shares held by shareholders of overseas listed foreign shares, representing [●]% of the total issued ordinary shares of the Company).</u></p>

Original	Amended
<p>Article 21 The Board of Directors of the Company may implement, through separate offerings, the proposals for the issuance of overseas-listed foreign shares and domestic shares as approved by the securities authority of the State Council.</p> <p>The Company may implement separately its proposals for the issuance of overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval by the securities authority of the State Council.</p>	<p>Article—21Article 24 The Board of Directors of the Company may implement, through separate offerings, the proposals for the issuance of overseas-listed foreign shares and domestic shares as approved by the securities authority of the State Council.</p> <p>The Company may implement separately its proposals for the issuance of overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval by the securities authority of the State Council. <u>If the relevant approval or registration documents of the securities authority of the State Council provide otherwise in this respect, such provisions shall prevail.</u></p>
<p>Article 23 The registered capital of the Company is RMB319,874,900.</p>	<p>Article 23 The registered capital of the Company is RMB319,874,900.</p>
<p>Chapter 4 Capital Reduction and Repurchase of Shares</p>	<p>Chapter 4 Capital Reduction and Repurchase of Shares</p> <p><u>Chapter 3 Section 2 Capital Reduction or Decrease and Repurchase of Shares</u></p>
<p>Article 24 The Company may approve the increase of capital according to this Articles based on the needs of operation and development.</p> <p>The Company may increase its capital in the following ways:</p> <p>(I) Offering new shares to non-specially-designated investors;</p> <p>(II) Placing new shares to existing shareholders;</p> <p>(III) Distributing bonus shares to existing shareholders;</p> <p>(IV) Converting capital reserves into share capital;</p> <p>(V) Other ways permitted by laws and administrative regulations.</p>	<p>Article 24Article 28 The Company may approve the increase of capital according to this Articles based on the needs of operation and development. <u>The Company may increase its capital in the following ways according to its business and development needs, based on the provisions of laws and regulations and after the resolutions of the general meeting of shareholders and the approval of the competent authority authorized by the state (if necessary):</u></p> <p>The Company may increase its capital in the following ways:</p> <p>(I) Offering new shares to non-specially-designated investors <u>Public offering of shares;</u></p> <p><u>(II) Non-public offering of shares;</u></p> <p>(III) Placing of new shares to existing shareholders;</p>

Original	Amended
<p>After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles, it shall be made in accordance with the procedures provided in the relevant laws and administrative regulations of PRC.</p>	<p>(HIV) Bonus issue of shares to existing shareholders;</p> <p>(IVV) Converting capital reserves into share capital;</p> <p>(VVI) Other ways permitted by laws and administrative regulations.</p> <p>After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles, it shall be made in accordance with the procedures provided in the relevant laws and administrative regulations of PRC.</p>
<p>Article 29 In the following circumstances, the Company may repurchase its issued shares in accordance with the listing rules of the stock exchange where shares of the Company are listed or other securities laws and rules and upon passing the procedures provided in the Articles, subject to the approval of the relevant governing authorities of the PRC:</p> <p>(I) Cancellation of shares for the purpose of reduction of registered capital of the Company;</p> <p>(II) Merger with another company which holds the shares of the Company;</p> <p>(III) Shares used for the employee share ownership scheme or equity incentives;</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 division of the Company;</p> <p>(V) Shares used for conversion of corporate bonds issued by the Company that may be convertible into shares;</p> <p>(VI) Protection of the value of the Company and shareholders' interests.</p>	<p>Article 29Article 31 In the following circumstances, the Company may repurchase its issued shares in accordance with the listing rules of the stock exchange where shares of the Company are listed or other securities laws and rules and upon passing the procedures provided in the Articles, subject to the approval of the relevant governing authorities of the PRC:</p> <p>(I) Cancellation of shares for the purpose of reduction of registered capital of the Company;</p> <p>(II) Merger with another company which that holds the shares of the Company;</p> <p>(III) Shares used for the employee share ownership scheme or equity incentives;</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 division of the Company;</p> <p>(V) Shares used for conversion of corporate bonds issued by the Company that may be convertible into shares;</p> <p>(VI) Protection of the value of the Company and shareholders' interests.</p> <p><u>Except for the above circumstances, the Company may not purchase its own shares.</u></p>

Original	Amended
<p>Article 30 Upon approval by the relevant governing authorities of the PRC, the Company may repurchase its shares in any of the following ways:</p> <p>(I) Making a pro rata general offer of repurchase to all its shareholders;</p> <p>(II) Repurchasing shares at the stock exchange through public trading;</p> <p>(III) Repurchasing shares by an off-market agreement outside a stock exchange;</p> <p>(IV) Other circumstances permitted by laws and administrative regulations, and approved by the regulatory authorities.</p>	<p>Article 30Article 32 Upon approval by the relevant governing authorities of the PRC, the Company may repurchase its shares in any of the following ways:</p> <p>(I) Making a pro-rata general offer of repurchase to all its shareholders;</p> <p>(II) Repurchasing shares at the stock exchange through public trading;</p> <p>(III) Repurchasing shares by an off-market agreement outside a stock exchange;</p> <p>(IV) Other circumstances permitted by laws and administrative regulations, and approved by the regulatory authorities.</p> <p><u>The acquisition of shares by the Company due to the circumstances specified in sub-clauses (III), (V) and (VI) of Article 31 of these Articles shall be conducted through an open and centralized transaction method.</u></p>
<p>Article 33 The Company must obtain the prior approval of the shareholders at a general meeting, before it can repurchase shares by reason of those mentioned in subclauses (I) to (III) of Article 29 of the Articles. If the Company repurchases shares for reasons set out in sub-clauses (V) and (VI) of Article 29, it shall obtain approval by two-thirds of the directors who attend the meeting of the board of directors. Unless otherwise provided by the listing rules of the stock change which shares of the Company are listed or other securities laws and rules, shares repurchased by the Company under sub-clause (I) of Article 29 hereto shall be cancelled within ten (10) days from the date of acquisition; the shares repurchased under sub-clauses (II) and (IV) of Article 29 hereto shall be transferred or cancelled within six (6) months; and the aggregate number of shares acquired by the Company in accordance with sub-clauses (III), (V) and (VI) of Article 29 hereto shall not exceed 10% of the Company's issued shares, and the shares acquired shall be either transferred or cancelled within three years.</p>	<p>Article 33Article 35 The Company must obtain the prior approval of the shareholders at a general meeting, before it can repurchase shares by reason of those mentioned in subclauses (I) to (III) of Article 29 of the Articles. If the Company repurchases shares for reasons set out in sub-clauses (III), (V) and (VI) of Article 29, it shall obtain approval by two-thirds of the directors who attend the meeting of the board of directors <u>in accordance with the provisions of the Articles or the authorization of the shareholders meeting.</u> Unless otherwise provided by the listing rules of the stock change which shares of the Company are listed or other securities laws and rules, shares repurchased by the Company under sub-clause (I) of Article 29 hereto shall be cancelled within ten (10) days from the date of acquisition; the shares repurchased under sub-clauses (II) and (IV) of Article 29 hereto shall be transferred or cancelled within six (6) months; and the aggregate number of shares acquired by the Company in accordance with sub-clauses (III), (V) and (VI) of Article 29 hereto shall not exceed 10% of the Company's issued shares, and the shares acquired shall be either transferred or cancelled within three years.</p>

Original	Amended
The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.	<u>The Company shall apply to the original enterprise registration authority for the registration of the change in the registered capital in respect of the cancelled shares.</u> The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.
New	Chapter 3 Section 3 Share Transfer
New	<p><u>Article 37 The shares of the Company held by the promoters shall not be transferred within one year from the establishment date of the Company. The shares issued before the public offering of shares by the Company shall not be transferred within one year from the date when the Company's shares are listed and traded on the stock exchange.</u></p> <p><u>The directors, supervisors and senior management officers of the Company shall report to the Company the shares of the Company held and their changes. The number of shares they transfer each year during their tenure shall not exceed 25% of the total number of shares of the Company they hold, and the shares of the Company held by them shall not be transferred within one year from the listing and trading date of the shares of the Company. The above-mentioned personnel shall not transfer the shares of the Company held by them within half a year after their departure of office.</u></p>
New	<p><u>Article 38 For the directors, supervisors and senior management officers of the Company and its shareholders holding more than 5% of its shares, the gains from the disposal of the shares or other equity securities of the Company by them within six months from the date of acquisition or the acquisition of such shares or equity securities by them within six months from the date of disposal, shall be vested in the Company and be recovered by the Board of Directors, except for securities companies that hold more than 5% of the shares due to underwriting purchases of remaining stocks after the sale and other circumstances specified by the securities regulatory authority of the State Council.</u></p>

Original	Amended
	<p><u>If the Board of Directors does not comply with the provisions of the preceding paragraph, the shareholders have the right to request the Board of Directors to enforce within 30 days. If the Board of Directors fails to enforce within the above-mentioned time limit, the shareholders have the right to directly file a lawsuit in the people's court in their own name for the benefit of the company.</u></p> <p><u>If the Board of Directors fails to implement the provisions of the first paragraph, the responsible directors shall bear joint and several liabilities in accordance with the law.</u></p>
<p>Chapter 5 Financial Assistance for Acquisition of Shares of the Company</p>	<p>Chapter <u>54</u> Financial Assistance for Acquisition of Shares of the Company</p>
<p>Article 35 The Company or its subsidiaries shall not provide any kind of financial assistance to a person who acquires or is proposing to acquire shares of the Company at any time. The aforesaid person acquiring shares of the Company includes a person who has directly or indirectly incurred any obligations as a result of the acquisition of shares of the Company.</p> <p>The Company or its subsidiaries shall not provide any financial assistance to the aforesaid person for the purpose of reducing or discharging his obligations.</p> <p>This Article shall not apply to the circumstances described in Article 37 of the Articles.</p>	<p>Article 35Article 39 The Company or its subsidiaries (including its affiliates) shall not at any time provide any financial assistance in any way (including gifts, advances, guarantees, compensation or loans) to those who purchase or intend to purchase the shares of the Company. The aforementioned purchasers of the shares of the Company include persons who directly or indirectly assume obligations due to the purchase of the shares of the Company.</p> <p>The Company or its subsidiaries shall not provide any financial assistance to the aforesaid person for the purpose of reducing or discharging his obligations.</p> <p>This Article shall not apply to the circumstances described in Article 3741 of the Articles.</p>
<p>Article 37 The following acts shall not be deemed to be acts as prohibited by Article 36:</p>	<p>Article 37Article 41 The following acts shall not be deemed to be acts as prohibited by Article 3639:</p>

Original	Amended
Chapter 6 Share Certificates and Register of Shareholders	Chapter 65 Share Certificates and Register of Shareholders
<p>Article 40 The share certificates shall be signed by the chairman of the Board of Directors. If required by the stock exchange where the shares of the Company are listed, to be signed by other senior management officers of the Company, the share certificates shall also be signed by other relevant senior management officers. The share certificates shall take effect after being affixed, or affixed by way of printing, with the Company's seal. The share certificates shall only be affixed or printed with the Company's seal under the authorization of the Board of Directors. The signature of the chairman of the Board of Directors or other relevant senior management officer of the Company on the share certificates may also be in printed form.</p>	<p>Article 40Article 44 The share certificates shall be signed by the chairman of the Board of Directors. If required by the stock exchange where the shares of the Company are listed, to be signed by other senior management officers of the Company, the share certificates shall also be signed by other relevant senior management officers. The share certificates shall take effect after being affixed, or affixed by way of printing, with the Company's seal. The share certificates shall only be affixed or printed with the Company's seal under the authorization of the Board of Directors. The signature of the chairman of the Board of Directors or other relevant senior management officer of the Company on the share certificates may also be in printed form.</p> <p><u>In the case of the dematerialized issuance and trading of the shares of the Company, the regulations of the securities regulatory authority in the place where the Company's shares are listed shall apply.</u></p>
Chapter 7 Rights and Obligations of Shareholders	Chapter 76 Rights and Obligations of Shareholders
<p>Article 54 Holders of ordinary shares of the Company shall have the following rights:</p> <p>(I) To obtain dividends and other forms of distributions in proportion to the number of shares held;</p> <p>(II) To attend or appoint a proxy to attend and vote on their behalf at shareholders' general meetings;</p>	<p>Article 54Article 58 Holders of ordinary shares of the Company shall have the following rights:</p> <p>(I) To obtain dividends and other forms of distributions in proportion to the number of shares held;</p> <p>(II) To <u>call for, convene, preside over,</u> attend or appoint a proxy to attend and vote on their behalf at shareholders' general meetings <u>according to laws;</u></p>
<p>Article 55 The resolutions of the shareholders' general meeting and meeting s of the Board of Directors that are contrary to laws and administrative regulations are invalid.</p>	<p>Article 55Article 59 The <u>shareholders have the right to petition the people's court for the invalidity of the</u> resolutions of the shareholders' general meeting and meeting s of the Board of Directors that are contrary to laws and administrative regulations are invalid.</p>

Original	Amended
<p>Article 57 Holders of ordinary shares of the Company shall assume the following obligations:</p> <p>(I) To abide by the laws, administrative regulations and the Articles;</p> <p>(II) To pay for the shares in accordance with the shares subscribed for and the method of subscription;</p> <p>(III) Not to withdraw the shares unless otherwise stated by laws and administrative regulations;</p> <p>(IV) Not to abuse their shareholders' rights to damage the interests of the Company or other shareholders; nor to abuse the status of the Company as an independent legal person and the limited liability of shareholders to damage the interests of any creditors of the Company;</p> <p>Where shareholders of the Company abuse their shareholders' rights and thereby cause any loss to the Company or other shareholders, such shareholders shall be liable for compensation in accordance with the law.</p> <p>Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders to evade repayment of debts, thereby materially damaging the interests of creditors of the Company, such shareholders shall be jointly liable for the debts of the Company.</p> <p>(V) Other obligations imposed by laws, administrative regulations and the Articles.</p> <p>Unless otherwise specified, shareholders are not liable for making any further contribution to the share capital other than as agreed by the subscribers of the Relevant Shares on subscription.</p>	<p>Article 57Article 61 Holders of ordinary shares of the Company shall assume the following obligations:</p> <p>(I) To abide by the laws, administrative regulations and the Articles;</p> <p>(II) To pay for the shares in accordance with the shares subscribed for and the method of subscription;</p> <p>(III) Not to withdraw the shares unless otherwise stated by laws and administrative regulations;</p> <p>(IV) Not to abuse their shareholders' rights to damage the interests of the Company or other shareholders; nor to abuse the status of the Company as an independent legal person and the limited liability of shareholders to damage the interests of any creditors of the Company;</p> <p>Where shareholders of the Company abuse their shareholders' rights and thereby cause any loss to the Company or other shareholders, such shareholders shall be liable for compensation in accordance with the law.</p> <p>Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders to evade repayment of debts, thereby materially damaging the interests of creditors of the Company, such shareholders shall be jointly liable for the debts of the Company.</p> <p>(V) Other obligations imposed by laws, administrative regulations and the Articles.</p> <p>Unless otherwise specified, shareholders are not liable for making any further contribution to the share capital other than as agreed by the subscribers of the Relevant Shares on subscription.</p> <p><u>The shareholder holding more than 5% of the Company's voting shares shall submit a written report to the Company on the date that he/she pledges the shares he/she holds.</u></p>

Original	Amended
New	<p><u>Article 62 The controlling shareholders and de facto controllers of the Company shall not use their related relationship to harm the interests of the Company. Anyone who violates this provision and causes losses to the Company shall be liable for compensation.</u></p> <p><u>The controlling shareholders and de facto controllers of the Company have a fiduciary duty to the Company and the public shareholders. Controlling shareholders should strictly exercise the rights of investors in accordance with the law. Controlling shareholders shall not damage the legal rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, foreign investments, capital appropriation and loan guarantees, and shall not use their controlling position to harm the interests of the Company and public shareholders.</u></p>
<p>Article 59 The “controlling shareholder” mentioned in the above Article is a shareholder who satisfies any one of the following conditions:</p> <p>(I) Any person acting on his own or in concert with other parties has the power to elect not less than half of the directors;</p> <p>(II) Any person acting on his own or in concert with other parties who has the power to exercise or control the exercise of 30% or more of the Company’s voting rights;</p> <p>(III) Any person acting on his own or in concert with other parties who holds 30% or more of the issued shares of the Company;</p> <p>(IV) Any person acting on his own or in concert with other parties who has actual control over the Company in any other manner.</p> <p>The term “acting in concert” referred to in this Article represents an act that any two or more persons obtain the voting rights of the Company by way of their agreement thereon (whether in oral or written form), so as to control or consolidate their control over the Company.</p>	<p>Article 59 The “controlling shareholder” mentioned in the above Article is a shareholder who satisfies any one of the following conditions:</p> <p>(I) Any person acting on his own or in concert with other parties has the power to elect not less than half of the directors;</p> <p>(II) Any person acting on his own or in concert with other parties who has the power to exercise or control the exercise of 30% or more of the Company’s voting rights;</p> <p>(III) Any person acting on his own or in concert with other parties who holds 30% or more of the issued shares of the Company;</p> <p>(IV) Any person acting on his own or in concert with other parties who has actual control over the Company in any other manner.</p> <p>The term “acting in concert” referred to in this Article represents an act that any two or more persons obtain the voting rights of the Company by way of their agreement thereon (whether in oral or written form), so as to control or consolidate their control over the Company.</p>

Original	Amended
New	<p><u>Article 63 In addition to the obligations required by laws, administrative regulations or listing rules of the stock exchange on which the shares of the Company 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:</u></p> <p><u>(I) To relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</u></p> <p><u>(II) To approve a director or supervisor (for his or other parties' interest) to deprive the Company of its assets in any form, including (but not limited to) any opportunity favorable to the Company;</u></p> <p><u>(III) To approve a director or supervisor (for his or other parties' interest) to deprive other shareholders of their personal interests, including (but not limited to) any allocation right and voting right, exclusive of any corporate restructuring proposal made at the shareholders' general meeting in accordance with the Articles.</u></p>
Chapter 8 Shareholders' General Meeting	Chapter 8 Chapter 7 Shareholders' General Meeting
Article 60 The shareholders' general meeting is the power of authority of the Company and shall exercise its functions and powers in accordance with the laws.	Article 60 Article 64 The shareholders' general meeting is the power of authority of the Company and shall exercise its functions and powers in accordance with the laws.

Original	Amended
<p>Article 61 The shareholders' general meeting shall have the following functions and powers:</p> <p>(I) To decide the Company's operation policies and investment plans;</p> <p>(II) To elect and replace the directors who are not the employee representatives, and to determine matters relating to the remuneration of the directors;</p> <p>(III) To elect and replace the supervisors who are not the employee representatives and to determine matters relating to the remuneration of such supervisors;</p> <p>(IV) To consider and approve the reports of the Board of Directors;</p> <p>(V) To consider and approve the reports of the Board of Supervisors;</p> <p>(VI) To consider and approve the annual financial budgets and final accounts of the Company;</p> <p>(VII) To consider and approve the profit distribution plans and plans for recovery of losses of the Company;</p> <p>(VIII) To make resolutions on increase or reduction of the Company's registered capital;</p> <p>(IX) To make resolutions on the merger, division, reorganization, dissolution, liquidation and other matters of the Company;</p> <p>(X) To make resolutions on the issuance of debentures by the Company;</p>	<p>Article 61 Article 65 The shareholders' general meeting shall have the following functions and powers:</p> <p>(I) To decide the Company's operation policies and investment plans;</p> <p>(II) To elect and replace the directors who are not the employee representatives, and to determine matters relating to the remuneration of the directors;</p> <p>(III) To elect and replace the supervisors who are not the employee representatives and to determine matters relating to the remuneration of such supervisors;</p> <p>(IV) To consider and approve the reports of the Board of Directors;</p> <p>(V) To consider and approve the reports of the Board of Supervisors;</p> <p>(VI) To consider and approve the annual financial budgets and final accounts of the Company;</p> <p>(VII) To consider and approve the profit distribution plans and plans for recovery of losses of the Company;</p> <p>(VIII) To make resolutions on increase or reduction of the Company's registered capital;</p> <p>(IX) To make resolutions on the merger, division, reorganization, dissolution, liquidation and other matters of the Company;</p> <p>(X) To make resolutions on the issuance of debentures by the Company;</p>

Original	Amended
(XI) To make resolutions on the appointment, dismissal or stopping reappointment accounting firm for annual auditing;	(XI) To make resolutions on the appointment, dismissal or stopping reappointment accounting firm for annual auditing;
(XII) To amend the Articles;	(XII) To amend the Articles;
(XIII) To consider the proposal of a shareholder holding 3% or more of the voting rights in the shares;	(XIII) To consider the proposal of a shareholder holding 3% or more of the voting rights in the shares;
(XIV) To consider and approve the matters in relation to purchase or disposal of material assets or provision of guarantee by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;	(XIV) To consider and approve the matters in relation to purchase or disposal of material assets or provision of guarantee by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;
(XV) To consider and approve the external guarantees specified in Article 62;	(XV) To consider and approve the external guarantees <u>required to be considered by the shareholders' general meeting</u> specified in Article 62 <u>Article 66</u> ;
(XVI) To consider and approve the share incentive plan;	(XVI) To consider and approve the share incentive plan;
(XVII) To consider and approve the change in the use of proceeds;	(XVII) To consider and approve the change in the use of proceeds;
(XVIII) Other matters which are required to be determined at the shareholders' general meeting in accordance with the laws, administrative regulations, rules governing the regulation of securities where the Company's Shares are listed and the Articles.	(XVIII) Other matters which are required to be determined at the shareholders' general meeting in accordance with the laws, administrative regulations, <u>rules governing the regulation of securities where the Company's Shares are listed and the Articles.</u>

Original	Amended
<p>Article 62 The provision of any external guarantee by the Company shall be considered and approved by the Board of Directors or the shareholders' general meeting.</p> <p>The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved in a shareholders' general meeting. When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, 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 62 Article 66 The provision of any external guarantee by the Company shall be considered and approved by the Board of Directors or the shareholders' general meeting.</p> <p><u>The following external guarantees of the Company shall be submitted to the shareholders' meeting for consideration and approval after consideration and approval by the Board of Directors:</u></p> <p><u>(I) Any guarantee provided by the Company and the holding subsidiaries of the Company after the total amount of external guarantee exceeds 50% of the latest audited net assets of the Company;</u></p> <p><u>(II) Any guarantee provided by the Company for the total amount of external guarantees within 12 consecutive months, after it exceeds 30% of the latest audited total assets of the Company;</u></p> <p><u>(III) Guarantees provided for guarantee recipients whose gearing ratio exceeds 70%;</u></p> <p><u>(IV) Guarantees where the amount of a single guarantee exceeds 10% of the latest audited net assets of the Company;</u></p> <p><u>(V) Guarantees provided to shareholders, persons in effective control and their related parties;</u></p> <p><u>(VI) Other guarantees required to be considered by the general meeting of shareholders as stipulated by laws, administrative regulations and rules governing the supervision and management of securities where the shares of the Company are listed.</u></p>

Original	Amended
	<p><u>Guarantees under (II) above shall be approved by at least 2/3 of the voting rights held by the shareholders present at the meeting.</u></p> <p>The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved in a shareholders' general meeting. When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, 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><u>The Company may waive the provisions of (I), (III) and (IV) above if it provides a guarantee for a wholly-owned subsidiary, or if it provides a guarantee for a holding subsidiary and the other shareholders of the holding subsidiary provide a guarantee in the same proportion as their interests are not prejudicial to the interests of the Company, unless otherwise provided in these Articles. The Company shall disclose the aforesaid guarantees in its annual report and interim report in aggregate.</u></p>
<p>Article 63 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, general manager and other senior management officers) 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 63 Article 67 <u>Except in exceptional circumstances such as when the Company is in crisis</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, general manager and other senior management officers) 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	Amended
<p>Article 64 A 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 six (6) months from the close of the preceding accounting year.</p> <p>The Board of Directors shall convene an extraordinary general meeting within two (2) months from the occurrence of any of the following circumstances:</p> <p>(I) When the number of directors is less than the statutory minimum number stipulated in the Company Law or two-thirds of the number specified in the Articles;</p> <p>(II) When the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;</p> <p>(III) When any shareholder individually or jointly holding 10% or more of the total voting shares of the Company requests in writing for the convocation of an extraordinary general meeting;</p> <p>(IV) When deemed necessary by the Board of Directors;</p> <p>(V) When requested by the Board of Supervisors;</p> <p>(VI) Any other circumstances stipulated in the laws, administrative regulations or the Articles.</p>	<p>Article 64Article 68 A 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 six (6) months from the close of the preceding accounting year.</p> <p>The Board of Directors Company shall convene an extraordinary general meeting within two (2) months <u>from the occurrence</u> of any of the following circumstances:</p> <p>(I) When the number of directors is less than the statutory minimum number stipulated in the Company Law or two-thirds of the number specified in the Articles;</p> <p>(II) When the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;</p> <p>(III) When any shareholder individually or jointly holding 10% or more of the total voting shares of the Company requests in writing for the convocation of an extraordinary general meeting;</p> <p>(IV) When deemed necessary by the Board of Directors;</p> <p>(V) When requested by the Board of Supervisors;</p> <p>(VI) Any other circumstances stipulated in the laws, administrative regulations or the Articles.</p>

Original	Amended
<p>Article 65 The shareholders' general meeting shall be held on site in a convention hall.</p> <p>While ensuring the legitimacy and validity of shareholders' general meeting, the Company can provide convenience to the shareholders to attend such meeting by means of all kinds of modern information technologies provided that the conditions are in place. The shareholders attending the meeting through the aforesaid means are deemed present.</p>	<p>Article 65Article 69 <u>A shareholders' general meeting of the Company shall be held at the place of residence of the Company or at such other place as may be specified in the notice of shareholders' general meeting.</u> The shareholders' general meeting shall be held on site in a convention hall.</p> <p>While ensuring the legitimacy and validity of shareholders' general meeting, the Company can provide convenience to the shareholders to attend such meeting by means of all kinds of modern information technologies provided that the conditions are in place. The shareholders attending the meeting through the aforesaid means are deemed present.</p>
<p>New</p>	<p><u>Article 70 When the Company convenes a shareholders' general meeting, it will engage a lawyer to issue a legal opinion and announce the following issues:</u></p> <p><u>(I) Whether the procedures for convening and holding meetings are in accordance with the laws, administrative regulations and these Articles;</u></p> <p><u>(II) Whether the qualifications of the persons attending the meeting and the convener are legal and valid;</u></p> <p><u>(III) Whether the voting procedures and results of the meeting are legal and valid;</u></p> <p><u>(IV) Legal opinions on other relevant issues at the request of the Company.</u></p>

Original	Amended
New	<p><u>Article 71 More than one-half of the independent non-executive Directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting, and the independent non-executive Directors shall submit in writing to the Board of Directors when proposing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the provisions of the laws and regulations and these Articles of Association, within ten (10) days of receipt of a proposal by an independent non-executive Director to convene an extraordinary general meeting, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting.</u></p> <p><u>If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the resolution of the board of directors is made; if the Board of Directors does not agree to convene an extraordinary general meeting, it shall give the reasons in writing and make an announcement.</u></p>

Original	Amended
<p>Article 66 The proposal to the Board of Directors on the convocation of an extraordinary general meeting shall be made in written form by the Board of Supervisors. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, provide a written feedback on whether to agree or not to convene such meeting within ten (10) days after receiving the proposal.</p> <p>In the event that the Board of Directors agrees to convene the extraordinary general meeting, a notice on the convening of such meeting shall be given within five (5) days after the resolution being made by the Board of Directors. Changes made to the original proposal in the notice shall be approved by the Board of Supervisors.</p> <p>In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene such meeting, and the Board of Supervisors can convene and preside over such meeting on its own.</p>	<p>Article 66Article 72 The proposal to the Board of Directors on the convocation of an extraordinary general meeting <u>The Board of Supervisors shall have the power to propose to the Board the convocation of a shareholders' general meeting and</u> shall be made in written form by the Board of Supervisors. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, provide a written feedback on whether to agree or not to convene such meeting within ten (10) days after receiving the proposal.</p> <p>In the event that the Board of Directors agrees to convene the extraordinary general meeting, a notice on the convening of such meeting shall be given within five (5) days after the resolution being made by the Board of Directors. Changes made to the original proposal in the notice shall be approved by the Board of Supervisors.</p> <p>In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene such meeting, and the Board of Supervisors can convene and preside over such meeting on its own.</p>

Original	Amended
<p>Article 67 To convene an extraordinary general meeting or a shareholders' class meeting, the shareholders shall follow the following procedures:</p> <p>(I) The shareholders individually or jointly holding more than 10% of the voting shares at the meeting sought to be held (hereinafter referred to as the "Proposing Shareholders") may sign one or several written requests of identical form of content requesting the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The abovementioned shareholding shall be calculated as of the day on which the written request is made. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles, provide a written feedback on whether to agree or not to convene such extraordinary general meeting within ten (10) days upon receipt of such proposal.</p> <p>(II) In the event that the Board of Directors agrees to convene the extraordinary general meeting, a notice on the convocation of such meeting shall be given within five (5) days after the resolution being made by the Board of Directors. Changes made to the original proposal in the notice shall be approved by relevant shareholders.</p> <p>(III) In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, the proposing shareholders shall have the right to propose, in written form, the convocation of an extraordinary general meeting to the Board of Supervisors.</p>	<p>Article 67Article 73 To convene an extraordinary general meeting or a shareholders' class meeting, the shareholders shall follow the following procedures:</p> <p>(I) The shareholders individually or jointly holding more than 10% of the voting shares at the meeting sought to be held (hereinafter referred to as the "Proposing Shareholders") may sign one or several written requests of identical form of content requesting the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The abovementioned shareholding shall be calculated as of the day on which the written request is made. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles, provide a written feedback on whether to agree or not to convene such extraordinary general meeting within ten (10) days upon receipt of such proposal.</p> <p>(II) In the event that the Board of Directors agrees to convene the extraordinary general meeting, a notice on the convocation of such meeting shall be given within five (5) days after the resolution being made by the Board of Directors. Changes made to the original proposal in the notice shall be approved by relevant shareholders.</p> <p>(III) In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, the proposing shareholders shall have the right to propose, in written form, the convocation of an extraordinary general meeting to the Board of Supervisors.</p>

Original	Amended
<p>(IV) In the event that the Board of Supervisors agrees to convene the extraordinary general meeting, a notice on the convocation of such meeting shall be given within five (5) days after receiving the proposal. Changes made to the original proposal in the notice shall be approved by relevant shareholders.</p>	<p>(IV) In the event that the Board of Supervisors agrees to convene the extraordinary general meeting, a notice on the convocation of such meeting shall be given within five (5) days after receiving the proposal. Changes made to the original proposal in the notice shall be approved by relevant shareholders.</p>
<p>(V) If the Board of Supervisors fails to give a notice on the convocation of extraordinary general meeting within time limit, it shall be deemed having no intention to convene and preside over the meeting. In this case, the shareholders individually or jointly holding more than 10% of the Company's shares for more than ninety consecutive days shall have the right to convene and preside over the meeting by themselves. The convocational procedure shall, to the extent possible, be identical to procedures according to which meeting is to be convened by the Board of Directors.</p>	<p>(V) If the Board of Supervisors fails to give a notice on the convocation of extraordinary general meeting within time limit, it shall be deemed having no intention to convene and preside over the meeting. In this case, the shareholders individually or jointly holding more than 10% of the Company's shares for more than ninety consecutive days shall have the right to convene and preside over the meeting by themselves. The convocational procedure shall, to the extent possible, be identical to procedures according to which meeting is to be convened by the Board of Directors.</p>
<p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors and the Board of Supervisors to convene a meeting at the above requests shall be borne by the Company and deducted from the amount owned by the Company to the delinquent directors and supervisors.</p>	<p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors and the Board of Supervisors to convene a meeting at the above requests shall be borne by the Company and deducted from the amount owned by the Company to the delinquent directors and supervisors.</p>

Original	Amended
New	<p><u>Article 74 If the Board of Supervisors or a shareholder decides to convene a shareholders' general meeting on its own, it shall notify the Board of Directors in writing and at the same time file a report with the dispatch authority of the China Securities Regulatory Commission and the stock exchange where the Company is located.</u></p> <p><u>Before the announcement of the resolution of the shareholders' general meeting, the percentage of shares held by the convening shareholders shall not be less than 10%.</u></p> <p><u>The convening shareholder shall, at the time of issuing the notice of shareholders' general meeting and announcing the resolution of the shareholders' general meeting, submit relevant supporting documents to the dispatch office of the China Securities Regulatory Commission and the stock exchange where the Company is located.</u></p>
New	<p><u>Article 75 For shareholders' general meetings convened by the Board of Supervisors or by the shareholders themselves, the Board of Directors and the Secretary of the Board shall, upon notice, cooperate. The Board of Directors shall provide the register of shareholders as at the date of registration of shares.</u></p> <p><u>In the case of a shareholders' general meeting convened by the Board of Supervisors or by the shareholders themselves, the expenses necessary for the meeting shall be borne by the Company.</u></p>

Original	Amended
<p>Article 68 To convene the shareholders' general meeting, the shareholders individually or jointly holding more than 3% of the total voting shares shall be entitled to propose new resolutions in writing to the Company. The Company shall incorporate the matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting for the consideration.</p>	<p>Article 68 To convene the shareholders' general meeting, the shareholders individually or jointly holding more than 3% of the total voting shares shall be entitled to propose new resolutions in writing to the Company. The Company shall incorporate the matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting for the consideration.</p>
<p>Article 69 The contents of the aforesaid proposal shall be in conformity with relevant laws, administrative regulations and the Articles, within the scope of duties of the shareholders' general meeting and with a clear agenda and specific resolutions.</p>	<p>Article 69Article 76 The contents of the aforesaid proposal shall be <u>within the scope of duties of the shareholders' general meeting, with a clear agenda and specific resolutions,</u> in conformity with relevant laws, administrative regulations and the Articles, within the scope of duties of the shareholders' general meeting and with a clear agenda and specific resolutions.</p>
<p>New</p>	<p><u>Article 77 When the Company convenes a shareholders' general meeting of shareholders, the Board of Directors, the Board of Supervisors and shareholders who individually or collectively hold more than three percent (3%) of the shares of the Company shall have the right to propose motions in writing to the Company.</u></p> <p><u>Shareholders who individually or collectively hold more than three percent (3%) of the shares of the Company may make a provisional proposal and submit it in writing to the convener 10 days before the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within 2 days of receipt of the proposal, informing of the content of the provisional proposal.</u></p>

Original	Amended
	<p><u>Except for the circumstances set out in the preceding paragraph, the convener shall not amend the proposals already set out in the notice of the shareholders' general meeting or add new proposals after issuing the notice of the shareholders' general meeting.</u></p> <p><u>The shareholders' general meeting shall not vote and make resolutions on proposals in the notice of the shareholders' general meeting that do not comply with the provisions of Article 76 of these Articles.</u></p>
<p>Article 70 To convene the annual general meeting, the Company shall give a written notice twenty (20) business days before the date of meeting, and to convene the extraordinary general meeting, the Company shall give a written notice ten (10) business days or fifteen (15) days (whichever is longer) before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and of the date and place of the meeting.</p>	<p>Article 70<u>Article 78</u> To convene the annual general meeting, the Company shall give a written notice <u>by the way of announcement</u> twenty (20) business days before the date of meeting, and to convene the extraordinary general meeting, the Company shall give a written notice <u>by the way of announcement</u> ten (10) business days or fifteen (15) days (whichever is longer earlier) before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and of the date and place of the meeting.</p>
<p>Article 71 The extraordinary general meeting shall not transact business not stated in the notice of meeting.</p>	<p>Article 71<u>Article 79</u> The <u>annual general meeting and the</u> extraordinary general meeting shall not transact business not stated in the notice of meeting.</p>

Original	Amended
<p>Article 72 Notice of the shareholders' general meeting shall:</p> <p>(I) Be in written form;</p> <p>(II) Specify the place, date and time of this meeting;</p> <p>(III) Set out the matters to be considered at the meeting;</p> <p>(IV) Specify the record date when the shareholders entitled to attend the shareholders' general meeting have their shares registered;</p> <p>(V) Provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be discussed. The principle includes, but not limited to, a merger proposal, share repurchase, share capital restructuring or other restructuring. The specific terms and contract (if any) of the proposed transaction shall be provided, and the cause and effect of such proposal shall be properly explained;</p> <p>(VI) Disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered will affect such director, supervisor, general manager and other senior management officer in his capacity as shareholders and the way in which such matter will affect other shareholders of the same class;</p>	<p>Article 72Article 80 Notice of the shareholders' general meeting shall:</p> <p>(I) Be in written form;</p> <p>(II) Specify the place, date and time of this meeting;</p> <p>(III) Set out the matters to be considered at the meeting;</p> <p>(IV) Specify the record date when the shareholders entitled to attend the shareholders' general meeting have their shares registered;</p> <p>(V) Provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be discussed. The principle includes, but not limited to, a merger proposal, share repurchase, share capital restructuring or other restructuring. The specific terms and contract (if any) of the proposed transaction shall be provided, and the cause and effect of such proposal shall be properly explained;</p> <p>(VI) Disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered will affect such director, supervisor, general manager and other senior management officer in his capacity as shareholders and the way in which such matter will affect other shareholders of the same class;</p>

Original	Amended
<p>(VII) Contain the full text of any special resolution proposed to be passed at the meeting;</p> <p>(VIII) Contain a clear statement that a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;</p> <p>(IX) Specify the time and place for lodging proxy forms for the relevant meeting;</p> <p>(X) Set out the name and phone number of the standing contact person for meeting affairs.</p>	<p>(VII) Contain the full text of any special resolution proposed to be passed at the meeting;</p> <p>(VIII) Contain a clear statement that a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;</p> <p>(IX) Specify the time and place for lodging proxy forms for the relevant meeting;</p> <p>(X) Set out the name and phone number of the standing contact person for meeting affairs.</p> <p><u>The notice of Shareholders' general meeting and supplementary notice shall contain full and complete disclosure of all the specific contents of all proposals. If the matters to be discussed require the opinion of independent non-executive directors, the opinion of the independent non-executive directors and the reasons therefore shall be disclosed at the same time when the notice of Shareholders' general meeting or supplementary notice is published.</u></p>
New	<p><u>Article 81 If the shareholders' general meeting intends to discuss the election of non-employee representative Directors and Supervisors, the notice of the shareholders' general meeting will disclose sufficient details of the candidates for non-employee representative Directors and Supervisors, including at least the followings:</u></p> <p><u>(I) Personal information such as educational background, work experience, part-time jobs, etc.;</u></p>

Original	Amended
	<p><u>(II) Whether there is a relationship with the Company or the controlling shareholders and beneficial owners of the Company;</u></p> <p><u>(III) Disclosure of the number of shares held in the Company;</u></p> <p><u>(IV) whether it has been punished by the China Securities Regulatory Commission and other relevant authorities and disciplined by the stock exchange;</u></p> <p><u>(V) Other elements required by the securities regulatory rules of the place where the Company's shares are listed.</u></p> <p><u>Except for the election of Directors and Supervisors by cumulative voting, each candidate for Director or Supervisor shall be proposed by a single proposal.</u></p>
New	<p><u>Article 84 After the notice of the shareholders' general meeting is given, the shareholders' general meeting shall not be postponed or cancelled without justifiable reasons, and the proposals specified in the notice of the shareholders' general meeting shall not be cancelled. In the event of an adjournment or cancellation, the convener shall announce it at least 2 working days before the original date of the meeting and explain the reasons for it.</u></p>
New	<p><u>Article 85 The Board of Directors and other conveners will take the necessary measures to ensure the normal order of the shareholders' general meeting of shareholders and will take measures to stop any interference, provocation and infringement of the legitimate rights and interests of the shareholders and will promptly report to the relevant authorities for investigation and action.</u></p>

Original	Amended
New	<p><u>Article 86 All shareholders registered on the share registration date or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with the relevant laws and regulations and these Articles.</u></p> <p><u>Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.</u></p> <p><u>If an individual shareholder attends the meeting in person, he/she shall present his/her ID card or other valid documents or proofs that can identify him/her, and his/her stock account card; if he/she entrusts a proxy to attend the meeting, he/she shall present his/her valid ID card and the shareholder's authorization letter.</u></p> <p><u>Shareholders who are legal persons shall be represented at the meeting by their legal representatives or proxies appointed by the legal representatives. If the legal representative attends the meeting, he/she shall present his/her ID card and a valid certificate proving his/her legal representative status; if the proxy attends the meeting, the proxy shall present his/her ID card and a written authorization letter issued by the legal representative of the legal entity shareholder in accordance with the law.</u></p>
<p>Article 75 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed can exercise the following rights pursuant to the authorization from such shareholder:</p>	<p>Article 75Article 87 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed can exercise the following rights pursuant to the authorization from such shareholder:</p>

Original	Amended
New	<p><u>Article 89 The proxy issued by a shareholder to appoint another person to attend a shareholders' general meeting of shareholders shall contain the following particulars:</u></p> <p><u>(I) The name or name of the principal and the name of the proxy;</u></p> <p><u>(II) The amount of shares of the principal represented by the proxy;</u></p> <p><u>(III) Whether the proxy has the right to vote;</u></p> <p><u>(IV) Instructions for voting for, against or abstaining from voting on each matter to be included in the agenda of the shareholders' general meeting, respectively;</u></p> <p><u>(V) Specific instructions on whether or not to vote on provisional proposals that may be included in the agenda of the shareholders' general meeting and, if so, what voting rights to exercise;</u></p> <p><u>(VI) The date of issue and expiry date of the proxy;</u></p> <p><u>(VII) The signature (or seal) of the principal. If the proxy is a corporate shareholder, the seal of the corporate entity shall be affixed.</u></p>
<p>Article 77 Any form issued to a shareholder by the Board of Directors of the Company for appointing a proxy of shareholder shall allow the shareholder to freely instruct the proxy to cast an affirmative or negative vote and to give separate instructions on each matter to be voted at the meeting.</p> <p>The power of attorney shall state that a proxy of shareholder may vote at his/her own discretion in the absence of any indication from the shareholder.</p>	<p>Article 77Article 90 Any form issued to a shareholder by the Board of Directors of the Company for appointing a proxy of shareholder shall allow the shareholder to freely instruct the proxy to cast an affirmative or negative vote and to give separate instructions on each matter to be voted at the meeting.</p> <p>The power of attorney shall state that <u>whether</u> a proxy of shareholder may<u>can</u> vote at his/her own discretion in the absence of any indication from the shareholder.</p>

Original	Amended
New	<p><u>Article 93 All Directors, Supervisors and the Secretary of the Board of Directors of the Company shall attend the meeting when the shareholders' general meeting is held. Unless there is a valid reason, the general manager and other senior management personnel who do not hold the office of Director of the Company shall attend the meeting.</u></p> <p><u>The Company shall be responsible for the production of the meeting register of persons attending the meeting. The register of meetings shall contain the names (or unit names), identity card numbers, domicile addresses, the amount of shares held or represented with voting rights, the names (or unit names) of proxies and other matters.</u></p> <p><u>The convener and the lawyer engaged by the Company will jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registration and settlement institution, and register the names of the shareholders (or names) and the number of shares they hold with voting rights. Registration of the meeting shall be terminated until the presiding officer announces the number of shareholders and proxies attending the meeting on site and the total number of shares with voting rights held by them.</u></p>

Original	Amended
<p>Article 80 The shareholders' general meeting shall be presided over and chaired by the chairman of the Board of Directors. If the chairman is unable to attend the meeting for some reason, the vice chairman of the Board of Directors designated by the chairman of the Board of Directors shall preside over the meeting and act as the chairman of the meeting. If the vice chairman is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting and act as the chairman of the meeting. If no director is elected to take the chair, the shareholders present at the meeting may elect a chairman. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder (including his proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.</p> <p>The shareholders' general meeting convened by the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p> <p>The shareholders' general meeting convened by the shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.</p>	<p>Article 80Article 94 The shareholders' general meeting shall be presided over and chaired by the chairman of the Board of Directors. If the chairman is unable to attend the meeting for some reason, the vice chairman of the Board of Directors designated by the chairman of the Board of Directors shall preside over the meeting and act as the chairman of the meeting. If the vice chairman is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting and act as the chairman of the meeting. If no director is elected to take the chair, the shareholders present at the meeting may elect a chairman. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder (including his proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.</p> <p>The shareholders' general meeting convened by the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p> <p>The shareholders' general meeting convened by the shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.</p> <p>If the presiding officer of a shareholders' general meeting is unable to continue the meeting due to a breach of the rules of procedure, the shareholders' general meeting may elect a person to act as the presiding officer and continue the meeting with the consent of a majority of the shareholders present at the shareholders' general meeting with voting rights. If, for any reason, the shareholders are unable to elect a chairman, the shareholders present who hold the largest number of voting shares (including proxies) shall act as chairman of the meeting and preside over it.</p>

Original	Amended
New	<p><u>Article 95 The Company shall formulate rules for the conduct of shareholders' general meetings to stipulate in detail the procedures for convening and voting at shareholders' general meetings, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions at meetings, minutes of meetings and their signatures, announcements, etc., and the principles of delegation of authority from shareholders' general meetings to the Board. The Rules of Procedure of the General Meeting shall be annexed to these Articles and shall be prepared by the Board and approved by the shareholders' general meeting.</u></p>
New	<p><u>Article 96 At the annual general meeting, the Board of Directors and the Supervisory Committee shall report to the shareholders' general meeting on their work during the previous year. Each of the independent non-executive directors shall also make a report on his duties.</u></p>
New	<p><u>Article 97 Directors, Supervisors and senior management explain and account for shareholders' questions and proposals at shareholders' general meetings.</u></p>
New	<p><u>Article 98 Resolutions of the shareholders' general meetings are classified as ordinary resolutions and special resolutions.</u></p> <p><u>Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.</u></p> <p><u>Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</u></p>

Original	Amended
New	<p><u>Article 99 The following matters shall be resolved by way of ordinary resolutions at the shareholders' general meetings:</u></p> <p><u>(I) Work reports of the Board of Directors and of the Board of Supervisors;</u></p> <p><u>(II) Profit distribution plans and loss recovery plans prepared by the Board of Directors;</u></p> <p><u>(III) Appointment or removal, remuneration and payment method of members of the Board of Directors and the Board of Supervisors;</u></p> <p><u>(IV) The Company's annual budgets, final accounts;</u></p> <p><u>(V) The Company's annual report;</u></p> <p><u>(VI) Any matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.</u></p>
New	<p><u>Article 100 The following matters shall be approved by special resolutions at the shareholders' general meetings:</u></p> <p><u>(I) Increase or reduction of the share capital;</u></p> <p><u>(II) Issuance of debentures of the Company, any class of shares, warrants and other similar securities of the Company;</u></p> <p><u>(III) Division, merger, dissolution and liquidation of the Company or change of corporate form of the Company;</u></p> <p><u>(IV) Purchase or disposal of material assets or provision of guarantee by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;</u></p> <p><u>(V) Amendment to the Articles;</u></p>

Original	Amended
	<p><u>(VI) Share incentive scheme;</u></p> <p><u>(VII) Any other matters prescribed by the laws, administrative regulations or the Articles, and those matters approved by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution.</u></p>
<p>Article 81 Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the shareholders' general meeting. However, the shares held by the Company that carry no voting rights shall not be counted in the total number of shares with voting rights held by shareholders present at the shareholders' general meeting.</p> <p>Where any shareholder is, under the applicable laws and regulations and the Hong Kong 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 in the total number of shares with voting rights held by shareholders present at the shareholders' general meeting.</p>	<p>Article 81 Article 101 Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the shareholders' general meeting. However, the shares held by the Company that carry no voting rights shall not be counted in the total number of shares with voting rights held by shareholders present at the shareholders' general meeting.</p> <p><u>When a shareholders' general meeting is held to consider a material matter affecting the interests of small and medium-sized investors, the votes cast for small and medium-sized investors shall be counted separately. The results of the separate vote count shall be disclosed publicly in a timely manner.</u></p> <p><u>The Board of Directors, independent non-executive Directors and shareholders who meet the relevant requirements may solicit shareholders' voting rights in public. The solicitation of shareholders' voting rights shall include full disclosure of specific voting intentions and other information to those solicited. The solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. The Company shall not impose a minimum percentage of shareholding on the solicitation of voting rights.</u></p>

Original	Amended
	Where any shareholder is, under the applicable laws and regulations and the Hong Kong 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 in the total number of shares with voting rights held by shareholders present at the shareholders' general meeting.
<p>Article 82 Any voting at the shareholders' general meetings shall be conducted by a poll, except that the proposals relating to procedural or administrative matters of the shareholders' general meeting can be voted upon a show of hands as decided by the chairman of the meeting in the principle of honesty and credibility.</p>	<p>Article 82Article 102 Voting at Any voting at the shareholders' general meetings shall be conducted by a poll, except that the proposals relating to procedural or administrative matters of the shareholders' general meeting can be voted upon a show of hands as decided by the chairman of the meeting in the principle of honesty and credibility.<u>shall be conducted by means of a registered vote or in such other manner as may be required by the rules governing the supervision of securities in the place where the shares of the Company are listed.</u></p>
<p>Article 86 Resolutions of the shareholders' general meetings are classified as ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p>Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p>	<p>Article 86 Resolutions of the shareholders' general meetings are classified as ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p>Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p>

Original	Amended
<p>Article 87 The following matters shall be resolved by way of ordinary resolutions at the shareholders' general meetings:</p> <p>(I) Work reports of the Board of Directors and of the Board of Supervisors;</p> <p>(II) Profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(III) Appointment or removal, remuneration and payment method of members of the Board of Directors and the Board of Supervisors;</p> <p>(IV) The Company's annual budgets and final accounts, balance sheets, income statements and other financial statements;</p> <p>(V) Any matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.</p>	<p>Article 87 The following matters shall be resolved by way of ordinary resolutions at the shareholders' general meetings:</p> <p>(I) Work reports of the Board of Directors and of the Board of Supervisors;</p> <p>(II) Profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(III) Appointment or removal, remuneration and payment method of members of the Board of Directors and the Board of Supervisors;</p> <p>(IV) The Company's annual budgets and final accounts, balance sheets, income statements and other financial statements;</p> <p>(V) Any matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.</p>
<p>Article 88 The following matters shall be approved by special resolutions at the shareholders' general meetings:</p> <p>(I) Increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of the Company;</p> <p>(II) Issuance of debentures of the Company;</p> <p>(III) Division, merger, dissolution and liquidation of the Company;</p> <p>(IV) Change of corporate form of the Company;</p> <p>(V) Purchase or disposal of material assets or provision of guarantee by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;</p>	<p>Article 88 The following matters shall be approved by special resolutions at the shareholders' general meetings:</p> <p>(I) Increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of the Company;</p> <p>(II) Issuance of debentures of the Company;</p> <p>(III) Division, merger, dissolution and liquidation of the Company;</p> <p>(IV) Change of corporate form of the Company;</p> <p>(V) Purchase or disposal of material assets or provision of guarantee by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;</p>

Original	Amended
<p>(VI) Amendment to the Articles;</p> <p>(VII) Any other matters prescribed by the laws, administrative regulations or the Articles, and those matters approved by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution.</p>	<p>(VI) Amendment to the Articles;</p> <p>(VII) Any other matters prescribed by the laws, administrative regulations or the Articles, and those matters approved by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution.</p>
<p>Article 89 When a shareholders' general meeting considers matters related to any connected transaction, the connected shareholder shall not participate in voting on his own behalf or as the proxy of another shareholder. When voting on matters relating to such connected transaction, the shares held by the connected shareholder shall not be counted in the total number of valid shares with voting rights.</p> <p>When the relevant connected transaction is considered at a shareholders' general meeting, the connected shareholder shall abstain from voting. If required to attend the meeting for explanation, the connected shareholder shall have the responsibility and obligation to attend the meeting and make truthful statement.</p> <p>The matters for which the connected shareholder shall abstain from voting shall be announced by chairman of the meeting when the meeting starts.</p>	<p>Article 89Article 106 When a shareholders' general meeting considers matters related to any <u>related</u>/connected transaction, the related/connected shareholder shall not participate in voting on his own behalf or as the proxy of another shareholder. When voting on matters relating to such <u>related</u>/connected transaction, the shares held by the <u>related</u>/connected shareholder shall not be counted in the total number of valid shares with voting rights. <u>The announcement on the resolutions of the shareholders' general meeting shall fully disclose the voting results of the related/connected shareholder.</u></p> <p>When the relevant <u>related</u>/connected transaction is considered at a shareholders' general meeting, the <u>related</u>/connected shareholder shall abstain from voting. If required to attend the meeting for explanation, the <u>related</u>/connected shareholder shall have the responsibility and obligation to attend the meeting and make truthful statement.</p> <p>The matters for which the <u>related</u>/connected shareholder shall abstain from voting shall be announced by chairman of the meeting when the meeting starts.</p>

Original	Amended
<p>Article 90 The chairman of the meeting shall be responsible for determining whether a resolution at a shareholders' general meeting has been passed. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.</p>	<p>Article 90Article 107 The chairman of the meeting shall be responsible for determining whether <u>The list of candidates for non-staff representative Directors and Supervisors shall be submitted to the shareholders' general meeting for voting by way of proposals.</u></p> <p><u>If the proportion of shares owned by a single shareholder and its concert parties reaches 30% or more, a cumulative voting system shall be implemented when voting on the election of non-employee Directors and Supervisors at a shareholders' general meeting.</u></p> <p><u>The cumulative voting system referred to in the preceding paragraph means that when more than two Directors or Supervisors are elected at a shareholders' general meeting, each share shall have the same number of votes as the number of Directors or Supervisors to be elected, and the voting rights owned by shareholders may be used centrally. The Board of Directors shall announce to the shareholders the biographical details and basic information of the Directors and Supervisors to be elected.</u></p> <p><u>Except for the cumulative voting system, all proposals will be voted on at the shareholders' general meeting one by one. If there are different proposals on the same matter, they will be voted on in the order in which they are put forward. Except for special reasons such as force majeure, which causes the shareholders' general meeting to be suspended or unable to make a resolution has been passed. His decision, which is final and conclusive, the shareholders' general meeting will not suspend or not vote on the proposals.</u></p>

Original	Amended
New	<p><u>Article 108 When a proposal is considered at a shareholders' general meeting, no amendment may be made to the proposal, otherwise the change shall be considered a new proposal and cannot be voted on at this shareholders' general meeting.</u></p> <p><u>The same vote may only be cast through on-site, online or other ways. In the event of a double vote on the same vote, the result of the first vote shall prevail.</u></p> <p><u>Before a proposal is voted on at a shareholders' general meeting, two representatives of shareholders shall be elected to take part in the counting and monitoring of votes. If the matter under consideration is of interest to a shareholder, the shareholder and the proxy concerned shall not participate in the counting and monitoring of votes.</u></p> <p><u>When a proposal is voted on at a shareholders' general meeting, the representatives of shareholders, Supervisors and lawyers shall be jointly responsible for counting and monitoring the votes, and shall be announced at the meeting and the voting results shall be announced on the spot, and the voting results of the resolution shall be recorded in the minutes of the meeting.</u></p> <p><u>Shareholders or their proxies who vote via the internet or other means shall be entitled to check their voting results through the corresponding voting system.</u></p>

Original	Amended
New	<p><u>Article 109 The closing time of a physical shareholders’ general meeting shall not be earlier than the closing time for holding the meeting through internet to other methods. The chairman of the shareholders’ general meeting shall announce the voting status and result of each proposal and announce whether the proposal is passed or not based on the voting result.</u></p> <p><u>Before the official announcement of the voting results, all parties involved in the voting on site or internet and other voting methods at a shareholders’ general meeting, such as the listed company, the poll counter, the scrutineer, the major shareholders and the internet service provider, shall be under an obligation of confidentiality with respect to the voting situation.</u></p>
New	<p><u>Article 110 Shareholders attending a shareholders’ general meeting should express one of the following views on the proposal put to vote: for, against or abstain.</u></p> <p><u>Votes that are not completed, incorrectly completed or illegible, or votes that are not cast, shall be deemed to be abstentions, and the result of the vote on the number of shares held by the voter shall be counted as “abstentions”.</u></p> <p><u>In the case of an abstention or an abstention, the Company shall treat it as a vote with the right to vote but shall not count it as a vote “for” or “against” the matter when calculating the result of the vote.</u></p>

Original	Amended
Article 93 Copies of the minutes of the meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days upon the receipt of reasonable fees.	Article 93 Copies of the minutes of the meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days upon the receipt of reasonable fees.
New	<u>Article 114 If a proposal is not passed, or if the resolution of the previous shareholders' general meeting is changed at this shareholders' general meeting, a special reminder shall be included in the announcement of the resolution of the shareholders' general meeting.</u>
New	<u>Article 115 If a proposal for the election of Directors or Supervisors is approved at a shareholders' general meeting, the new Directors or Supervisors shall take office at the time when the relevant election proposal is approved at the general meeting, unless otherwise expressly stipulated in the resolution of the shareholders' general meeting.</u>
New	<u>Article 116 If the shareholders' general meeting approves the proposal of cash distribution, bonus shares or capitalisation of capital reserves, the Company shall implement the specific proposal within two months after the shareholders' general meeting.</u>
New	<u>Article 117 The presiding officer shall announce the number of shareholders and proxies present at the meeting and the total number of shares holding voting rights before the voting.</u>

Original	Amended
New	<p><u>Article 118 The minutes of shareholders' general meetings shall be kept by the secretary of the Board of Directors. The minutes of the meeting shall record the following:</u></p> <p><u>(I) The time and place of the meeting, the agenda and the name of the convener;</u></p> <p><u>(II) The presiding officer of the meeting and the names of the Directors, Supervisors, general manager and other senior management present or attending the meeting;</u></p> <p><u>(III) The number of shareholders and proxies present at the meeting, the total number of shares with voting rights and the proportion of the total number of shares of the Company;</u></p> <p><u>(IV) The deliberations, gist of speech and voting results of each proposal;</u></p> <p><u>(V) The shareholders' queries or suggestions and the corresponding replies or explanations;</u></p> <p><u>(VI) The names of the lawyers and the poll counters and scrutineers of the votes;</u></p> <p><u>(VII) Other contents that shall be included in the minutes of the meeting as provided in these Articles.</u></p>

Original	Amended
New	<p><u>Article 119 The convener shall ensure that the minutes of the meeting are true, accurate and complete, and the directors, supervisors, the secretary of the board of directors, the convener of the meeting or his representative and the presiding officer shall sign the minutes of the meeting. The minutes of the meeting shall be kept as the Company's records together with the register of shareholders present on the spot, the power of attorney for proxy attendance, and valid information on the Internet and other means of voting, for a period of not less than 10 years.</u></p>
New	<p><u>Article 120 The convener shall ensure that the shareholders' general meeting is held continuously until a final resolution is reached. If the shareholders' general meeting is suspended or cannot be resolved due to force majeure or other special reasons, the convener shall take necessary measures to resume the shareholders' general meeting as soon as possible or simply terminate the shareholders' general meeting and announce it in a timely manner. At the same time, the convener shall report to the competent authority of the China Securities Regulatory Commission and the stock exchange where the Company is located.</u></p>
<p>Article 93 Copies of the minutes of the meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days upon the receipt of reasonable fees.</p>	<p>Article 93<u>Article 121</u> Copies of the minutes of the meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days upon the receipt of reasonable fees.</p>

Original	Amended
Chapter 9 Special Procedures for Voting by Class Shareholders	Chapter 9 Chapter 8 Special Procedures for Voting by Class Shareholders
Article 97 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a particular class:	Article 97 Article 124 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a particular class:
(I) Increasing or decreasing the number of the shares of such class or the number of a class having voting rights, distribution rights and other privileges equal or superior to the shares of such class;	(I) Increasing or decreasing the number of the shares of such class or the number of a class having voting rights, distribution rights and other privileges equal or superior to the shares of such class;
(II) Effecting a change of all or part of the shares of such class into those of another class, or effecting an exchange or creating a right of exchange of all or part of the shares of another class into those of such class;	(II) Effecting a change of all or part of the shares of such class into those of another class, or effecting an exchange or creating a right of exchange of all or part of the shares of another class into those of such class;
(III) Removing or reducing the rights in respect to accrued dividends or the accumulated dividends attached to shares of such class;	(III) Removing or reducing the rights in respect to accrued dividends or the accumulated dividends attached to shares of such class;
(IV) Reducing or removing the preferential rights attached to shares of such class to receive dividends or to the distribution of assets in the event that the Company is liquidated;	(IV) Reducing or removing the preferential rights attached to shares of such class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
(V) Adding, removing or reducing the share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;	(V) Adding, removing or reducing the share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
(VI) Removing or reducing the rights to receive payables from the Company in a particular currency attached to shares of such class;	(VI) Removing or reducing the rights to receive payables from the Company in a particular currency attached to shares of such class;

Original	Amended
(VII) Creating a new class of shares with voting right, distribution right or other privileges equal or superior to those of the shares of such class;	(VII) Creating a new class of shares with voting right, distribution right or other privileges equal or superior to those of the shares of such class;
(VIII) Restricting the transfer or ownership of shares of such class or to impose additional restrictions thereto;	(VIII) Restricting the transfer or ownership of shares of such class or to impose additional restrictions thereto;
(IX) Granting the right to subscribe for, or convert into, shares of such or another class;	(IX) Granting the right to subscribe for, or convert into, shares of such or another class;
(X) Increasing the rights and privileges of other classes of shares;	(X) Increasing the rights and privileges of other classes of shares;
(XI) Making a restructuring scheme which will result in the holders of different classes of shares bearing a disproportionate burden of obligations under such restructuring; and	(XI) Making a restructuring scheme which will result in the holders of different classes of shares bearing a disproportionate burden of obligations under such restructuring; and
(XII) Varying or abrogating the provisions in this chapter.	(XII) Varying or abrogating the provisions in this chapter.
	<p><u>The approval of a shareholders' general meeting or class meeting is not required for any change or abrogation of the rights of a class of shareholders as a result of changes in domestic or foreign laws, regulations and rules governing securities in the place where the Company's shares are listed, as well as decisions made by domestic or foreign regulatory authorities in accordance with the law.</u></p>

Original	Amended
<p>Article 98 Shareholders of the affected class, whether or not otherwise entitled to vote at the shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning sub-paragraphs (II) to (VIII) and (XI) to (XII) of Article 97 hereof, but the interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” mentioned in the preceding paragraph has the following meanings:</p> <p>(I) In the case of a repurchase of shares by the Company by pro rata offers to all shareholders or by way of on-market dealing on the Hong Kong Stock Exchange under Article 29 hereof; an “interested shareholder” shall mean a “controlling shareholder” as defined in Article 59 hereof;</p> <p>(II) In the case of a repurchase of shares by the Company outside the Hong Kong Stock Exchange by way of agreement under Article 29 hereof, an “interested shareholder” shall mean a shareholder who is related to the agreement;</p> <p>(III) In the plan of company reorganization, an “interested shareholder” shall mean a shareholder within a class who bears less than a proportionate liability than other shareholders of such class or who has an interest different from those of other shareholders of such class.</p>	<p>Article 98Article 125 Shareholders of the affected class, whether or not otherwise entitled to vote at the shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning sub-paragraphs (II) to (VIII) and (XI) to (XII) of Article 97Article 124 hereof, but the interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” mentioned in the preceding paragraph has the following meanings:</p> <p>(I) In the case of a repurchase of shares by the Company by pro rata offers to all shareholders or by way of on-market dealing on the Hong Kong Stock Exchange under Article 29Article 31 hereof; an “interested shareholder” shall mean a “controlling shareholder” as defined in Article 59Article 256 hereof;</p> <p>(II) In the case of a repurchase of shares by the Company outside the Hong Kong Stock Exchange by way of agreement under Article 29Article 31 hereof, an “interested shareholder” shall mean a shareholder who is related to the agreement;</p> <p>(III) In the plan of company reorganization, an “interested shareholder” shall mean a shareholder within a class who bears less than a proportionate liability than other shareholders of such class or who has an interest different from those of other shareholders of such class.</p>

Original	Amended
<p>Article 99 A resolution of a class meeting shall be passed in accordance with Article 88 of the Articles of Association by at least a two-thirds majority calculated on the basis of the voting rights held by the shareholders present and entitled to vote at the class meeting.</p>	<p>Article 99Article 126 A resolution of a class meeting shall be passed in accordance with Article 88Article 104 of the Articles of Association by at least a two-thirds majority calculated on the basis of the voting rights held by the shareholders present and entitled to vote at the class meeting.</p>
<p>Article 100 In the event that the Company convenes a shareholders' class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class in accordance with the notice period for the convening of a general meeting as required in the Article 70 of the Articles, specifying the matters proposed to be considered and the date and place of the meeting.</p>	<p>Article 100Article 127 In the event that the Company convenes a shareholders' class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class in accordance with the notice period for the convening of a general meeting as required in the Article 70Article 78 of the Articles, specifying the matters proposed to be considered and the date and place of the meeting.</p>
<p>Article 102 In addition to holders of other classes of shares, the holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders. The special voting procedures of class shareholders shall not apply to the following circumstances:</p> <p>(I) Where the Company issues, upon approval by a special resolution of a shareholders' general meeting, domestic shares and overseas-listed foreign shares either separately or concurrently every twelve (12) months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares;</p> <p>(II) Where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is implemented within fifteen (15) months from the date of approval by the securities regulatory authority under the State Council.</p>	<p>Article 102Article 129 In addition to holders of other classes of shares, the holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders. The special voting procedures of class shareholders shall not apply to the following circumstances:</p> <p>(I) Where the Company issues, upon approval by a special resolution of a shareholders' general meeting, domestic shares and overseas-listed foreign shares either separately or concurrently every twelve (12) months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares;</p> <p>(II) Where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is implemented within fifteen (15) months from the date of approval by the securities regulatory authority under the State Council.</p> <p><u>(III) With the approval of the Securities Supervision and Administration Bureau of the State Council, shareholders holding unlisted shares of the Company who list their shares for trading abroad.</u></p>

Original	Amended
<p>Chapter 10 Board of Directors</p> <p>Article 103 The Company shall establish the Board of Directors, which shall comprise eleven (11) directors and the number of independent non-executive directors shall not be less than four (4), and one (1) shall be an employee representative director. The Board of Directors shall have one chairman and may have a vice chairman. The chairman and vice chairman shall be elected by more than half of all directors.</p>	<p>Chapter 10Chapter 9 Board of Directors</p> <p>Article 103Article 130 The Company shall establish the Board of Directors <u>and be responsible to the shareholders' general meeting.</u></p> <p><u>The Board of Directors</u> shall comprise eleven (11) directors and the number of independent non-executive directors shall not be less than four (4), and one (1) shall be an employee representative director. The Board of Directors shall have one chairman and may have a vice chairman. The chairman and vice chairman shall be elected by more than half of all directors.</p>
<p>Article 105 The term of office of a director shall start from the date on which the said director assumes office to the expiry of the current term of the Board of Directors.</p> <p>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 his duties as director according to the laws, administrative regulations and the Articles until the elected director assumes his office.</p>	<p>Article 105Article 132 Directors shall be elected or removed by a general meeting and may be discharged from their positions by the general meeting prior to the expiry of the terms of office. The term of office of a director shall be three years. If the term of office of a director expires, he/she may be re-appointed for consecutive terms if re-elected.</p> <p>The term of office of a director shall start from the date on which the said director assumes office to 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 his duties as director according to the laws, administrative regulations and the Articles until the elected director assumes his office.</p> <p><u>The general manager or other senior management officer can concurrently serve as a director, but the number of directors who also serve as the general manager or other senior management positions and the directors who also serve as the employee representatives shall not be more than one-half of the total number of directors of the Company.</u></p>

Original	Amended
New	<p><u>Article 133 If a director cannot personally attend two consecutive meetings, and does not appoint other directors to attend board of director's meeting, he is treated as not being able to carry out his duties, the board of directors should recommend to the shareholders' meeting to replace him.</u></p>
<p>Article 106 A director may resign before the expiration of his term of office. The resigning director shall submit a written resignation to the Board of Directors.</p> <p>In the event that the resignation of any director results in the number of members of the Board of Directors less than the statutory minimum requirement, the said director shall continue to perform his duties according to the laws, administrative regulations and the Articles until a new director is elected and assumes his office.</p> <p>Except for the circumstance referred 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 106<u>Article 134</u> A director may resign before the expiration of his term of office. The resigning director shall submit a written resignation to the Board of Directors. <u>The Board of Directors shall disclose the relevant information within two days.</u></p> <p>In the event that the resignation of any director results in the number of members of the Board of Directors less than the statutory minimum requirement, the said director shall continue to perform his duties according to the laws, administrative regulations and the Articles until a new director is elected and assumes his office.</p> <p>Except for the circumstance referred in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation to the Board of Directors.</p>
New	<p><u>Article 135 If the resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board of Directors. His/her fiduciary duties to the Company and shareholders thereof do not terminate automatically at the end of his/her term of office.</u></p>

Original	Amended
New	<p><u>Article 136 Save as specified in the Articles of Association or as legally authorized by the Board, no director shall act on behalf of the Company or the Board of Directors in his/her personal name. If a director acts in his/her own name but a third party may reasonably think that the said director is acting on behalf of the Company or the Board of Directors, the said director shall make a prior statement of his/her standpoint and capacity.</u></p>
<p>Article 107 The Company shall have independent non-executive directors. An independent non-executive director is a director assuming no posts other than independent non-executive director and having no relation with the Company and major shareholders thereof which may hinder his independent objective judgment. The number of the independent non-executive directors shall be more than one-third of the number of members of the Board of Directors and shall not be less than four (4), at least one of whom shall have appropriate professional qualification or the accounting or related financial management expertise and meet the requirements of Article 3.10(2) of the Hong Kong Listing Rules.</p> <p>Independent non-executive directors shall have the independence required by the Article 3.13 of the Hong Kong Listing Rules.</p>	<p>Article 107Article 137 The Company shall have independent non-executive directors. An independent non-executive director is a director assuming no posts other than independent non-executive director <u>and member of special committees of the Board</u> and having no relation with the Company and major shareholders thereof which may hinder his independent objective judgment, <u>and who is in compliance with independence provisions of the securities regulatory rules in the places where shares of the Company are listed.</u></p> <p>The number of the independent non-executive directors shall be more than one-third of the number of members of the Board of Directors and shall not be less than four <u>three (3)</u>, at least one of whom shall have<u>be an accounting professional with</u> appropriate professional qualification or the accounting or related financial management expertise and meet the requirements of <u>the “Establishment of Independent Director Systems by Listed Companies Guiding Opinion” (Zheng Jian Fa [2001] No. 102), the Listing Rules of the Science and Technology Innovation Board and</u> Article 3.10(2) of the Hong Kong Listing Rules.</p>

Original	Amended
	<p>Independent non-executive directors shall have the independence required by the Article 3.13 of the Hong Kong Listing Rules.<u>If an independent non-executive director fails to meet the conditions of independence or another circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.</u></p>
New	<p><u>Article 139 The term of office of independent non-executive directors shall be the same as that of the other directors of the Company. At the expiration of their terms, they may continue to serve if re-elected, but they may not serve more than 6 years in succession. The Company shall formulate working rules of independent non-executive directors, which shall specify the qualification, nomination, election and replacement and rights and obligations, and liabilities of independent non-executive directors and shall come into effect upon approval by the general meeting.</u></p>

Original	Amended
<p>Article 109 The Board of Directors is accountable to the shareholders' general meeting and shall exercise the following functions and powers:</p> <p>(I) To convene and report to the shareholders' general meeting;</p> <p>(II) To implement the resolutions adopted at shareholders' general meetings;</p> <p>(III) To decide on the Company's business plans and investment plans;</p> <p>(IV) To formulate the Company's annual financial budgets and final accounts;</p> <p>(V) To formulate the Company's proposal on profit distribution and plan for recovery of losses;</p> <p>(VI) To formulate proposals for increases or reduction of the Company's registered capital and proposals for the issue of corporate bonds;</p> <p>(VII) To formulate plans for repurchase of the Company's shares, or merger, division, dissolution, or change of corporate formation of the Company;</p> <p>(VIII) To appoint or dismiss the Company's general manager, and to decide on the appointment or dismissal of senior management officer such as deputy general manager, chief accountant, chief legal officer and chief engineer pursuant to the nomination of the general manager result and decide on the appointment or dismissal of the secretary to the Board of Directors pursuant to the nomination of the chairman of the Board of Directors;</p>	<p>Article 109Article 140 The Board of Directors is accountable to the shareholders' general meeting and shall exercise the following functions and powers:</p> <p>(I) To convene and report to the shareholders' general meeting;</p> <p>(II) To implement the resolutions adopted at shareholders' general meetings;</p> <p>(III) To decide on the Company's business plans and investment plans;</p> <p>(IV) To formulate the Company's annual financial budgets and final accounts;</p> <p>(V) To formulate the Company's proposal on profit distribution and plan for recovery of losses;</p> <p>(VI) To formulate proposals for increases or reduction of the Company's registered capital and proposals for, the issue of corporate bonds <u>and other securities and listing</u>;</p> <p>(VII) To formulate plans for <u>material acquisition of the Company</u>, repurchase of the Company's shares, or merger, division, dissolution, or change of corporate formation of the Company;</p> <p>(VIII) To appoint or dismiss the Company's general manager, and to decide on the appointment or dismissal of senior management officer such as deputy general manager, chief accountant, chief legal officer and chief engineer pursuant to the nomination of the general manager result and decide on the appointment or dismissal of the secretary to the Board of Directors pursuant to the nomination of the chairman of the Board of Directors;</p>

Original	Amended
(IX) To decide on the matters relating to the remuneration of the aforesaid senior management officers;	(IX) To decide on the matters relating to the remuneration <u>and penalty</u> of the aforesaid senior management officers;
(X) To formulate the Company's basic management system;	(X) To formulate the Company's basic management system;
(XII) To formulate proposals for amendment to the Articles;	(XII) To formulate proposals for amendment to the Articles;
(XI) To formulate proposals for amendment to the Articles;	(XI) To formulate proposals for amendment to the Articles;
(XII) To decide on the setup of internal management institutions of the Company;	(XII) To decide on the setup of internal management institutions of the Company;
(XIII) To decide on the setup and adjustment of the special committees of the Board;	(XIII) To decide on the setup and adjustment of the special committees of the Board;
(XIV) Matters such as investments, acquisitions or disposals of assets, financing and connected transactions that require decisions to be made by the Board of Directors in accordance with the Hong Kong Listing Rules;	(XIV) Matters such as investments, acquisitions or disposals of assets, financing and <u>related</u> /connected transactions that require decisions to be made by the Board of Directors in accordance with <u>the Listing Rules of the Science and Technology Innovation Board and</u> the Hong Kong Listing Rules;
(XV) To evaluate and determine the nature and degree of risk acceptable for the Company in achieving the strategic target, to ensure that the Company establishes and maintains an appropriate and effective risk management and internal monitoring system, to continuously supervise this system, and to ensure that check is conducted at least once a year, on whether the system of the Company and its subsidiaries is effective;	(XV) To evaluate and determine the nature and degree of risk acceptable for the Company in achieving the strategic target, to ensure that the Company establishes and maintains an appropriate and effective risk management and internal monitoring system, to continuously supervise this system, and to ensure that check is conducted at least once a year, on whether the system of the Company and its subsidiaries is effective;
(XVI) To decide on other major affairs of the Company, save for matters required to be resolved at shareholders' general meeting as specified under the Company Law and the Articles;	(XVI) <u>To manage the disclosure of information of the Company;</u>

Original	Amended
<p>(XVII) To exercise other functions and powers conferred by the laws, administrative regulations, the Articles and the shareholders' general meetings.</p> <p>With the exception of matters specified in sub-paragraphs (VI), (VII) and (XI), which shall be passed by two-thirds or more of the directors by voting, the resolutions of the Board of Directors in respect to any other aforesaid matters may be passed by more than half of all directors.</p> <p>A resolution made by the Board of Directors on a connected transaction must take effect only after consideration and approval by independent non-executive directors.</p>	<p><u>(XVII) To suggest the board of directors on the hiring or replacement of the accounting firm as the Company's auditors;</u></p> <p><u>(XVIII) To consider and review the working report and the work of the general manager of the Company;</u></p> <p><u>(XIX)</u> To decide on other major affairs of the Company, save for matters required to be resolved at shareholders' general meeting as specified under the Company Law and the Articles;</p> <p>(XVIII) To exercise other functions and powers conferred by the laws, administrative regulations, the Articles and the shareholders' general meetings.</p> <p>With the exception of matters specified in sub-paragraphs (VI), (VII) and (XI), which shall be passed by two-thirds or more of the directors by voting, the resolutions of the Board of Directors in respect to any other aforesaid matters may be passed by more than half of all directors.</p> <p><u>A resolution made by the Board of Directors on a related or connected transaction must take effect only after consideration and approval by independent non-executive directors.</u></p>
New	<p><u>Article 142 The Board of Directors shall make explanations at the Shareholders' general meeting for the qualified audit opinions on the audit report on the financial report of the Company issued by the certified public accountant.</u></p>

Original	Amended
New	<u>Article 143 The Board of Directors shall formulate the rules of procedure for meetings of the Board of Directors to ensure implementation of the resolutions of the Shareholders' general meeting, and ensure the working efficiency and scientific decision making of the Board of Directors.</u>
New	<u>Article 144 The Board of Directors shall determine the scope of authority for external investment, asset acquisition and disposal, pledge of asset, external guarantee, entrusted wealth management and connected transaction, and establish strict review and decision-making procedures. Specialists or professional personnel shall be engaged to assess and examine any material investment projects, and such investment projects shall be submitted to the general meeting for approval.</u>
<p>Article 112 The meetings of the Board of Directors shall be divided into regular meetings of the Board of Directors and extraordinary meetings of the Board of Directors. The Board of Directors shall notify the supervisors to attend the meetings of the Board of Directors as non-voting delegates.</p> <p>Regular meetings of the Board of Directors shall be held at least four (4) times each year, approximately once a quarter and convened by the chairman of the Board of Directors. The written notice of meeting shall be sent to all the directors fourteen (14) days before the date of the meeting. The approval of directors for the regular meetings of the Board of Directors shall not be obtained through the adoption of written resolutions. A regular meeting of the Board of Directors may be held by way of communication and all participating Directors shall be deemed as having attended the meeting in person. The extraordinary meeting of the Board of Directors may be approved by Directors by written resolution.</p>	<p>Article 112Article 146 The meetings of the Board of Directors shall be divided into regular meetings of the Board of Directors and extraordinary meetings of the Board of Directors. The Board of Directors shall notify the supervisors to attend the meetings of the Board of Directors as non-voting delegates.</p> <p>Regular meetings of the Board of Directors shall be held at least four (4) times each year, approximately once a quarter and convened by the chairman of the Board of Directors. The written notice of meeting shall be sent to all the directors and supervisors fourteen (14) days before the date of the meeting. The approval of directors for the regular meetings of the Board of Directors shall not be obtained through the adoption of written resolutions. A regular meeting of the Board of Directors may be held by way of communication and all participating Directors shall be deemed as having attended the meeting in person. The extraordinary meeting of the Board of Directors may be approved by Directors by written resolution.</p>

Original	Amended
<p>The chairman of the Board of Directors shall convene an extraordinary meeting of the Board of Directors within ten (10) days after receiving the proposal under the following circumstances:</p> <p>(I) When proposed by shareholders holding more than one-tenth of the voting shares;</p> <p>(II) When proposed by the chairman of the Board of Directors;</p> <p>(III) When proposed by more than one-third of the directors;</p> <p>(IV) When proposed by more than two (2) independent non-executive directors;</p> <p>(V) When proposed by the Board of Supervisors;</p> <p>(VI) When proposed by the general manager.</p>	<p>The chairman of the Board of Directors shall convene an extraordinary meeting of the Board of Directors within ten (10) days after receiving the proposal under the following circumstances:</p> <p>(I) When proposed by shareholders holding more than one-tenth of the voting shares;</p> <p>(II) When proposed by the chairman of the Board of Directors;</p> <p>(III) When proposed by more than one-third of the directors;</p> <p>(IV) When proposed by more than two <u>half of the</u> independent non-executive directors;</p> <p>(V) When proposed by the Board of Supervisors;</p> <p>(VI) When proposed by the general manager;</p> <p><u>(VII) Other circumstances that are required by the laws, administrative regulations, regulatory rules in the places where the Company's shares are listed and the Articles of Association.</u></p>

Original	Amended
<p>Article 113 Notice shall be given to all the directors and supervisors within a reasonable period prior to an extraordinary meeting of the Board of Directors. The office of the Board of Directors shall serve written notice of the meeting to all the directors and supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record shall be made accordingly.</p> <p>In an emergency and an extraordinary meeting of the Board of Directors is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.</p>	<p>Article 113Article 147 Notice shall be given to all the directors and supervisors within a reasonable periodthree (3) days prior to an extraordinary meeting of the Board of Directors. The office of the Board of Directors shall serve written notice of the meeting to all the directors and supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record shall be made accordingly.</p> <p>In an emergency and an extraordinary meeting of the Board of Directors is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting <u>and record it in the meeting minutes.</u></p>
<p>New</p>	<p><u>Article 148 The notice of a meeting of the Board of Directors shall include the following:</u></p> <p><u>(I) The date, place of the meeting and the means by which the meeting will be held;</u></p> <p><u>(II) The duration of the meeting;</u></p> <p><u>(III) Matters and proposals to be considered;</u></p> <p><u>(IV) The names of the meeting convener and chairman;</u></p> <p><u>(V) The date of the notice;</u></p> <p><u>(VI) The contact person of the meeting and contact details.</u></p>

Original	Amended
<p>Article 114 The meetings of the Board of Directors are convened and presided over by the chairman of the Board of Directors. If the chairman is unable to or does not perform his duties, his duties shall be performed by the vice chairman of the Board of Directors. If the vice chairman is unable to or does not perform his duties, his duties shall be performed by a director jointly elected by more than half of the directors.</p>	<p>Article 114Article 149 The meetings of the Board of Directors are convened and presided over by the chairman of the Board of Directors<u>Vice chairman of the Board of Directors shall provide assistance to the work of the chairman of the Board of Directors.</u> If the chairman is unable to or does not perform his duties, his duties shall be performed by the vice chairman of the Board of Directors. If the vice chairman is unable to or does not perform his duties, his duties shall be performed by a director jointly elected by more than half of the directors.</p>
<p>Article 115 The meetings of the Board of Directors are valid only when more than half of the directors or their authorized representatives are present.</p> <p>Each director shall have one vote. All the resolutions made by the Board of Directors require the affirmative votes of more than half of the directors, unless otherwise specified by the laws, administrative regulations and the Articles.</p> <p>When the number of negative votes is equal to that of affirmative votes, the chairman of the Board of Directors has the right to cast one more vote.</p>	<p>Article 115Article 150 The meetings of the Board of Directors are valid only<u>can only be convened</u> when more than half of the directors or their authorized representatives are present.</p> <p>Each director shall have one vote <u>on the resolutions at the meeting of the Board of Directors.</u> All the resolutions made by the Board of Directors require the affirmative votes of more than half of the directors, unless otherwise specified by the laws, administrative regulations and the Articles.</p> <p>When the number of negative votes is equal to that of affirmative votes, the chairman of the Board of Directors has the right to cast one more vote.</p>
<p>New</p>	<p>Article 151 <u>Resolutions of the meetings of the Board of Directors shall be voted by way of open ballot or other voting method as permitted by the laws and regulations and the regulatory rules in the place where the shares of the Company are listed.</u></p>

Original	Amended
<p>Article 116 A director shall attend the meetings of the Board of Directors in person. If a director is not able to attend the meeting for any reason, he may appoint in writing other directors to attend the meeting on his behalf. The scope of authorization shall be specified in the proxy.</p> <p>The director attending the meeting on other's behalf shall only exercise the rights of director within the scope of authorization. If a director fails to attend a meeting of the Board of Directors or appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.</p>	<p>Article 116Article 152 A director shall attend the meetings of the Board of Directors in person. If a director is not able to attend the meeting for any reason, he may appoint in writing other directors to attend the meeting on his behalf. <u>The names of the proxy, matters of entrustment, The scope of authorization and its valid term</u> shall be specified in the proxy<u>letter of attorney, which shall be signed and sealed by the appointer.</u></p> <p>The director attending the meeting on other's behalf shall only exercise the rights of director within the scope of authorization. If a director fails to attend a meeting of the Board of Directors or appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.</p>
<p>Article 118 If a director or any of his associates (as defined in the Hong Kong Listing Rules) has a material interest in or connected relation with the matters to be discussed at the meeting of the Board of Directors, such director shall not exercise the voting right for himself or on behalf of another director when the Board of Directors considers that matter. Nor shall he be counted in the quorum present at the meeting. A meeting of the Board of Directors can be held provided that more than half of the unaffiliated directors are present. Any resolution made by the Board of Directors shall be approved by more than half of the unaffiliated directors. If no more than three (3) unaffiliated directors attend the meeting of the Board of Directors, the Company shall submit this proposal to the shareholders' general meeting for consideration. When submitting this proposal to the general meeting for approval, the Board of Directors shall explain its consideration on the proposal and record the opinions of unaffiliated directors.</p>	<p>Article 118Article 153 If any<u>any</u> director or any of his associates (as defined in the Hong Kong Listing Rules) has a material interest in or connected relation with the matters to be discussed<u>has connection with or significant interest in the enterprise involved in the resolution made at the</u> meeting of the Board of Directors, such director shall not exercise the voting right for himself or on behalf of another director when the Board of Directors considers that matter. Nor shall he be counted in the quorum present at the meeting. A meeting of the Board of Directors can be held provided that more than half of the unaffiliated directors are present. Any resolution made by the Board of Directors shall be approved by more than half of the unaffiliated directors. If no more than three (3) unaffiliated directors attend the meeting of the Board of Directors, the Company shall submit this proposal to the shareholders' general meeting for consideration. When submitting this proposal to the general meeting for approval, the Board of Directors shall explain its consideration on the proposal and record the opinions of unaffiliated directors.</p>

Original	Amended
New	<p><u>Article 155 The minutes of meetings of the Board of Directors shall be kept as archives of the Company for 10 years.</u></p> <p><u>The minutes of a meeting of the Board of Directors shall specify:</u></p> <p><u>(I) The date, venue of the meeting and the name of the convener;</u></p> <p><u>(II) The attending directors, directors (proxies) being appointed to attend on the other's behalf, absentees and the personnel present at the meeting;</u></p> <p><u>(III) The agenda of the meeting;</u></p> <p><u>(IV) The highlights of speeches and any concerns or opposing views expressed by the directors;</u></p> <p><u>(V) The voting method of each agenda and the voting result (the voting result shall state the number of votes of "for", "against" or "abstain");</u></p> <p><u>(VI) Opinions of the supervisors present at the meeting;</u></p> <p><u>(VII) Other matters required to be included in the meeting minutes.</u></p>

Original	Amended
<p>Article 119 The Board of Directors consists of the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Legal Affairs Committee. If needed, the Board of Directors can set up other special committees and adjust the existing committees.</p> <p>As far as the makeup, responsibilities and rules of procedure of every special committee are concerned, the Board of Directors will separately establish the terms of reference thereof.</p>	<p>Article—119Article 156 The Board of Directors consists of the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Legal Affairs Committee. If needed, the Board of Directors can set up other special committees and adjust the existing committees.</p> <p><u>The special committees of the Board of Directors of the Company are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and proposals shall be submitted to the Board of Directors for consideration and decision. Members of the special committees are all comprised of directors, in particular, majority of the members of the Audit and Risk Management Committee, Nomination Committee and Remuneration and Appraisal Committee are independent non-executive directors, who are also the convenors. The convenor of the Audit and Risk Management Committee is an accounting professional.</u></p> <p>As far as the makeup, responsibilities and rules of procedure of every special committee are concerned, the Board of Directors will separately establish the terms of reference thereof.</p>

Original	Amended
Chapter 11 Secretary to the Board of Directors	Chapter 11 Chapter 10 Secretary to the Board of Directors
Article 121 The secretary to the Board of Directors shall be a natural person with the requisite professional knowledge and experience, and shall be nominated by the chairman of the Board of Directors and appointed or dismissed by the Board of Directors.	Article 121 Article 158 The secretary to the Board of Directors shall be a natural person with the requisite professional knowledge and experience, and shall be nominated by the chairman of the Board of Directors and appointed or dismissed by the Board of Directors.
The main responsibilities of the secretary to the Board of Directors are:	The main responsibilities of the secretary to the Board of Directors are:
(I) To ensure that the Company has a complete set of organization documents and records; to keep and manage the information on the shareholders; and to assist the directors in addressing the routine tasks of the Board of Directors;	(I) To ensure that the Company has a complete set of organization documents and records; to keep and manage the information on the shareholders; and to assist the directors in addressing the routine tasks of the Board of Directors <u>Being responsible for the information disclosure of the Company, including being responsible for release of the Company's information to the public, organizing the establishment of management systems for information disclosure of the Company, and urging the Company and the relevant persons with information disclosure obligations to observe relevant disclosure regulations;</u>
(II) To act as the liaison between the Company and the securities regulatory authorities, to be responsible for organizing the preparation and prompt submission of the reports and documents required by the regulatory authorities, and for accepting and organizing the implementation of any assignment from the regulatory authorities;	(II) To make preparations for the meetings of the Board of Directors and the shareholders' general meetings, and to take and keep the minutes <u>Being responsible for investor relationship management, coordinating communications between the Company and the securities regulatory authority, investors, securities service agencies and public media;</u>
(III) To make preparations for the meetings of the Board of Directors and the shareholders' general meetings, and to take and keep the minutes;	(III) To make preparations for the meetings of the Board of Directors and the shareholders' general meetings, and to take and keep the minutes; <u>Organizing, preparing and presenting at the meetings of the Board of Directors and the meetings of its special committees, the meetings of the Board of Supervisors and the shareholders' general meetings, and to take and keep the minutes;</u>

Original	Amended
<p>(IV) To ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;</p> <p>(V) To be responsible for coordinating and organizing the Company's disclosure of information, establish and improve the information disclosure system, participate in all of the Company's meetings involving the disclosure of information, and keep informed of the Company's material operation decisions and related information in a timely manner.</p>	<p>(IV) To ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;(V) To be responsible for coordinating and organizing the Company's disclosure of information, establish and improve the information disclosure system, participate in all of the Company's meetings involving the disclosure of information, and keep informed of the Company's material operation decisions and related information in a timely manner.<u>Being responsible for confidentiality with respect to information disclosure of the Company, and reporting to the Shanghai Stock Exchange and making disclosure in a timely manner whenever any non-published material information is leaked;</u></p> <p><u>(V) Paying close attention to media coverage, ascertaining whether the coverage is true or not and urging the Board of Directors to disclose or clarify in a timely manner;</u></p> <p><u>(VI) Assisting the Board of Directors in establishing a comprehensive internal control system for the Company, actively promoting the avoidance of competition among companies in the same industry, reducing and standardizing related party transactions, establishing a comprehensive incentive, and restraint mechanism and assuming the social responsibilities;</u></p>

Original	Amended
	<p><u>(VII) Being responsible for equity management affairs, including preserving the documents evidencing the holdings of the Company's share by the shareholders, processing matters in relation to the restricted shares, supervising directors, supervisors and senior management and other personnel of the Company to comply with the relevant requirements in relation to dealings in the shares of the Company;</u></p> <p><u>(VIII) Organizing trainings for directors, supervisors, senior management and other relevant personnel of the Company on relevant laws, administrative regulations, the Listing Rules of the Science and Technology Innovation Board and relevant regulations, and helping them to have a clear grasp of their respective responsibilities with respect to information disclosure;</u></p> <p><u>(IX) Whenever the secretary of the Board of Directors becomes aware that any of directors, supervisors and senior management has violated laws, administrative regulations, departmental rules, other regulatory documents, other regulations of the Shanghai Stock Exchange, and the Articles of Association or that the Company makes or is likely to make any decision in violation of relevant regulations, warning the relevant person and promptly reporting to the Shanghai Stock Exchange;</u></p> <p><u>(X) Other duties required by the laws, administrative regulations, the Articles of Association or the Shanghai Stock Exchange.</u></p>

APPENDIX VII AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original	Amended
Chapter 12 General Manager and Other Senior Management Officers	Chapter 12 Chapter 11 General Manager and Other Senior Management Officers
New	<u>Article 161 Unless otherwise waived and approved by the CSRC, staff of the controlling shareholders of the Company who serve administrative positions other than as director or supervisor shall not serve as senior management of the Company.</u>
<p>Article 124 The general manager is accountable to the Board of Directors and exercises the following functions and powers:</p> <p>(I) To take charge of the production and operation of the Company, and to arrange proper resources to implement resolutions of the Board of Directors;</p> <p>(II) To arrange proper resources to implement the Company’s annual business plans and investment plans;</p> <p>(III) To draft the plans for establishment of the internal management organization;</p> <p>(IV) To draft the plans for establishment of the Company’s basic management system;</p> <p>(V) To formulate the rules and regulations of the Company;</p> <p>(VI) To employ or dismiss the management officers other than those required to be employed or dismissed by the Board of Directors;</p> <p>(VII) To propose to the Board of Directors the employment and dismissal of deputy general managers, chief accountant, chief legal officer and chief engineer;</p>	<p>Article 124Article 162 The general manager is accountable to the Board of Directors and exercises the following functions and powers:</p> <p>(I) To take charge of the production and operation of the Company, andto arrange proper resources to implement resolutions of the Board of Directors, <u>and to report to the Board of Directors;</u></p> <p>(II) To arrange proper resources to implement the Company’s annual business plans and investment plans;</p> <p>(III) To draft the plans for establishment of the internal management organization;</p> <p>(IV) To draft the plans for establishment of the Company’s basic management system;</p> <p>(V) To formulate the rules and regulations of the Company;</p> <p>(VI) To employ or dismiss the management officers other than those required to be employed or dismissed by the Board of Directors;(VII)To propose to the Board of Directors the employment and dismissal of deputy general managers, chief accountant, <u>chief engineer</u>, chief legal officer and <u>chief engineer</u>other senior management personnel;</p>

Original	Amended
(VIII) To exercise other functions and powers authorized by the Articles or by the Board of Directors.	<p><u>(VII) To employ or dismiss the management officers other than those required to be employed or dismissed by the Board of Directors;</u></p> <p>(VIII) To exercise other functions and powers authorized by the Articles or by the Board of Directors.</p>
New	<p><u>Article 164 The general manager shall formulate relevant working rules, which shall come into effect upon approval by the Board of Directors.</u></p> <p><u>The working rules of the general manager shall specify:</u></p> <p><u>(I) The conditions, procedures and attendees for convening general manager's meetings;</u></p> <p><u>(II) The respective duties and division of responsibilities among the general manager and other senior management;</u></p> <p><u>(III) Use of funds and assets of the Company, limits of his/her authority to enter into important contracts, and the system to report to the Board of Directors and the Board of Supervisors; and</u></p> <p><u>(IV) Other matters deemed necessary by the Board of Directors.</u></p>
New	<p><u>Article 165 The term of office of the general manager shall be three years. Upon expiry of his/her term, the general manager may be re-elected for successive terms. The general manager may resign before his/her term of office expires. The procedure and rules for resignation of the general manager shall be specified in the employment contract between the general manager and the Company.</u></p>

Original	Amended
Article 126 In the exercise of their functions and powers, the general manager and other senior management officers shall comply with the laws, administrative regulations and the Articles, and fulfil his duties in good faith and of due diligence.	Article 126 Article 166 In the exercise of their functions and powers, the general manager and other senior management officers shall comply with the laws, administrative regulations and the Articles, and fulfil his duties in good faith and of due diligence. <u>If any of them violate the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling their duties to the Company, thereby causing the Company to incur any loss, the said member shall be liable for compensation.</u>
Chapter 13 Board of Supervisors	Chapter 13 Chapter 12 Board of Supervisors
New	<u>Article 170 In the event that the terms of office of supervisors expire whereas new members of the Board of Supervisors are not re-elected in time, or the resignation of any Supervisor during his term of office, resulting in the number of members of the Board of Supervisors falling below the statutory minimum requirement, the said supervisors shall continue to perform their duties in accordance with the laws and regulations and these Articles of Association until the re-elected supervisors assume their office.</u>
New	<u>Article 171 The supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.</u>
New	<u>Article 172 The supervisors shall not use their connected relationship to prejudice the interests of the Company and shall be liable or indemnity to any loss caused to the Company.</u>

Original	Amended
New	<u>Article 173 Supervisor who violates any laws or these Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for making compensation for any loss caused to the Company.</u>
<p>Article 130 The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <p>(I) To review the Company's financial position;</p> <p>(II) To monitor any acts on the part of directors and senior management officers in their performance of duties, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles or resolutions of shareholders' general meetings;</p> <p>(III) To demand directors and senior management officers to make rectification if their conduct has damaged the Company's interest;</p> <p>(IV) To review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the shareholders' general meetings; to conduct investigation if there is any doubt in the company's operations, and engage certified public accountants and practicing auditors in the name of the Company to assist their review if necessary;</p>	<p>Article 130Article 174 The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <p>(I) To review the Company's financial position;</p> <p>(II) To monitor any acts on the part of directors and senior management officers in their performance of duties, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles or resolutions of shareholders' general meetings;</p> <p>(III) To demand directors and senior management officers to make rectification if their conduct has damaged the Company's interest;</p> <p>(IV) To review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the shareholders' general meetings; to conduct investigation if there is any doubt in the company's operations, and engage certified public accountants and practicing auditors in the name of the Company to assist their review if necessary;</p>

Original	Amended
(V) To propose the convening of an extraordinary general meeting, and convene and preside over the shareholders' general meeting when the Board of Directors fails to perform such duties specified under the Articles;	(V) To propose the convening of an extraordinary general meeting, and convene and preside over the shareholders' general meeting when the Board of Directors fails to perform such duties specified under the Articles;
(VI) To submit proposals to the shareholders' general meeting;	(VI) To submit proposals to the shareholders' general meeting;
(VII) To bring an action against a director and senior management officer in accordance with the Company Law;	(VII) To bring an action against a director and senior management officer in accordance with the Company Law;
(VIII) To exercise other functions and powers authorized by the Articles or by the shareholders' general meetings.	(VIII) <u>To review the regular reports of the Company prepared by the Board of Directors and to provide written review opinions thereon;</u>
The supervisors have the right to attend the meetings of the Board of Directors as non-voting participants and to raise questions or suggestions on the matters to be decided by the Board of Directors.	(IX) <u>To conduct investigation on any irregularities found in the operation of the Company. Professional organizations including accounting firms and law firms may be engaged when necessary at the Company's cost;</u>
	(X) To exercise other functions and powers authorized by the Articles or by the shareholders' general meetings.
	The supervisors have the right to attend the meetings of the Board of Directors as non-voting participants and to raise questions or suggestions on the matters to be decided by the Board of Directors.

Original	Amended
<p>Article 132 The Board of Supervisors shall convene at least once meeting every six (6) months, which shall be convened by the chairman of the Board of Supervisors. The supervisors can propose to convene extraordinary meetings of the Board of Supervisors. The meeting notice shall be sent to all the supervisors in written form ten (10) days before the meeting. The office of the Board of Supervisors shall submit the written notice to all the supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>In case of urgency and an extraordinary meeting of the Board of Supervisors is required to be convened as soon as possible, the notice of meeting may be delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.</p>	<p>Article 132Article 176 The Board of Supervisors shall convene at least once meeting every six (6) months, which shall be convened by the chairman of the Board of Supervisors.</p> <p>The supervisors can propose to conveneThe Board of Supervisors shall convene regular meetings and extraordinary meetings. The meeting notice shall be sent to all the supervisors in written form ten (10) days and three (3) days before the meeting respectively. The office of the Board of Supervisors shall submit the written notice to all the supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p><u>The notice of meeting of the Board of Supervisors of should contain the followings:</u></p> <p><u>(I) The time, place of the meeting and the means by which the meeting will be held;</u></p> <p><u>(II) The convener of the meeting;</u></p> <p><u>(III) The duration of the meeting;</u></p> <p><u>(IV) The agenda of the meeting, matters and proposals to be considered;</u></p> <p><u>(V) The date of the notice;</u></p> <p><u>(VI) The contact person of the meeting and contact details.</u></p> <p>In case of urgency and an extraordinary meeting of the Board of Supervisors is required to be convened as soon as possible, the notice of meeting may be delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.</p>

Original	Amended
<p>Article 135 Each supervisor shall have one vote. Resolutions of the Board of Supervisors shall be passed by the affirmative votes of two-thirds or more of the members of Board of Supervisors.</p>	<p>Article 135Article 179 Meeting of the Board of Supervisors is to be voted by poll, and Each supervisor shall have one vote. Resolutions of the Board of Supervisors shall be passed by the affirmative votes of two-thirds or more of the members of Board of Supervisors.</p>
<p>New</p>	<p><u>Article 180 The Board of Supervisors shall record its decisions on all matters considered at the meeting into the meeting minutes. Participating supervisors shall sign the meeting minutes for confirmation.</u></p> <p><u>Supervisors are entitled the right to make certain written explanations for the statements expressed at the meeting in the minutes. The meeting minutes of the Board of Supervisors shall be kept as corporate documents for at least 10 years.</u></p>
<p>New</p>	<p><u>Article 181 The Board of Supervisors shall establish rules of procedure for the meeting of the Board of Supervisors specifying the formats of discussion and the voting procedure of the Board of Supervisors so as to ensure efficiency and scientific decision making in the Board of Supervisors.</u></p>
<p>Chapter 14 The Qualification and Obligations of Directors, Supervisors and Senior Management Officers</p>	<p>Chapter 14Chapter 13 The Qualification and Obligations of Directors, Supervisors and Senior Management Officers</p>
<p>Article 137 The following persons may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:</p> <p>(I) A person without or with limited capacity for civil conduct;</p>	<p>Article 137Article 183 The following persons may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:</p> <p>(I) A person without or with limited capacity for civil conduct;</p>

Original	Amended
<p>(II) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than five (5) years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than five (5) years have elapsed since the sentence was served;</p>	<p>(II) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than five (5) years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than five (5) years have elapsed since the sentence was served;</p>
<p>(III) A person who is a former director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than three (3) years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;</p>	<p>(III) A person who is a former director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than three (3) years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;</p>
<p>(IV) A person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than three (3) years have elapsed since the date of the revocation of business license of such company or enterprise;</p>	<p>(IV) A person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than three (3) years have elapsed since the date of the revocation of business license of such company or enterprise;</p>
<p>(V) A person who has a relatively large amount of debts which have become overdue;</p>	<p>(V) A person who has a relatively large amount of debts which have become overdue;</p>
<p>(VI) A person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;</p>	<p>(VI) A person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;</p>

Original	Amended
<p>(VII) A person who, according to law and administrative regulations, is not permitted to be the leader of an enterprise;</p> <p>(VIII) A person who is not a natural person;</p> <p>(IX) A person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of such conviction;</p> <p>(X) Other persons stipulated in the relevant laws and regulations of the place where the Company's shares are listed.</p>	<p>(VII) A person who, according to law and administrative regulations, is not permitted to be the leader of an enterprise;</p> <p>(VIII) A person who is not a natural person;</p> <p><u>(IX) A person who is penalised by the CSRC to be banned from the securities market and the penalty has not expired;</u></p> <p><u>(X)</u> A person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of such conviction;</p> <p>(X)<u>(XI)</u> Other persons stipulated in the relevant laws and regulations of the place where the Company's shares are listed.</p> <p><u>Any election, appointment or engagement of any directors, supervisors, the engaged general managers or other members of senior management in violation of the provision of these Articles shall be invalid. In the event of any contravention set out in this Article during their terms of office, such directors, supervisors, general managers or other members of senior management shall be dismissed by the Company.</u></p>

Original	Amended
<p>Article 140 Each of the Company's directors, supervisors, general managers and other senior management officers owes the duty that in the exercise of his powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.</p> <p>Directors must satisfy the required levels of skill, care and diligence. Delegating their functions is permissible but does not absolve them from their responsibilities or from applying the required levels of skill, care and diligence.</p>	<p>Article—140Article 186 Each of the Company's directors, supervisors, general managers and other senior management officers owes the duty that in the exercise of his powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances. <u>This principle includes (but not limited to) the fulfilling of the following obligations:</u></p> <p><u>(I) To prudently, carefully and diligently exercise the rights granted by the Company, so as to ensure that the commercial operations of the Company comply with the laws, administrative regulations of the state and the requirements of the various economic policies of the state, and that the commercial activities of the Company shall not fall beyond the scope of business specified on the business license;</u></p> <p><u>(II) To treat all shareholders impartially;</u></p> <p><u>(III) To keep abreast of the business operation and management of the Company;</u></p> <p><u>(IV) To sign written opinions on the regular reports of the Company, and to assure that the information disclosed by the Company is true, accurate, and complete within the scope of their duties;</u></p> <p><u>(V) To honestly provide the Board of Supervisors with relevant circumstances and information, and not to prevent the Board of Supervisors or supervisors from performing their duties and powers;</u></p> <p><u>(VI) To fulfill other diligence duties as stipulated in laws, administrative regulations, departmental rules and the Articles of Association.</u></p> <p>Directors must satisfy the required levels of skill, care and diligence. Delegating their functions is permissible but does not absolve them from their responsibilities or from applying the required levels of skill, care and diligence.</p>

Original	Amended
<p>Article 141 Each of the Company's directors, supervisors, general manager and other senior management officers shall perform his duties on the principle of fiduciary, and shall not put himself in a position where his interests and his duties may conflict. This principle includes (but is not limited to) discharging the following obligations:</p> <p>(I) To act bona fide in the best interests of the Company;</p> <p>(II) To exercise his powers within his terms of reference and not to act ultra vires;</p> <p>(III) To exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the shareholders given in a general meeting, not to delegate the exercise of his discretion;</p> <p>(IV) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;</p> <p>(V) Unless otherwise provided in the Articles or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;</p> <p>(VI) Not to use the Company's property in any way for his own benefit without the informed consent of the shareholders given in a general meeting;</p>	<p>Article—140Article 187 Each of the Company's directors, supervisors, general manager and other senior management officers shall perform his duties on the principle of fiduciary, and shall not put himself in a position where his interests and his duties may conflict. This principle includes (but is not limited to) discharging the following obligations:</p> <p>(I) To act bona fide in the best interests of the Company;</p> <p>(II) To exercise his powers within his terms of reference and not to act ultra vires;</p> <p>(III) To exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the shareholders given in a general meeting, not to delegate the exercise of his discretion;</p> <p>(IV) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;</p> <p>(V) Unless otherwise provided in the Articles or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;</p> <p>(VI) Not to use the Company's property in any way for his own benefit without the informed consent of the shareholders given in a general meeting;</p>

Original	Amended
(VII) Not to exploit his position to accept bribes or to obtain other illegal income, expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;	(VII) Not to exploit his position to accept bribes or to obtain other illegal income, expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
(VIII) Not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders given in a general meeting;	(VIII) Not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders given in a general meeting;
(IX) To comply with the Articles, perform his duties faithfully, protect the Company's interests and not to exploit his position and power in the Company for his own benefit;	(IX) To comply with the Articles, perform his duties faithfully, protect the Company's interests and not to exploit his position and power in the Company for his own benefit;
(X) Not to compete with the Company in any way without the informed consent of the shareholders' general meeting;	(X) Not to <u>take advantage of their positions to seek for themselves or others business opportunities that are due to the Company, or conduct for themselves or others any businesses similar to those of the Company, and not to</u> compete with the Company in any way without the informed consent of the shareholders' general meeting;
(XI) Not to misappropriate the Company's funds, not to open any account in his own name or in any other name for the deposit of the Company's assets or funds, not to violate the provisions of the Articles by lending the Company's funds to others or using such assets to provide guarantee for the debts of shareholders of the Company or other individuals without the consent of the shareholders' general meeting or the consent of the Board of Directors;	(XI) Not to misappropriate the Company's funds, not to open any account in his own name or in any other name for the deposit of the Company's assets or funds, not to violate the provisions of the Articles by lending the Company's funds to others or using such assets to provide guarantee for the debts of shareholders of the Company or other individuals without the consent of the shareholders' general meeting or the consent of the Board of Directors;

Original	Amended
<p>(XII) Not to disclose any confidential information in relation to the Company which he has obtained during his term of office without the informed consent of the shareholders' general meeting; nor shall he use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <ol style="list-style-type: none"> 1. The law so requires; 2. Public interest so warrants; 3. The interests of the relevant director, supervisor, general manager and other senior management officers so requires. <p>Any gain arising from the breach of this Article by the personnel mentioned in this Article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.</p>	<p>(XII) <u>Not to prejudice the interests of the Company using its connections;</u></p> <p><u>(XIII)</u> Not to disclose any confidential information in relation to the Company which he has obtained during his term of office without the informed consent of the shareholders' general meeting; nor shall he use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <ol style="list-style-type: none"> 1. The law so requires; 2. Public interest so warrants; 3. The interests of the relevant director, supervisor, general manager and other senior management officers so requires. <p>Any gain arising from the breach of this Article by the personnel mentioned in this Article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.</p>
<p>Article 144 Except for circumstances prescribed in Article 58 hereof, a director, supervisor, general manager and other senior management officers of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the shareholders 'general meeting.</p>	<p>Article 144Article 190 Except for circumstances prescribed in Article 5863 hereof, a director, supervisor, general manager and other senior management officers of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the shareholders 'general meeting.</p>

Original	Amended
<p>Article 150 A guarantee for a loan provided by the Company in breach of the first paragraph of Article 148 shall not be enforceable against the Company, unless:</p> <p>(I) The lender was not aware of the relevant circumstances when he provided a loan to a related party of any of the directors, supervisors, general managers and other senior management officers of the Company or of the Company's controlling shareholders;</p> <p>(II) The collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.</p>	<p>Article 150Article 196 A guarantee for a loan provided by the Company in breach of the first paragraph of Article 148194 shall not be enforceable against the Company, unless:</p> <p>(I) The lender was not aware of the relevant circumstances when he provided a loan to a related party of any of the directors, supervisors, general managers and other senior management officers of the Company or of the Company's controlling shareholders;</p> <p>(II) The collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.</p>
<p>Article 154 The contracts entered into between the Company and its directors or supervisors concerning emoluments shall prescribe that in the event that the Company is being acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders' general meeting, have the right to receive compensation or other payment in respect to his loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:</p> <p>(I) An offer made by any person to all shareholders; or</p> <p>(II) An offer made by any person such that the offeror will become the controlling shareholder. The term "controlling shareholder" has the same meaning as defined in the Article 59 of the Articles.</p>	<p>Article 154Article 200 The contracts entered into between the Company and its directors or supervisors concerning emoluments shall prescribe that in the event that the Company is being acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders' general meeting, have the right to receive compensation or other payment in respect to his loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:</p> <p>(I) An offer made by any person to all shareholders; or</p> <p>(II) An offer made by any person such that the offeror will become the controlling shareholder. The term "controlling shareholder" has the same meaning as defined in the Article 59Article 256 of the Articles.</p>

Original	Amended
<p>If the relevant director or supervisor does not comply with this Article, any sum received by him shall belong to those persons who have sold their shares as a result of the acceptance of such offer, and the expenses incurred in distributing that sum on a pro rata basis among those persons shall be borne by the relevant director or supervisor and shall not be deducted from the distributed sum.</p>	<p>If the relevant director or supervisor does not comply with this Article, any sum received by him shall belong to those persons who have sold their shares as a result of the acceptance of such offer, and the expenses incurred in distributing that sum on a pro rata basis among those persons shall be borne by the relevant director or supervisor and shall not be deducted from the distributed sum.</p>
<p>Chapter 15 Party Committee</p>	<p>Chapter 15Chapter 14 Party Committee</p>
<p>Article 156 The Company sets up a Party committee, which consists of one secretary and several members. In principle, the positions of both the chairman of the Board of Directors and the secretary of the Party committee are held by one person. Eligible Party committee members can join the Board of Directors, the Board of Supervisors and the management through legal procedures, and eligible members of the Board of Directors, the Board of Supervisors and the management can join the Party committee in accordance with the relevant regulation and procedure. At the same time, the Disciplinary Committee and one secretary to the Disciplinary Committee are set up as required.</p>	<p>Article 156Article 202 The Company sets up a Party committee, which consists of one secretary and several members. In principle, the positions of both the chairman of the Board of Directors and the secretary of the Party committee are held by one person. <u>The Company shall insist on and improve the leadership system of “Dual Entry and Cross Appointment”</u>, under which eligible Party committee members can join the Board of Directors, the Board of Supervisors and the management through legal procedures, and eligible members of the Board of Directors, the Board of Supervisors and the management can join the Party committee in accordance with the relevant regulation and procedure. At the same time, the Disciplinary Committee and one secretary <u>and several members</u> to the Disciplinary Committee are set up as required.</p>

Original	Amended
<p>Article 157 The Party committee of the Company performs the following duties in accordance with the internal regulations of the Party, such as the Constitution of the Communist Party of the PRC:</p> <p>(I) To ensure and supervise the implementation of the Party and national policies in the Company, and to implement the significant strategic decisions of the Party Central Committee and the State Council as well as the relevant important work deployment of national ministries and commissions, group companies and higher Party organization;</p> <p>(II) To adhere to the principle of the Party in charge of cadres in combination with the selection of operating managers by the Board of Directors in compliance with the law and the operating managers' exercise the right of staff deployment in compliance with the law. The Party committee deliberates the candidates nominated by the Board of Directors or the general manager and provides suggestions. Alternatively, it may recommend and nominate the candidates to the Board of Directors or the general manager, investigate the candidates to be appointed with the Board of Directors, and provide suggestions through brainstorming;</p>	<p>Article 203 The Party committee of the Company performs the following duties in accordance with the internal regulations of the Party, such as the Constitution of the Communist Party of the PRC:</p> <p><u>(I) To enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics, improve the political awareness, enhance political leading role, improve political ability and guard against political risk, as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path, and to resolutely safeguard the position of the Party Central Committee and the whole Party with Comrade Xi Jinping as the core, resolutely uphold the authority and unified leadership of the Party Central Committee;</u></p> <p><u>(II) To thoroughly study and implement Xi Jinping Thought on Socialism Ideology with Chinese Characteristics for a New Era, learn and propagate the Party's innovative theory, thoroughly implement the Party's guidelines, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organisation at a higher level in the Company, as well as promote the Company to undertake its responsibility and mission, focus on the main responsibilities and principal businesses and serve the material strategies of the country to fully fulfill economic, political and social responsibilities;</u></p>

Original	Amended
<p>(III) To study and discuss the Company's reform, development and stability, the significant matters relating to operation management, and the major issues involving the employees' interests, and to provide suggestions;</p> <p>(IV) To assume the principle responsibility for comprehensive and strict Party governance. To lead the Company's ideological and political work, united front work, spiritual civilization and corporate culture construction, and the work of such groups as the labor union and the Communist Youth League. To promote the Party's political construction, ideological construction, organizational construction, working style construction, and discipline construction in a comprehensive way, and carry out system construction throughout them, deepen the anti-corruption campaign, constantly improve the quality of the Party's construction, lead and support the Disciplinary Commission in performing its supervision responsibility.</p>	<p><u>(III) To consider and discuss the major operational and management issues of the Company, and support the Shareholders' general meeting, the Board, the Supervisory Committee and the senior management in performing their duties in accordance with laws;</u></p> <p><u>(IV) To strengthen the leadership and gate keeping role in the selection and appointments of personnel of the Company and enhance the building of the leading team and talents team of management;</u></p> <p><u>(V) To assume the primary responsibility of the Company to govern the Party comprehensively with strict discipline, lead and support the discipline inspection institutions to fulfil its supervisory responsibility and promote Party self-governance exercised fully and with rigor into the grassroots level;</u></p> <p><u>(VI) To strengthen the construction of working style of the Party of the Company, strictly implement the spirit of the eight-point frugality code issued by the Party Central Committee and resolutely combat formalism, bureaucracy, hedonism and extravagance, especially the formalism and bureaucracy;</u></p> <p><u>(VII) To strengthen the building of grassroots Party organizations and Party member teams, and unite and lead officials and employees to devote themselves into the reform and development of the Company;</u></p> <p><u>(VIII) To lead the ideological and political work, the spirit and civilization construction and the united front work of the Company, as well as lead mass organizations such as the Labour Union and Communist Youth League of the Company.</u></p>

Original	Amended
Chapter 16 Financial and Accounting System and Profit Distribution	Chapter—16 Chapter 15 Financial and Accounting System and Profit Distribution
New	<p>Article 206 The Company shall submit its <u>annual financial and accounting reports to the CSRC and stock exchange(s) within 4 months following the end of every fiscal year. It shall submit its semi-annual financial and accounting reports to the appropriate CSRC branch office and the stock exchange(s) within two (2) months from the end of the first six (6) months of every fiscal year. It shall submit its quarterly financial and accounting reports to the appropriate CSRC branch office and stock exchange(s) within one (1) month from the end of the first three (3) months and the first nine (9) months of every fiscal year.</u></p> <p><u>The above financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed.</u></p>
Article 165 The Company shall not maintain books of accounts other than those provided for by law.	Article 165 Article 212 The Company shall not maintain books of accounts other than those provided for by law. <u>Assets of the Company shall not be held in any accounts opened under the names of any individuals.</u>

Original	Amended
New	<p data-bbox="810 244 1356 314"><u>Article 217 The Company's profit distribution policy is as follows:</u></p> <p data-bbox="810 363 1252 395"><u>(I) Principle of profit distribution</u></p> <p data-bbox="810 444 1356 676"><u>1. The Company fully considers the return to investors and distributes dividends to shareholders according to a certain percentage of the distributable profits realised in the consolidated statements of the Company in the current year;</u></p> <p data-bbox="810 725 1356 957"><u>2. The Company's profit distribution policy maintains continuity and stability, while taking into account the Company's long-term interests, the overall interests of all shareholders and the sustainable development of the Company;</u></p> <p data-bbox="810 1006 1356 1076"><u>3. The Company prefers the distribution of profits by cash dividends.</u></p> <p data-bbox="810 1125 1356 1157"><u>(II) Specific policies of profit distribution</u></p> <p data-bbox="810 1206 1356 1793"><u>1. Form of profit distribution: Under the premise of complying with the relevant laws and regulations, the relevant provisions and conditions of the normative documents, and maintaining the continuity and stability of the profit distribution policy, the Company may distribute profit by distributing cash dividends, distributing stock dividends or a combination of both. The Board of Directors may formulate annual or interim dividend distribution plans according to the Company's current size of profit, cash flow, stage of development and capital demand.</u></p>

Original	Amended
	<p><u>2. Specific conditions and proportions of the Company's cash dividends: Except for special circumstances, if the Company's profit in the current year and the accumulated undistributed profit are positive, the Company will prefer the cash distribution of dividends after the full withdrawal of the statutory surplus reserve fund and any discretionary reserve fund. Under the condition of cash dividends, the accumulated profit distributed by the Company in cash for recent three years is not less than 30% of the distributable profits realised on an annual basis for recent three years.</u></p> <p><u>Special circumstances mean:</u></p> <p><u>(1) Affected by force majeure events (such as wars, natural disasters, etc.), the production and operation of the Company are greatly affected;</u></p> <p><u>(2) The net cash flow from operating activities in the current year is negative, and the implementation of cash dividends will affect the Company's subsequent sustainable operations;</u></p> <p><u>(3) The audit institution did not issue a standard unqualified audit report on the financial report of the Company for the year;</u></p> <p><u>(4) The Company has a major investment plan or other significant cash expenditures (except for funding projects).</u></p>

Original	Amended
	<p><u>A major investment plan or significant cash expenditure means that the cumulative amount of the Company's proposed external investment, acquisition of assets or purchase of equipment in the next 12 months reaches or exceeds 30% of the Company's latest audited net assets.</u></p> <p><u>3. The specific conditions for the Company to distribute stock dividends: The Company is in good operating condition, and the Board believes that the Company's stock price does not match the Company's share capital, and the distribution of stock dividends is in the interests of all shareholders of the Company as a whole. Provided that the conditions for cash dividends set out above have been met, the stock dividend distribution plan may be proposed. When the Company adopts stock dividends for profit distribution, it shall be based on the premise of giving shareholders reasonable cash dividends and maintaining the appropriate share capital, taking into account the real and reasonable factors such as the Company's growth and the dilution of net assets per share.</u></p> <p><u>4. Intervals for profit distribution by the Company: Provided that the conditions of profit distribution are met, the Company, in principal, shall distribute profit on an annual basis. In the case that the cash dividend conditions are met, the Company will actively adopt to distribute dividends in the form of cash. If conditions permit, the Board of Directors of the Company may propose an interim cash dividend to the Company based on its actual operating conditions.</u></p>

Original	Amended
	<p data-bbox="810 244 1356 314"><u>(III) Differentiated cash dividend distribution policy</u></p> <p data-bbox="810 363 1356 753"><u>The Board of Director 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:</u></p> <p data-bbox="810 802 1356 1034"><u>1. Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits;</u></p> <p data-bbox="810 1083 1356 1315"><u>2. Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits;</u></p> <p data-bbox="810 1364 1356 1596"><u>3. Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits.</u></p>

Original	Amended
	<p><u>Where it is difficult to identify the development stage of the Company but there is substantial capital expenditure arrangement, dividend distribution may be dealt with in accordance with the preceding provisions. The major dividend distribution method of the Company is cash dividends; while performing the above cash dividends, the Board of Directors of the Company may propose a profit distribution plan for payment of share dividends, and may submit such plan to the shareholders' general meeting for review and consideration.</u></p> <p><u>(IV) Decision-making procedures and mechanisms for the profit distribution of the Company</u></p> <p><u>1. The Company's profit distribution plan shall be prepared by the management and shall be submitted to the Board of Directors and the supervisory committee for consideration. The Board of Directors fully discusses the rationality of the profit distribution plan, and submits a special proposal to the general meeting for deliberation. When the Company achieved profitability in the previous financial year, but the Board of Directors does not make cash dividends or distribute profits according to the percentage of cash dividend stipulated in the Company's Articles of Association, the independent non-executive directors shall issue independent opinions. The Company shall provide online voting methods to facilitate the public Shareholders to participate in the general meeting to vote;</u></p>

Original	Amended
	<p><u>2. When the Company formulates a specific plan for cash dividends, the Board of Directors shall seriously study and demonstrate the timing, conditions and minimum proportion of the Company's cash dividends, the conditions for adjustment and the requirements for decision-making procedures. Independent non-executive directors shall express independent opinions. Independent non-executive directors may collect opinions from minority shareholders, propose dividends, and submit them directly to the Board of Directors for consideration;</u></p> <p><u>3. Before the general meeting deliberates on the specific plan for cash dividends, the Company shall communicate and exchange opinion with shareholders (especially minority shareholders) through various channels (including but not limited to telephone, fax, email, onsite reception, etc.), and fully listen to the opinions and appeals of the minority shareholders and promptly reply to their concerns.</u></p> <p><u>(V) Adjustment to the Company's profit distribution policy</u></p> <p><u>If there is force majeure such as war or natural disaster, or changes in the Company's external business environment (such as change of national policies and regulations), which have a material impact on the Company's production and operation, or when the Company's own business conditions change significantly, the Company may adjust its policy on profit distribution.</u></p>

Original	Amended
	<p><u>The Company's adjustment to the profit distribution policy shall be specially discussed by the Board of Directors, and the reasons for the adjustment shall be discussed in detail, and the written argumentation report shall be submitted to the general meeting of shareholders for approval by way of special resolution, after being reviewed by independent non-executive directors. When considering changes to the profit distribution policy, the Company shall provide shareholders with an online voting channel. When the shareholders' general meeting considers the changes in the profit distribution plan policy, the opinions of the minority shareholders shall be fully considered.</u></p>
New	<p><u>Article 219 After the profit distribution plan is adopted at the shareholders' general meeting, the Board of Directors of the Company shall finish distributing dividends (or shares) within two (2) months after conclusion of such meeting.</u></p>
New	<p><u>Article 220 The Company shall implement an internal audit system staffed with designated audit personnel to conduct the internal audit and supervision on the financial receipts and outlays and economic activities of the Company.</u></p>
New	<p><u>Article 221 The internal auditing policy of the Company and the duties and responsibilities of the audit personnel shall be put into effect upon approval by the Board of Directors. The person in charge of the audit work shall be accountable to and report to the Board of Directors.</u></p>

Original	Amended
Chapter 17 Appointment of Accounting Firm	Chapter 17 Chapter 16 Appointment of Accounting Firm
Article 171 The Company shall appoint an independent accounting firm which is qualified under the relevant national regulations to audit the Company's annual financial reports and verify other financial reports of the Company.	<p>Article 171Article 222 The Company shall appoint an independent accounting firm which is qualified under the relevant national regulations <u>and has obtained the qualification to engage in securities related businesses</u> to audit the Company's annual financial reports and verify other financial reports of the Company <u>to audit financial statements, verify net assets and offer other relevant advisory services.</u></p> <p><u>The appointment of an accounting firm by the Company shall be decided by the shareholders' general meeting, and the Board of Director shall not appoint an accounting firm before any resolution made by the shareholders' general meeting.</u></p> <p><u>The Company shall undertake to provide the accounting firm with true and complete accounting documents, accounting books, financial accounting reports and other accounting information, and shall not reject, conceal or misstate any information.</u></p>
Article 172 The term of appointment of such an accounting firm shall commence from the end of this annual general meeting and expire after the end of the next annual general meeting.	Article 172 Article 223 The term of appointment of such an accounting firm shall commence from the end of this annual general meeting and expire after the end of the next annual general meeting. <u>At the expiry of the term, the relevant accounting firm may be re-appointed.</u>

Original	Amended
<p>Article 178 If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. If the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.</p>	<p>Article 178Article 229 If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm notice shall be given to the accounting firm fifteen (15) days in advance, and the latter has the right to state its opinions to the shareholders' general meeting. If the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.</p>
<p>Chapter 18 Labor System and Labor Union</p>	<p>Chapter 18Chapter 17 Labor System and Labor Union</p>
<p>Chapter 19 Notices</p>	<p>Chapter 19Chapter 18 Notices and Announcements</p>
<p>Article 181 Notices of the Company may be delivered through the following means:</p> <p>(I) By hand;</p> <p>(II) By mail;</p> <p>(III) By fax or electronic mail;</p> <p>(IV) By way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchange of the jurisdiction where the Company's shares are listed;</p>	<p>Article 181Article 232 Notices of the Company may be delivered through the following means:</p> <p>(I) By hand;</p> <p>(II) By mail;</p> <p>(III) By fax or electronic mail;</p> <p>(IV) By way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange the stock exchange of the jurisdiction where the Company's shares are listed, subject to the laws, administrative regulations and the listing rules of stock exchange of the jurisdiction where the Company's shares are listed;</p>

Original	Amended
New	<p><u>Article 233 For notices of the Company delivered by hand, an acknowledgement of receipt shall be signed (or stamped) by the recipient and the date of delivery shall be the date on which the acknowledgement is signed; for notices delivered by post, the date of delivery shall be the third working day from the delivery of the mail to the post office; in the case of notice delivered by way of announcement, the date of the first announcement shall be deemed to be the date of delivery.</u></p> <p><u>Any notices of the Company which are made in the form of announcement shall be deemed to have been received by all relevant persons once it is published.</u></p>
Chapter 20 Merger and Division of the Company	Chapter 20 Chapter 19 Merger and Division of the Company
<p>Article 182 In the event of the merger or division of the Company, the Company's Board of Directors shall put forward a proposal. The Company shall then go through the relevant approval formalities pursuant to the law after the proposal is approved in accordance with the procedures stipulated in the Articles. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The content of the resolution of on the merger or division of the Company shall be contained in special documents which shall be available for inspection by the shareholders.</p>	<p>Article 182Article 234 In the event of the merger or division of the Company, the Company's Board of Directors shall put forward a proposal. The Company shall then go through the relevant approval formalities pursuant to the law after the proposal is approved in accordance with the procedures stipulated in the Articles. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The content of the resolution of on the merger or division of the Company shall be contained in special documents which shall be available for inspection by the shareholders.</p>
<p>The aforesaid documents shall be sent to each holder of overseas-listed foreign shares by post.</p>	<p>The aforesaid documents shall be sent to each holder of overseas-listed foreign shares by post <u>or other means stipulated in the Articles.</u></p>

Original	Amended
<p>Article 183 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.</p> <p>In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days from the date on which the resolution in favour of the merger is adopted and shall publish an announcement in a newspaper within thirty (30) days from the date of such resolution. A creditor has the right within thirty (30) days of receipt of notice or within forty-five (45) days of the date of announcement if notice is not received, to require the Company to settle its debts or to provide a corresponding guarantee for such debt.</p> <p>Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.</p>	<p>Article 183Article 235 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.</p> <p><u>Where one company is absorbed by another in a merger by absorption, the absorbed company is dissolved. When two or more companies merge to establish a new company, the parties to the merger dissolve.</u></p> <p>In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days from the date on which the resolution in favour of the merger is adopted and shall publish an announcement in a newspaper within thirty (30) days from the date of such resolution. A creditor has the right within thirty (30) days of receipt of notice or within forty-five (45) days of the date of announcement if notice is not received, to require the Company to settle its debts or to provide a corresponding guarantee for such debt.</p> <p>Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.</p>

Original	Amended
Chapter 21 Dissolution and Liquidation of the Company	Chapter 21 Chapter 20 Dissolution and Liquidation of the Company
<p>Article 186 In any of the following circumstances, the Company shall be dissolved and liquidated according to law:</p> <p>(I) The business term of the Company expires;</p> <p>(II) The shareholders' general meeting dissolves the Company by resolution;</p> <p>(III) Dissolution is necessary due to a merger or division of the Company;</p> <p>(IV) The Company is announced bankruptcy in accordance with law for failing to pay off its debts;</p> <p>(V) Its business license is revoked, it is ordered to close or is wound up according to law;</p> <p>(VI) The Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.</p>	<p>Article 186Article 238 In any of the following circumstances, the Company shall be dissolved and liquidated according to law:</p> <p>(I) The business term of the Company <u>specified in the Articles</u> expires <u>or other events of dissolution specified in the Articles occurs</u>;</p> <p>(II) The shareholders' general meeting dissolves the Company by resolution;</p> <p>(III) Dissolution is necessary due to a merger or division of the Company;</p> <p>(IV) The Company is announced bankruptcy in accordance with law for failing to pay off its debts;</p> <p>(V) Its business license is revoked, it is ordered to close or is wound up according to law;</p> <p>(VI) The Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.</p>

Original	Amended
<p>Article 187 Where the Company is to be dissolved pursuant to sub-paragraphs (I), (II), (IV) and (V) of the preceding Article, a liquidation committee shall be formed within fifteen (15) days from the date of occurrence of such grounds for dissolution, consisting of the members chosen by the general meeting through an ordinary resolution. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to a People's Court for appointing relevant persons to form the liquidation committee for liquidation.</p> <p>Where the Company is to be dissolved pursuant to sub-paragraph (IV) of the preceding Article, the People's Court shall organize the shareholders, the relevant bodies and professionals to form a liquidation committee for liquidation in accordance with relevant law.</p> <p>Where the Company is to be dissolved pursuant to sub-paragraph (V) of the preceding Article, the competent authority shall organize the shareholders, the relevant bodies and professionals to set up a liquidation committee for liquidation.</p>	<p>Article—187Article 239 <u>Upon the occurrence of the situation described in sub-paragraph (I) of Article 238 hereof, the Company may continue to exist by amending the Articles.</u></p> <p><u>The amendment to the Articles pursuant to the preceding Article shall be passed by the two-thirds of the votes by shareholders at the shareholders' general meeting.</u></p> <p>Where the Company is to be dissolved pursuant to sub-paragraphs (I), (II), (IV) (V) and (VI) of the <u>Article 238 hereof</u>, a liquidation committee shall be formed within fifteen (15) days from the date of occurrence of such grounds for dissolution, for the purpose of liquidation. The liquidation committee consists of Directors or persons, consisting of the members chosen by the general meeting through an ordinary resolution. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to a People's Court for appointing relevant persons to form the liquidation committee for liquidation.</p> <p>Where the Company is to be dissolved pursuant to sub-paragraph (IV) of the Article 238 hereof, the People's Court shall organize the shareholders, the relevant bodies and professionals to form a liquidation committee for liquidation in accordance with relevant law.</p> <p>Where the Company is to be dissolved pursuant to sub-paragraph (V) of the preceding Article, the competent authority shall organize the shareholders, the relevant bodies and professionals to set up a liquidation committee for liquidation.</p>

Original	Amended
<p>Article 191 After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or to the relevant competent authorities for confirmation.</p> <p>The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes and payment of the Company's debts shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.</p> <p>During liquidation, the Company shall not commence new business activities and the business activities unrelated to liquidation. No assets of the Company shall be distributed to the shareholders prior to full payments as stipulated by the preceding paragraph.</p>	<p>Article 191Article 243 After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or to the relevant competent authorities for confirmation.</p> <p>The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes and payment of the Company's debts shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.</p> <p>During liquidation, the Company shall <u>continue to exist but shall</u> not commence new business activities and the business activities unrelated to liquidation. No assets of the Company shall be distributed to the shareholders prior to full payments as stipulated by the preceding paragraph.</p>
New	<p><u>Article 247 Where the Company is legally pronounced bankrupt, it shall be subject to bankruptcy liquidation according to the relevant laws in relation to enterprise bankruptcy.</u></p>

Original	Amended
Chapter 22 Revision Procedure of the Articles of Association	Chapter 22 Chapter 21 Revision Procedure of the Articles of Association
Article 195 The Company may amend the Articles according to the provisions of laws, administrative regulations and the Articles.	<p>Article 195Article 248 The Company may amend the Articles according to the provisions of laws, administrative regulations and the Articles.</p> <p><u>The Company shall amend the Articles on the occurrence of any of the following events:</u></p> <p><u>(I) There is a discrepancy between the provisions of the Articles and those of laws and administrative regulations after the amendment to the Company Law or relevant laws and administrative regulations;</u></p> <p><u>(II) There is any change in the situation of the Company resulting in inconsistency in relation to the matters mentioned in the Articles;</u></p> <p><u>(III) The shareholders' general meeting decides that the Articles shall be amended.</u></p>
New	<u>Article 249 Any amendment to the Articles passed by a resolution at the shareholders' general meeting shall be filed with the competent authorities for approval. If there is any change relating to the registered particulars of the Company, application shall be made for a change of registration in accordance with the law.</u>
New	<u>Article 250 The Board of Directors shall amend the Articles in accordance with the resolution on amendments to the Articles passed at the shareholders' general meeting and the approval opinions of the relevant competent authorities (if any).</u>
New	<u>Article 252 Amendments to the Articles are subject to compulsory disclosure under the laws and regulations, and shall be announced in accordance with the requirements.</u>

Original	Amended
Chapter 23 Settlement of Disputes	Chapter 23 Chapter 22 Settlement of Disputes
Chapter 24 Supplementary Provisions	Chapter 24 Chapter 23 Supplementary Provisions
Article 198 In the Articles, the meaning of the term “accounting firm” is the same as that of “auditor”.	Article 198 Article 254 In the Articles, the meaning of the term “accounting firm” is the same as that of “auditor” as defined under the Hong Kong Listing Rules.
New	<p>Article 256 Unless otherwise required by the Articles, the following terms used in the Articles shall have the meanings set out below:</p> <p>(I) <u>The “controlling shareholder(s)” herein shall refer to the shareholder(s) satisfying any of the following conditions:</u></p> <ol style="list-style-type: none"> <u>1. the person may elect more than half of the directors when acting alone or in concert with other shareholders;</u> <u>2. the person may exercise or control the exercise of more than 30% of the total voting rights of the Company when acting alone or in concert with other shareholders;</u> <u>3. the person holds more than 30% of outstanding shares of the Company when acting alone or in concert with other shareholders;</u> <u>4. the person may de facto control the Company in any other manner when acting alone or in concert with other shareholders.</u> <p>(II) <u>The term “acting in concert” shall refer to an action in which two or more than two persons reach an agreement (whether oral or written) whereby they obtain voting rights in the Company enabling one of them to achieve or consolidate the goal of controlling the Company.</u></p>

Original	Amended
	<p>(III) <u>The term “de facto controller” shall refer to anyone who can actually control the actions of the Company through investment relationships, agreements or any other arrangements even though he/she is not a shareholder of the Company.</u></p> <p>(IV) <u>The term “connected/associated relations” shall refer to the relationship of the Company’s controlling shareholder, de facto controller, directors, supervisors, senior management officers with any enterprise under their direct or indirect control and any other relationship liable to lead to the transfer of the Company’s interests. However, the associated relationship between enterprises with state-controlled enterprises shall not be solely based on the fact that they are all being controlled by the state.</u></p>
<p>Article 200 The “above”, “within” and “below” as referred to in the Articles are inclusive of the stated figure, while the “less than” and “beyond” are not inclusive of the stated figure.</p>	<p>Article—200Article 257 The “above”, “within” and “below” as referred to in the Articles are inclusive of the stated figure, while the “less than” and “beyond” <u>and “less than”</u> are not inclusive of the stated figure.</p>
<p>Article 201 The power of interpretation of the Articles shall be vested in the Company’s Board of Directors.</p>	<p>Article—201Article 258 <u>Upon review and approval by the Board of Directors, the Articles shall take effect and be implemented as of the date when the initial public offering of shares is completed and listed on the Science and Technology Innovation Board of Shanghai Stock Exchange.</u></p> <p>The power of interpretation of the Articles shall be vested in the Company’s Board of Directors.</p>

Original	Amended
New	<u>Article 259 The matters not covered in the Articles shall be dealt with in accordance with the laws, administrative regulations and the rules governing securities of the jurisdiction where the Company's shares are listed, in conjunction with the actual circumstances of the Company. In the event that the Articles are in conflict with the newly promulgated laws, administrative regulations and the rules governing securities of the place where the Company's shares are listed, such newly promulgated laws, administrative regulations or the rules governing securities of the jurisdiction where the Company's shares are listed shall prevail.</u>
New	<u>Article 260 The appendices to the Articles include rules of procedure of the shareholders' general meeting, the Board of Directors and the supervisory committee.</u>

AMENDMENTS TO THE RULES AND PROCEDURES OF THE
SHAREHOLDERS' GENERAL MEETING OF THE COMPANY

The Company has made the following amendments to the Rules and Procedures of the Shareholders' General Meeting, and the number of articles shall be changed accordingly due to deletion, merging and splitting of relevant articles.

Original	Amended
<p>Article 1 In order to safeguard the legitimate rights of shareholders of China Isotope & Radiation Corporation (hereinafter referred to as “CIRC” or the “Company”) to exercise the power, ensure the efficient and standardised operation and scientific decision-making of the shareholders’ general meeting, and optimise the corporate governance structure, the Company has formulated these rules in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (hereinafter referred to as the “Applicable Adjustment Reply”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and relevant laws, regulations, regulatory documents as well as the Articles of Association of China Isotope & Radiation Corporation (hereinafter referred to as the “Articles of Association”) and based on the actual situation of CIRC.</p>	<p>Article 1 In order to safeguard the legitimate rights of shareholders of China Isotope & Radiation Corporation (hereinafter referred to as “CIRC” or the “Company”) to exercise the power, ensure the efficient and standardised operation and scientific decision-making of the shareholders’ general meeting, and optimise the corporate governance structure, the Company has formulated these rules in accordance with 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</u>, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (hereinafter referred to as the “Applicable Adjustment Reply”), <u>the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, the Guidelines on Articles of Association of Listed Companies, the Governance Code of Listed Companies</u>, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and relevant laws, regulations, regulatory documents as well as the Articles of Association of China Isotope & Radiation Corporation (hereinafter referred to as the “Articles of Association”) and based on the actual situation of CIRC.</p>

Original	Amended
<p>Article 6 The shareholders' general meeting is the power of authority of the Company and shall exercise its functions and powers in accordance with the laws.</p> <p>(I) To decide the Company's operation policies and investment plans;</p> <p>(II) To elect and replace the directors who are not the employee representatives directors, and to determine matters relating to the remuneration of the directors;</p> <p>(III) To elect and replace the supervisors who are not the employee representatives supervisors and to determine matters relating to the remuneration of such supervisors;</p> <p>(IV) To consider and approve the reports of the Board of Directors;</p> <p>(V) To consider and approve the reports of the Board of Supervisors;</p> <p>(VI) To consider and approve the annual financial budgets and final accounts of the Company;</p> <p>(VII) To consider and approve the profit distribution plans and plans for recovery of losses of the Company;</p> <p>(VIII) To make resolutions on increase or reduction of the Company's registered capital;</p> <p>(IX) To make resolutions on the merger, division, reorganisation, dissolution, liquidation and other matters of the Company;</p>	<p>Article 6 The shareholders' general meeting is the power of authority of the Company and shall exercise its functions and powers in accordance with the laws.</p> <p>(I) To decide the Company's operation policies and investment plans;</p> <p>(II) To elect and replace the directors who are not the employee representatives directors, and to determine matters relating to the remuneration of the directors;</p> <p>(III) To elect and replace the supervisors who are not the employee representatives supervisors and to determine matters relating to the remuneration of such supervisors;</p> <p>(IV) To consider and approve the reports of the Board of Directors;</p> <p>(V) To consider and approve the reports of the Board of Supervisors;</p> <p>(VI) To consider and approve the annual financial budgets and final accounts of the Company;</p> <p>(VII) To consider and approve the profit distribution plans and plans for recovery of losses of the Company;</p> <p>(VIII) To make resolutions on increase or reduction of the Company's registered capital;</p> <p>(IX) To make resolutions on the merger, division, reorganisation, dissolution, liquidation and other matters of the Company;</p>

Original	Amended
(X) To make resolutions on the issuance of debentures by the Company;	(X) To make resolutions on the issuance of debentures by the Company;
(XI) To make resolutions on the appointment, dismissal or stopping reappointment accounting firm for annual auditing;	(XI) To make resolutions on the appointment, dismissal or stopping reappointment accounting firm for annual auditing;
(XII) To amend the Articles of Association;	(XII) To amend the Articles of Association;
(XIII) To consider the proposal of a shareholder (hereinafter referred to as the "Proposing Shareholder") holding 3% or more of the voting rights in the shares;	(XIII) To consider the proposal of a shareholder (hereinafter referred to as the "Proposing Shareholder") holding 3% or more of the voting rights in the shares;
(XIV) To consider and approve the matters in relation to purchase or disposal of material assets or provision of guarantee by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;	(XIV) To consider and approve the matters in relation to purchase or disposal of material assets or provision of guarantee by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;
(XV) To consider and approve the external guarantees specified in Article 7 of these rules;	(XV) To consider and approve the external guarantees <u>required to be considered at the shareholders' general meeting as</u> specified in Article 7 of these rules;
(XVI) To consider and approve the share incentive plan;	(XVI) To consider and approve the share incentive plan;
(XVII) To consider and approve the change in the use of proceeds;	(XVII) To consider and approve the change in the use of proceeds;
(XVIII) Other matters which are required to be determined at the shareholders' general meeting in accordance with the laws, administrative regulations and the Articles of Association.	(XVIII) Other matters which are required to be determined at the shareholders' general meeting in accordance with the laws, administrative regulations, <u>securities regulations of the place where the shares of the Company are listed</u> and the Articles of Association.

Original	Amended
<p>Article 7 The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved in a shareholders' general meeting. When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, 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 7 <u>The following external guarantees of the Company shall be submitted to the shareholders' general meeting for consideration and approval after being considered and approved by the Board of Directors:</u></p> <p><u>(i) Any guarantee provided by the Company and the Company's holding subsidiaries after the total amount of external guarantees exceeds 50% of the Company's latest audited net assets;</u></p> <p><u>(ii) Any guarantee provided by the Company after the total amount of external guarantees provided in 12 consecutive months exceeds 30% of the Company's latest audited total assets;</u></p> <p><u>(iii) Guarantees provided for guaranteed parties with gearing ratio of over 70%;</u></p> <p><u>(iv) Guarantees where the amount of a single guarantee exceeds 10% of the Company's latest audited net assets;</u></p> <p><u>(v) Guarantees provided to shareholders, actual controllers and their related parties;</u></p> <p><u>(vi) Other guarantees required to be considered at the shareholders' general meeting as stipulated by laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed;</u></p> <p><u>The guarantee specified in (ii) above shall be approved by at least 2/3 of the votes held by the attending shareholders.</u></p>

Original	Amended
	<p>The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved in a shareholders' general meeting. When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, 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><u>If the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a holding subsidiary and the other shareholders of such holding subsidiary provide the same proportion of guarantee based on their respective interests, without prejudice to the interests of the Company, such guarantee may be exempted from the provisions of items (i), (iii) and (iv) above, except as otherwise provided in the Articles of Association. The Company shall summarize and disclose the aforementioned guarantees in the annual and interim reports.</u></p>
<p>Article 8 Under necessary and reasonable circumstances and without violation of any mandatory provisions of laws, regulations or the Hong Kong Listing Rules, the shareholders' general meeting may authorise or entrust the Board of Directors to make decisions, within the scope of authorisation or entrustment granted by the shareholders' general meeting. The contents of the authorisation granted by the shareholders' general meeting to the Board of Directors shall be clear and specific.</p>	<p>Article 8 Under necessary and reasonable circumstances and without violation of any mandatory provisions of laws, regulations or the Hong Kong Listing Rules <u>securities regulatory rules of the place where the shares of the Company are listed</u>, the shareholders' general meeting may authorise or entrust the Board of Directors to make decisions, within the scope of authorisation or entrustment granted by the shareholders' general meeting. The contents of the authorisation granted by the shareholders' general meeting to the Board of Directors shall be clear and specific.</p>

Original	Amended
<p>Article 9 A 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 six (6) months from the close of the preceding accounting year.</p>	<p>Article 9 A 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 six (6) months from the close of the preceding accounting year.</p>
<p>Article 10 The Board of Directors shall convene an extraordinary general meeting within two (2) months from the occurrence of any of the following circumstances:</p> <p>(I) When the number of directors is less than the statutory minimum number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</p> <p>(II) When the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;</p> <p>(III) When any shareholder (hereinafter referred to as "Proposing Shareholder") individually or jointly holding 10% or more of the total voting shares of the Company requests in writing for the convocation of an extraordinary general meeting;</p> <p>(IV) When deemed necessary by the Board of Directors;</p> <p>(V) When requested by the Board of Supervisors;</p> <p>(VI) Any other circumstances stipulated in the laws, administrative regulations or the Articles of Association.</p> <p>The abovementioned shareholding in clause (III) shall be calculated as of the day on which the written request is made.</p>	<p>Article 10 The Board of Directors Company shall convene an extraordinary general meeting within two (2) months from the occurrence of any of the following circumstances:</p> <p>(I) When the number of directors is less than the statutory minimum number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</p> <p>(II) When the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;</p> <p>(III) When any shareholder (hereinafter referred to as "Proposing Shareholder") individually or jointly holding 10% or more of the total voting shares of the Company requests in writing for the convocation of an extraordinary general meeting;</p> <p>(IV) When deemed necessary by the Board of Directors;</p> <p>(V) When requested by the Board of Supervisors;</p> <p>(VI) Any other circumstances stipulated in the laws, administrative regulations or the Articles of Association.</p> <p>The abovementioned shareholding in clause (III) shall be calculated as of the day on which the written request is made.</p>

Original	Amended
<p>Article 11 The shareholders' general meeting shall be held on site in a convention hall.</p>	<p>Article 11 <u>The Company shall hold the shareholders' general meeting at the Company's domicile or at such other place as specified in the notice of the shareholders' general meeting. The shareholders' general meeting shall be held on site in a convention hall.</u></p>
<p>Addition</p>	<p>Article 12 <u>The Company will engage a lawyer to issue a legal opinion on the following issues and make relevant announcement when it convenes a general meeting:</u></p> <p><u>(i) Whether the convening and holding procedures of the meeting are in compliance with laws, administrative regulations and the Articles of Association;</u></p> <p><u>(ii) Whether the qualifications of the persons attending the meeting and the qualifications of the convener are legal and valid;</u></p> <p><u>(iii) Whether the voting procedures and results of the meeting are lawful and valid;</u></p> <p><u>(iv) Legal opinions on other relevant issues at the request of the Company.</u></p>
<p>Article 12 Shareholders' general meetings shall be convened by the Board of Directors; the Board of Supervisors and Proposing Shareholders may also convene and preside over shareholders' general meetings in accordance with the Articles of Association and these rules.</p>	<p>Article 1213 Shareholders' general meetings shall be convened by the Board of Directors; <u>more than half of the independent non-executive directors</u>, the Board of Supervisors and Proposing Shareholders may also convene and preside over shareholders' general meetings in accordance with the Articles of Association and these rules.</p>

Original	Amended
<p>Addition</p>	<p><u>Article 14 When more than half of the independent non-executive directors propose to convene an extraordinary general meeting, they shall submit the proposal in writing to the Board of Directors. In response to the proposal of the independent non- executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the requirements of laws and regulations and the Articles of Association, provide a written feedback on whether to agree or not to convene such meeting within ten (10) days after receiving the proposal.</u></p> <p><u>If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting within five days after making a resolution of the Board of Directors; if the Board of Directors does not agree to convene an extraordinary general meeting, it shall provide relevant reasons in writing and make an announcement.</u></p>
<p>Article 13 The proposal to the Board of Directors on the convocation of an extraordinary general meeting shall be made in written form by the Board of Supervisors. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or not to convene such meeting within ten (10) days after receiving the proposal.</p>	<p>Article 131315 The proposal to the Board of Directors on the convocation of an extraordinary general meeting shall be made in written form by the Board of Supervisors. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or not to convene such meeting within ten (10) days after receiving the proposal.</p>

Original	Amended
<p>In the event that the Board of Directors agrees to convene the extraordinary general meeting, changes made to the original proposal in the notice shall be approved by the Board of Supervisors.</p>	<p>In the event that the Board of Directors agrees to convene the extraordinary general meeting, changes made to the original proposal in the notice shall be approved by the Board of Supervisors.</p>
<p>In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene such meeting, and the Board of Supervisors can convene and preside over such meeting on its own.</p>	<p>In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene such meeting, and the Board of Supervisors can convene and preside over such meeting on its own.</p>
<p>Article 14 To convene an extraordinary general meeting or a shareholders' class meeting, the shareholders shall follow the following procedures:</p> <p>(I) The Proposing Shareholders may sign one or several written requests of identical form of content requesting the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The abovementioned shareholding shall be calculated as of the day on which the written request is made. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or not to convene such extraordinary general meeting within ten (10) days upon receipt of such proposal.</p> <p>(II) In the event that the Board of Directors agrees to convene the extraordinary general meeting and gives a notice, changes made to the original proposal in the notice shall be approved by Proposing Shareholders.</p>	<p>Article 1416 To convene an extraordinary general meeting or a shareholders' class meeting, the shareholders shall follow the following procedures:</p> <p>(I) The Proposing Shareholders may sign one or several written requests of identical form of content requesting the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The abovementioned shareholding shall be calculated as of the day on which the written request is made. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or not to convene such extraordinary general meeting within ten (10) days upon receipt of such proposal.</p> <p>(II) In the event that the Board of Directors agrees to convene the extraordinary general meeting and gives a notice, changes made to the original proposal in the notice shall be approved by Proposing Shareholders.</p>

Original	Amended
<p>(III) In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, the Proposing Shareholders shall have the right to propose, in written form, the convocation of an extraordinary general meeting to the Board of Supervisors.</p>	<p>(III) In the event that the Board of Directors refuses to convene the extraordinary general meeting, or gives no feedback within ten (10) days after receiving the proposal, the Proposing Shareholders shall have the right to propose, in written form, the convocation of an extraordinary general meeting to the Board of Supervisors.</p>
<p>(IV) In the event that the Board of Supervisors agrees to convene the extraordinary general meeting, a notice on the convocation of such meeting shall be given within five (5) days after receiving the proposal. Changes made to the original proposal in the notice shall be approved by Proposing Shareholders.</p>	<p>(IV) In the event that the Board of Supervisors agrees to convene the extraordinary general meeting, a notice on the convocation of such meeting shall be given within five (5) days after receiving the proposal. Changes made to the original proposal in the notice shall be approved by Proposing Shareholders.</p>
<p>(V) If the Board of Supervisors fails to give a notice on the convocation of extraordinary general meeting within time limit, it shall be deemed having no intention to convene and preside over the meeting. In this case, the Proposing Shareholders shall have the right to convene and preside over the meeting by themselves. The convocational procedure shall, to the extent possible, be identical to procedures according to which meeting is to be convened by the Board of Directors.</p>	<p>(V) If the Board of Supervisors fails to give a notice on the convocation of extraordinary general meeting within time limit, it shall be deemed having no intention to convene and preside over the meeting. In this case, the Proposing Shareholders shall have the right to convene and preside over the meeting by themselves. The convocational procedure shall, to the extent possible, be identical to procedures according to which meeting is to be convened by the Board of Directors.</p>
<p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors to convene a meeting at the above requests shall be borne by the Company and deducted from the amount owned by the Company to the delinquent directors.</p>	<p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors to convene a meeting at the above requests shall be borne by the Company and deducted from the amount owned by the Company to the delinquent directors.</p>

Original	Amended
Addition	<p><u>Article 17 If the Board of Supervisors or the shareholders decide to convene a general meeting on their own, they shall notify the Board of Directors in writing and at the same time file with the local counterparts of the CSRC and the stock exchange of the place where the Company is located.</u></p> <p><u>Before the announcement of the resolution of the general meeting, the percentage of shares held by the convening shareholders shall not be less than ten percent.</u></p> <p><u>The convening shareholders shall submit relevant supporting materials to the local counterparts of the CSRC and the stock exchange of the place where the Company is located when issuing the notice of the general meeting and the announcement of the resolution of the general meeting.</u></p>
<p>Article 15 The Board and the secretary to the Board of Directors shall assist the Board of Supervisors or the shareholders in holding the shareholders' general meetings on their own.</p>	<p>Article 1518 The Board and the secretary to the Board of Directors shall assist the Board of Supervisors or the shareholders in holding the shareholders' general meetings on their own <u>after receiving relevant notice. The Board of Directors shall provide the register of members as of the record date.</u></p> <p><u>For shareholders' meetings convened by the Board of Supervisors or shareholders on their own, the expenses necessary for the meeting shall be borne by the Company.</u></p>
Addition	<p><u>Article 19 Proposals for general meetings shall fall within the terms of reference of the general meeting, have clear topics and specific resolutions, and comply with the requirements of relevant laws, administrative regulations and the Articles of Association.</u></p>

Original	Amended
<p>Article 16 To convene the shareholders' general meeting, the Proposing Shareholders, the Board of Directors, the Board of Supervisors shall be entitled to propose resolutions in writing to the Company. The Company shall incorporate the matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting.</p>	<p>Article 1620 To convene the shareholders' general meeting, the Proposing Shareholders, the Board of Directors, the Board of Supervisors shall be entitled to propose resolutions in writing to the Company. The Company shall incorporate the matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting.</p>
<p>Article 17 Proposing Shareholders may put forward extraordinary proposals and submit them to the convener in written form ten (10) days before the date of meeting. The convener shall send a supplementary notice of the shareholders' general meeting to announce the contents of such extraordinary proposals within two (2) days after receiving the proposals. Unless otherwise provided in the Articles of Association or these rules, the Board of Directors shall incorporate the matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting for the consideration.</p>	<p>Article 1721 Proposing Shareholders may put forward extraordinary proposals and submit them to the convener in written form ten (10) days before the date of meeting. The convener shall send a supplementary notice of the shareholders' general meeting to announce the contents of such extraordinary proposals within two (2) days after receiving the proposals. Unless otherwise provided in the Articles of Association or these rules, the Board of Directors shall incorporate the matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting for the consideration.</p> <p><u>Except for the circumstances set forth in the preceding paragraph, the convener shall not amend the proposals already set forth in the notice of the general meeting or add new proposals after issuing the notice of the general meeting.</u></p> <p><u>The shareholders' meeting shall not vote on and resolve on proposals not set forth in the notice of the shareholders' meeting or not comply with the provisions of Article 19 of these rules.</u></p>
<p>Article 18 The contents of the aforesaid proposals shall be in conformity with relevant laws, administrative regulations and the Articles of Association, within the scope of duties of the shareholders' general meeting and with a clear agenda and specific resolutions.</p>	<p>Article 18 The contents of the aforesaid proposals shall be in conformity with relevant laws, administrative regulations and the Articles of Association, within the scope of duties of the shareholders' general meeting and with a clear agenda and specific resolutions.</p>

Original	Amended
<p>Article 19 To convene the annual general meeting, the Company shall give a written notice twenty (20) working days before the date of meeting, informing all shareholders of the time and place of the meeting and of the matters proposed to be considered at the meeting. To convene the extraordinary general meeting, the Company shall give a written notice ten (10) or fifteen (15) working days before the date of meeting (whichever is longer).</p> <p>The shareholders' general meeting shall be convened in Company domicile or such other place specified in the notice of the shareholders' general meeting.</p>	<p>Article 1922 To convene the annual general meeting, the Company shall give a written notice <u>by way of announcement</u> twenty (20) working days before the date of meeting, informing all shareholders of the time and place of the meeting and of the matters proposed to be considered at the meeting. To convene the extraordinary general meeting, the Company shall give a written notice <u>by way of announcement</u> ten (10) or fifteen (15) working days before the date of meeting (whichever is longerer<u>earlier</u>).</p> <p>The shareholders' general meeting shall be convened in Company domicile or such other place specified in the notice of the shareholders' general meeting.</p>
<p>Article 20 The extraordinary general meeting shall not decide on matters that are not stated in the notice of meeting.</p>	<p>Article 2023 The <u>annual general meeting and</u> extraordinary general meeting shall not decide on matters that are not stated in the notice of meeting.</p>
<p>Article 21 The Board of Directors or the convener of the shareholders' general meetings shall set a date for ascertainment of the shareholding (the shareholding record date) when the Company convenes shareholders' general meetings. Upon the close of such date (the shareholding record date), the shareholders appearing in the register of shareholders shall be deemed as the shareholders of the Company.</p> <p>Where the PRC laws and regulations and the Hong Kong Listing Rules contain provisions which stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or on the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</p>	<p>Article 2124 The Board of Directors or the convener of the shareholders' general meetings shall set a date for ascertainment of the shareholding (the shareholding record date) when the Company convenes shareholders' general meetings. Upon the close of such date (the shareholding record date), the shareholders appearing in the register of shareholders shall be deemed as the shareholders of the Company.</p> <p>Where the PRC laws and regulations and the Hong Kong Listing Rules <u>securities regulatory rules of the place where the shares of the Company are listed</u> contain provisions which stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or on the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</p>

Original	Amended
<p>Article 22 Notice of the shareholders' general meeting shall:</p> <p>(I) Be in written form;</p> <p>(II) Specify the place, date and time of this meeting;</p> <p>(III) Set out the matters to be considered at the meeting;</p> <p>(IV) Specify the record date when the shareholders entitled to attend the shareholders' general meeting have their shares registered;</p> <p>(V) Provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be discussed. The principle includes, but is not limited to, that the specific terms and contract (if any) of the proposed transaction shall be provided, and the cause and effect of such proposal shall be properly explained when the Company proposing a merger, share repurchase, share capital restructuring or other restructuring;</p> <p>(VI) Disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered will affect such director, supervisor, general manager and other senior management officer in his capacity as shareholders and the way in which such matter will affect other shareholders of the same class;</p>	<p>Article 2225 Notice of the shareholders' general meeting shall:</p> <p>(I) Be in written form;</p> <p>(II) Specify the place, date and time of this meeting;</p> <p>(III) Set out the matters to be considered at the meeting;</p> <p>(IV) Specify the record date when the shareholders entitled to attend the shareholders' general meeting have their shares registered;</p> <p>(V) Provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be discussed. The principle includes, but is not limited to, that the specific terms and contract (if any) of the proposed transaction shall be provided, and the cause and effect of such proposal shall be properly explained when the Company proposing a merger, share repurchase, share capital restructuring or other restructuring;</p> <p>(VI) Disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered will affect such director, supervisor, general manager and other senior management officer in his capacity as shareholders and the way in which such matter will affect other shareholders of the same class;</p>

Original	Amended
<p>(VII) Contain the full text of any special resolution proposed to be passed at the meeting;</p> <p>(VIII) Contain a clear statement that all shareholders entitled to attend and vote, and have the right to appoint proxies to attend and vote on his behalf and that such proxies need not be shareholders of the Company;</p> <p>(IX) Specify the time and place for lodging proxy forms for the relevant meeting; and</p> <p>(X) Set out the name and phone number of the standing contact person for meeting affairs.</p>	<p>(VII) Contain the full text of any special resolution proposed to be passed at the meeting;</p> <p>(VIII) Contain a clear statement that all shareholders entitled to attend and vote, and have the right to appoint <u>one or more</u> proxies to attend and vote on his behalf and that such proxies need not be shareholders of the Company;</p> <p>(IX) Specify the time and place for lodging proxy forms for the relevant meeting; and</p> <p>(X) Set out the name and phone number of the standing contact person for meeting affairs.</p> <p><u>Full and complete disclosure of all specific contents of all proposals shall be made in the notice and supplemental notice of meeting. If the matters to be discussed require the opinions of independent non-executive directors, the opinions of the independent non-executive directors and relevant reasons shall be disclosed at the same time when the notice or supplemental notice of meeting is issued.</u></p>

Original	Amended
<p>Article 25 If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall, according to the laws, regulations, normative documents, the rules of the securities regulatory authority of the place where the shares of the Company are listed as well as the Articles of Association, adequately disclose the detailed information of the director or supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including educational background, work experience, and part-time job;</p> <p>(II) whether the candidate is connected with the Company or its controlling shareholders and de facto controller;</p> <p>(III) the number of shares in the Company held by each candidate;</p> <p>(IV) whether or not a candidate has been subject to any punishment by the securities regulatory authority of the State Council and other relevant authorities or the stock exchange;</p> <p>(V) other matters required to be disclosed by the listing rules of the place where the shares of the Company are listed.</p>	<p>Article 2528 If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall, according to the laws, regulations, normative documents, the rules of the securities regulatory authority of the place where the shares of the Company are listed as well as the Articles of Association, adequately disclose the detailed information of the director or supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including educational background, work experience, and part-time job;</p> <p>(II) whether the candidate is connected with the Company or its controlling shareholders and de facto controller;</p> <p>(III) the number of shares in the Company held by each candidate;</p> <p>(IV) whether or not a candidate has been subject to any punishment by the securities regulatory authority of the State Council and other relevant authorities or the stock exchange;</p> <p>(V) other matters required to be disclosed by the listing rules of the place where the shares of the Company are listed.</p> <p><u>Except for the election of directors and supervisors by the cumulative voting system, each candidate for director or supervisor shall be proposed by a single proposal.</u></p>

Original	Amended
<p>Article 27 Shareholders can attend the shareholders' general meeting in person or appoint proxies to attend and vote on their behalf. The chairman of the Board of Directors shall attend the annual general meeting and invite the chairman of each committee to attend. If the chairman of the relevant committee does not attend, the chairman of such committee shall invite another member to attend. When the shareholders' general meeting is held, all directors, supervisors and secretary to the Board of Directors, as well as senior management of the Company shall attend the meeting. The auditors shall attend the annual general meeting, and reply to any questions in relation to audits, audit reports, accounting policies, the independence of auditors and other matters. To ensure the solemnity and normal order of the shareholders' general meeting, the Company is entitled to refuse persons other than abovementioned persons to enter into the venue of the shareholders' general meeting in accordance with law.</p>	<p>Article 2730 Shareholders can attend the shareholders' general meeting in person or appoint proxies to attend and vote on their behalf. The chairman of the Board of Directors shall attend the annual general meeting and invite the chairman of each committee to attend. If the chairman of the relevant committee does not attend, the chairman of such committee shall invite another member to attend. When the shareholders' general meeting is held, all directors, supervisors and secretary to the Board of Directors, as well as senior management of the Company shall attend the meeting. The auditors shall attend the annual general meeting, and reply to any questions in relation to audits, audit reports, accounting policies, the independence of auditors and other matters. To ensure the solemnity and normal order of the shareholders' general meeting, the Company is entitled to refuse persons other than abovementioned persons to enter into the venue of the shareholders' general meeting in accordance with law.</p> <p><u>If an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates showing his/her identity and stock account card; if he/she delegates his/her proxy to attend the meeting, such proxy shall present his/her valid identity card and power of attorney of the shareholder.</u></p>

Original	Amended
	<p><u>Corporate shareholders shall be represented by a legal representative or a proxy appointed by the legal representative at the meeting. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her qualification as legal representative; if the proxy attends the meeting, the proxy shall present his/her identity card and power of attorney issued by the legal representative of the corporate shareholder in accordance with relevant laws.</u></p>
<p>Article 29 Shareholders who are legal entities are represented by their legal representatives or persons authorised by their board of directors or other decision-making bodies to attend the shareholders' general meeting of the Company on their behalf; the legal representative of a legal person shareholder may entrust a proxy to attend the meeting on his behalf. Shareholders shall entrust their proxies by written instruments, which shall be made under the hand of the principal or his agent entrusted in writing. Where the principal is a legal person or other authority, the proxy form shall be made additionally under the seal of a legal person or other authorities or under the hand of his legal representative, directors or duly authorised agent in writing. If the proxy form is signed by a person authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney or other authorisation instruments shall be deposited, along with the proxy form, in the Company domicile or such other place specified in the notice of the meeting.</p>	<p>Article 29³² Shareholders who are legal entities are represented by their legal representatives or persons authorised by their board of directors or other decision-making bodies to attend the shareholders' general meeting of the Company on their behalf; the legal representative of a legal person shareholder may entrust a proxy to attend the meeting on his behalf. Shareholders shall entrust their proxies by written instruments, which shall be made under the hand of the principal or his agent entrusted in writing. Where the principal is a legal person or other authority, the proxy form shall be made additionally under the seal of a legal person or other authorities or under the hand of his legal representative, directors or duly authorised agent in writing. If the proxy form is signed by a person authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney or other authorisation instruments shall be deposited, along with the proxy form, in the Company domicile or such other place specified in the notice of the meeting.</p>

Original	Amended
<p>Article 30 The power of attorney by which a shareholder appoints another person to attend a shareholders' general meeting shall specify the following particulars:</p> <p>(1) name of the proxy;</p> <p>(2) whether the proxy has the right to vote;</p> <p>(3) separate instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the shareholders' general meeting as an item for consideration thereat;</p> <p>(4) whether the proxy has the right to vote on extempore motions that may be added to the agenda of the meeting and the specific instructions as to what vote to cast if he or she has such right to vote;</p> <p>(5) the date of issuance and term of validity of the power of attorney;</p> <p>(6) the signature (or seal) of the principal; if the principal is a legal person shareholder, the power of attorney shall bear the seal of the legal person.</p>	<p>Article 3033 The power of attorney by which a shareholder appoints another person to attend a shareholders' general meeting shall specify the following particulars:</p> <p>(1) names of <u>the principal and</u> the proxy;</p> <p>(2) <u>number of shares of the principal represented by the proxy;</u></p> <p>(23) whether the proxy has the right to vote;</p> <p>(34) separate instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the shareholders' general meeting as an item for consideration thereat;</p> <p>(45) whether the proxy has the right to vote on extempore motions that may be added to the agenda of the meeting and the specific instructions as to what vote to cast if he or she has such right to vote;</p> <p>(56) the date of issuance and term of validity of the power of attorney;</p> <p>(67) the signature (or seal) of the principal; if the principal is a legal person shareholder, the power of attorney shall bear the seal of the legal person.</p>

Original	Amended
<p>Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to vote in favour of or against each resolution relating to each matter to be considered at the relevant meeting. Such form shall contain a statement that, in the absence of instructions by the shareholder, his proxy may vote as he thinks fit. If no specific instruction is given by the shareholder and the proxy is deemed to be entitled to vote at his/her discretion for any resolution lack of specific instruction by the shareholder, and the shareholder shall assume responsibility for such vote.</p> <p>The power of attorney shall be lodged at the domicile of the Company or other venues specified in the notice of meeting 24 hours before the convening of the relevant meeting for voting according to the power of attorney.</p>	<p>Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to vote in favour of or against each resolution relating to each matter to be considered at the relevant meeting. Such form shall contain a statement that, in the absence of instructions by the shareholder, his proxy may vote as he thinks fit. If no specific instruction is given by the shareholder and the proxy is deemed to be entitled to vote at his/her discretion for any resolution lack of specific instruction by the shareholder, and the shareholder shall assume responsibility for such vote.</p> <p>The power of attorney shall be lodged at the domicile of the Company or other venues specified in the notice of meeting 24 hours before the convening of the relevant meeting for voting according to the power of attorney.</p>
<p>Article 32 The convener of the shareholders' general meeting will verify the legality of shareholders' qualifications according to the register of shareholders provided by the securities registration institution and register the names of shareholders and the number of voting shares held thereby.</p>	<p><u>Article 3235 All directors, supervisors and the secretary to the Board of Directors of the Company shall attend the meeting when the shareholders' meeting is held, and the general manager and other senior management personnel who do not hold the position of director of the Company shall attend the meeting unless there are justifiable reasons.</u></p> <p><u>The register of the meeting for those attending the meeting shall be prepared by the Company. The register of meeting shall contain the names, ID numbers, domicile addresses, the number of shares held or represented with voting rights, the names of principals, and other matters of the participants.</u></p>

Original	Amended
	<p>The convener of the shareholders' general meeting <u>and the lawyer engaged by the Company</u> will verify the legality of shareholders' qualifications according to the register of shareholders provided by the securities registration institution and register the names of shareholders and the number of voting shares held thereby. <u>Registration for the meeting shall be terminated before the chairman of the meeting announces the number of shareholders and proxies attending the meeting on site and the total number of shares with voting rights held.</u></p>
<p>Article 34 The shareholders' general meeting shall be presided over and chaired by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable to attend the meeting for some reason, the vice chairman of the Board of Directors designated by the chairman of the Board of Directors shall preside over the meeting and act as the chairman of the meeting. If the vice chairman of the Board of Directors is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting and act as the chairman of the meeting. If no director is elected to take the chair, the shareholders present at the meeting may elect a chairman. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder (including his proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.</p> <p>The shareholders' general meeting convened by the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p>	<p>Article 3437 The shareholders' general meeting shall be presided over and chaired by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable to attend the meeting for some reason, the vice chairman of the Board of Directors designated by the chairman of the Board of Directors shall preside over the meeting and act as the chairman of the meeting. If the vice chairman of the Board of Directors is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall preside over the meeting and act as the chairman of the meeting. If no director is elected to take the chair, the shareholders present at the meeting may elect a chairman. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder (including his proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.</p> <p>The shareholders' general meeting convened by the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p>

Original	Amended
<p>In a shareholders' general meeting convened by shareholders on their own, Proposing Shareholders shall recommend a representative to serve as the chairman of the meeting to preside over the meeting. If Proposing Shareholders cannot recommend, the shareholder or the proxy present at the meeting holding the most shares shall act as the chairman of the meeting to preside over the meeting.</p>	<p>In a shareholders' general meeting convened by shareholders on their own, Proposing Shareholders shall recommend a representative to serve as the chairman of the meeting to preside over the meeting.</p> <p><u>In the event that the chairman of the meeting violates the rules of procedure when a shareholders' meeting is held, so that the shareholders' meeting cannot continue, the shareholders' meeting may elect a person to act as the chairman and continue the meeting with the consent of more than half of the shareholders with voting rights present at the shareholders' meeting. If, for any reason, the shareholders are unable to elect a chairman, the shareholder (including the shareholder's proxy) present with the most voting shares shall serve as the chairman of the meeting and preside over the meeting.</u></p> <p>If — Proposing — Shareholders — cannot recommend, the shareholder or the proxy present at the meeting holding the most shares shall act as the chairman of the meeting to preside over the meeting.</p>
<p>Article 36 The Board of Directors and the Board of Supervisors shall report on their work during the past year to the shareholders' general meeting at annual general meetings.</p>	<p>Article 3639 The Board of Directors and the Board of Supervisors shall report on their work during the past year to the shareholders' general meeting at annual general meetings. <u>Each independent non-executive director should also report on his/her work.</u></p>
<p>Article 38 The voting right of the same shares shall be exercised only either by on-site voting or other means of voting. In case of multiple voting by the same shares, only the first vote will be deemed as valid.</p>	<p>Article 3841 The voting right of the same shares shall be exercised only either by on-site voting or other means of voting. In case of multiple voting by the same shares, only the first vote will be deemed as valid.</p>

Original	Amended
<p>Any voting at the shareholders' general meetings shall be conducted by a poll, except that the proposals relating to procedural or administrative matters of the shareholders' general meeting can be voted upon a show of hands as decided by the chairman of the meeting in the principle of honesty and credibility.</p> <p>Shareholders and their proxies can exercise the voting rights of their shares with voting rights at the shareholders' general meeting on the basis of one vote for each share. Shares held by the Company shall have no voting rights and shall not be included in the total number of shares with voting rights present at shareholders' general meetings.</p>	<p><u>Voting at the shareholders' meeting shall be conducted by open ballot or other means as required by the securities regulatory rules of the place where the Company's shares are listed.</u> Any voting at the shareholders' general meetings shall be conducted by a poll, except that the proposals relating to procedural or administrative matters of the shareholders' general meeting can be voted upon a show of hands as decided by the chairman of the meeting in the principle of honesty and credibility.</p> <p>Shareholders and their proxies can exercise the voting rights of their shares with voting rights at the shareholders' general meeting on the basis of one vote for each share. Shares held by the Company shall have no voting rights and shall not be included in the total number of shares with voting rights present at shareholders' general meetings.</p> <p><u>When the shareholders' meeting considers material matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.</u></p> <p><u>The Board of Directors, independent non-executive directors and shareholders who meet the relevant requirements may publicly solicit shareholders' voting rights. In soliciting shareholders' voting rights, the specific voting intention and other information shall be fully disclosed to the solicited persons. Solicitation of shareholders' voting rights with compensation or compensation in disguise is prohibited. The Company shall not impose a minimum percentage of shareholding for the solicitation of voting rights.</u></p>

Original	Amended
<p>Article 40 In electing directors who are not the employee representatives and supervisors who are not the employee representatives at the shareholders' general meeting, the nomination of directors and supervisors shall be proposed to the shareholders' general meeting for voting by way of proposals. The shareholders' general meeting shall vote on the director and supervisor candidates one by one after considering the proposals regarding the election of directors and supervisors.</p>	<p>Article 40 In electing directors who are not the employee representatives and supervisors who are not the employee representatives at the shareholders' general meeting, the nomination of directors and supervisors shall be proposed to the shareholders' general meeting for voting by way of proposals. The shareholders' general meeting shall vote on the director and supervisor candidates one by one after considering the proposals regarding the election of directors and supervisors.</p>
<p>Article 41 Resolutions of the shareholders' general meetings are classified as ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting. The following matters shall be resolved by way of ordinary resolutions at the shareholders' general meetings:</p> <p>(I) Work reports of the Board of Directors and of the Board of Supervisors;</p> <p>(II) Profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(III) Appointment or removal, remuneration and payment method of members of the Board of Directors and the Board of Supervisors;</p> <p>(IV) The Company's annual budgets and final accounts, balance sheets, income statements and other financial statements;</p> <p>(V) Any matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.</p>	<p>Article 4143 Resolutions of the shareholders' general meetings are classified as ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting. The following matters shall be resolved by way of ordinary resolutions at the shareholders' general meetings:</p> <p>(I) Work reports of the Board of Directors and of the Board of Supervisors;</p> <p>(II) Profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(III) Appointment or removal, remuneration and payment method of members of the Board of Directors and the Board of Supervisors;</p> <p>(IV) The Company's annual budgets and final accounts, balance sheets, income statements and other financial statements;</p> <p>(V) <u>The Company's annual reports;</u></p> <p>(V) (VI) Any matters other than those required by the laws, administrative regulations or the Articles to be approved by special resolution.</p>

Original	Amended
Special resolutions of the shareholders' general meeting shall be passed by more than two thirds of the voting rights represented by the shareholders (including proxies) present at the meeting. The following matters shall be approved by special resolutions at the shareholders' general meetings:	Special resolutions of the shareholders' general meeting shall be passed by more than two thirds of the voting rights represented by the shareholders (including proxies) present at the meeting. The following matters shall be approved by special resolutions at the shareholders' general meetings:
(I) Increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of the Company;	(I) Increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of the Company;
(II) Issuance of debentures of the Company;	(II) Issuance of debentures, <u>any class of shares, warrants and other similar securities</u> of the Company;
(III) Division, merger, dissolution and liquidation of the Company;	(III) Division, merger, dissolution and liquidation of the Company <u>or change of corporate form of the Company;</u>
(IV) Change of corporate form of the Company;	(IV) Change of corporate form of the Company;
(V) Purchase or disposal of material assets or provision of guarantee by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;	(V) Purchase or disposal of material assets or provision of guarantee by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;
(VI) Amendment to the Articles of Association;	(VI) <u>Equity incentive scheme;</u>
(VII) Any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those matters approved by ordinary resolutions at a shareholders' general meeting as having a material impact on the Company and are required to be approved by special resolutions.	(VII) Any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those matters approved by ordinary resolutions at a shareholders' general meeting as having a material impact on the Company and are required to be approved by special resolutions.

Original	Amended
<p>Article 42 When a shareholders' general meeting considers matters related to any connected transaction, the connected shareholder shall not participate in voting on his own behalf or as the proxy of another shareholder. When voting on matters relating to such connected transaction, the shares held by the connected shareholder shall not be counted in the total number of valid shares with voting rights.</p> <p>When the relevant connected transaction is considered at a shareholders' general meeting, the connected shareholder shall abstain from voting. If required to attend the meeting for explanation, the connected shareholder shall have the responsibility and obligation to attend the meeting and make truthful statement.</p> <p>The matters for which the connected shareholder shall abstain from voting shall be announced by chairman of the meeting when the meeting starts.</p>	<p>Article 4244 When a shareholders' general meeting considers matters related to any related/connected transaction, the related/connected shareholder shall not participate in voting on his own behalf or as the proxy of another shareholder. When voting on matters relating to such related/connected transaction, the shares held by the related/connected shareholder shall not be counted in the total number of valid shares with voting rights.</p> <p>When the relevant related/connected transaction is considered at a shareholders' general meeting, the related/connected shareholder shall abstain from voting. If required to attend the meeting for explanation, the related/connected shareholder shall have the responsibility and obligation to attend the meeting and make truthful statement.</p> <p>The matters for which the related/connected shareholder shall abstain from voting shall be announced by chairman of the meeting when the meeting starts.</p>

Original	Amended
Addition	<p data-bbox="810 283 1356 470"><u>Article 45 The list of candidates for non-employee representative directors and supervisors shall be submitted to the shareholders' meeting for voting by way of proposal.</u></p> <p data-bbox="810 523 1356 832"><u>If the proportion of shares owned by a single shareholder and persons acting in concert with him/her reaches 30% or more, the cumulative voting system shall be applied when the shareholders' meeting votes on the election of non-employee representative directors and supervisors.</u></p> <p data-bbox="810 885 1356 1391"><u>The cumulative voting system referred to in the preceding paragraph means that when more than two directors or supervisors are to be elected at the shareholders' meeting, each share shall have the same number of votes as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be used collectively. The Board of Directors shall announce to the shareholders the biographical details and basic information of the candidates of directors and supervisors.</u></p> <p data-bbox="810 1444 1356 1910"><u>Except for the cumulative voting system, the shareholders' meeting will vote on each proposal individually, and if there are different proposals on the same matter, they will be voted on in the chronological order in which they are presented. The shareholders' meeting will not set aside or withhold voting on proposals, except for special reasons such as force majeure that causes the shareholders' meeting to be suspended or unable to make resolutions.</u></p>

Original	Amended
Addition	<p><u>Article 46 The shareholders' meeting convened on-site shall end no earlier than convening online or by other means, and the chairman of the shareholders' meeting shall announce the voting status and results of each proposal and announce whether the proposal is passed or not based on the voting results.</u></p> <p><u>Shareholders of the Company or their proxies who vote online or by other means are entitled to check their voting results through the corresponding voting system.</u></p>
<p>Article 43 If the host of the meeting has any doubt as to the resolution result put to vote, he may have the votes recounted. If the host does not have the votes recounted, any attending shareholder or proxy who objects to the result announced by the host of the meeting may require the votes to be recounted immediately after the declaration of the voting result, and the host of the meeting shall have the votes recounted immediately.</p> <p>If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.</p>	<p>Article 4347 If the host of the meeting has any doubt as to the resolution result put to vote, he may have the votes recounted. If the host does not have the votes recounted, any attending shareholder or proxy who objects to the result announced by the host of the meeting may require the votes to be recounted immediately after the declaration of the voting result, and the host of the meeting shall have the votes recounted immediately.</p> <p>If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.</p> <p><u>The minutes of the meeting, together with the attendance register of the attending shareholders and the proxy forms, shall be kept at the domicile of the Company.</u></p>

Original	Amended
<p>Article 44 The Company shall not enter into any contract with any person other than a director, supervisor, or senior management personnel of the Company whereby the management and administration of the whole or any substantial part of any business of the Company is to be handed over to such a person without the approval of shareholders by special resolution in a shareholders' general meeting.</p>	<p>Article 44—48 <u>Except in special circumstances such as when the Company is in crisis, the</u> The Company shall not enter into any contract with any person other than a director, supervisor, or senior management personnel of the Company whereby the management and administration of the whole or any substantial part of any business of the Company is to be handed over to such a person without the approval of shareholders by special resolution in a shareholders' general meeting.</p>
<p>Article 47 Shareholders present at the general meeting shall present one of the following views during the voting of a resolution: consent, objection or abstention.</p> <p>A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be deemed waiver of voting rights. The votes represented by his shares will be treated as “abstention”.</p>	<p>Article 4751 Shareholders present at the general meeting shall present one of the following views during the voting of a resolution: consent, objection or abstention.</p> <p>A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be deemed waiver of voting rights. The votes represented by his shares will be treated as “abstention”.</p> <p><u>An abstention or an abstention from voting shall be treated by the Company as a vote with voting rights, but shall not be counted as a vote “for” or “against” the matter for the purpose of calculating the result of the vote on that matter.</u></p>

Original	Amended
<p>Article 50 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the Board of Directors, conveners or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance register, proxy forms and valid records on other means of voting by the secretary to the Board of Directors according to the Company's file management system, and the preservation period shall be permanent.</p>	<p>Article 5054 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the Board of Directors, conveners or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance register, proxy forms and valid records on <u>online or</u> other means of voting <u>as the Company's files for a period of at least ten years</u> by the secretary to the Board of Directors according to the Company's file management system, and the preservation period shall be permanent.</p>
<p>Addition</p>	<p><u>Article 55 The convener shall ensure that the shareholders' meeting is held continuously until a final resolution is formed. If the shareholders' meeting is suspended or no resolution can be made due to force majeure and other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting and make relevant announcement in a timely manner. In addition, the convener shall report to the local counterpart of the CSRC and the stock exchange of the place where the Company is located.</u></p>

Original	Amended
<p>Article 54 Shareholders of the affected class, whether or not otherwise entitled to vote at the shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning sub-paragraphs (II) to (VIII) and (XI) to (XII) of Article 53 hereof, but the interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” mentioned in the preceding paragraph has the following meanings:</p> <p>(I) In the case of a repurchase of shares by the Company by pro rata offers to all shareholders or by way of on-market dealing on the stock exchange under Article 29 hereof, an “interested shareholder” shall mean a “controlling shareholder” as defined in Article 59 hereof;</p> <p>(II) In the case of a repurchase of shares by the Company outside the stock exchange by way of agreement under Article 29 hereof, an “interested shareholder” shall mean a shareholder who is related to the agreement;</p> <p>(III) In the plan of company reorganisation, an “interested shareholder” shall mean a shareholder within a class who bears less than a proportionate liability than other shareholders of such class or who has an interest different from those of other shareholders of such class.</p>	<p>Article 5459 Shareholders of the affected class, whether or not otherwise entitled to vote at the shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning sub-paragraphs (II) to (VIII) and (XI) to (XII) of Article 5358 hereof, but the interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” mentioned in the preceding paragraph has the following meanings:</p> <p>(I) In the case of a repurchase of shares by the Company by pro rata offers to all shareholders or by way of on-market dealing on the stock exchange under Article 2932 hereof, an “interested shareholder” shall mean a “controlling shareholder” as defined in Article 59257 hereof;</p> <p>(II) In the case of a repurchase of shares by the Company outside the stock exchange by way of agreement under Article 2932 hereof, an “interested shareholder” shall mean a shareholder who is related to the agreement;</p> <p>(III) In the plan of company reorganisation, an “interested shareholder” shall mean a shareholder within a class who bears less than a proportionate liability than other shareholders of such class or who has an interest different from those of other shareholders of such class.</p>
<p>Article 55 Resolutions of shareholders' class meeting shall be passed by shareholders present at the meeting representing two-thirds or more of the voting rights in accordance with Article 41 hereof.</p>	<p>Article 5560 Resolutions of shareholders' class meeting shall be passed by shareholders present at the meeting representing two-thirds or more of the voting rights in accordance with Article 4143 hereof.</p>

Original	Amended
<p>Article 56 In the event that the Company convenes a shareholders' class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class according to Article 19 thereof, specifying the matters proposed to be considered and the date and place of the meeting. When the Company calculates such starting time limit, the date convening the meeting shall be excluded.</p>	<p>Article 5661 In the event that the Company convenes a shareholders' class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class according to Article 4921 thereof, specifying the matters proposed to be considered and the date and place of the meeting. When the Company calculates such starting time limit, the date convening the meeting shall be excluded.</p>
<p>Article 64 These rules shall be effective from the day when the Company issues overseas- listed foreign shares (H shares) and applies for listing on the main board of The Stock Exchange of Hong Kong Limited after it is approved by the shareholders' general meeting. Changes and amendments to these rules must be passed by ordinary resolutions of the shareholders' general meeting.</p>	<p>Article 6469 These rules shall be effective <u>and implemented</u> from the day when the Company issues overseas- listed foreign shares (H shares) and applies for listing on the main board of The Stock Exchange of Hong Kong Limited <u>of the Company's initial public offering of shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange after it is considered and</u> approved by the shareholders' general meeting. Changes and amendments to these rules must be passed by ordinary <u>extraordinary</u> resolutions of the shareholders' general meeting.</p>
<p>Article 66 Except as otherwise provided in these rules and unambiguous according to the context, the terms "above", "within", and "at least" in these rules shall include the number itself; "exceed", "less than", "insufficient", "below", "over half", "without" should not include the number itself. The meanings of "connected" and "connected party(ies)" in these rules are the same as "connected" and "connected person(s)" under the Hong Kong Listing Rules, respectively.</p>	<p>Article 6671 Except as otherwise provided in these rules and unambiguous according to the context, the terms "above", "within", and "at least" in these rules shall include the number itself; "exceed", "less than", "insufficient", "below", "over half", "without" should not include the number itself. The meanings of "connected" and "connected party(ies)" in these rules are the same as "connected" and "connected person(s)" under the Hong Kong Listing Rules, respectively; <u>the meanings of "connected" and "connected party(ies)" in these Rules are the same as "related" and "related person(s)" in the Science and Technology Innovation Board Listing Rules respectively.</u></p>

AMENDMENTS TO THE RULES AND PROCEDURES OF THE BOARD

The Company has made the following amendments to the rules and procedures of the Board of Directors, and the number of articles shall be changed accordingly due to deletion, merging and splitting of relevant articles.

Original	Amended
<p>Article 1 In order to ensure the Board of Directors of China Isotope & Radiation Corporation (hereinafter referred to as “CIRC” or the “Company”) to exercise the power independently, standardly and effectively, ensure the efficient and standardized operation and scientific decision-making of the Board of Directors, and optimize the corporate governance structure, the Company has formulated these rules in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and relevant laws, regulations, regulatory documents as well as the Articles of Association of China Isotope & Radiation Corporation (hereinafter referred to as the “Articles of Association”) and based on the actual situation of CIRC.</p>	<p>Article 1 In order to ensure the Board of Directors of China Isotope & Radiation Corporation (hereinafter referred to as “CIRC” or the “Company”) to exercise the power independently, standardly and effectively, ensure the efficient and standardized operation and scientific decision-making of the Board of Directors, and optimize the corporate governance structure, the Company has formulated these rules in accordance with 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</u>, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, <u>the Rules Governing the Listing of Securities on the STAR Market of the Shanghai Stock Exchange (the “STAR Market Listing Rules”), the Guidelines on Articles of Association of Listed Companies, the Governance Code of Listed Companies</u>, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and relevant laws, regulations, regulatory documents as well as the Articles of Association of China Isotope & Radiation Corporation (hereinafter referred to as the “Articles of Association”) and based on the actual situation of CIRC.</p>

Original	Amended
<p>Article 3 CIRC shall establish the Board of Directors, which shall comprise eleven (11) directors, whose term of office shall be three (3) years, subject to re-election. Among them, the number of independent non-executive directors shall not be less than four (4), and one shall be employee representative director. The directors do not need to hold the shares of the Company.</p> <p>The independent non-executive directors shall be identified in all corporate communications that disclose the names of directors. The Company shall maintain on its website an updated list of its directors identifying their roles and functions and whether they are independent non-executive directors.</p> <p>Every newly appointed director of the Company shall receive a comprehensive, formal and tailored induction on appointment. Subsequently he/she shall receive any briefing and professional development necessary to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of his/her responsibilities under statute and common law, the Hong Kong Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.</p> <p>Each director shall disclose to the Company at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved shall also be disclosed. The Board of Directors shall determine for itself how frequently this disclosure shall be made.</p>	<p>Article 3 CIRC shall establish the Board of Directors, which shall comprise eleven (11) directors, whose term of office shall be three (3) years, subject to re-election. Among them, the number of independent non-executive directors shall not be less than four (4), and one shall be employee representative director. <u>The term of office of directors shall be three (3) years, subject to re-election.</u> The directors do not need to hold the shares of the Company.</p> <p>The independent non-executive directors shall be identified in all corporate communications that disclose the names of directors. The Company shall maintain on its website an updated list of its directors identifying their roles and functions and whether they are independent non-executive directors.</p> <p>Every newly appointed director of the Company shall receive a comprehensive, formal and tailored induction on appointment. Subsequently he/she shall receive any briefing and professional development necessary to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of his/her responsibilities under statute and common law, <u>the STAR Market Listing Rules,</u> the Hong Kong Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.</p> <p>Each director shall disclose to the Company at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved shall also be disclosed. The Board of Directors shall determine for itself how frequently this disclosure shall be made.</p>

Original	Amended
<p>All directors shall participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board of Directors remains informed and relevant. The Company shall be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.</p>	<p>All directors shall participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board of Directors remains informed and relevant. The Company shall be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.</p>
<p>Article 8 The Board of Directors consists of the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Legal Affairs Committee. If needed, the Board of Directors can set up other special committees and adjust the existing committees. Each special committee of the Board of Directors is accountable to the Board of Directors, and assists the Board of Directors to perform its duties according to the authorisation of the Board of Directors and provides professional advice to the Board of Directors or makes decisions for special matters.</p>	<p>Article 8 The Board of Directors consists of the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Legal Affairs Committee. If needed, the Board of Directors can set up other special committees and adjust the existing committees. Each special committee of the Board of Directors is accountable to the Board of Directors, and assists the Board of Directors to perform its duties according to the authorisation of the Board of Directors and provides professional advice to the Board of Directors or makes decisions for special matters.</p> <p><u>All members of the special committee shall be directors. Particularly, independent non-executive directors shall hold a majority in the Audit and Risk Management Committee, Nomination Committee, Remuneration and Appraisal Committee and serve as the convener and the convener of the Audit and Risk Management Committee shall be an accounting professional.</u></p> <p><u>The Board of Directors shall separately formulate working rules for the special committees of the Board of Directors on matters such as the composition, responsibilities and discussion procedures of each special committee.</u></p>

Original	Amended
Article 10 The Board of Directors shall exercise the following functions and powers:	Article 10 The Board of Directors shall exercise the following functions and powers:
(I) To convene and report to the shareholders' general meeting;	(I) To convene and report to the shareholders' general meeting;
(II) To implement the resolutions adopted at shareholders' general meetings;	(II) To implement the resolutions adopted at shareholders' general meetings;
(III) To decide on the Company's business plans, investment plans and strategic planning for development;	(III) To decide on the Company's business plans, investment plans and strategic planning for development;
(IV) To formulate the Company's annual financial budgets and final accounts;	(IV) To formulate the Company's annual financial budgets and final accounts;
(V) To formulate the Company's proposal on profit distribution and plan for recovery of losses;	(V) To formulate the Company's proposal on profit distribution and plan for recovery of losses;
(VI) To formulate proposals for increases or reduction of the Company's registered capital and proposals for the issue of corporate bonds;	(VI) To formulate proposals for increases or reduction of the Company's registered capital, and proposals for the issue of corporate bonds <u>and proposals for other securities and listing;</u>
(VII) To formulate plans for repurchase of the Company's shares, or merger, division, dissolution, or change of corporate formation of the Company;	(VII) To formulate plans for <u>material acquisition of the Company,</u> repurchase of the Company's shares, or merger, division, dissolution, or change of corporate formation of the Company;
(VIII) To appoint or dismiss the Company's general manager and decide on the matters relating to his/her remuneration, and to decide on the appointment or dismissal of senior management officer such as deputy general manager, chief accountant and chief engineer pursuant to the nomination of the general manager result and decide on the appointment or dismissal of the secretary to the Board of Directors pursuant to the nomination of the Chairman of the Board of Directors;	(VIII) To appoint or dismiss the Company's general manager and decide on the matters relating to his/her remuneration, and to decide on the appointment or dismissal of senior management officer such as deputy general manager, chief accountant and chief engineer pursuant to the nomination of the general manager result and decide on the appointment or dismissal of the secretary to the Board of Directors pursuant to the nomination of the Chairman of the Board of Directors;

Original	Amended
(IX) To decide on the matters relating to the remuneration of the aforesaid senior management officers;;	(IX) To decide on the matters relating to the remuneration <u>and penalty</u> of the aforesaid senior management officers;
(X) To formulate the Company's basic management system;	(X) To formulate the Company's basic management system;
(XI) To formulate proposals for amendment to the Articles of Association;	(XI) To formulate proposals for amendment to the Articles of Association;
(XII) To decide on the setup of internal management institutions of the Company;	(XII) To decide on the setup of internal management institutions of the Company;
(XIII) To decide on the setup and adjustment of the special committees of the Board of Directors;	(XIII) To decide on the setup and adjustment of the special committees of the Board of Directors;
(XIV) Matters such as investments, acquisitions or disposals of assets, financing and connected transactions that require decisions to be made by the Board of Directors in accordance with the Hong Kong Listing Rules;	(XIV) Matters such as investments, acquisitions or disposals of assets, financing and <u>related or</u> connected transactions that require decisions to be made by the Board of Directors in accordance with <u>the STAR Market Listing Rules and</u> the Hong Kong Listing Rules;
(XV) To evaluate and determine the nature and degree of risk acceptable for the Company in achieving the strategic target, to ensure that the Company establishes and maintains an appropriate and effective risk management and internal monitoring system, to continuously supervise this system, and to ensure that check is conducted at least once a year, on whether the system of the Company and its subsidiaries is effective;	(XV) To evaluate and determine the nature and degree of risk acceptable for the Company in achieving the strategic target, to ensure that the Company establishes and maintains an appropriate and effective risk management and internal monitoring system, to continuously supervise this system, and to ensure that check is conducted at least once a year, on whether the system of the Company and its subsidiaries is effective;

Original	Amended
<p>(XVI) To decide on other major affairs of the Company, save for matters required to be resolved at the shareholders' general meeting as specified under the Company Law and the Articles of Association;</p> <p>(XVII) To exercise other functions and powers conferred by the laws, regulations, the provisions of the Articles of Association, the Hong Kong Listing Rules and the shareholders' general meetings.</p>	<p>(XVI) <u>To manage the disclosure of information of the Company;</u></p> <p>(XVII) <u>To suggest the board of directors on the hiring or replacement of the accounting firm as the Company's auditors;</u></p> <p>(XVIII) <u>To consider and review the working report and the work of the general manager of the Company;</u></p> <p>(XVI)(XIX) To decide on other major affairs of the Company, save for matters required to be resolved at the shareholders' general meeting as specified under the Company Law and the Articles of Association;</p> <p>(XVII)(XX) To exercise other functions and powers conferred by the laws, regulations, the provisions of the Articles of Association, the Hong Kong Listing Rules and the shareholders' general meetings.</p>

Original	Amended
<p>The aforesaid matters within the scope of duties of the Board of Directors shall be decided by the Board of Directors. In necessary, reasonable and legal cases, these matters can be decided by the Chairman of the Board of Directors or the general manager with the authorisation of the Board of Directors. If the matters of authorization belonging to those that shall be passed by more than half of all directors as stipulated in the Articles of Association, such authorisation shall be passed by more than half of all directors. If the matters of authorisation belonging to those that shall be passed by more than two-thirds of all directors as stipulated in the Articles of Association, such authorisation shall be passed by more than two-thirds of all directors.</p> <p>The authorisation of the Board of Directors shall be specific and concrete, with major terms and conditions stipulated in writing.</p>	<p><u>With the exception of matters specified in sub-paragraphs (VI), (VII) and (XI), which shall be passed by two-thirds or more of the directors by voting, the resolutions of the Board of Directors in respect to any other aforesaid matters may be passed by more than half of all directors.</u></p> <p><u>A resolution made by the Board of Directors on a related or connected transaction must take effect only after consideration and approval by independent non-executive directors.</u></p> <p>The aforesaid matters within the scope of duties of the Board of Directors shall be decided by the Board of Directors. In necessary, reasonable and legal cases, these matters can be decided by the Chairman of the Board of Directors or the general manager with the authorisation of the Board of Directors. If the matters of authorization belonging to those that shall be passed by more than half of all directors as stipulated in the Articles of Association, such authorisation shall be passed by more than half of all directors. If the matters of authorisation belonging to those that shall be passed by more than two-thirds of all directors as stipulated in the Articles of Association, such authorisation shall be passed by more than two-thirds of all directors.</p> <p>The authorisation of the Board of Directors shall be specific and concrete, with major terms and conditions stipulated in writing.</p>

Original	Amended
<p>Article 12 The Board of Directors ensures that the risk management and internal control systems of the Company and its subsidiaries are reviewed at least annually. The review should cover all important control aspects, including financial control, operational control and compliance control.</p> <p>The Board's annual review should, in particular, ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.</p> <p>The Board's annual review should, in particular, consider:</p> <p>(I) the changes, since the last annual review, in the nature and extent of significant risks, and the ability of the Company to respond to changes in its business and the external environment;</p> <p>(II) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and (where applicable), the work of its internal audit function and other assurance providers;</p> <p>(III) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)), which enables it to assess control of the Company and the effectiveness of risk management;</p>	<p>Article 12 The Board of Directors ensures that the risk management and internal control systems of the Company and its subsidiaries are reviewed at least annually. The review should cover all important control aspects, including financial control, operational control and compliance control.</p> <p>The Board's annual review should, in particular, ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.</p> <p>The Board's annual review should, in particular, consider:</p> <p>(I) the changes, since the last annual review, in the nature and extent of significant risks, and the ability of the Company to respond to changes in its business and the external environment;</p> <p>(II) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and (where applicable), the work of its internal audit function and other assurance providers;</p> <p>(III) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)), which enables it to assess control of the Company and the effectiveness of risk management;</p>

Original	Amended
(IV) significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the financial performance or condition of the Company; and	(IV) significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the financial performance or condition of the Company; and
(V) the effectiveness of the processes of the Company for financial reporting and the compliance with the Hong Kong Listing Rules.	(V) the effectiveness of the processes of the Company for financial reporting and the compliance with the <u>rules governing securities of the place where the Company's shares are listed</u> Hong Kong Listing Rules .

Original	Amended
<p>Article 16 CIRC establishes an independent non-executive director system. CIRC independent non-executive directors refer to directors who do not hold any positions other than directors in CIRC and have no relationship with CIRC and its shareholders that may affect their independent and objective judgment. There should be more than one-third of independent non-executive directors on the Board of directors of CIRC, and the total number should not be less than four, including at least one financial management or accounting professional (accounting professional means a senior professional title or a certified public accountant qualified persons) and meet the requirements of Rule 3.10(2) of the Hong Kong Listing Rules. Independent non-executive directors have the obligation of integrity and diligence to the Company and all shareholders. Independent non-executive directors should perform their duties conscientiously in accordance with the requirements of relevant laws and regulations, the Hong Kong Listing Rules and the Articles of Association, ensure the overall interests of the Company, and pay particular attention to the legitimate rights and interests of minority shareholders.</p>	<p>Article 16 CIRC establishes an independent non-executive director system. CIRC independent non-executive directors refer to directors who do not hold any positions other than <u>independent non-executive directors and member of special committees of the Board</u> in CIRC and have no relationship with CIRC and its shareholders that may affect their independent and objective judgment, <u>and who is in compliance with independence provisions of the securities regulatory rules in the places where shares of the Company are listed</u>. There should be more than one-third of independent non-executive directors on the Board of directors of CIRC, and the total number should not be less than four, including at least one financial management or accounting professional (accounting professional means a senior professional title or a certified public accountant qualified persons) and meet the requirements of Rule 3.10(2) of the Hong Kong Listing Rules. Independent non-executive directors have the obligation of integrity and diligence to the Company and all shareholders. Independent non-executive directors should perform their duties conscientiously in accordance with the requirements of relevant laws and regulations, <u>the STAR Market Listing Rules</u>, the Hong Kong Listing Rules and the Articles of Association, ensure the overall interests of the Company, and pay particular attention to the legitimate rights and interests of minority shareholders.</p>

Original	Amended
<p>Article 18 The independent non-executive director shall have his own independence and the following persons may not serve as independent non-executive directors:</p> <p>(I) the director (or his/her immediate family members) who holds more than 1% of the total issued share capital of the Company;</p> <p>(II) Such director (or his/her immediate family members) has obtained any equity interest in the Company from the core related person or the Company itself through gifts or other financial assistance. However, without prejudice to this clause (1), if the director receives shares or securities interests from the Company or its subsidiaries (but not from a core connected person), as part of the director's fee, or received based on the option scheme set out in Chapter 17 of the Hong Kong Listing Rules, the director shall still be regarded as an independent director;</p> <p>(III) Such director (or his/her immediate family members) is the director, partner or principal of professional consultants who is providing services to the following company/people or did so within two years before being appointed, or is an employee of the professional consultants who provide or provided the relevant services:</p> <p>(a) the Company, its holding company or any of their respective affiliates or core connected persons; or</p>	<p>Article 18 The independent non-executive director shall have his own independence and the following persons may not serve as independent non-executive directors:</p> <p>(I) the director (or his/her immediate family members) who holds more than 1% of the total issued share capital of the Company <u>or the natural person shareholders in the top ten shareholders of the Company</u>;</p> <p>(II) Such director (or his/her immediate family members) has obtained any equity interest in the Company from the core related person or the Company itself through gifts or other financial assistance. However, without prejudice to this clause (1), if the director receives shares or securities interests from the Company or its subsidiaries (but not from a core connected person), as part of the director's fee, or received based on the option scheme set out in Chapter 17 of the Hong Kong Listing Rules, the director shall still be regarded as an independent director;</p> <p>(III) Such director (or his/her immediate family members) is the director, partner or principal of professional consultants who is providing services to the following company/people or did so within two years before being appointed, or is an employee of the professional consultants who provide or provided the relevant services:</p> <p>(a) the Company, its holding company or any of their respective affiliates or core connected persons; or</p>

Original	Amended
(b) the person who once held any position or title at the controlling shareholder of the Company within two years prior to being appointed as an independent director, such director was once the chief executive officer or person of the Company (other than an independent director) or any of his close contacts;	(b) the person who once held any position or title at the controlling shareholder of the Company within two years prior to being appointed as an independent director, such director was once the chief executive officer or person of the Company (other than an independent director) or any of his close contacts;
(IV) Such director (or his/her immediate family members) currently or within one year before the proposed appointment of an independent director did not have a material interest in any principal business activity of or is or was involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company;	(IV) Such director (or his/her immediate family members) currently or within one year before the proposed appointment of an independent director did not have a material interest in any principal business activity of or is or was involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company;
(V) Such director serves as a director in order to protect a certain entity whose interest is different from the interests of shareholders as a whole;	(V) Such director serves as a director in order to protect a certain entity whose interest is different from the interests of shareholders as a whole;
(VI) Within two years prior to being proposed to be an independent director, such director (or his/her immediate family members) was connected with the director, chief executive officer or major shareholders of the Company;	(VI) Within two years prior to being proposed to be an independent director, such director (or his/her immediate family members) was connected with the director, chief executive officer or major shareholders of the Company;
(VII) Such director (or his/her immediate family members) is (or once was within two years prior to being proposed director) an executive or a director (save for an independent non-executive director) of the Company, its holding company or any of their respective affiliates or any core connected persons of the Company;	(VII) Such director (or his/her immediate family members) is (or once was within two years prior to being proposed director) an executive or a director (save for an independent non-executive director) of the Company, its holding company or any of their respective affiliates or any core connected persons of the Company;

Original	Amended
(VIII) Such director (or his/her immediate family members) is financially dependent on the Company, its holding companies or any of their respective affiliates or the core connected persons of the Company; and	(VIII) Such director (or his/her immediate family members) is financially dependent on the Company, its holding companies or any of their respective affiliates or the core connected persons of the Company; and
(IX) Other person identified by laws, regulations, securities regulatory agencies and other relevant regulatory agencies where the Company's shares are listed.	(IX) <u>Such director (or his/her immediate family members, affiliates with close social relationship) is employed by the Company or its subsidiaries;</u>
The immediate family members mentioned above refer to spouses; their (or their spouses) children under the age of 18 (natural or adopted) or stepchildren; the above-mentioned core related persons refer to the directors, supervisors, chief executives or major shareholders of the Company or its subsidiaries, or any close contact of any such person; the above close contact means:	(X) <u>Such director (or his/her immediate family members) is employed by corporate shareholder(s) directly or indirectly holding 5% or more of the Company's shares or the top five corporate shareholders of the Company;</u>
(I) For any individual, it refers to:	(XI) <u>Such director (or his/her immediate family members) is employed by the controlling shareholders, de facto controllers of the Company and its subsidiaries;</u>
(i) their spouses;	
(ii) children or step-child (natural or adopted) of the person or his/her spouse under the age of 18 (collectively referred to as "family rights and interests" with (I)(i) above);	(XII) <u>Such director provides financial, legal or consultation services to the Company and its controlling shareholders or their respective subsidiaries, including but not limited to all members of the project team of the intermediary providing the services, reviewers at all levels, persons signing the reports, partners and primary responsible persons;</u>
(iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is a discretionary object;	

Original	Amended
<p>(iv) any company in the equity capital of which he, his family interests, any of the trustees referred to in (I) (iii) above, acting in their capacity as such trustees, directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, or to control the composition of a majority of the Board and any other company which is its subsidiary; and</p> <p>(v) any company with which or individual with whom he, his family interests, and/or any of the trustees referred to in (I) (iii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested in a cooperative or contractual joint venture under PRC laws where he, his family interests, and/or any of the trustees referred to in (I) (iii) above, acting in their capacity as such trustees, taken together directly or indirectly have 30% or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture; and</p>	<p><u>(XIII) Such director acts as a director, supervisor or senior management officer in an entity with which the Company and its controlling shareholders, de facto controllers or their respective subsidiaries have significant business dealings, or acts as a director, supervisor or senior management officer in an entity of the controlling shareholder of the entity with which material business dealings are conducted;</u></p> <p><u>(XIV) A person who had been the person under items (IX) to (XIII) in the past one year; and</u></p> <p>(IX)<u>(XV)</u> Other person identified by laws, regulations, securities regulatory agencies and other relevant regulatory agencies where the Company's shares are listed.</p> <p>The immediate family members mentioned above refer to, <u>among others, spouses, parents and children, while affiliates with close social relationship refer to, among others, brothers and sisters, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law;</u> their (or their spouses) children under the age of 18 (natural or adopted) or stepchildren; the above-mentioned core related persons refer to the directors, supervisors, chief executives or major shareholders of the Company or its subsidiaries, or any close contact of any such person; the above close contact means:</p>
<p>(II) in relation to a company means:</p> <p>(i) its subsidiary or a holding company or a subsidiary of any such holding company;</p>	<p>(I) For any individual, it refers to:</p> <p>(i) their spouses;</p>

Original	Amended
<p>(ii) the trustees, acting in their capacity as such trustees, of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company's knowledge) a discretionary object; and</p> <p>(iii) any other company in the equity capital of which the company, its subsidiary or a holding company or a subsidiary of any such holding company, and/or any of the trustees referred to in (II) (ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, or to control the composition of a majority of the Board of Directors and any other company which is its subsidiary; and</p>	<p>(ii) children or step-child (natural or adopted) of the person or his/her spouse under the age of 18 (collectively referred to as "family rights and interests" with (I)(i) above);</p> <p>(iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is a discretionary object;</p>

Original	Amended
<p>(iv) any other company with which or any individual with whom the company, its subsidiary or holding company or a subsidiary of any such holding company, and/or any of the trustees referred to in (II) (ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested in a cooperative or contractual joint venture under the PRC law where it, its subsidiary or holding company or a subsidiary of any such holding company, and/or any of the trustees referred to in (II) (ii) above, acting in their capacity as such trustees, taken together directly or indirectly have 30% or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture.</p>	<p>(iv) any company in the equity capital of which he, his family interests, any of the trustees referred to in (I) (iii) above, acting in their capacity as such trustees, directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, or to control the composition of a majority of the Board and any other company which is its subsidiary; and</p> <p>(v) any company with which or individual with whom he, his family interests, and/or any of the trustees referred to in (I) (iii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested in a cooperative or contractual joint venture under PRC laws where he, his family interests, and/or any of the trustees referred to in (I) (iii) above, acting in their capacity as such trustees, taken together directly or indirectly have 30% or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture; and</p> <p>(II) in relation to a company means:</p> <p>(i) its subsidiary or a holding company or a subsidiary of any such holding company;</p> <p>(ii) the trustees, acting in their capacity as such trustees, of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company's knowledge) a discretionary object; and</p>

Original	Amended
	<p>(iii) any other company in the equity capital of which the company, its subsidiary or a holding company or a subsidiary of any such holding company, and/or any of the trustees referred to in (II) (ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, or to control the composition of a majority of the Board of Directors and any other company which is its subsidiary; and</p> <p>(iv) any other company with which or any individual with whom the company, its subsidiary or holding company or a subsidiary of any such holding company, and/or any of the trustees referred to in (II) (ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested in a cooperative or contractual joint venture under the PRC law where it, its subsidiary or holding company or a subsidiary of any such holding company, and/or any of the trustees referred to in (II) (ii) above, acting in their capacity as such trustees, taken together directly or indirectly have 30% or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture.</p>

Original	Amended
<p>Article 24 The Chairman of the Board of Directors shall exercise the following functions and powers:</p> <p>(I) to preside over the shareholders' general meetings, and to convene and preside over the meetings of the Board of Directors;</p> <p>(II) to supervise and inspect the implementation of resolutions of the Board of Directors;</p> <p>(III) to sign the securities issued by the Company;</p> <p>(IV) to exercise other functions and powers conferred by the Board of Directors.</p> <p>The Vice Chairman shall assist the Chairman in his/her work.</p>	<p>Article 24 The Chairman of the Board of Directors shall exercise the following functions and powers:</p> <p>(I) to preside over the shareholders' general meetings, and to convene and preside over the meetings of the Board of Directors;</p> <p>(II) to supervise and inspect the implementation of resolutions of the Board of Directors;</p> <p>(III) to sign the securities issued by the Company;</p> <p>(IV) <u>To exercise the special power of verdict and disposal on the matters of the Company in accordance with laws and in the interest of the Company in the event of occurrence of force majeure, serious crisis or very urgent circumstances and to report to the Board of Directors and the shareholders' general meetings of the Company subsequent thereto; and when necessary, to authorize the general manager of the Company to exercise the special power of disposal;</u></p> <p><u>(V)</u> To exercise other functions and powers conferred by the Board of Directors.</p> <p>The Vice Chairman shall assist the Chairman in his/her work.</p>

Original	Amended
<p>Article 27 The Audit and Risk Management Committee shall be composed of no less than three directors and shall consist of only non-executive directors, of which independent non-executive directors shall be the majority, and at least one independent non-executive director shall have appropriate professional qualifications or appropriate accounting or relevant financial management expertise. Committee members are nominated by the Chairman of the Board of Directors, elected by the Board of Directors and approved by more than half of all directors. The committee shall have a chairman, who shall be an independent non-executive director. The chairman is nominated by the Chairman of the Board of Directors and approved by the Board of Directors.</p>	<p>Article 27 The Audit and Risk Management Committee shall be composed of no less than three directors and shall consist of only non-executive directors, of which independent non-executive directors shall be the majority, and at least one independent non-executive director shall have appropriate professional qualifications or appropriate accounting or relevant financial management expertise. Committee members are nominated by the Chairman of the Board of Directors, elected by the Board of Directors and approved by more than half of all directors. The committee shall have a chairman, who shall be <u>an accounting professional among</u> an independent non-executive directors. The chairman is nominated by the Chairman of the Board of Directors and approved by the Board of Directors.</p>
<p>Article 29 The Nomination Committee is composed of no less than three directors, and independent non-executive directors should be the majority. Committee members are nominated by the Chairman of the Board of Directors and elected by the Board of Directors and are approved by more than half of all directors. The Committee shall have a chairman, who shall also be the Chairman of the Board of Directors or independent non-executive director. The chairman is nominated by the Chairman of the Board of Directors and approved by the Board of Directors.</p>	<p>Article 29 The Nomination Committee is composed of no less than three directors, and independent non-executive directors should be the majority. Committee members are nominated by the Chairman of the Board of Directors and elected by the Board of Directors and are approved by more than half of all directors. The Committee shall have a chairman, who shall also be the Chairman of the Board of Directors or <u>an</u> independent non-executive director. The chairman is nominated by the Chairman of the Board of Directors and approved by the Board of Directors.</p>

Original	Amended
<p>Article 39 The main responsibilities of the secretary to the Board of Directors are:</p> <p>(I) To ensure that the Company has a complete set of organization documents and records; to keep and manage the information on the shareholders; and to assist the directors in addressing the routine tasks of the Board of Directors;</p> <p>(II) To act as the liaison between the Company and the securities regulatory authorities, to be responsible for organizing the preparation and prompt submission of the reports and documents required by the regulatory authorities, and for accepting and organizing the implementation of any assignment from the regulatory authorities;</p> <p>(III) To make preparations for the meetings of the Board of Directors and the shareholders' general meetings, and to take and keep the minutes;</p> <p>(IV) To ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;</p> <p>(V) To be responsible for coordinating and organizing the Company's disclosure of information, establish and improve the information disclosure system, participate in all of the Company's meetings involving the disclosure of information, and keep informed of the Company's material operation decisions and related information in a timely manner.</p>	<p>Article 39 The main responsibilities of the secretary to the Board of Directors are:</p> <p>(I) To ensure that the Company has a complete set of organization documents and records; to keep and manage the information on the shareholders; and to assist the directors in addressing the routine tasks of the Board of Directors;</p> <p>(II) To act as the liaison between the Company and the securities regulatory authorities, to be responsible for organizing the preparation and prompt submission of the reports and documents required by the regulatory authorities, and for accepting and organizing the implementation of any assignment from the regulatory authorities;</p> <p>(III) To make preparations for the meetings of the Board of Directors and the shareholders' general meetings, and to take and keep the minutes;</p> <p>(IV) To ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;</p> <p>(V) To be responsible for coordinating and organizing the Company's disclosure of information, establish and improve the information disclosure system, participate in all of the Company's meetings involving the disclosure of information, and keep informed of the Company's material operation decisions and related information in a timely manner.</p>

Original	Amended
	<p>(I) <u>To conduct information disclosure affairs, including announcement of the Company's information to the public, organising and developing information disclosure management system, procuring the Company and the personnel responsible for information disclosure to comply with disclosure regulations;</u></p> <p>(II) <u>To be responsible for investor relationship management, coordinating communications between the Company and the securities regulatory authority, investors, securities service agencies and public media;</u></p> <p>(III) <u>To arrange and make preparations for, and attend meetings of the Board of Directors and its special committees, the meetings of the Supervisory Committee and shareholders' general meetings;</u></p> <p>(IV) <u>To be responsible for confidentiality with respect to information disclosure of the Company, and report to the Shanghai Stock Exchange and make disclosure in a timely manner whenever any non-published material information is leaked;</u></p> <p>(V) <u>To pay attention to media coverage, to ascertain whether the coverage is true or not and procure immediate disclosure or clarification made by the Board of Directors of the Company;</u></p> <p>(VI) <u>To assist the Board of Directors to establish and improve the internal control system of the Company, actively promote the Company to avoid horizontal competition, reduce and regulate related transactions, establish and improve incentive mechanism, and assume social responsibilities;</u></p>

Original	Amended
	<p data-bbox="812 283 1359 725"><u>(VII)</u> To be responsible for equity management affairs, including maintaining information on shareholdings held by shareholders, handling matters related to restricted shares, and procuring directors, supervisors, senior management and other relevant personnel of the Company to comply with the Company's share trading regulations, etc.;</p> <p data-bbox="812 768 1359 1172"><u>(VIII)</u> To organise trainings for directors, supervisors, senior management and other relevant personnel of the Company on relevant laws, administrative regulations, the STAR Market Listing Rules and relevant regulations, and assist them to have a clear grasp of their respective responsibilities with respect to information disclosure;</p> <p data-bbox="812 1215 1359 1736"><u>(IX)</u> To remind relevant personnel and immediately report to the Shanghai Stock Exchange upon noting that directors, supervisors and the senior management of the Company violate laws, administrative regulations, department rules, other regulatory documents, other regulations of the Shanghai Stock Exchange and the Articles of Association, or when the Company makes or may make decisions in violation of relevant regulations;</p> <p data-bbox="812 1779 1359 1959"><u>(X)</u> To perform other duties required by laws, administrative regulations, the Articles of Association or the Shanghai Stock Exchange.</p>

Original	Amended
<p>Article 42 Regular meetings of the Board of Directors shall be held at least four (4) times each year and convened by the Chairman of the Board of Directors. The written notice of meeting shall be sent to all the directors fourteen (14) days before the date of the meeting. The approval of directors for the regular meetings of the Board of Directors shall not be obtained through the adoption of written resolutions.</p>	<p>Article 42 Regular meetings of the Board of Directors shall be held at least four (4) times each year and convened by the Chairman of the Board of Directors. The written notice of meeting shall be sent to all the directors <u>and supervisors</u> fourteen (14) days before the date of the meeting. The approval of directors for the regular meetings of the Board of Directors shall not be obtained through the adoption of written resolutions.</p>
<p>Article 43 The Chairman of the Board of Directors shall convene an extraordinary meeting of the Board of Directors within ten (10) days after receiving the proposal under the following circumstances:</p> <p>(I) When proposed by shareholders holding more than one-tenth of the voting shares;</p> <p>(II) When proposed by the Chairman of the Board of Directors;</p> <p>(III) When proposed by more than one-third of the directors;</p> <p>(IV) When proposed by more than two (2) independent non-executive directors;</p> <p>(V) When proposed by the Board of Supervisors;</p> <p>(VI) When proposed by the general manager.</p>	<p>Article 43 The Chairman of the Board of Directors shall convene an extraordinary meeting of the Board of Directors within ten (10) days after receiving the proposal under the following circumstances:</p> <p>(I) When proposed by shareholders holding more than one-tenth of the voting shares;</p> <p>(II) When proposed by the Chairman of the Board of Directors;</p> <p>(III) When proposed by more than one-third of the directors;</p> <p>(IV) When proposed by more than two <u>one-half of</u> independent non-executive directors;</p> <p>(V) When proposed by the Board of Supervisors;</p> <p>(VI) When proposed by the general manager;</p> <p><u>(VII) Other circumstances that are required by the laws, administrative regulations, regulatory rules in the places where the Company's shares are listed and the Articles of Association.</u></p>

Original	Amended
<p>Article 48 Notice shall be given to all the directors, supervisors and the general manager within a reasonable period prior to an extraordinary meeting of the Board of Directors. The office of the Board of Directors shall serve written notice of the meeting to all the directors, supervisors and the general manager by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record shall be made accordingly.</p> <p>In an emergency and an extraordinary meeting of the Board of Directors is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.</p>	<p>Article 48 Notice shall be given to all the directors, supervisors and the general manager within a reasonable period three (3) days prior to an extraordinary meeting of the Board of Directors. The office of the Board of Directors shall serve written notice of the meeting to all the directors, supervisors and the general manager by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record shall be made accordingly.</p> <p>In an emergency and an extraordinary meeting of the Board of Directors is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting <u>and record it in the minutes of meeting.</u></p>
<p>Article 59 Each director shall be entitled to one vote. In considering the resolutions proposed to the meetings of the Board, vote may be conducted by a show of hands or by open ballot. All attending directors are to vote for or against proposals or abstain from voting. If directors fail to vote, it shall be regarded as an abstention.</p>	<p>Article 59 Each director shall be entitled to one vote. In considering the resolutions proposed to the meetings of the Board, vote may be conducted by a show of hands or by open ballot. All attending directors are to vote for or against proposals or abstain from voting. If directors fail to vote, it shall be regarded as an abstention.</p>

Original	Amended
<p>Article 61 The resolutions of the Board of Directors shall be passed by more than half of all directors, while the resolutions in respect to the following matters shall be passed by two-thirds or more of the directors by voting:</p> <p>(I) To formulate proposals for increases or reduction of the Company's registered capital and proposals for the issue of corporate bonds;</p> <p>(II) To formulate plans for repurchase of the Company's shares, or merger, division, dissolution, or change of corporate formation of the Company;</p> <p>(III) To formulate proposals for amendment to the Articles of Association;</p> <p>When the number of negative votes is equal to that of affirmative votes, the Chairman of the Board of Directors has the right to cast one more vote.</p>	<p>Article 61 The resolutions of the Board of Directors shall be passed by more than half of all directors, while the resolutions in respect to the following matters shall be passed by two-thirds or more of the directors by voting:</p> <p>(I) To formulate proposals for increases or reduction of the Company's registered capital, and proposals for the issue of corporate bonds <u>or other securities and listing</u>;</p> <p>(II) To formulate plans for <u>significant acquisition of the Company</u>, repurchase of the Company's shares, or merger, division, dissolution, or change of corporate formation of the Company;</p> <p>(III) To formulate proposals for amendment to the Articles of Association;</p> <p>When the number of negative votes is equal to that of affirmative votes, the Chairman of the Board of Directors has the right to cast one more vote.</p>
<p>Article 64 Minutes of the meetings of the Board shall include the following contents:</p> <p>(I) date and place of the meeting and name of the convener;</p> <p>(II) names of the directors attending the meeting, names of the directors (proxies) appointed by other directors to attend the meetings of the Board, directors being absent and non-voting attendees of the meeting;</p>	<p>Article 64 Minutes of the meetings of the Board shall include the following contents:</p> <p>(I) date and place of the meeting and name of the convener;</p> <p>(II) names of the directors attending the meeting, names of the directors (proxies) appointed by other directors to attend the meetings of the Board, directors being absent and non-voting attendees of the meeting;</p>

Original	Amended
<p>(III) agenda of the meeting;</p> <p>(IV) key issues in directors' speech and doubts and dissenting opinions put forward by directors;</p> <p>(V) the method and results of voting on each resolution (the number of votes for, against and abstention shall be specified in the voting results);</p> <p>(VI) the opinions of supervisors being present; and</p> <p>(VII) other information necessary for record.</p> <p>Minutes of the meetings of the Board shall be kept by a duly appointed secretary of the meeting permanently and shall be open for inspection at any reasonable time upon reasonable notice by any director.</p>	<p>(III) agenda of the meeting;</p> <p>(IV) key issues in directors' speech and doubts and dissenting opinions put forward by directors;</p> <p>(V) the method and results of voting on each resolution (the number of votes for, against and abstention shall be specified in the voting results);</p> <p>(VI) the opinions of supervisors being present; and</p> <p>(VII) other information necessary for record.</p> <p>Minutes of the meetings of the Board shall be kept by a duly appointed secretary of the meeting <u>for not less than 10 years</u> permanently and shall be open for inspection at any reasonable time upon reasonable notice by any director.</p>
<p>Article 68 These rules shall be effective from the day when the Company issues overseas-listed foreign shares (H shares) and applies for listing on the main board of The Stock Exchange of Hong Kong Limited after it is approved by the shareholders' general meeting.</p>	<p>Article 68 These rules shall be effective <u>and be implemented from the date of the initial public offering of the Company's shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange</u> after it is <u>considered and</u> from the day when the Company issues overseas-listed foreign shares (H shares) and applies for listing on the main board of The Stock Exchange of Hong Kong Limited after it is approved by the shareholders' general meeting.</p>
<p>Article 70 Amendments to these rules after passed by more than half of the directors of the Board of Directors, shall be effective and in force upon being approved at the shareholders' general meeting by an ordinary resolution.</p>	<p>Article 70 Amendments to these rules after passed by more than half of the directors of the Board of Directors, shall be effective and in force upon being approved at the shareholders' general meeting by an ordinary <u>special</u> resolution.</p>

AMENDMENTS TO THE RULES AND PROCEDURES OF
THE BOARD OF SUPERVISORS OF THE COMPANY

The amendments to the Rules and Procedures of the Board of Supervisors are as follows, and the numbers of other articles shall be changed accordingly due to deletion, combination and splitting of relevant articles.

Original	Amended
<p>Article 1 In order to ensure the lawful and independent exercise of the right to supervise of the board of supervisors of China Isotope & Radiation Corporation (“China Isotope” or the “Company”), efficient operation and logical decision-making and enhance the Company’s corporate governance, these rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other laws, regulations and regulatory documents and the Articles of Association of China Isotope & Radiation Corporation (the “Articles of Association”), taking into account the actual situations of China Isotope.</p>	<p>Article 1 In order to ensure the lawful and independent exercise of the right to supervise of the board of supervisors of China Isotope & Radiation Corporation (“China Isotope” or the “Company”), efficient operation and logical decision-making and enhance the Company’s corporate governance, these rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), <u>the Securities Law of the People’s Republic of China</u>, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, <u>the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, the Guidelines for the Articles of Association of Listed Companies, the Standards on Corporate Governance of Listed Companies</u>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other laws, regulations and regulatory documents and the Articles of Association of China Isotope & Radiation Corporation (the “Articles of Association”), taking into account the actual situations of China Isotope.</p>
<p>Article 4 China Isotope has a board of directors consisting of five supervisors who are elected with a term of three years and can be re-elected. In particular, there are three shareholder representative supervisors and two employee representative supervisors.</p>	<p>Article 4 China Isotope has a board of directors consisting of five supervisors who are elected with a term of three years and can be re-elected <u>and generally serve for no more than six consecutive years</u>. In particular, there are three shareholder representative supervisors and two employee representative supervisors.</p>

Original	Amended
<p>Article 11 The board of supervisors shall exercise the following functions and powers</p> <p>(1) to examine the financial affairs of the Company;</p> <p>(2) to supervise the performance of directors and senior management of their duties and propose the removal of directors or senior management who violate relevant laws, administrative regulations and the Articles of Association or the resolutions of the shareholders' general meetings;</p> <p>(3) where any director or senior management jeopardizes the interests of the Company, the board of supervisors shall request the director or senior management to make rectifications;</p> <p>(4) to review the financial information such as financial reports, operation reports and profit distribution plans to be submitted by the board of directors to the general meeting of shareholders, and if any problems are identified, the board of supervisors may engage a certified public accountant in the name of the Company to assist in the review;</p> <p>(5) to propose to convene an extraordinary shareholders' general meeting, convene and preside over shareholders' general meeting when the board of directors fails to convene and preside over such a meeting as required in the Articles of Association;</p> <p>(6) to submit proposals to the shareholders' general meeting;</p> <p>(7) to initiate legal proceedings against any director or senior management in accordance with relevant requirements of the Company Law;</p> <p>(8) to perform other powers and duties as required by the Articles of Association or authorized by the shareholders' general meeting.</p> <p>Supervisors may attend meetings of the board of directors and query resolutions of the board of directors or give suggestions.</p>	<p>Article 11 The board of supervisors shall exercise the following functions and powers</p> <p>(1) to examine the financial affairs of the Company;</p> <p>(2) to supervise the performance of directors and senior management of their duties and propose the removal of directors or senior management who violate relevant laws, administrative regulations and the Articles of Association or the resolutions of the shareholders' general meetings;</p> <p>(3) where any director or senior management jeopardizes the interests of the Company, the board of supervisors shall request the director or senior management to make rectifications;</p> <p>(4) to review the financial information such as financial reports, operation reports and profit distribution plans to be submitted by the board of directors to the general meeting of shareholders, and if any problems are identified, the board of supervisors may engage a certified public accountant in the name of the Company to assist in the review;</p> <p>(5) to propose to convene an extraordinary shareholders' general meeting, convene and preside over shareholders' general meeting when the board of directors fails to convene and preside over such a meeting as required in the Articles of Association;</p> <p>(6) to submit proposals to the shareholders' general meeting;</p> <p>(7) to initiate legal proceedings against any director or senior management in accordance with relevant requirements of the Company Law;</p> <p><u>(8) to conduct review on regular reports of the Company prepared by the Board and provide review opinions in writing;</u></p> <p><u>(9) to conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary at the expense of the Company;</u></p> <p><u>(10) to supervise and issue written opinions on the Company's change of use of proceeds;</u></p>

Original	Amended
	<p><u>(11) to supervise the connected transactions of the Company and to pay attention to relevant acts of connected directors and connected shareholders;</u></p> <p><u>(12) to verify the list of incentive targets and participants of the employee stock ownership plan after the Company's equity incentive plan and employee stock ownership plan are considered and approved by the board of directors, and to explain the verification results at the shareholders' meeting;</u></p> <p><u>(13) to perform other powers and duties as required by the laws, administrative regulations,</u> the Articles of Association or authorized by the shareholders' general meeting.</p> <p>Supervisors may attend meetings of the board of directors and query resolutions of the board of directors or give suggestions.</p>
<p>Article 12 The board of supervisors may carry out investigation if any irregularities of the operation of the Company are identified. The board of supervisors may exercise its right, if necessary, to engage intermediaries and professionals for assistance at the reasonable expense of the Company.</p>	<p>Article 12 The board of supervisors may carry out investigation if any irregularities of the operation of the Company are identified. The board of supervisors may exercise its right, if necessary, to engage intermediaries and professionals for assistance at the reasonable expense of the Company.</p>
<p>Article 16 When performing its duties, the board of supervisors shall have the right to engage lawyers, certified public accountants and other professionals to provide services for it at the reasonable expense of the Company.</p>	<p>Article 16¹⁵ When performing its duties, the board of supervisors shall have the right to engage lawyers, certified public accountants and other professionals to provide services for it at the reasonable expense of the Company. <u>The board of supervisors has one chairman, who shall be elected or removed by more than two-thirds of all supervisors.</u></p>

Original	Amended
<p>Article 19 The board of supervisors shall meet at least once every six months and the meeting shall be convened by the chairman of the board of supervisors. The board of supervisors shall notify all supervisors in writing ten days prior to the meeting.</p>	<p>Article 1917 The board of supervisors shall meet at least once every six months and the meeting shall be convened by the chairman of the board of supervisors. The board of supervisors shall notify all supervisors in writing ten days prior to the <u>regular</u> meeting and three days prior to the extraordinary meeting.</p>
<p>Article 27 The board of supervisors shall notify all supervisors in writing ten days prior to the meeting. The office of the board of supervisors shall submit the written notice to all the supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>In case of urgency and an extraordinary meeting of the board of supervisors is required to be convened as soon as possible, the notice of meeting may be delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.</p>	<p>Article 2725 To convene regular and extraordinary meeting of the board of supervisors, the board of supervisors shall notify all supervisors in writing ten days prior to the <u>regular</u> meeting and three days prior to the extraordinary meeting. The office of the board of supervisors shall submit the written notice to all the supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>In case of urgency and an extraordinary meeting of the board of supervisors is required to be convened as soon as possible, the notice of meeting may be delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.</p>
<p>Article 36 Each supervisor shall have one vote. At the meeting of the board of supervisors, proposals may be considered and voted on by a show of hands or by disclosed ballot, and all supervisors attending the meeting shall express their opinions in favor of, against or abstain from voting on the proposals. Supervisors who do not vote shall be deemed to have abstained from voting.</p>	<p>Article 3634 Each supervisor shall have one vote. At the meeting of the board of supervisors, proposals mayshall be considered and voted on by disclosed ballot or by a show of hands, and all supervisors attending the meeting shall express their opinions in favor of, against or abstain from voting on the proposals. Supervisors who do not vote shall be deemed to have abstained from voting.</p>

Original	Amended
<p>Article 40 The minutes of the meeting of the board of supervisors shall include the following details:</p> <p>(1) the venue and time of the meeting and the name of the presiding officer</p> <p>(2) the names of the supervisors attending the meeting in person or by proxy and the names of their proxies;</p> <p>(3) agenda of the meeting;</p> <p>(4) the summary of the supervisors' speeches (for a meeting by written resolution, the supervisors' opinions in writing shall prevail);</p> <p>(5) the voting method and result of each proposed resolution (the result of the voting shall set out the respective number of votes in favor, against or abstention);</p> <p>(6) other matters deemed as necessary by the attending supervisors to be recorded.</p> <p>The minutes of the meetings of the board of supervisors shall be kept by the Company's archiving department as the Company's archives for a permanent period.</p>	<p>Article 4038 The minutes of the meeting of the board of supervisors shall include the following details:</p> <p>(1) the venue and time of the meeting and the name of the presiding officer</p> <p>(2) the names of the supervisors attending the meeting in person or by proxy and the names of their proxies;</p> <p>(3) agenda of the meeting;</p> <p>(4) the summary of the supervisors' speeches (for a meeting by written resolution, the supervisors' opinions in writing shall prevail);</p> <p>(5) the voting method and result of each proposed resolution (the result of the voting shall set out the respective number of votes in favor, against or abstention);</p> <p>(6) other matters deemed as necessary by the attending supervisors to be recorded.</p> <p>The minutes of the meetings of the board of supervisors shall be kept by the Company's archiving department as the Company's archives for a permanent period at least ten years.</p>
<p>Article 45 These rules shall be effective from the date of issuance of overseas listed foreign shares (H shares) and listing on the main board of The Stock Exchange of Hong Kong Limited.</p>	<p>Article 4543 These rules shall be effective <u>and implemented</u> from the date of issuance of overseas listed foreign shares (H shares) and listing on the main board of The Stock Exchange of Hong Kong Limited <u>initial public offering of shares of the Company and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange</u>.</p>

Amendments to the Working Rules of the Independent Non-Executive Directors

The amendments made to the Working Rules of the Independent Non-Executive Directors by the Company are as follows. The numbers of remaining articles are changed accordingly due to the deletion, consolidation and splitting of the relevant articles.

Original	Amended
<p>Article 1 In order to further improve the corporate governance structure of China Isotope & Radiation Corporation (the “Company”), promote the standardized operation of the Company, and ensure the due performance of independent non-executive directors (the “Independent Director(s)”), these terms of reference are formulated according to the requirements of the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and the Articles of Association of China Isotope & Radiation Corporation (the “Articles of Association”).</p>	<p>Article 1 In order to further improve the corporate governance structure of China Isotope & Radiation Corporation (the “Company”), promote the standardized operation of the Company, and ensure the due performance of independent non-executive directors (the “Independent Director(s)”), these terms of reference are formulated according to the requirements of the Company Law of the People’s Republic of China (the “Company Law”), <u>the “Establishment of Independent Director Systems by Listed Companies Guiding Opinion” (Zhengjianfa [2001] No.102) of the China Securities Regulatory Commission (the “CSRC”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (the “Listing Rules of the Science and Technology Innovation Board”),</u> the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”)–and, the Articles of Association of China Isotope & Radiation Corporation (the “Articles of Association”) <u>and the Procedural Rules of the Board Meetings of China Isotope & Radiation Corporation (the “Procedural Rules of the Board Meetings”).</u></p>

Original	Amended
Article 2 An Independent Director is a director assuming no posts other than director and member of special committees of the Board and having no relation with the Company and shareholders thereof which may hinder his independent objective judgment.	Article 2 An Independent Director is a director assuming no posts other than director and member of special committees of the Board and having no relation with the Company and shareholders thereof which may hinder his independent objective judgment, <u>and who is in compliance with independence provisions of the securities regulatory rules in the places where shares of the Company are listed.</u>
Article 4 Independent directors of the Company shall strictly comply with the procedures specified in this rule, and execute duties conferred to him/her by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.	Article 4 Independent directors of the Company shall strictly comply with the procedures specified in this rule, and execute duties conferred to him/her by laws, administrative regulations, departmental rules, <u>the Listing Rules of the Science and Technology Innovation Board,</u> the Hong Kong Listing Rules and the Articles of Association.

Original	Amended
<p>Article 6 Independent Directors shall meet the following basic requirements:</p> <p>(I) Being qualified as the director of a listed company according to the laws and administrative regulations and other relevant requirements of the place where the Company's shares are listed;</p> <p>(II) Being independent as required by the Hong Kong Listing Rules, without being influenced by shareholders, de facto controllers of the Company or other entities or individuals who are materially interested in the Company;</p> <p>(III) Having the basic knowledge of the operation a listed company, knowing well relevant laws, administrative regulations, rules and regulations;</p> <p>(IV) Having more than five years of legal, economic or other work experience required by the execution of duties of Independent Directors;</p> <p>(V) To convince the Stock Exchange of Hong Kong Limited (the "Stock Exchange") that his/her character, integrity, independence and experience are sufficient to effectively perform his/her duties as an Independent Director;</p> <p>(VI) Other conditions stipulated in the Articles of Association.</p>	<p>Article 6 Independent Directors shall meet the following basic requirements:</p> <p>(I) Being qualified as the director of a listed company according to the laws and administrative regulations and other relevant requirements of the place where the Company's shares are listed;</p> <p>(II) Being independent as required by <u>the Listing Rules of the Science and Technology Innovation Board</u>, the Hong Kong Listing Rules <u>and other rules governing securities of the jurisdiction where the Company's shares are listed</u>, without being influenced by shareholders, de facto controllers of the Company or other entities or individuals who are materially interested in the Company;</p> <p>(III) Having the basic knowledge of the operation a listed company, knowing well relevant laws, administrative regulations, rules and regulations;</p> <p>(IV) Having more than five years of legal, economic or other work experience required by the execution of duties of Independent Directors;</p> <p>(V) To convince the Stock Exchange of Hong Kong Limited (the "Stock Exchange") that his/her character, integrity, independence and experience are sufficient to effectively perform his/her duties as an Independent Director;</p> <p>(VI) Other conditions stipulated in the Articles of Association <u>and the Procedural Rules of the Board Meetings</u>.</p>

Original	Amended
<p>Article 7 The number of the Independent Directors shall be more than one-third of the number of members of the Board of Directors and shall not be lower than three (3). Among which, at least one of whom shall be an accounting professional. An accounting professional stated in this article refers to an accounting professional with title of a senior professional post or qualification of certified public accountant. The Company shall have at least one Independent Director with a habitual residence in Hong Kong.</p>	<p>Article 7 The number of the Independent Directors shall be more than one-third of the number of members of the Board of Directors and shall not be less^{lower} than three (3). Among which, at least one of whom shall be an accounting professional. An accounting professional stated in this article refers to an accounting professional with title of a senior professional post or qualification of certified public accountant. The Company shall have at least one Independent Director with a habitual residence in Hong Kong.</p>
<p>Article 8 The independent non-executive director shall have his/her own independence and meet the Hong Kong Listing Rules and the requirements for the independence of independent directors of the Stock Exchange. The following persons may not serve as independent directors:</p> <p>(I) the director (or his/her immediate family members) who holds more than 1% of the total issued share capital of the Company;</p> <p>(II) Such director (or his/her immediate family members) has obtained any equity interest in the Company from the core related person or the Company itself through gifts or other financial assistance. However, without prejudice to this clause (1), if the director receives shares or securities interests from the Company or its subsidiaries (but not from a core connected person), as part of the director's fee, or received based on the option scheme set out in Chapter 17 of the Listing Rules, the director shall still be regarded as an independent director;</p>	<p>Article 8 The independent non-executive director shall have his/her own independence and meet the Hong Kong Listing Rules and the requirements for the independence of independent directors of the Stock Exchange. The following persons may not serve as independent directors:</p> <p>(I) the director (or his/her immediate family members) who holds more than 1% of the total issued share capital of the Company <u>or is a natural person shareholder among the top 10 shareholders of the Company</u>;</p> <p>(II) Such director (or his/her immediate family members) has obtained any equity interest in the Company from the core related person or the Company itself through gifts or other financial assistance. However, without prejudice to this clause (1), if the director receives shares or securities interests from the Company or its subsidiaries (but not from a core connected person), as part of the director's fee, or received based on the option scheme set out in Chapter 17 of the <u>Hong Kong</u> Listing Rules, the director shall still be regarded as an independent director;</p>

Original	Amended
<p>(III) Such director (or his/her immediate family members) is the director, partner or principal of professional consultants who is providing services to the following company/people or did so within two years before being appointed, or is an employee of the professional consultants who provide or provided the relevant services:</p>	<p>(III) Such director (or his/her immediate family members) is the director, partner or principal of professional consultants who is providing services to the following company/people or did so within two years before being appointed, or is an employee of the professional consultants who provide or provided the relevant services:</p>
<p>(a) the Company, its holding company or any of their respective affiliates or core connected persons; or</p>	<p>(a) the Company, its holding company or any of their respective affiliates or core connected persons; or</p>
<p>(b) the person who once held any position or title at the controlling shareholder of the Company within two years prior to being appointed as an independent director, such director was once the chief executive officer or person of the Company (other than an independent director) or any of his close contacts;</p>	<p>(b) the person who once held any position or title at the controlling shareholder of the Company within two years prior to being appointed as an independent director, such director was once the chief executive officer or person of the Company (other than an independent director) or any of his close contacts;</p>
<p>(IV) Such director (or his/her immediate family members) currently or within one year before the proposed appointment of an independent director did not have a material interest in any principal business activity of or is or was involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company;</p>	<p>(IV) Such director (or his/her immediate family members) currently or within one year before the proposed appointment of an independent director did not have a material interest in any principal business activity of or is or was involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company;</p>
<p>(V) Such director serves as a director in order to protect a certain entity whose interest is different from the interests of shareholders as a whole;</p>	<p>(V) Such director serves as a director in order to protect a certain entity whose interest is different from the interests of shareholders as a whole;</p>

Original	Amended
<p>(VI) Within two years prior to being proposed to be an independent director, such director (or his/her immediate family members) was connected with the director, chief executive officer or major shareholders of the Company;</p>	<p>(VI) Within two years prior to being proposed to be an independent director, such director (or his/her immediate family members) was connected with the director, chief executive officer or major shareholders of the Company;</p>
<p>(VII) Such director (or his/her immediate family members) is (or once was within two years prior to being proposed director) an executive or a director (save for an independent non-executive director) of the Company, its holding company or any of their respective affiliates or any core connected persons of the Company;</p>	<p>(VII) Such director (or his/her immediate family members) is (or once was within two years prior to being proposed director) an executive or a director (save for an independent non-executive director) of the Company, its holding company or any of their respective affiliates or any core connected persons of the Company;</p>
<p>(VIII) Such director (or his/her immediate family members) is financially dependent on the Company, its holding companies or any of their respective affiliates or the core connected persons of the Company. The “immediate family members” refer to the spouse of such person; their (or their spouses) children under the age of 18 (natural or adopted) or stepchildren.</p>	<p>(VIII) Such director (or his/her immediate family members) is financially dependent on the Company, its holding companies or any of their respective affiliates or the core connected persons of the Company.</p> <p><u>(IX) Such director (or his/her immediate family members, major social relations) holds a position in the Company or its affiliated enterprises;</u></p> <p><u>(X) Such director (or his immediate family members) holds a position in any shareholder that directly or indirectly holds more than 5% of the Company’s shares or in the top five shareholders of the Company;</u></p> <p><u>(XI) Such director (or his immediate family members) holds a position in the controlling shareholders, de facto controllers of the Company and its affiliated enterprises;</u></p>

Original	Amended
	<p><u>(XII) Such director provides financial, legal or consulting services for the Company and its controlling shareholders or their respective subsidiaries, including but not limited to all the members of the project teams of the intermediary agencies, review officers at all levels, the persons that sign the review report, partners and the persons in charge;</u></p> <p><u>(XIII) Such director serves as the director, supervisor or senior management personnel in the units that have material business transactions with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries or serves as the director, the supervisor or senior management personnel in the controlling shareholders that have material business transactions;</u></p> <p><u>(XIV) Such person that has the circumstances listed under (IX) to (XIII) in the previous year; and</u></p> <p><u>(XV) Other person identified by laws, regulations, securities regulatory agencies and other relevant regulatory agencies where the Company's shares are listed.</u></p> <p>The "immediate family members" refer to the spouse of such person; their (or their spouses) children under the age of 18 (natural or adopted) or stepchildren, <u>parents, children, etc. (same as below);</u> <u>the major social relationships refer to brothers and sisters, parents-in-law, daughters/sons-in-law, spouses of brothers and sisters, and brothers and sisters of spouses, etc.</u></p>

Original	Amended
<p>Article 10 The nominator of an Independent Director should obtain the consent of the nominee before making the nomination. The nominator shall fully understand the nominee's occupation, education, title, detailed work experience, all part-time positions, etc., and express an opinion on his/her qualifications and independence to serve as an Independent Director, and the nominee shall make a public statement on the absence of any relationship between himself/herself and the Company that would affect his/her independent and objective judgment.</p> <p>Prior to the shareholders' general meeting for the election of independent directors, the Board of Directors of the Company shall announce the above in accordance with the regulations.</p>	<p>Article 10 <u>The Board of Directors, the Supervisory Committee, and shareholders who individually or collectively hold more than 1% of the Company's shares may propose candidates for Independent Directors to be elected at a shareholders' general meeting.</u></p> <p>The nominator of an Independent Director should obtain the consent of the nominee before making the nomination. The nominator shall fully understand the nominee's occupation, education, title, detailed work experience, all part-time positions, etc., and express an opinion on his/her qualifications and independence to serve as an Independent Director, and the nominee shall make a public statement on the absence of any relationship between himself/herself and the Company that would affect his/her independent and objective judgment.</p> <p>Prior to the shareholders' general meeting for the election of independent directors, the Board of Directors of the Company shall announce the above in accordance with the regulations.</p>
<p>Article 11 The term of office of an Independent Director is the same as that of other directors of the Company, and upon the expiry of the term of office, he/she may be re-elected for a second term, but the term of office shall not exceed 9 years.</p>	<p>Article 11 The term of office of an Independent Director is the same as that of other directors of the Company, and upon the expiry of the term of office, he/she may be re-elected for a second term, but the term of office shall not exceed <u>6</u>9-years.</p>

Original	Amended
<p>Article 12 An Independent Director may resign before the expiry of his/her term of office. The resigned Independent Director should submit a written resignation report to the Board of Directors, explaining any circumstances relating to his/her resignation or which he/she considers necessary to draw the attention of the shareholders and creditors of the Company.</p> <p>If the resignation of an Independent Director results in the proportion of Independent Directors on the Board of Directors of the Company being less than the number required under the Hong Kong Listing Rules, the Company is required to make up the number of Independent Directors as soon as possible and within three months as required, and to notify the Stock Exchange, make an announcement and engage Independent Directors.</p>	<p>Article 12 <u>If an Independent Director does not meet the qualifications for appointment as an Independent Director as stipulated in the Articles of Association, the Rules of Procedure of the Board of Directors and these Rules of Work after taking office, he/she shall resign as an Independent Director within 30 days from the date of occurrence of such circumstances. If he/she fails to resign as required, the Board of Directors of the Company shall initiate the decision-making procedure to remove him/her from the position of Independent Director within 2 days.</u></p> <p><u>Except for the circumstances mentioned above and the circumstances stipulated in the Articles of Association of the Company under which an Independent Director shall not be removed from office without cause before the expiry of his/her term of office.</u></p> <p>An Independent Director may resign before the expiry of his/her term of office. The resigned Independent Director should submit a written resignation report to the Board of Directors, explaining any circumstances relating to his/her resignation or which he/she considers necessary to draw the attention of the shareholders and creditors of the Company.</p> <p>If the resignation of an Independent Director results in the proportion of Independent Directors on the Board of Directors of the Company being less than the number required under the Hong Kong Listing Rules, the Company is required to make up the number of Independent Directors as soon as possible and within three months as required, and to notify the Stock Exchange, make an announcement and engage Independent Directors.</p>

Original	Amended
	<p><u>Where the resignation of an Independent Director results in the number of Independent Directors on the Board of Directors being less than the minimum number prescribed by laws, administrative regulations, departmental rules and regulatory documents or the Articles of Association, the resignation of an Independent Director shall not take effect until the next Independent Director fills the vacancy.</u></p> <p><u>Except for the circumstances set out in the preceding paragraph, the resignation of an Independent Director shall take effect when the resignation report reaches the Board of Directors.</u></p>
<p>Article 13 The Audit and Risk Committee, the Nomination Committee and the Remuneration and Appraisal Committee under the Board of Directors of the Company shall have a majority of Independent Directors, the Audit and Risk Committee and the Remuneration and Appraisal Committee shall both be chaired by Independent Directors, and at least 1 Independent Director of the Audit and Risk Committee shall have appropriate professional qualifications or expertise as required by the relevant regulatory regulations of the place where the shares of the Company are listed.</p>	<p>Article 13 The Audit and Risk <u>Management</u> Committee, the Nomination Committee and the Remuneration and Appraisal Committee under the Board of Directors of the Company shall have a majority of Independent Directors, the Audit and Risk <u>Management</u> Committee, <u>Nomination Committee</u> and the Remuneration and Appraisal Committee shall both be chaired by Independent Directors, and at least 1 Independent Director of the Audit and Risk <u>Management</u> Committee shall <u>be an accounting professional with</u> have appropriate professional qualifications or expertise as required by the relevant regulatory regulations of the place where the shares of the Company are listed.</p>

Original	Amended
<p>Article 14 The opinions expressed by the Independent Directors shall be set out in a resolution of the Board of Directors.</p>	<p>Article 14 The opinions expressed by the Independent Directors shall be set out in a resolution of the Board of Directors.</p> <p><u>Independent Directors shall express independent views to the Board of Directors or the shareholders' general on the following significant matters of the Company:</u></p> <p><u>(i) Nomination, appointment and removal of directors;</u></p> <p><u>(ii) The appointment or dismissal of senior management;</u></p> <p><u>(iii) Remuneration of directors and senior management of the Company;</u></p> <p><u>(iv) Connected transactions (including the provision of funds by the Company to its shareholders, de facto controllers and their affiliated enterprises);</u></p> <p><u>(v) Capital offsets by related parties of the Company;</u></p> <p><u>(vi) Existing or new loans or other financial transactions of the Company by its shareholders, de facto controllers and their affiliated enterprises with a total amount over RMB3 million or more than 5% of the latest audited net asset value of the listed company, and whether the Company has taken effective measures to recover the outstanding amount;</u></p> <p><u>(vii) Matters which, in the opinion of the Independent Directors, are likely to prejudice the legitimate rights and interests of the small and medium shareholders;</u></p>

Original	Amended
	<p><u>(viii) Matters relating to external guarantees as provided for in the Articles of Association of the Company;</u></p> <p><u>(ix) Other matters prescribed by laws, regulations, regulatory documents and the Articles of Association of the Company.</u></p> <p><u>The Independent Directors shall express one of the following types of opinions on the above matters: concurrence; qualified opinion and reasons therein; dissenting opinion and reasons therein; and unable to express an opinion and obstacles therein.</u></p>
<p>Article 15 The connected transactions of the Company must be signed by an Independent Director to be effective.</p>	<p>Article 15 <u>The Independent Directors shall provide their prior approved opinion on the following matters:</u></p> <p><u>(i) Significant connected transactions between the Company and related parties;</u></p> <p><u>(ii) The appointment or dismissal of the accounting firm;</u></p> <p><u>(iii) Other matters prescribed by laws, regulations, regulatory documents and the Articles of Association of the Company.</u></p> <p><u>The prior approved opinions of the Independent Directors shall be obtained from more than half of all Independent Directors.</u> The <u>related</u>/connected transactions of the Company must be signed by an Independent Director to be effective.</p>

Original	Amended
<p>Article 16 Two or more independent directors may propose to convene an extraordinary general meeting.</p>	<p>Article 16 Two or more independent directors may propose to convene an extraordinary general meeting. <u>In order to make the independent directors play an active role, the independent directors shall have the following powers other than those conferred to them by the Company Law and other relevant laws and regulations as well as governing documents:</u></p> <p><u>(I) Significant related transactions shall be approved by the independent directors before being submitted to the Board for discussion. Before making judgment, independent directors can engage an intermediary agency to produce a report of independent financial advisor, which will serve as the basis of their judgment;</u></p> <p><u>(II) advise the Board in respect of the appointment or removal of an accounting firm;</u></p> <p><u>(III) propose to the Board to call an extraordinary shareholders' general meeting;</u></p> <p><u>(IV) propose to call a meeting of the Board;</u></p> <p><u>(V) With the approval of all independent directors, an external auditing agency and consulting agency can be independently appointed to conduct audits and consultations on the Company's specific matters at the cost of the Company;</u></p>

Original	Amended
	<p>(VI) Other functions and powers stipulated by laws, regulations, regulatory documents and the Company's Articles of Association.</p> <p>Except for item(v) of this article, consent from over 1/2 of all the independent directors shall be obtained if any independent director desires to exercise the above-mentioned power.</p>
<p>Article 18 Independent directors have the obligation of fiduciary and diligence towards the Company and all shareholders. Independent directors shall, in accordance with the requirements of relevant laws and regulations, the “Hong Kong Listing Rules” and the “Articles of Association”, earnestly perform their duties, safeguard the overall interests of the Company, and make sure that the legitimate rights and interests of small and medium shareholders are not harmed.</p>	<p>Article 18 Independent directors have the obligation of fiduciary and diligence towards the Company and all shareholders. Independent directors shall, in accordance with the requirements of relevant laws and regulations, <u>the Listing Rules of the Science and Technology Innovation Board</u>, the “Hong Kong Listing Rules”, the “Articles of Association” and <u>“Rules of Procedure of the Board of Directors”</u>, earnestly perform their duties, safeguard the overall interests of the Company, and make sure that the legitimate rights and interests of small and medium shareholders are not harmed.</p>
<p>Article 20 Independent directors shall ensure that they have sufficient time and attention to effectively perform their duties as independent directors. In principle, independent directors can concurrently serve as independent directors in at most 6 listed companies.</p>	<p>Article 20 Independent directors shall ensure that they have sufficient time and attention to effectively perform their duties as independent directors. In principle, independent directors can concurrently serve as independent directors in at most <u>five</u> six listed companies.</p>

Original	Amended
Additions	<p data-bbox="810 283 1359 436"><u>Article 23 Independent directors shall submit a work report to the Company's annual general meeting of shareholders. The work report should include the following:</u></p> <p data-bbox="810 468 1359 621"><u>(I) The attendance at the board meetings and general meetings in the previous year, including the reasons for not attending such meetings in person and number of the meetings absent from;</u></p> <p data-bbox="810 653 1359 806"><u>(II) Opinions expressed and involvement in voting at such board meetings, including any proposal in respect of which he/she abstains from voting or voting against and the reasons for doing so;</u></p> <p data-bbox="810 838 1359 1081"><u>(III) Investigate the Company's production and operation, system construction, and implementation of the board's resolutions, discuss with the Company's management, and conduct on-site investigations of the Company's major investment, production, and construction projects;</u></p> <p data-bbox="810 1112 1359 1202"><u>(IV) Work done in protecting the legal rights and interests of the public shareholders;</u></p> <p data-bbox="810 1234 1203 1264"><u>(V) Participation in trainings;</u></p> <p data-bbox="810 1295 1359 1449"><u>(VI) Other work done to perform duties as an independent director in accordance with relevant laws, regulations, regulatory documents and the Company's Articles of Association;</u></p> <p data-bbox="810 1481 1359 1634"><u>(VII) Self-examination conclusions on whether he/she still meets the independence requirements, whether his/her candidate's statement and commitments have changed, etc.</u></p> <p data-bbox="810 1666 1359 1940"><u>The independent director's work report shall be based on the written work records, describing the time, place, work done, follow-up, etc. done by him/her for discharging duties, and the same shall be signed and confirmed by themselves and submitted for filing and keeping by the Company together with the documents of the annual general meeting.</u></p>

Original	Amended
<p>Article 25 The Company shall ensure that independent directors have the same right to information as other directors.</p> <p>The secretary of the board of directors shall provide assistance to independent directors in performing their duties, such as proactively updating them with the Company's situation, providing complete information, inviting independent directors to offer on-site guidance, and promoting mutual communication among independent directors.</p>	<p>Article 25 Article 26 The Company shall ensure that independent directors have the same right to information as other directors.</p> <p><u>For matters that solution by the Board of directors, the Company shall notify the independent directors in advance at a time specified by law and provide sufficient information at the same time. If the independent directors consider that the information is insufficient, they may request additional information. When two or more independent directors believe that the information is insufficient or the argumentation is not clear, they may jointly propose in writing to the Board of directors to postpone the meeting of the Board of directors or postpone the deliberation of the matter, and such proposal shall be adopted by the Board of directors.</u></p> <p>The secretary of the board of directors shall provide assistance to independent directors in performing their duties, such as proactively updating them with the Company's situation, providing complete information, inviting independent directors to offer on-site guidance, and promoting mutual communication among independent directors.</p>
<p>Deletions</p>	<p>Article 28 If the independent directors consider that the information provided is insufficient, they may request additional information.</p>

Original	Amended
<p>Article 30 An independent Director is in serious neglect of duty if he/she:</p> <p>(I) leaks the secrets of the Company and damages the legitimate interests of the Company;</p> <p>(II) accepts improper benefits in the performance of duties, or uses the capacity as independent Director for private gains;</p> <p>(III) acquiesces in a Board resolution that violates the laws, regulations or the Articles of Association;</p> <p>(IV) commits other serious derelictions of duty as defined by the laws and regulations of China or the place where the Company is listed.</p>	<p>Article 30 An independent Director is in serious neglect of duty if he/she:</p> <p>(I) leaks the secrets of the Company and damages the legitimate interests of the Company;</p> <p>(II) accepts improper benefits in the performance of duties, or uses the capacity as independent Director for private gains;</p> <p>(III) acquiesces in a Board resolution that violates the laws, regulations or the Articles of Association;</p> <p><u>(IV) fails to veto a related party transaction that brings material losses to the Company;</u></p> <p><u>(V)</u> commits other serious derelictions of duty as defined by the laws and regulations of China or the place where the Company is listed.</p>
<p>Article 31 An independent director shall be liable for compensation in accordance with the law if he/she commits serious dereliction of duty as listed in Article 25, or engages in illegal acts prohibited by relevant laws, regulations and regulatory documents such as the “Company Law”, and brings significant loss to the Company</p>	<p>Article 31 An independent director shall be liable for compensation in accordance with the law if he/she commits serious dereliction of duty as listed in Article 25 Article 30, or engages in illegal acts prohibited by relevant laws, regulations and regulatory documents such as the “Company Law”, and brings significant loss to the Company.</p>

**A-share Related Party Transaction Management System of China Isotope &
Radiation Corporation****Chapter I General**

Article 1 In order to further regulate the decision-making and management of the A-share related party transactions (hereinafter referred to as “Related Party Transactions”) of China Isotope & Radiation Corporation (hereinafter referred to as the “Company”) and safeguard the legitimate interests of the Company’s shareholders and creditors, the Related Party Transaction Management System of China Isotope & Radiation Corporation (hereinafter referred to as the “System”) is hereby established in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (hereinafter referred to as “Listing Rules”), the Implementation Guidelines for Related Party Transactions of Companies Listed on the Shanghai Stock Exchange and other laws, regulations, rules, regulatory documents, the Articles of Association of China Isotope & Radiation Corporation (hereinafter referred to as the “Articles”) and other relevant requirements.

Article 2 The Company’s Related Party Transactions shall be conducted in accordance with the following basic principles:

- (1) Good faith;
- (2) No prejudice to the legitimate interests of the Company and unrelated shareholders;
- (3) Withdrawal by related shareholders and directors;
- (4) Openness, fairness and justice.

Article 3 The decision-making management and information disclosure in relation to the Company’s Related Party Transactions shall be in compliance with the System.

Chapter II Related Parties and Related Relations

Article 4 A related party of the Company refers to any of the following natural persons, legal persons or other organizations:

- (1) Natural persons, legal persons or other organizations that directly or indirectly control the Company;
- (2) Natural persons who directly or indirectly hold more than 5% shares of the Company;
- (3) Directors, supervisors or senior management of the Company;
- (4) Family members who are closely related to the related natural persons referred to in items 4.1 to 4.3 above, including their spouses, their children who are over 18 years old and the spouses thereof, their parents and those of their spouses, their siblings and the spouses thereof, their spouses' siblings, the parents of their children's spouses;
- (5) Legal persons or other organizations that directly hold more than 5% shares of the Company;
- (6) Directors, supervisors, senior management or other primary responsible persons of legal persons or other organizations that directly or indirectly control the Company;
- (7) Legal persons or other organizations, other than the Company and its majority-owned subsidiaries, that are directly or indirectly controlled by related legal persons or related natural persons stated in items 4.1 to 4.6 above, or where their directors or senior management personnel are assumed by related natural persons (other than independent non-executive directors) mentioned above;
- (8) Legal persons or other organizations that indirectly hold more than 5% shares of the Company;
- (9) Other natural persons, legal persons or other organizations that have special relations with the Company which may lead to a bias in their favor as identified by the China Securities Regulatory Commission, the Shanghai Stock Exchange or the Company based on the principle of substance over form.

Within 12 months prior to the date of occurrence of the transaction or within 12 months after the relevant transaction agreement comes into effect or the arrangement is implemented, any legal persons, other organizations or natural persons under any of the circumstances stated in the preceding clause shall be considered a related party of the Company.

The Company shall not be related to any legal persons or other organizations that are directly or indirectly controlled by the legal persons or other organizations stated in clause 4.1 above on the ground that they are under the control of the same state-owned assets supervision and administration body except where the legal representatives, general managers, responsible persons or more than half of the directors of such legal persons or other organizations also serve as the directors, supervisors or senior management personnel of the Company.

Article 5 A related relation primarily refers to the relation between the controlling shareholders, actual controllers, directors, supervisors and senior management personnel of the Company and the companies directly or indirectly controlled by them as well as other relations that may lead to the transfer of the Company's interests. However, the state-controlled enterprises are not related to each other solely on the ground that they are under the common control of the state.

Article 6 The Company shall determine related parties and related relations according to relevant laws, regulations and other regulatory documents in conjunction with the specific ways and means and extent of the related parties' control over or influence on the Company.

Chapter III Related Party Transactions

Article 7 Related Party Transactions of the Company refer to the transactions between the Company or other entities such as its consolidated subsidiaries and related parties of the Company, which include the following activities and those that may cause the transfer of resources or obligations in the ordinary course of business:

- (1) Purchase or sale of assets;
- (2) External investment (except for the purchase of wealth management products of banks);
- (3) Transfer or acceptance of research and development projects;
- (4) Execution of license agreements;

- (5) Provision of guarantees;
- (6) Lease-in or lease-out of assets;
- (7) Provision or receipt of trust of assets and businesses;
- (8) Giving or receipt of assets on gift basis;
- (9) Claim and debt restructuring;
- (10) Provision of financial assistance;
- (11) Other transactions as determined by the Shanghai Stock Exchange.

The purchase or sale of assets above shall not include transactions entered into in the ordinary course of business such as the purchase of raw materials, fuels and power and the sale of products or goods.

The Shanghai Stock Exchange may identify a transaction between the Company and a relevant party as a Related Party Transaction based on the principle of substance over form. The Company shall perform review procedures and disclosure obligations in accordance with the Listing Rules.

Article 8 The Company and related parties shall enter into a written agreement for a Related Party Transaction. The agreement in relation to a Related Party Transaction shall be entered into on a fair, voluntary, equal and paid basis. The content of the agreement shall be clear and specific.

Article 9 Where the Company enters into a Related Party Transaction, the Company shall ensure the legality, necessity, rationality and fairness of the Related Party Transaction, maintain the independence of the Company, and shall not use the Related Party Transaction to adjust financial indicators and prejudice the interests of the Company.

Chapter IV Pricing Principles for Related Party Transactions

Article 10 The Company shall enter into a written agreement for a Related Party Transaction to clarify the pricing policy for the Related Party Transaction. In the course of execution of a Related Party Transaction, the Company shall perform the corresponding approval procedures again according to the adjusted transaction amount if there have been significant changes to the principal terms of the agreement such as the transaction price.

Article 11 The Company's Related Party Transactions shall be priced fairly and implemented with reference to the following principles:

- (1) Transactions subject to government pricing may apply such prices directly;
- (2) Transactions subject to government-guided pricing may be priced reasonably within the government-guided price range;
- (3) Except for those subject to government pricing or government-guided pricing, transactions with comparable market rates from independent third parties or charging standards may be priced with reference to such prices or standards;
- (4) Transactions without comparable market rates from independent third parties may be priced with reference to the non-related party transactions between the related parties and third parties independent of the related parties;
- (5) Transactions that do not have market rates from independent third parties nor prices under independent non-related party transactions for reference shall be priced based on reasonable constitutive prices. The constitutive price shall comprise a reasonable cost plus a reasonable margin.

Article 12 The Company may adopt the following pricing methods given the circumstances of a Related Party Transaction when determining its price in accordance with items 11.3, 11.4 and 11.5 of the System:

- (1) Cost-plus method – priced based on the reasonable cost incurred in the Related Party Transaction plus the gross profit of comparable non-related party transactions, applicable to Related Party Transactions such as procurement, sales, transfer and use of tangible assets, provision of labor and capital facility;

- (2) Resale price method – the fair transaction price of the goods purchased by the related party is calculated as the price of the goods resold to a non-related party after being purchased by the related party less the gross profit of comparable non-related party transactions, applicable to simple processing or pure purchase and sale business in which the reseller does not carry out substantial value-added processing such as changes to the appearance, performance, structure or replacement of the logo;
- (3) Comparable uncontrolled price method – priced based on the price charged for business activities the same as or similar to the Related Party Transaction conducted between non-related parties. It is applicable to all kinds of Related Party Transactions;
- (4) Transactional net margin method – the margin level benchmark of comparable non-related party transactions is used to determine the net margin of a Related Party Transaction. It is applicable to Related Party Transactions such as procurement, sales, transfer and use of tangible assets and provision of labor;
- (5) Profit split method – the respective profits that should be allocated to the Company and the related party are calculated according to their contribution to the combined profit of the Related Party Transaction. It is applicable to situations where the parties involved are highly integrated in the Related Party Transaction and it is difficult to evaluate the results of each party's transaction on an individual basis.

Article 13 Where a Related Party Transaction of the Company cannot be priced according to the principles and methods above, the principles and methods for determining the price of the Related Party Transaction shall be disclosed together with a description of the fairness of the pricing.

Chapter V Decision-making Authority on Related Party Transactions

Article 14 Proposed Related Party Transactions of the Company are submitted by the Company's functional departments, specifying the particulars of the Related Party Transactions, the pricing basis and the degree of impact on the interests of the Company and shareholders.

Article 15 Related Party Transactions between the Company and related natural persons valued at below RMB300,000 are approved by the Company's general manager.

Related Party Transactions between the Company and related legal persons valued at below RMB3 million or below 0.1% of the Company's latest audited total assets or market value are approved by the Company's general manager.

The Company shall not directly or indirectly provide loans to directors, supervisors and senior management personnel through subsidiaries.

Article 16 Related Party Transactions between the Company and related natural persons valued at more than RMB300,000 (except for providing guarantees) are reviewed and approved by the Board of Directors.

Related Party Transactions between the Company and related legal persons valued at more than RMB3 million and accounting for more than 0.1% of the Company's latest audited total assets or market value (except for providing guarantees) are reviewed and approved by the Board of Directors.

The transactions between the Company and related parties above shall be disclosed in a timely manner.

Article 17 For Related Party Transactions between the Company and related persons valued at over RMB30 million and accounting for more than 1% of the Company's latest audited total assets or market value (except for providing guarantees), an audit report or evaluation report shall be submitted to the general meeting of shareholders for review and approval after approved by the Board of Directors in accordance with the relevant requirements of the Listing Rules.

Related Party Transactions referred to in the preceding clause are exempt from audit or evaluation if conducted in the ordinary course of business.

Article 18 Where the Company provides guarantees for related parties, it shall be commercially justifiable, disclosed in a timely manner upon the Board of Directors' approval and submitted to the general meeting of shareholders for deliberation. Where the Company provides guarantees for controlling shareholders, actual controllers and their related parties, the controlling shareholders, actual controllers and their related parties shall provide counter-guarantees.

When the general meeting of shareholders considers a resolution to provide guarantees for shareholders, actual controllers and their related parties, the shareholders or the shareholders controlled by the actual controllers shall abstain from voting on the resolution, which shall be passed by more than half the voting rights held by other shareholders present at the general meeting.

Article 19 The Company shall provide financial assistance or entrusted financial management to related parties in a prudent manner; if deemed necessary, the amount incurred shall be disclosed as the calculation basis and aggregated for 12 consecutive months, and Article 16 or 17 of the System shall apply.

Those with relevant obligations being discharged in accordance with Article 16 or 17 of the System shall no longer be included in the relevant scope of aggregation.

Article 20 Articles 16 and 17 of the System shall be respectively applicable to the following Related Party Transactions of the Company conducted in 12 consecutive months on an aggregate basis:

- (1) Transactions with the same related person;
- (2) Transactions with different related persons regarding related subject matters.

The “same related person” mentioned in item 20.1 above includes a legal person or other organization that is controlled by the same actual controller as such related person or has an equity control relationship with such related person, or where its director or senior management personnel is assumed by the same natural person as such related person.

Those with relevant obligations being discharged in accordance with the System shall no longer be included in the relevant scope of aggregation.

Article 21 If the Company intends to conduct a Related Party Transaction that is required to be submitted to the general meeting of shareholders for deliberation, prior endorsement of independent non-executive directors shall be obtained before submitting the same to the Board of Directors for deliberation.

The prior endorsement of independent non-executive directors shall be subject to consent of more than half of all independent non-executive directors and disclosed in the announcement regarding the Related Party Transaction.

Article 22 The Board of Directors shall express its opinions on whether the major Related Party Transaction submitted to the general meeting of shareholders for deliberation is in the interest of the Company. The Board of Directors shall state the reasons, main assumptions and factors considered when expressing its opinions.

The Board of Supervisors shall express its opinions on the fairness of the Related Party Transaction submitted to the Board of Directors and the general meeting of shareholders for deliberation.

Chapter VI Deliberation Process of Related Party Transactions

Article 23 Related Party Transactions that are subject to the review and approval of the Company's general manager as set out in Article 15 of the System shall be reported in writing by relevant functional departments of the Company to the Company's general manager, who shall in turn review the necessity, rationality and fairness of such Related Party Transactions before implemented by relevant departments.

Article 24 Related Party Transactions that are subject to the review and approval of the Board of Directors as set out in Article 16 of the System shall be reviewed according to the following procedures:

- (1) The relevant functional department of the Company prepares a detailed written report on the Related Party Transaction and the agreement thereof;
- (2) The general manager submits the proposal to the Board of Directors for consideration after an initial review;
- (3) After receiving the proposal, the chairman or the secretary of the Board of Directors issues a notice of board meeting to all directors of the Company, who shall review and discuss the necessity, rationality and fairness of such Related Party Transaction;
- (4) The Board of Directors votes on such Related Party Transaction, which will only be implemented upon approval.

Article 25 Whether or not the Company's Related Party Transactions require the approval of the Board of Directors, related directors shall disclose the nature and degree of their related relations to the Board of Directors before the transaction occurs.

When the Board of Directors deliberates on Related Party Transactions, related directors shall abstain from voting, shall not they exercise voting rights on behalf of other directors. The board meeting shall be validly held by over half of the non-related directors, and resolutions must be passed by over half of non-related directors as well. If the number of non-related directors present at the board meeting is under three, the Company shall submit the transactions to the general meeting of shareholders for deliberation.

The "related directors" mentioned in the preceding clause include the following directors or directors who are under any of the following circumstances:

- (1) Being the counterparties;
- (2) Being the direct or indirect controllers of the counterparties;

- (3) Serving in the counterparties, or in legal persons or other organizations that can directly or indirectly control the counterparties, or in legal persons or other organizations directly or indirectly controlled by the counterparties;
- (4) Being family members (see item 4.4 of the System for the specific scope) who are closely related to the natural persons stated in item 25.1 and 25.2 above (see item 4.4 of the System for the specific scope);
- (5) Being family members (see item 4.4 of the System for the specific scope) who are closely related to the directors, supervisors or senior management personnel of the legal persons or organizations stated in items 25.1 and 25.2;
- (6) Being directors whose independent commercial judgment may be affected as identified by the China Securities Regulatory Commission, the Shanghai Stock Exchange or the Company based on the principle of substance over form.

Article 26 For Related Party Transactions subject to review and approval by the Company's general meeting of shareholders as set out in Article 17 of the System, if the subject matter of the Related Party Transaction is equity, the Company shall provide an audit report on the financial report of the subject for the last year and a stub period; if the subject matter of the Related Party Transaction is non-cash assets other than equity, the Company shall also provide an evaluation report. The audited financial report shall be made up to a date falling not over six months before the date the audit report is used, and the reference date of the evaluation report shall not be over one year before the date the assessment report is used.

The audit report and evaluation report set out in the preceding clause shall be issued by securities service institutions that are qualified to carry out businesses related to securities and futures.

For transactions that are below the thresholds set out in Article 17 of the System but are deemed necessary to provide an audit or evaluation report by the Shanghai Stock Exchange, the Company shall do so accordingly.

Article 27 When the Company's general meeting of shareholders deliberates Related Party Transactions, related shareholders shall abstain from voting, shall not they exercise voting rights on behalf of other shareholders.

The resolutions on Related Party Transactions made by the general meeting of shareholders shall be passed by over half of the voting rights held by non-related shareholders present at the general meeting for ordinary resolutions and by more than two-thirds of the voting rights for special resolutions. For voting on Related Party Transactions, two representatives of non-related shareholders shall participate as scrutineers in the vote-taking process. The announcement on the results of the general meeting of shareholders shall sufficiently disclose the voting results of non-related shareholders.

The “related shareholders” mentioned in the preceding clause include the following shareholders or shareholders who are under any of the following circumstances:

- (1) Being the counterparties;
- (2) Being the direct or indirect controllers of the counterparties;
- (3) Under the direct or indirect control of the counterparties;
- (4) Under the direct or indirect control of the same natural persons, legal persons or other organizations as the counterparties;
- (5) Being shareholders whose voting rights are restricted and affected due to incomplete equity transfer agreements or other agreements with the counterparties or its related persons;
- (6) Being shareholders who may have a bias in their favor as identified by the China Securities Regulatory Commission or the Shanghai Stock Exchange.

Article 28 Daily Related Party Transactions with related persons shall be conducted in accordance with the following disclosure requirements and review procedures:

- (1) Perform review procedures and disclose the transactions for daily Related Party Transactions with annual amounts that can be reasonably estimated by the Company based on their categories; and when the actual amounts exceed the estimated amounts, the Company shall perform the review procedures and disclose the transactions again in view of the excess amounts;
- (2) The Company’s annual and interim reports shall disclose daily Related Party Transactions by category on an aggregate basis;
- (3) The Company shall perform the review procedures and fulfill its disclosure obligations every three years for agreements regarding daily Related Party Transactions entered into with related persons for a term of over three years.

Article 29 The daily Related Party Transaction agreements shall at least include salient terms such as the transaction price, the pricing policy and basis, the range of transaction volume or the method used to determine the transaction volume, the time and method of payment and a comparison with the actual amounts of similar daily Related Party Transactions in the past three years.

Article 30 The following transactions between the Company and related parties may be exempt from the review and disclosure requirements of Related Part Transactions:

- (1) One party subscribes in cash for the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (2) One party acts as a member of an underwriting syndicate to underwrite the shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (3) One party receives dividends, bonuses or remuneration pursuant to the resolutions of the general meeting of shareholders of the other party;
- (4) One party participates in the public bidding or auction of the other party, except where the bidding or auction is unlikely to establish a fair price;
- (5) Transactions in which the Company unilaterally obtains benefits, including receiving gifted cash assets, obtaining debt relief, accepting guarantees and subsidies;
- (6) The price of the Related Party Transaction is fixed by the state;
- (7) A related party provides funds to the Company at an interest rate not higher than the benchmark lending rate for the same period set by the People's Bank of China, and the Company has no corresponding guarantee for the financial assistance;
- (8) The Company provides products and services to directors, supervisors and senior management personnel on the same trading conditions as non-related persons;
- (9) Other transactions as identified by the Shanghai Stock Exchange and other regulatory bodies.

Article 31 Related Party Transactions of the Company's majority-owned subsidiaries are deemed to be conducted by the Company and are therefore subject to the decision-making procedures and disclosure requirements under the System.

Chapter VII Disclosure of Related Party Transactions

Article 32 The Company shall truthfully disclose relevant information such as related persons and Related Party Transactions according to relevant laws, regulations, and regulatory documents.

Article 33 When the Company discloses a Related Party Transaction, it shall submit the following documents to the Shanghai Stock Exchange:

- (1) A copy of the announcement;
- (2) The agreement or letter of intent regarding the transaction; a copy of the board resolution and the resolution announcement; approvals from the competent authorities involved in the transaction (if applicable); professional reports issued by securities service institutions (if applicable);
- (3) Written documents of independent non- executive directors' prior endorsement of the transaction;
- (4) Opinions of independent non-executive directors;
- (5) Opinions of the Audit and Risk Management Committee (if applicable);
- (6) Other documents as required by the Shanghai Stock Exchange.

Article 34 The Related Party Transaction announcement disclosed by the Company shall include the following:

- (1) A brief description of the Related Party Transaction;
- (2) A description of the related person;
- (3) The basic information of the subject matter of the Related Party Transaction;
- (4) The substance and pricing policy of the Related Party Transaction;
- (5) The purpose of the Related Party Transaction and its impact on the Company;
- (6) The prior endorsement of and independent opinions expressed by independent non-executive directors;
- (7) The opinions of the independent financial adviser (if applicable);

- (8) The opinions of the Audit and Risk Management Committee (if applicable);
- (9) Historical Related Party Transactions;
- (10) The undertakings of controlling shareholders (if any).

Chapter VIII Supplementary Rules

- Article 35** The Company's Board of Directors is responsible for the establishment and amendment of the System, which are subject to the deliberation of the Company's general meeting of shareholders. The System shall become effective from the date on which the resolution of the general meeting of shareholders is passed. Requirements specific to listed companies shall become effective when the Company completes its initial public offering and is listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange.
- Article 36** The terms "more than", "less than" and "before" used in the System shall include the number itself, and "over", "under" and "below" shall exclude the number itself.
- Article 37** Matters not covered by the System shall be implemented in accordance with the provisions of relevant laws, regulations, regulatory documents of the state and the Company's Articles; where the System is inconsistent with the relevant provisions of relevant laws, regulations, regulatory documents and the Company's Articles, the relevant provisions of the relevant laws, regulations, regulatory documents and the Company's Articles shall prevail; where the System conflicts with the laws, regulations, regulatory documents enacted by the state in the future or the Company's Articles amended pursuant to legal procedures, it shall be implemented in accordance with the provisions of the relevant laws, regulations, regulatory documents of the state and the Company's Articles, and shall be amended forthwith and submitted to the general meeting of shareholders for deliberation and approval.
- Article 38** The Board of Directors shall be responsible for the interpretation of the System.

**Remuneration Management
System for the Directors, Supervisors and Senior Management of
China Isotope & Radiation Corporation**

Chapter I General

Article 1 In order to regulate the remuneration management for the directors, supervisors and senior management of China Isotope & Radiation Corporation (hereinafter referred to as the “Company”), establish scientific and effective incentive and restriction system, improve the business operations management standards and stimulate stable operation and sustainable development of the Company, the Company formulates a remuneration management system for the directors, supervisors and senior management (hereinafter referred to as the “System”) in accordance with relevant laws, regulations and regulatory documents (such as the Company Law of the People’s Republic of China) as well as the Articles of Association of China Isotope & Radiation Corporation (hereinafter referred to as the “Articles of Association”) together with the actual situations of the Company.

Article 2 The directors, supervisors and senior management applicable to the System include:

- (1) Independent non-executive directors (Independent Directors): refer to the directors who, other than as an independent non-executive director and a member of the special committee of the board of directors, do not serve in any other position in the Company and do not have any relationship with the Company and any of its substantial shareholder which may hinder their forming of any independent and objective judgment, and who are in compliance with independence provisions of the securities regulatory rules of the jurisdictions where the Company’s shares are listed;
- (2) Executive directors: refer to the directors who are responsible for the matters in relation to the operation and management of the Company;
- (3) Non-executive directors: refer to the non-independent directors who have not entered into any employment contracts with the Company and are not responsible for the matters in relation to the operation and management of the Company;
- (4) Shareholder supervisors: refer to the supervisors who are not employees of the Company and act on behalf of shareholder units;

- (5) Employee representative supervisors: refer to the employee supervisors elected through the Company's employee representative meetings or other democratic means;
- (6) Senior management: including general manager, deputy general manager, chief accountant, chief engineer, chief legal advisor, secretary of board of directors, as well as other personnel specified in the Articles of Association.

Article 3 The remunerations of directors, supervisors and senior management are closely related to the efficiency and objectives of the Company, as well as the long-term development of the Company and the interests of shareholders.

Article 4 The remuneration schemes for the directors and supervisors of the Company shall be considered and approved by the board of directors and the board of supervisors and submitted to the general meeting for making decisions, while the remuneration schemes for senior management shall be considered and approved by the board of directors.

Chapter II Compositions and Standards of Remunerations

Article 5 Directors, supervisors, and senior management of the Company shall receive the corresponding remunerations for their positions and roles in accordance with the employment contracts or service contracts with the Company. Annual remunerations are comprehensively determined based on: nature of the positions, relevant duties in the process of production, sales and management, actual working efficiencies, abilities to perform duties and completion of responsibilities, together with the operating results of the Company, which is implemented in accordance with the System and the "Employee Salaries and Benefits Management System" of the Company.

The remunerations of directors, supervisors, and senior management of the Company comprise of basic salaries and performance bonuses, of which: basic salaries shall be paid on fixed schedules, while performance bonuses shall be paid according to assessment results.

Article 6 Allowances shall be paid by the Company to independent non-executive directors, which standards are determined by reference to those of the industry. Details shall be subject to the "Director's Service Contract" entered between the Company and each independent non-executive director. Apart from this, no additional remuneration will be paid.

Article 7 For the non-independent directors and supervisors who do not serve in the Company, the allowance granted by the Company shall be determined with reference to the standards of the industry. Details shall be subject to the remuneration schemes considered and approved by the general meeting of the Company. Apart from this, no additional remuneration will be paid.

Chapter III Payment and Management of Remunerations

Article 8 The allowances for independent non-executive directors of the Company and non-independent directors and supervisors who do not serve in the Company are paid monthly.

Article 9 The remunerations for directors, supervisors and senior management serving in the Company shall be paid in accordance with the employment contract or service contract signed by them, where basic salaries shall be paid monthly and performance bonuses shall be paid according to assessment cycles.

Article 10 The remunerations and allowances of directors, supervisors and senior management of the Company are pre-tax amounts. The Company is required to withhold and pay the personal income tax in accordance with the national tax laws when paying the remunerations.

Article 11 In view of the changes in the external business environment of each operating year, subject to the consideration and approval by the board of directors and board of supervisors of the Company, the above-mentioned standards of remuneration for directors and supervisors of the Company can be adjusted within a range of $\pm 30\%$ of the remuneration scheme standards which have been considered and approved by general meetings. Subject to the consideration and approval by the board of directors of the Company, the above-mentioned standards of remuneration for the senior management of the Company can be adjusted within a range of $\pm 30\%$ of the remuneration scheme standards which have been considered and approved by the board of directors.

Article 12 The reasonable costs of transportations and accommodations incurred by the directors, supervisors and senior management for attending board meetings, board of supervisor meetings and general meetings as well as performing duties under relevant provisions of the Company Law and the Articles of Association will be borne by the Company.

Article 13 The remunerations and allowances of directors, supervisors and senior management of the Company shall be strictly managed and implemented in accordance with the financial standards of the Company. The financial management department shall payout salaries on a monthly basis according to the relevant financial management system. The Company is strictly prohibited from paying salaries and bonuses by cash or through other personal accounts.

Chapter IV Supplementary Provisions

Article 14 Any matters not covered in this System shall be implemented in accordance with the relevant requirements under national laws, regulations, regulatory documents and the Articles of Association.

Article 15 In the event of any contradiction between this System and any national laws, regulations and regulatory documents promulgated in the future, the relevant national laws, regulations and regulatory documents shall prevail. In such case, timely amendments to the System shall be made forthwith.

Article 16 This System is formulated by the board of directors, which has been taken effect from the date of approval by the Company's general meeting, and the same applies for modifications.

Article 17 The board of directors of the Company shall be responsible for the interpretation of this System.

**Explanation on Use of the Previous IPO Proceeds of
China Isotope & Radiation Corporation**

China Isotope & Radiation Corporation (“CIRC”) issued 79,968,700 H shares with a par value of RMB1.00 to Hong Kong and overseas investors in the form of initial public offering on the Hong Kong Stock Exchange on 6 July 2018, at an issue price of HK\$21.60 per share. As of 30 June 2021, particulars of the proceeds were as follows:

1. RAISING OF THE PROCEEDS

On 6 July 2018, the Company issued 79,968,700 H shares with a par value of RMB1.00 to Hong Kong and overseas investors in the form of initial public offering on the Hong Kong Stock Exchange at an issue price of HK\$21.60 per share. On 3 August 2018, the over-allotment options granted by the Company were partially exercised, and 100 H shares were allotted at the issue price of HK\$21.60 per share. The initial total amount held in the special proceed account was HK\$1,695 million, equivalent to RMB1,432.64 million. The above proceeds have been deposited into the special bank account with **Industrial and Commercial Bank of China (Asia) Limited (861520126506)** on 6 July 2018.

2. DEPOSIT ACCOUNT OF PROCEEDS

Opening bank	Account number	Use
Industrial and Commercial Bank of China (Asia) Limited	861520126506	Special account for initial deposit of Hong Kong proceeds of CIRC
China Construction Bank Corporation Beijing Zhongguancun Branch	11050163360000001257	Special onshore HKD account (transfer account from remittance of proceeds from overseas listing into onshore account)
China CITIC Bank Beijing Raffles Branch	8110713012401441135	Special onshore HKD account (ditto)
China Construction Bank Corporation Beijing Zhongguancun Branch	11050163360000001258	Special onshore RMB account (investment account for domestic investment projects)
China CITIC Bank Beijing Raffles Branch	8110701013901442710	Special onshore RMB account (ditto)

3. CHANGES IN USE OF PROCEEDS

Project name		Amount of proceeds to be used	
Before adjustment	After adjustment	Before adjustment	After adjustment
Investment in the base for production and research of radiopharmaceuticals for imaging diagnosis and treatment	Investment in the base for production and research of radiopharmaceuticals for imaging diagnosis and treatment, and establishment of subsidiary for production and distribution	RMB664.6 million	RMB460 million
Establishment of subsidiary for production and distribution			
Establishment of new production facility	Establishment of new production facility	RMB84.5 million	RMB50 million
Investment in research and development of various radiopharmaceuticals for imaging diagnosis and treatment, raw materials of radioactive source products, medical radioisotopes and urea breath test products and related raw materials	Investment in research and development of various radiopharmaceuticals for imaging diagnosis and treatment, raw materials of radioactive source products, medical radioisotopes and urea breath test products and related raw materials	RMB253.6 million	RMB118.3 million
Investment/selective (merger) acquisition	Investment/selective (merger) acquisition	RMB286.5 million	RMB536.1 million
Working capital and general use of enterprise	Working capital and general use of enterprise	RMB143.3 million	RMB268.1 million
Total		RMB1,432.5 million	RMB1,432.5 million

4. USE OF PROCEEDS AS OF 30 JUNE 2021

As of 30 June 2021, CIRC legally used IPO proceeds. Breakdown of the use is as follows:

No.	Commitment investment project	Actual investment project	Investment commitment amount before IPO	Investment commitment amount after IPO	Actual investment amount
1.1	Investment in the base for production and research of radiopharmaceuticals for imaging diagnosis and treatment	Investment in the base for production and research of radiopharmaceuticals for imaging diagnosis and treatment, and establishment of subsidiary for production and distribution	RMB597.3 million	RMB460.0 million	RMB205.627 million
1.2	Establishment of subsidiary for production and distribution		RMB67.3 million		
2	Establishment of new production facility	Establishment of new production facility	RMB84.5 million	RMB50.0 million	RMB50.0 million
3	Investment in research and development of various radiopharmaceuticals for imaging diagnosis and treatment, raw materials of radioactive source products, medical radioisotopes and urea breath test products and related raw materials	Investment in research and development of various radiopharmaceuticals for imaging diagnosis and treatment, raw materials of radioactive source products, medical radioisotopes and urea breath test products and related raw materials	RMB253.6 million	RMB118.3 million	RMB101.2078 million
4	Investment/selective (merger) acquisition	Investment/selective (merger) acquisition	RMB286.5 million	RMB536.1 million	RMB536.1 million
5	Working capital and general use of enterprise	Working capital and general use of enterprise	RMB143.3 million	RMB268.1 million	RMB268.1 million
Total			RMB1,432.5 million	RMB1,432.5 million	RMB1,161.0348 million

China Isotope & Radiation Corporation
5 November 2021

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)
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**Explanation on Related Party Transactions of China Isotope & Radiation Corporation
During the Reporting Period (2018, 2019, and 2020 and January-June 2021)**

5 November 2021

To Shareholders:

Due to operational needs, there are connected transactions between CRIC (including the subsidiaries within the scope of consolidated statements) and relevant related parties during the years 2018, 2019 and 2020 and January-June 2021. After self-inspection by the Company, the connected transactions occurred by the Company during the reporting period followed the principles of equality, voluntariness, fairness and reasonableness in all material aspects, the prices of the connected transactions were fair, the decision-making authority and decision-making procedures of the connected transactions were legal, and there was no damage to the interests of the Company and other Shareholders, nor was there any transfer of benefits to the Company or the connected parties. The status of related parties during the reporting period is reported as follows:

I. SALE OF GOODS/PROVISION OF LABOR

The Company sold goods to related parties in the amount of RMB63,447,899.90, RMB69,168,758.55, RMB66,194,497.92 and RMB29,759,880.07 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from	2020	2019	2018
		1 January 2021 to 30 June 2021			
Shanghai GMS	Sale of goods	9,563,274.42	15,560,054.14	16,997,194.24	20,196,843.40
CNNC Jianzhong Nuclear Fuel Co., Ltd.	Sale of goods	4,353,805.30	10,340,477.85	13,044,247.75	8,275,862.10
Nanjing Pharmaceutical	Sale of goods	3,566,726.33	5,639,349.66	4,513,273.67	3,748,539.32
CIAE	Sale of goods	2,921,238.95	4,358,983.24	7,694,458.12	9,863,804.58
Lanzhou 504 Hospital Management Co., Ltd.	Sale of goods	2,338,684.05	168,495.57	29,469.01	–
Nuclear Industry 416 Hospital	Sale of goods	2,215,159.72	7,129,269.64	2,496,494.36	3,098,867.06
Beijing Nuclear Industry Hospital	Sale of goods	2,055,401.40	4,429,678.81	5,577,991.89	4,497,009.32

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
Nuclear Engineering Research and Design Co., Ltd.	Sale of goods	1,144,955.75	1,899,434.20	2,587,666.68	–
Nuclear Industry General Hospital	Sale of goods	762,756.15	1,077,431.80	678,729.42	400,834.70
Nuclear Industry 417 Hospital	Sale of goods	208,849.54	337,610.60	507,775.71	375,758.89
Sanmen Nuclear Power Co., Ltd.	Sale of goods	193,417.74	193,417.75	138,053.09	–
China Institute for Radiation Protection	Sale of goods	133,523.84	552,052.62	462,030.08	60,829.64
CNNC SUFA Technology Industry Co., Ltd.	Sale of goods	66,725.66	102,083.83	81,528.58	–
CNNC Huachen Engineering Management Co., Ltd.	Sale of goods	38,017.70	–	–	–
Dalian CNNC Technology Development Co., Ltd.	Sale of goods	28,669.91	54,997.35	589,682.16	–
First Institution of Nuclear Power Institute of China	Sale of goods	26,548.67	–	–	–
China Nuclear Industry 24 Construction Co., Ltd.	Sale of goods	21,769.91	–	27,417.91	–
Beijing Geological Research Institute of Nuclear Industry	Sale of goods	17,265.48	45,847.78	15,121.54	–
Shanxi CIRP Nuclear Instrument Co., Ltd.	Sale of goods	15,929.20	10,619.47	–	–
CNNC Control System Engineering Co., Ltd.	Sale of goods	12,820.51	–	103,448.28	92,307.69
Chengdu CNNC Haichuan Nuclear Technology Co., Ltd.	Sale of goods	10,619.47	–	–	29,310.35
Kunshan Kangmin Health Examination Co., Ltd.	Sale of goods	17,699.11	–	–	–
Research Institute of Physical and Chemical Engineering of Nuclear Industry	Sale of goods	7,663.72	6,637.17	8,643.36	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
Zhejiang Wanyu Environmental Technology Co., Ltd.	Sale of goods	7,794.69	–	–	–
Nuclear Industry 419 Hospital	Sale of goods	6,194.69	1,769.90	1,415.92	117,714.72
China North Nuclear Fuel Co., Ltd.	Sale of goods	5,989.38	–	–	–
Yunnan Xinhua Hydropower Investment Co., Ltd.	Sale of goods	3,897.35	–	–	–
CNNC Huajian Asset Management Co., Ltd.	Sale of goods	3,801.77	–	–	–
China Nuclear Industry Material Supply and Marketing East China Co., Ltd.	Sale of goods	3,801.77	–	–	–
Southwest Research Institute of Physical Engineering Nuclear Industry	Sale of goods	3,097.35	–	–	–
China Nuclear Industry Huaxing Construction Co., Ltd.	Sale of goods	1,890.27	–	34,938.05	–
Liling Lujiang Xinghua Investment Co., Ltd.	Sale of goods	1,890.27	–	–	–
China Nuclear Energy Industry Corporation	Sale of goods	–	8,982,301.00	–	–
Fourth Research and Design Engineering Corporation of CNNC	Sale of goods	–	1,929,203.54	3,387,068.90	–
CICAM	Sale of goods	–	1,552,389.38	2,292,660.15	2,815,063.33
CNNC Qingyuan Environmental Technology Engineering Co., Ltd.	Sale of goods	–	1,124,778.77	–	–
CNNC Kaili (Shenzhen) Catering Management Co., Ltd.	Sale of goods	–	277,507.96	–	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
Aerial Survey and Remote Sensing Center of Nuclear Industry	Sale of goods	–	158,407.08	–	–
China Nuclear Industry Fifth Construction Company Limited	Sale of goods	–	155,321.59	578,216.08	–
NUCTECH Co., Ltd.	Sale of goods	–	39,823.01	–	–
CNNC Lihua Fire Engineering Co., Ltd.	Sale of goods	–	17,840.70	–	–
Xi'an CNNC Nuclear Instrument Co., Ltd.	Sale of goods	–	15,594.69	–	–
Beijing Research Institute of Chemical Engineering Metallurgy of Nuclear Industry	Sale of goods	–	14,159.30	26,548.68	–
CNNC (Shanghai) Supply Chain Management Co., Ltd.	Sale of goods	–	9,053.10	–	–
CNNC Building Materials Co., Ltd.	Sale of goods	–	8,480.00	–	–
CNNC Radiation Medical Investment Co., Ltd.	Sale of goods	–	1,200.00	–	–
CNNC (Beijing) Nuclear Instrument Co., Ltd.	Sale of goods	–	226.42	–	–
Equipment Manufacturing Plant of Nuclear Power Institute of China	Sale of goods	–	–	2,844,993.44	3,450,273.47
CNNC Wuhan Nuclear Power Operation Technology Co., Ltd.	Sale of goods	–	–	1,977,760.11	346,520.37
Nuclear Power Institute of China	Sale of goods	–	–	1,080,756.81	58,235.58
CNNC Environmental Protection Industry Co., Ltd.	Sale of goods	–	–	350,654.87	–
CNNC 404 Hospital Management Co., Ltd.	Sale of goods	–	–	286,313.71	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to	2020	2019	2018
		30 June 2021			
Jiangsu Nuclear Power Corporation	Sale of goods	–	–	238,793.09	–
Fujian Fuqing Nuclear Power Co., Ltd.	Sale of goods	–	–	188,034.20	–
Qinshan Nuclear Power Co., Ltd.	Sale of goods	–	–	187,735.84	36,896.55
Xi'an Nuclear Equipment Co., Ltd.	Sale of goods	–	–	80,468.06	–
Jiangsu CNNC Huaxing Property Service Co., Ltd.	Sale of goods	–	–	24,955.75	–
CNNC Huachen Construction Engineering Co., Ltd.	Sale of goods	–	–	23,197.59	–
Shanxi Zhongfu Technology Co., Ltd.	Sale of goods	–	–	7,964.60	–
China National Nuclear Corporation (Shenzhen) Limited	Sale of goods	–	2,058.62	–	–
290 Institute of Nuclear Industry	Sale of goods	–	–	998.23	–
CNNC Baotou Nuclear Fuel Co., Ltd.	Sale of goods	–	–	–	5,974,137.93
Institute of Nuclear Power Operations	Sale of goods	–	–	–	9,090.90
Total		<u>29,759,880.07</u>	<u>66,194,497.92</u>	<u>69,168,758.55</u>	<u>63,447,899.90</u>

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)
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The Company provide labor to related parties in the amount of RMB73,832,405.48, RMB74,934,326.67, RMB33,213,742.56 and RMB6,087,215.51 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from	2020	2019	2018
		1 January 2021 to 30 June 2021			
Shanghai GMS	Provision of labor	2,749,945.25	29,176,221.17	72,265,519.64	72,664,014.46
Equipment Manufacturing Plant of Nuclear Power Institute of China	Provision of labor	2,567,068.49	–	594,089.16	–
First Institution of Nuclear Power Institute of China	Provision of labor	320,997.06	–	341,380.59	207,551.72
CNNC Engineering Technology Development Co., Ltd.	Provision of labor	314,150.94	–	–	–
CIAE	Provision of labor	109,202.24	1,946,707.74	1,173,822.61	952,348.74
China National Nuclear Corporation Medical Industry Management Co., Ltd	Provision of labor	25,851.53	1,023,057.21	–	–
Shanghai Shenjing	Provision of labor	–	306,553.69	88,495.58	–
Beijing Research Institute of Chemical Engineering Metallurgy of Nuclear Industry	Provision of labor	–	141,509.43	–	–
CICAM	Provision of labor	–	109,356.15	1,351.35	–
CNNC Wuhan Nuclear Power Operation Technology Co., Ltd.	Provision of labor	–	104,460.00	75,471.70	8,490.56
CNNC No.7 Research and Design Institute Co., Ltd.	Provision of labor	–	100,537.56	–	–
CNNC	Provision of labor	–	74,056.60	–	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
China Nuclear Industrial Number 22 Construction Limited	Provision of labor	–	64,740.00	–	–
Xingyuan Certification Center Co., Ltd.	Provision of labor	–	46,226.41	–	–
Institute of Nuclear Power Operations	Provision of labor	–	45,600.00	–	–
CNNC Qianruiming (Hubei) Pharmaceutical Technology Co., Ltd.	Provision of labor	–	23,940.00	–	–
CNNC Hexin Information Technology (Beijing) Co., Ltd.	Provision of labor	–	18,339.62	–	–
China Nuclear Industry 24 Construction Co., Ltd.	Provision of labor	–	18,720.00	–	–
CNNC (Beijing) Journal Publishing Co., Ltd.	Provision of labor	–	6,000.00	–	–
CNNC (Beijing) Media & Culture Co., Ltd.	Provision of labor	–	3,773.58	–	–
Institute of Standardization of Nuclear Industry	Provision of labor	–	3,000.00	–	–
Institute of Nuclear Science and Technology Information and Economics of China	Provision of labor	–	943.40	–	–
Nuclear Power Institute of China	Provision of labor	–	–	256,460.19	–
China Nuclear Power Engineering Co., Ltd.	Provision of labor	–	–	90,566.00	–
Fourth Research and Design Engineering Corporation of CNNC	Provision of labor	–	–	47,169.81	–
Total		<u>6,087,215.51</u>	<u>33,213,742.56</u>	<u>74,934,326.67</u>	<u>73,832,405.48</u>

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)
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II. PROCUREMENT OF GOODS/ACCEPTANCE OF LABOR

The Company procure goods from related parties in the amount of RMB29,700,732.18, RMB27,069,024.37, RMB27,635,666.18 and RMB23,630,435.47 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
China North Nuclear Fuel Co., Ltd.	Procurement of goods	7,182,000.00	6,095,797.41	6,348,420.62	6,087,179.49
Shanghai GMS	Procurement of goods	6,328,230.03	12,731,101.59	15,591,399.92	15,920,351.16
Dalian CNNC Technology Development Co., Ltd.	Procurement of goods	4,738,977.22	7,247,360.64	850,303.12	5,984,719.91
CIAE	Procurement of goods	4,298,847.43	–	103,526.40	555,922.78
CICAM	Procurement of goods	589,267.45	30,969.92	–	–
Henan Nuclear Clean Technology Co., Ltd.	Procurement of goods	440,619.48	–	208,948.66	–
Suzhou New District Huasu Economic and Trade Development Co., Ltd.	Procurement of goods	23,893.80	50,973.45	–	–
Beijing Nuclear Industry Hospital	Procurement of goods	16,596.00	–	–	–
Nuclear Power Institute of China	Procurement of goods	7,735.85	829,051.60	–	–
Shanxi CIRP Nuclear Instrument Co., Ltd.	Procurement of goods	1,415.93	–	–	–
CNNC (Ningxia) Tongxin Protection Technology Co., Ltd.	Procurement of goods	1,327.43	496,294.69	419,319.04	–
Electrothermal Equipment Factory of Nuclear Power Institute of China	Procurement of goods	1,008.85	–	–	–
Institute of Standardization of Nuclear Industry	Procurement of goods	516.00	–	–	–
Dalian CNNC Radiation Technology Co., Ltd.	Procurement of goods	–	83,008.85	–	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)			
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Related parties	Content of connected transactions	For the period from 1 January 2021 to	2020	2019	2018
		30 June 2021			
CNNC (Shanghai) Supply Chain Management Co., Ltd.	Procurement of goods	–	71,108.03	–	–
CNNC Power Operation Management Co., Ltd.	Procurement of goods	–	–	3,520,406.64	–
CNNC (Beijing) Journal Publishing Co., Ltd.	Procurement of goods	–	–	23,300.97	–
CNNC (Beijing) Media & Culture Co., Ltd.	Procurement of goods	–	–	3,399.00	–
CNNC Huaxia Environmental Engineering Technology Co., Ltd.	Procurement of goods	–	–	–	1,041,592.92
Research Institute of Computer Application of Nuclear Industry	Procurement of goods	–	–	–	88,178.76
Chengdu Haiguang Nuclear Power Technology Service Co., Ltd.	Procurement of goods	–	–	–	22,787.16
Total		<u>23,630,435.47</u>	<u>27,635,666.18</u>	<u>27,069,024.37</u>	<u>29,700,732.18</u>

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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The Company provide procurement services to related parties in the amount of RMB93,112,857.94, RMB100,181,301.45, RMB97,801,669.37 and RMB50,435,112.89 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
Qinshan No.3 Nuclear Power Co., Ltd.	Procurement service	13,910,478.83	17,237,104.83	22,981,658.66	19,934,420.47
CIAE	Procurement service	10,795,436.21	39,723,342.71	46,154,562.33	37,170,299.91
Nuclear Power Institute of China	Procurement service	11,826,375.85	23,657,618.96	23,004,953.85	22,065,590.04
Dalian CNNC Technology Development Co., Ltd.	Procurement service	6,918,523.52	2,542,251.50	–	–
CNNC Power Operation Management Co., Ltd.	Procurement service	4,448,113.21	5,871,509.43	2,846,792.45	1,508,800.00
China Nuclear Industry Zhongyuan Construction Co., Ltd.	Procurement service	733,944.95	212,660.55	73,394.50	1,016,238.53
CNNC Financial Leasing Company Limited	Procurement service	439,818.17	2,685,460.96	–	–
Fourth Research and Design Engineering Corporation of CNNC	Procurement service	332,311.32	855,634.30	14,150.94	565,069.81
Jiangxi Nuclear Industry Economic and Technology Development Co., Ltd.	Procurement service	226,830.24	–	7,166.44	–
CNNC Engineering Consultation Co., Ltd.	Procurement service	135,849.13	385,235.85	46,792.45	22,121.60
Nuclear Industry 416 Hospital	Procurement service	134,570.90	–	–	202,724.00
CNNC Hexin Information Technology (Beijing) Co., Ltd.	Procurement service	125,824.11	296,134.46	–	–
Dalian CNNC Radiation Technology Co., Ltd.	Procurement service	125,471.70	–	–	–
Harcan Engineering Co., Ltd.	Procurement service	101,886.79	–	–	–
CNNC Kaili (Shenzhen) Catering Management Co., Ltd.	Procurement service	70,908.30	25,248.00	–	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
Beijing CNNC Huahui Technology Development Co., Ltd.	Procurement service	40,000.00	230,188.67	–	821,665.58
Shenzhen CNNC Property Management Co., Ltd.	Procurement service	25,742.57	20,000.00	–	–
CNNC Star Construction Project Management Co, Ltd.	Procurement service	23,584.91	155,660.38	72,641.51	5,207,931.69
Institute of Standardization of Nuclear Industry	Procurement service	16,981.14	5,660.38	2,830.19	–
CNNC (Beijing) Media & Culture Co., Ltd.	Procurement service	1,296.00	1,486.24	142,386.79	265,512.26
Nuclear Industry Management Cadre College	Procurement service	1,165.04	4,368.94	–	–
Henan Nuclear Clean Technology Co., Ltd.	Procurement service	–	1,246,778.76	–	–
China Nuclear Industry 24 Construction Co., Ltd.	Procurement service	–	633,027.52	–	–
Research Institute of Computer Application of Nuclear Industry	Procurement service	–	395,243.40	444,476.22	154,052.13
Suzhou New District Huasu Economic and Trade Development Co., Ltd.	Procurement service	–	496,132.07	–	–
Shanghai Shenjing	Procurement service	–	359,561.03	1,021,116.07	–
Nuclear Industry League 208	Procurement service	–	262,143.61	–	–
China Institute for Radiation Protection	Procurement service	–	188,679.25	–	188,679.25
Beijing Research Institute of Chemical Engineering Metallurgy of Nuclear Industry	Procurement service	–	188,679.24	–	–
China Nuclear Power Engineering Co., Ltd.	Procurement service	–	52,830.19	212,264.15	–
CNNC (Beijing) Journal Publishing Co., Ltd.	Procurement service	–	35,066.80	–	67,961.17
China Nuclear Energy Industry Corporation	Procurement service	–	21,000.00	–	–

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)				
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Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
No. 2 Institute of Research and Design of Nuclear Industry	Procurement service	–	7,103.62	–	–
China Nuclear (Tianjin) Machinery Co., Ltd.	Procurement service	–	3,027.53	–	–
Institute of Nuclear Science and Technology Information and Economics of China	Procurement service	–	2,830.19	67,037.74	–
CNNC Sichuan Environmental Protection Engineering Co., Ltd.	Procurement service	–	–	2,830,188.69	2,462,264.16
First Institution of Nuclear Power Institute of China	Procurement service	–	–	134,360.17	1,234,891.38
CNNC No.7 Research and Design Institute Co., Ltd.	Procurement service	–	–	124,528.30	
Beijing CNNC Star Engineering Design Consulting Co., Ltd.	Procurement service	–	–	–	132,075.47
Beijing Nuclear Industry Hospital	Procurement service	–	–	–	55,002.00
Xingyuan Certification Center Co., Ltd.	Procurement service	–	–	–	27,169.81
Beijing Guoyuan New Technology Co., Ltd.	Procurement service	–	–	–	10,188.68
Graduate Department of Nuclear Industry	Procurement service	–	–	–	200.00
Total		<u>50,435,112.89</u>	<u>97,801,669.37</u>	<u>100,181,301.45</u>	<u>93,112,857.94</u>

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)			
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The Company procure fixed assets from related parties in the amount of RMB345,396.78, RMB2,931,749.32, RMB15,557,996.64 and RMB4,248,635.63 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
CIAE	Procurement of fixed assets	1,333,097.35	–	–	–
China Nuclear Industry 24 Construction Co., Ltd.	Procurement of fixed assets	1,019,832.16	5,280,581.52	–	–
Dalian CNNC Technology Development Co., Ltd.	Procurement of fixed assets	793,982.28	67,143.12	164,955.75	36,206.90
Beijing Guoyuan New Technology Co., Ltd.	Procurement of fixed assets	544,690.27	813,185.84	–	–
CNNC Financial Leasing Company Limited	Procurement of fixed assets	546,523.35	344,498.45	495,000.00	–
China Nuclear Industry Huaxing Construction Co., Ltd.	Procurement of fixed assets	10,510.22	–	1,158,866.68	–
Qinshan No.3 Nuclear Power Co., Ltd.	Procurement of fixed assets		8,100,906.30		
China Institute for Radiation Protection	Procurement of fixed assets	–	834,424.77	–	6,075.47
Hebei Hangyao Technology Co., Ltd.	Procurement of fixed assets	–	117,256.64	–	–
Equipment Manufacturing Plant of Nuclear Power Institute of China	Procurement of fixed assets	–	–	1,034,983.49	–
Nuclear Power Institute of China	Procurement of fixed assets	–	–	77,943.40	224,828.14
Henan Nuclear Clean Technology Co., Ltd.	Procurement of fixed assets	–	–	–	43,965.52
Fourth Research and Design Engineering Corporation of CNNC .	Procurement of fixed assets	–	–	–	34,320.75
Total		<u>4,248,635.63</u>	<u>15,557,996.64</u>	<u>2,931,749.32</u>	<u>345,396.78</u>

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)
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III. OTHER CONNECTEC TRANSACTIONS

The Company's lease expense to related parties in the amount of RMB972,391.21, RMB19,774,541.73, RMB22,733,828.30 and RMB4,466,900.00 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
CNNC Financial Leasing Company Limited	Equipment leasing expense	–	22,035,553.10	17,224,227.19	–
CIAE	Rental expense	–	698,275.20	1,241,422.54	–
First Institution of Nuclear Power Institute of China	Rental expense	4,466,900.00	–	–	–
No. 2 Institute of Research and Design of Nuclear Industry	Rental expense	–	–	1,308,892.00	439,057.85
Agency Service Center of Nuclear Industry	Rental expense	–	–	–	533,333.36
Total		<u>4,466,900.00</u>	<u>22,733,828.30</u>	<u>19,774,541.73</u>	<u>972,391.21</u>

The Company paid dividends to related parties in the amount of RMB170,162,709.62, RMB58,892,018.57, RMB76,337,408.93 and RMB0 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from 1 January 2021 to 30 June 2021	2020	2019	2018
CNNC SUFA Technology Industry Co., Ltd.	Payment of dividends	–	31,474,670.52	27,900,000.00	35,641,063.29
CNNC	Payment of dividends	–	14,817,421.83	13,078,588.31	45,561,703.99

APPENDIX XV	EXPLANATION ON RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD (2018, 2019, AND 2020 AND JANUARY-JUNE 2021)
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Related parties	Content of connected transactions	For the period from 1 January 2021 to			
		30 June 2021	2020	2019	2018
Qinshan No.3 Nuclear Power Co., Ltd.	Payment of dividends	–	12,837,921.64	–	8,037,586.36
CIAE	Payment of dividends	–	8,130,488.58	7,176,370.77	25,000,213.08
Nuclear Power Institute of China	Payment of dividends	–	6,527,582.58	5,761,566.77	44,095,788.63
Fourth Research and Design Engineering Corporation of CNNC	Payment of dividends	–	1,832,000.00	2,040,000.00	1,600,000.00
CNNC 404 Company Limited	Payment of dividends	–	521,690.07	460,469.42	1,604,144.89
China National Nuclear Baoyuan Assets Holding Company	Payment of dividends	–	195,633.71	172,675.97	601,570.35
Beijing CNNC Industry Fund (LLP)	Payment of dividends	–	–	2,302,347.33	8,020,639.03
Total		–	76,337,408.93	58,892,018.57	170,162,709.62

The Company paid compensation to key management personnel in the amount of RMB5,171,166.18, RMB7,086,806.38, RMB8,559,427.52 and RMB2,673,661.36 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Item	For the period from 1 January 2021 to			
	30 June 2021	2020	2019	2018
Key management personnel compensation	2,673,661.36	8,559,427.52	7,086,806.38	5,171,166.18

The Company (decreased)/increased net deposits with related parties in the amount of RMB95,346,827.18, RMB270,625,272.52, RMB536,217,771.06 and RMB(130,739,927.07); The Company received interest income from related parties in the amount of RMB9,250,325.78, RMB12,409,082.96, RMB13,993,179.83 and RMB5,666,700.57 for the years 2018, 2019 and 2020 and January-June 2021, respectively. Details are shown in the following table:

Related parties	Content of connected transactions	For the period from 1 January 2021 to	2020	2019	2018
		30 June 2021			
CNNC Finance Company Limited	(Decreased)/ increased net deposits	(130,739,927.07)	536,217,771.06	270,625,272.52	95,346,827.18
CNNC Finance Company Limited	Interest income	5,666,700.57	13,993,179.83	12,409,082.96	9,250,325.78
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China Isotope & Radiation Corporation
5 November 2021