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If you have sold or transferred all your shares in Shenwan Hongyuan Group Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



申 萬 宏 源 集 團 股 份 有 限 公 司
SHENWAN HONGYUAN GROUP CO., LTD.

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

(Stock Code: 6806)

(1) AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS
(2) AMENDMENTS TO THE PROCEEDS MANAGEMENT SYSTEM
(3) ELECTION OF THE NON-EXECUTIVE DIRECTOR
AND
NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING

The 2022 second extraordinary general meeting of Shenwan Hongyuan Group Co., Ltd. will be held at 2:30 p.m. on Thursday, December 29, 2022 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice of the EGM is set out on pages 8 to 9 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM carefully and to complete the proxy form dispatched on Friday, December 9, 2022 in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

December 9, 2022

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DEFINITIONS

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

“A Share(s)”	domestic Shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB and are listed for trading on the Shenzhen Stock Exchange (Stock Code: 000166)
“A Shareholder(s)”	holder(s) of A Share(s)
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Company”	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“Director(s)”	the director(s) of the Company
“EGM”	the 2022 second extraordinary general meeting of the Company to be held at 2:30 p.m. on Thursday, December 29, 2022 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC
“H Share(s)”	overseas listed foreign Shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for in HKD and are listed for trading on the Hong Kong Stock Exchange (Stock Code: 6806)
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	Tuesday, December 6, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding the Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan of the PRC

DEFINITIONS

“Proceeds Management System”	the proceeds management system of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure of the Board of Directors”	the rules of procedure of the board of directors of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company, including A Shareholder(s) and H Shareholder(s)

LETTER FROM THE BOARD



申萬宏源集團股份有限公司 SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

Executive Directors:

Mr. Liu Jian (Chairman)
Mr. Huang Hao

Non-executive Directors:

Ms. Ge Rongrong
Mr. Ren Xiaotao
Mr. Zhang Yigang
Mr. Zhu Zhilong
Ms. Zhang Ying

Independent Non-executive Directors:

Ms. Yeung Siuman Shirley
Mr. Wu Changqi
Mr. Chen Hanwen
Mr. Zhao Lei

Registered Office:

Room 2001, 20/F,
Dacheng International Building
358 South Beijing Road
Urumqi High-tech Zone
Xinjiang, PRC

Principal Place of Business in the PRC:

20/F, Dacheng International Building
358 South Beijing Road
Urumqi High-tech Zone
Xinjiang, PRC

No. 19, Taipingqiao Street
Xicheng District
Beijing, PRC

Principal Place of Business in Hong Kong:

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

December 9, 2022

To the H Shareholders

Dear Sir or Madam,

(1) AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

(2) AMENDMENTS TO THE PROCEEDS MANAGEMENT SYSTEM

(3) ELECTION OF THE NON-EXECUTIVE DIRECTOR

INTRODUCTION

The purpose of this circular is to give you notice of the EGM and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed for consideration at the EGM.

A special resolution will be proposed at the EGM to approve: (1) the amendments to the Rules of Procedure of the Board of Directors.

Ordinary resolutions will be proposed at the EGM to approve: (1) the amendments to the Proceeds Management System; and (2) the election of the non-executive Director.

LETTER FROM THE BOARD

1. RESOLUTION REGARDING THE AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

A special resolution will be proposed at the EGM to approve the amendments to the Rules of Procedure of the Board of Directors.

In order to fully integrate ESG management into the strategic development of the Company and continuously improve corporate governance, the Company intends to change the name of the “Strategy Committee of the Board of Directors” to “Strategy and ESG Committee of the Board of Directors”, add ESG management-related responsibilities to the duties of the Committee, make corresponding amendments to the Rules of Procedure of the Board of Directors and improve the relevant provisions in accordance with the Articles of Association and the actual situation of the Company (the “**Proposed Amendments to the Rules of Procedure of the Board of Directors**”). Please refer to Appendix I to this circular for further details on the Proposed Amendments to the Rules of Procedure of the Board of Directors.

The amended Rules of Procedure of the Board of Directors will be effective from the date of the approval of this resolution at the EGM. The prevailing Rules of Procedure of the Board of Directors will remain valid before the approval of this resolution at the EGM.

The above resolution has been considered and approved at the Board meeting held on December 5, 2022 and is now submitted to the EGM for consideration and approval.

2. RESOLUTION REGARDING THE AMENDMENTS TO THE PROCEEDS MANAGEMENT SYSTEM

An ordinary resolution will be proposed at the EGM to approve the amendments to the Proceeds Management System.

In order to improve the convergence between the internal system and listing supervision laws and regulations, consolidate the normative basis of proceeds management and enhance the effectiveness of corporate governance, the Proceeds Management System is hereby amended in accordance with relevant regulations and taking into account the actual situation of the Company (the “**Proposed Amendments to the Proceeds Management System**”). Please refer to Appendix II to this circular for further details on the Proposed Amendments to the Proceeds Management System.

The amended Proceeds Management System will be effective from the date of the approval of this resolution at the EGM. The prevailing Proceeds Management System will remain valid before the approval of this resolution at the EGM.

The above resolution has been considered and approved at the Board meeting held on December 5, 2022 and is now submitted to the EGM for consideration and approval.

3. ELECTION OF THE NON-EXECUTIVE DIRECTOR

An ordinary resolution will be proposed at the EGM to approve the election of Mr. Shao Yalou (“**Mr. Shao**”) as a non-executive Director of the fifth session of the Board of the Company.

Reference is made to the announcement of the Company dated December 5, 2022 in relation to, among others, the proposed appointment of Mr. Shao as a non-executive Director of the fifth session of the Board of the Company.

LETTER FROM THE BOARD

The biographical details of Mr. Shao required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out below:

Mr. Shao Yalou, aged 45. Mr. Shao worked in Shitong Company of Henan Provincial Grain Bureau (河南省糧食局世通公司) from September 1999 to September 2002; served as a cadre and chief section member in the Comprehensive Division of the General Office of Shanghai Municipal Government (上海市政府辦公廳綜合處) from August 2008 to July 2011; served as a chief section member, deputy researcher and staff member (deputy director general level) in the Secretariat of the General Office of Shanghai Municipal Government (上海市政府辦公廳秘書處) from July 2011 to October 2016 (during which, he was seconded to work in China Investment Corporation from July 2016 to October 2016); served as a senior deputy manager of the Office/Board Office/Party Committee Office, senior deputy manager and senior manager of the Research Department in China Investment Corporation from October 2016 to October 2022; and serves as a managing director of Central Huijin Investment Ltd. since October 2022.

Mr. Shao graduated from Electronic Engineering Department of Zhengzhou University in July 1999, majoring in automatic control, graduated from East China Normal University in July 2005, majoring in scientific socialism and international communist movement, and obtained a master's degree in law, and graduated from the Institute of World Economics of the Shanghai Academy of Social Sciences in July 2008, majoring in world economics, and obtained a doctorate degree in economics.

Mr. Shao will enter into a service contract with the Company to perform the duties as a non-executive Director of the fifth session of the Board of the Company after his election as a candidate for non-executive Director of the fifth session of the Board is approved at the EGM, with the term of office expiring at the end of the fifth session of the Board of the Company. Pursuant to the Articles of Association, Mr. Shao is eligible for re-election after his term of office expires. Mr. Shao will not receive any remuneration from the Company upon his appointment as a non-executive Director of the Company.

As of the Latest Practicable Date, Mr. Shao has never received any punishment from the China Securities Regulatory Commission or other relevant authorities or any penalty from any stock exchange. Save as disclosed in this announcement, Mr. Shao confirmed that he did not hold any directorship in public companies the securities of which are listed on any securities market either in Hong Kong or overseas in the past three years; does not have any relationship with any Director, supervisor, senior management, substantial Shareholder of the Company or their respective subsidiaries, nor does he hold any position in the Company or any of its subsidiaries. He does not own any interest in the shares of the Company or its associated corporations (as defined in Part XV of the SFO); has no information that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules; nor has he participated in other matters that need to be brought to the attention of the Shareholders.

The above resolution has been considered and approved at the Board meeting held on December 5, 2022 and is now submitted to the EGM for consideration and approval.

THE EGM

The 2022 second extraordinary general meeting of the Company will be held at 2:30 p.m. on Thursday, December 29, 2022 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice convening the EGM is set out on pages 8 to 9 of this circular.

The summary of the important dates for H Shareholders is as follows:

Last Registration Date: at or before 4:30 p.m. on Wednesday, December 21, 2022

Closure of Register for H Shares: Thursday, December 22, 2022 to Thursday, December 29, 2022

LETTER FROM THE BOARD

Submission of Proxy Form: at or before 2:30 p.m. on Wednesday, December 28, 2022

In order to determine the H Shareholders' entitlement to attend the EGM, the H Share register of members of the Company will be closed from Thursday, December 22, 2022 to Thursday, December 29, 2022 (both days inclusive), during which period no transfer of H Shares will be registered. In order for holder(s) of H Share(s) to attend the EGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Wednesday, December 21, 2022. H Shareholders whose names appear on the H Share register of members of the Company on Thursday, December 22, 2022 shall be entitled to attend and vote at the EGM.

H Shareholders should return the proxy form, or the notarized power of attorney or other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post, no later than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

The record date for determination of the qualified A Shareholders to attend the EGM and the registration date for such meeting are Thursday, December 22, 2022 and Friday, December 23, 2022, respectively. For details, please refer to the notice of the EGM dated Friday, December 9, 2022 published on the website of the Shenzhen Stock Exchange at www.szse.cn.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll. Therefore, the resolutions to be proposed at the EGM will be voted by poll. Results of the poll voting will be posted on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.swhygh.com upon the conclusion of the EGM.

The above resolution numbered 1 is a special resolution to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the EGM with voting rights; and the above resolutions numbered 2 and 3 are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the EGM with voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the shareholders' general meeting.

As far as the Directors are aware as at the Latest Practicable Date, no Shareholder is considered to have a material interest in the resolutions proposed at the EGM and has to abstain from voting at the EGM approving the resolutions.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the above resolutions are in the best interests of the Company and its Shareholders as a whole. Therefore, the Board recommends you to vote in favour of the relevant resolutions set out in the notice of the EGM attached to this circular.

LETTER FROM THE BOARD

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.

Yours faithfully,
By order of the Board
Shenwan Hongyuan Group Co., Ltd.
Liu Jian
Chairman

NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING



申萬宏源集團股份有限公司 SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 second extraordinary general meeting (the “EGM”) of Shenwan Hongyuan Group Co., Ltd. (the “**Company**”) will be held at 2:30 p.m. on Thursday, December 29, 2022 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC to consider and, if thought fit, approve the following resolutions. Unless otherwise indicated, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated December 9, 2022.

SPECIAL RESOLUTION

1. To consider and approve the resolution regarding the amendments to the Rules of Procedure of the Board of Directors

ORDINARY RESOLUTIONS

2. To consider and approve the resolution regarding the amendments to the Proceeds Management System
3. To consider and approve the resolution regarding the election of Mr. Shao Yalou as a non-executive Director of the fifth session of the Board of Directors of the Company

By order of the Board
Shenwan Hongyuan Group Co., Ltd.
Liu Jian
Chairman

Beijing, the PRC
December 9, 2022

Notes:

1. In order to determine the H Shareholders’ entitlement to attend the EGM, the H Share register of members of the Company will be closed from Thursday, December 22, 2022 to Thursday, December 29, 2022 (both days inclusive), during which period no transfer of H Shares will be registered. In order for holder(s) of H Share(s) to attend the EGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Wednesday, December 21, 2022. H Shareholders whose names appear on the H Share register of members of the Company on Thursday, December 22, 2022 shall be entitled to attend and vote at the EGM.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the EGM. A proxy needs not be a Shareholder of the Company.

NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING

The proxy form shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing or, in the case of a corporation as a Shareholder, must either be executed under its common seal or under the hand of its legal representative, director(s) or duly authorized attorney(s). In case of joint holders of the Shares, this form of proxy must be signed by the joint holder whose name stands first in the register of members of the Company.

H Shareholders are required to return the proxy form or the notarized power of attorney or other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post, no later than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

3. In case of joint Shareholders and if more than one joint Shareholder in person or by proxy attend the meeting, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted as the exclusion of the votes of the other joint Shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the joint shareholding.
4. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), all votes of shareholders at a general meeting must be taken by poll. Therefore, the resolutions to be proposed at the EGM will be voted by poll.

The above resolution numbered 1 is a special resolution to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the EGM with voting rights; and the above resolutions numbered 2 and 3 are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the EGM with voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the shareholders' general meeting.

As far as the Directors are aware as at the date of this notice, no Shareholder is considered to have a material interest in any of the resolutions proposed at the EGM and has to abstain from voting at the EGM approving the resolutions.

5. The contact details of the place of business of the Company are as follows:
Contact Address: 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC/No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC
Postal Code: 830011/100033
Contact Person: Zhu Li/Li Dan
Telephone No.: (+86) 991 2301870/(+86) 10 88085057
Facsimile No.: (+86) 991 2301779/(+86) 10 88085059
6. The EGM is expected to last for half a day. Shareholders or their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS OF SHENWAN HONGYUAN GROUP CO., LTD.

Existing Rules of Procedure of the Board of Directors	Amended Rules of Procedure of the Board of Directors	Explanations of Amendment
<p>Article 1 In order to further regulate the discussion methods and decision-making procedures of the Board of Shenwan Hongyuan Group Co., Ltd. (the “Company”), urge the directors and the Board to effectively fulfill their obligations and improve the standard operation and scientific decision-making levels of the Board, the Rules are formulated in accordance with <u>the Company Law</u>, the Code of Corporate Governance for Listed Companies (上市公司治理準則), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (深圳證券交易所股票上市規則), <u>the Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange</u> (深圳證券交易所主板上市公司規範運作指引), the Special Regulations of the State Council on the Overseas Share Offering and Listing by Joint Stock Limited Liability Companies (國務院關於股份有限公司境外募集股份及上市的特別規定), the Mandatory Provisions of Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Letter of Opinions on the Supplementation and Amendment of Articles of Association of Companies to Be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (the “Articles of Association”).</p>	<p>Article 1 In order to further regulate the discussion methods and decision-making procedures of the Board of Shenwan Hongyuan Group Co., Ltd. (the “Company”), urge the directors and the Board to effectively fulfill their obligations and improve the standard operation and scientific decision-making levels of the Board, the Rules are formulated in accordance with the <u>Company Law of the People’s Republic of China</u>, the Code of Corporate Governance for Listed Companies (上市公司治理準則), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (深圳證券交易所股票上市規則), <u>the Guidance No. 1 of Shenzhen Stock Exchange on Self-regulation by Listed Companies – the Standardized Operation of Listed Companies on the Main Board</u> (深圳證券交易所上市公司自律監管指引第1號 — 主板上市公司規範運作), the Special Regulations of the State Council on the Overseas Share Offering and Listing by Joint Stock Limited Liability Companies (國務院關於股份有限公司境外募集股份及上市的特別規定), the Mandatory Provisions of Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Letter of Opinions on the Supplementation and Amendment of Articles of Association of Companies to Be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (the “Articles of Association”).</p>	<p>Standardized the names of the laws, administrative regulations and departmental regulations.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Existing Rules of Procedure of the Board of Directors	Amended Rules of Procedure of the Board of Directors	Explanations of Amendment
<p>Article 6 The Board shall establish special committees, including the Strategy Committee, the Risk Control Committee, the Audit Committee, the Remuneration and Nomination Committee, in accordance with the relevant provisions. Each special committee shall be accountable to the Board and shall submit work reports to the Board in accordance with the provisions of the Articles of Association and the Rules. The proposals of each special committee shall be submitted to the Board for review and decision.</p>	<p>Article 6 The Board shall establish special committees, including the Strategy <u>and ESG</u> Committee, the Risk Control Committee, the Audit Committee, the Remuneration and Nomination Committee, in accordance with the relevant provisions. Each special committee shall be accountable to the Board and shall submit work reports to the Board in accordance with the provisions of the Articles of Association and the Rules. The proposals of each special committee shall be submitted to the Board for review and decision.</p>	<p>Amendment is made in accordance with the actual situation of the change of name of original Strategy Committee.</p>
<p>Article 8 The main responsibilities of the Strategy Committee are as follows:</p> <p>(I) reviewing the Company’s development strategies and plans, and proposing suggestions to the Board of Directors;</p> <p>(II) reviewing major investment and financing plans submitted by the management of the Company, and proposing suggestions to the Board of Directors;</p> <p>(III) reviewing mergers and acquisitions plans of the Company submitted by the management, and proposing suggestions to the Board of Directors;</p> <p>(IV) reviewing IT development and other specific strategic development plans of the Company according to the needs of the Company’s overall strategic development plan, and proposing suggestions to the Board of Directors;</p> <p>(V) reviewing and evaluating the soundness of the corporate governance structure of the Company, and reporting to the Board of Directors;</p> <p>(VI) other duties as provided in the Articles of Association.</p>	<p>Article 8 The main responsibilities of the Strategy <u>and ESG</u> Committee are as follows:</p> <p>(I) reviewing the Company’s development strategies and plans, and proposing suggestions to the Board of Directors;</p> <p>(II) reviewing major investment and financing plans submitted by the management of the Company, and proposing suggestions to the Board of Directors;</p> <p>(III) reviewing mergers and acquisitions plans of the Company submitted by the management, and proposing suggestions to the Board of Directors;</p> <p>(IV) reviewing IT development and other specific strategic development plans of the Company according to the needs of the Company’s overall strategic development plan, and proposing suggestions to the Board of Directors;</p> <p>(V) reviewing and evaluating the soundness of the corporate governance structure of the Company, and reporting to the Board of Directors;</p>	<p>Amendment is made in accordance with the actual situation of the change of name of the original Strategy Committee and the increase of responsibilities.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Existing Rules of Procedure of the Board of Directors	Amended Rules of Procedure of the Board of Directors	Explanations of Amendment
	<p align="center"><u>(VI) studying ESG related plans, objectives, systems and major issues of the Company, reviewing ESG related reports, and providing consultation and suggestions to the Board of Directors; supervising and inspecting the implementation of ESG work, and giving guidance when appropriate;</u></p> <p align="center"><u>(VII) other duties as provided in the Articles of Association.</u></p>	
<p>Article 15 Convening and presiding over the meetings</p> <p>The meetings of the Board of Directors shall be convened by the Chairman. If the Chairman is unable or fails to perform his duties, the Vice Chairman shall perform the duties of the Chairman (if there are two or more Vice Chairmen, the one jointly elected by half or more of the directors shall perform the duties of the Chairman); if the Vice Chairman is unable or fails to perform his duties, a director shall be elected jointly by half or more of all directors to perform such duties.</p>	<p>Article 15 Convening and presiding over the meetings</p> <p>The meetings of the Board of Directors shall be convened <u>and presided over</u> by the Chairman. If the Chairman is unable or fails to perform his duties, the Vice Chairman shall perform the duties of the Chairman (if there are two or more Vice Chairmen, the one jointly elected by half or more of the directors shall perform the duties of the Chairman); if the Vice Chairman is unable or fails to perform his duties, a director shall be elected jointly by half or more of all directors to perform such duties.</p>	<p>For the purpose of standardization, the amendment is consistent with relevant provisions and the Articles of Association.</p>
<p>Article 22 Minutes</p> <p>The Board shall file resolutions passed at the meeting as minutes, which shall be signed by the attending directors and the meeting recorder. Directors attending the meeting shall have the right to request to record in the minutes details of the statements made by them at the meeting.</p> <p>The minutes of the Board shall consist of the following:</p> <p>(I) the session, date and venue of the meeting and the name of the convener;</p> <p>(II) the names of the directors present and names of directors being appointed to attend the Board meeting on the other’s behalf (proxy);</p>	<p>Article 22 Minutes</p> <p>The Board shall file resolutions passed at the meeting as minutes, which shall be signed by the attending directors and the meeting recorder. Directors attending the meeting shall have the right to request to record in the minutes details of the statements made by them at the meeting.</p> <p>The minutes of the Board shall consist of the following:</p> <p>(I) the session, date and venue of the meeting and the name of the convener;</p> <p>(II) the names of the directors present and names of directors being appointed to attend the Board meeting on the other’s behalf (proxy);</p>	<p>For the purpose of standardization, the amendment is consistent with the Articles of Association.</p>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Existing Rules of Procedure of the Board of Directors	Amended Rules of Procedure of the Board of Directors	Explanations of Amendment
<p>(III) the agenda;</p> <p>(IV) the main points of directors' speeches (including matters considered, any doubt raised or objections expressed by the directors, etc.);</p> <p>(V) the voting method of each resolution and the result (the result shall specify the number of votes <u>for</u>, against and abstaining).</p> <p>The draft and final version of minutes shall be delivered to all directors within a reasonable period after the meeting. The draft version is for directors to express their opinions, and the final version is for records. The minutes of Board meetings shall be kept as the Company's record for a term of not less than 10 years. The minutes shall be available for inspection at any reasonable time on reasonable notice by any director.</p>	<p>(III) the agenda;</p> <p>(IV) the main points of directors' speeches (including matters considered, any doubt raised or objections expressed by the directors, etc.);</p> <p>(V) the voting method of each resolution and the result (the result shall specify the number of votes <u>for</u>, against and abstaining).</p> <p>The draft and final version of minutes shall be delivered to all directors within a reasonable period after the meeting. The draft version is for directors to express their opinions, and the final version is for records. The minutes of Board meetings shall be kept as the Company's record for a term of not less than 10 years. The minutes shall be available for inspection at any reasonable time on reasonable notice by any director.</p>	
<p>Article 27 The Rules shall take effect from the date of approval at the general meeting of the Company <u>and listing of the overseas listed foreign shares (H shares) publicly issued by the Company on The Stock Exchange of Hong Kong Limited.</u> The original Rules of Procedure of the Board of Directors of the Company shall automatically expire on the effective date of the Rules.</p>	<p>Article 27 The Rules shall take effect from the date of approval at the general meeting of the Company. The original Rules of Procedure of the Board of Directors of the Company shall automatically expire on the effective date of the Rules.</p>	<p>Amendment is made in accordance with the actual situation.</p>

**COMPARISON TABLE OF AMENDMENTS TO
THE PROCEEDS MANAGEMENT SYSTEM OF
SHENWAN HONGYUAN GROUP CO., LTD.**

Existing System	Amendments	Explanations
<p>Article 1 This system is formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Regulatory Guidelines of Listing Companies No. 2 – Regulatory Requirements of Management and Use of Proceeds Raised of Listing Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange and other laws and regulations, departmental rules, regulatory documents and the Articles of Association, and taking into account the actual situation of the Company, in order to regulate the utilisation and management of proceeds of Shenwan Hongyuan Group Co., Ltd. (the “Company”), protect the interests of investors to the maximum extent and enhance the utilisation efficiency of proceeds.</p>	<p>Article 1 This system is formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Regulatory Guidelines of Listing Companies No. 2 – Regulatory Requirements of Management and Use of Proceeds Raised of Listing Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange <u>the Guidance No. 1 of Shenzhen Stock Exchange on Self-regulation by Listed Companies – the Standardized Operation of Listed Companies on the Main Board</u> and other laws and regulations, departmental rules, regulatory documents and the Articles of Association, and taking into account the actual situation of the Company, in order to regulate the utilisation and management of proceeds of Shenwan Hongyuan Group Co., Ltd. (the “Company”), protect the interests of investors to the maximum extent and enhance the utilisation efficiency of proceeds.</p>	<p>Amendment to the name of laws and regulations.</p>
<p>Article 2 Proceeds as mentioned in this system refer to the funds raised from investors by the Company through public offering of securities (including initial public offering, shares allotment, issuance of additional shares, issuance of convertible corporate bonds and issuance of convertible corporate bonds with warrants, corporate bonds and warrants, etc.) and non-public offering of securities (collectively, the “Offering of Securities”) for specific purposes.</p>	<p>Article 2 Proceeds as mentioned in this system refer to the funds raised from investors by the Company through public offering of securities (including initial public offering of shares and their derivatives, shares allotment, issuance of additional shares, issuance of convertible corporate bonds and issuance of convertible corporate bonds with warrants, corporate bonds and warrants, etc.) and non-public offering of securities <u>(collectively, the “Offering of Securities”)</u> for specific purposes.</p>	<p>Amendment is made to the scope of the “proceeds” in accordance with Article 6.3.1 of the Guidelines for Standardized Operation.</p>

Existing System	Amendments	Explanations
<p>Article 6 The Company shall prudently select a commercial bank for opening a special account for proceeds (the “Special Account”). The proceeds shall be deposited in the Special Account determined by the Board of Directors for centralised management. The Special Account shall not be used to deposit funds other than the proceeds or for other purposes.</p> <p>If the Company conducts financing for two times or above, the Company shall set up Special Accounts for proceeds separately. The excess of net proceeds actually raised over the planned proceeds to be raised (the “Excess Proceeds”) shall also be placed in the Special Account for management.</p>	<p>Article 6 The Company shall prudently select a commercial bank for opening a special account for proceeds (the “Special Account” <u>or “Special Account for Proceeds”</u>). The proceeds shall be deposited in the Special Account determined by the Board of Directors for centralised management. The Special Account shall not be used to deposit funds other than the proceeds or for other purposes.</p> <p>If the Company conducts financing for two times or above, the Company shall set up Special Accounts for proceeds separately. The excess of net proceeds actually raised over the planned proceeds to be raised (the “Excess Proceeds”) shall also be placed in the Special Account for management.</p>	<p>Amendment is made in accordance with Article 6.3.6 of the Guidelines for Standardized Operation and the actual situation of the Company.</p>
<p>Article 7 The Company shall, within one month after the proceeds are put in place, sign a tripartite supervision agreement (the “Agreement”) with the sponsor and the commercial bank in which proceeds are deposited (the “Commercial Bank”). The Agreement shall at least include the following:</p> <p>(I) The Company shall place the proceeds in the Special Account;</p> <p>(II) Account number of the Special Account for Proceeds, the proceeds projects involved in the Special Account and deposit amount;</p> <p>(III) Where the amount withdrawn by the Company from the Special Account at one time or accumulated in 12 months exceeds RMB50 million or reaches 10% of the net proceeds, the Company and the Commercial Bank shall notify the sponsor in a timely manner;</p> <p>(IV) The Commercial Bank shall issue a bank reconciliation statement to the Company on a monthly basis, and copy the same to the sponsor;</p>	<p>Article 7 The Company shall, within one month after the proceeds are put in place, sign a tripartite supervision agreement (the “Agreement”) with the sponsor <u>or the independent financial adviser</u> and the commercial bank in which proceeds are deposited (the “Commercial Bank”). The Agreement shall at least include the following:</p> <p>(I) The Company shall place the proceeds in the Special Account;</p> <p>(II) Account number of the Special Account for Proceeds, the proceeds projects involved in the Special Account and deposit amount;</p> <p>(III) Where the amount withdrawn by the Company from the Special Account at one time or accumulated in 12 months exceeds RMB50 million or reaches 10% <u>20%</u> of the net proceeds, the Company and the Commercial Bank shall notify the sponsor <u>or the independent financial adviser</u> in a timely manner;</p> <p>(IV) The Commercial Bank shall issue a bank reconciliation statement to the Company on a monthly basis, and</p>	<p>Amendment is made in accordance with Article 6.3.7 of the Guidelines for Standardized Operation, particularly the amendment to the maximum amount withdrawn by the Company from the Special Account at one time or accumulated in 12 months which needs to notify the sponsor or the independent financial adviser.</p>

Existing System	Amendments	Explanations
<p>(V) The sponsor may visit the Commercial Bank to inquire the relevant information of the Special Account at any time;</p> <p>(VI) Supervision responsibility of the sponsor, notification and cooperation responsibilities of the Commercial Bank, and methods of the sponsor and the Commercial Bank for supervision of use of proceeds by the Company;</p> <p>(VII) The rights, obligations and default liabilities of the Company, the Commercial Bank and the sponsor;</p> <p>The sponsor shall also check the deposit into the Special Account for Proceeds when conducting on-site investigations on the Company on a quarterly basis;</p> <p>(VIII) Where the Commercial Bank fails to issue bank statements to, or notify the sponsor of large-amount withdrawals from the Special Account in a timely manner for three times, or fails to cooperate with the sponsor in inquires and investigations of information of the Special Account, the Company may terminate the Agreement and log out the Special Account for Proceeds;</p> <p>The Company shall timely make an announcement on the main contents of the Agreement after the signing of the above Agreement. Where the above Agreement is terminated prior to the expiration of the term of validity, the Company shall sign a new agreement with the parties concerned within one month prior to the date of the termination of the Agreement, and timely report to the Shenzhen Stock Exchange for filing and make an announcement.</p> <p>When the Company carries out the investment projects through controlled subsidiaries, the Company, the controlled subsidiaries conducting investment projects, the Commercial Bank and the</p>	<p>copy the same to the sponsor <u>or the independent financial adviser</u>;</p> <p>(V) The sponsor <u>or the independent financial adviser</u> may visit the Commercial Bank to inquire the relevant information of the Special Account at any time;</p> <p>(VI) Supervision responsibility of the sponsor <u>or the independent financial adviser</u>, notification and cooperation responsibilities of the Commercial Bank, and methods of the sponsor <u>or the independent financial adviser</u> and the Commercial Bank for supervision of use of proceeds by the Company;</p> <p>(VII) The rights, obligations and default liabilities of the Company, the Commercial Bank and the sponsor <u>or the independent financial adviser</u>;</p> <p>The sponsor shall also check the deposit into the Special Account for Proceeds when conducting on site investigations on the Company on a quarterly basis;</p> <p>(VIII) Where the Commercial Bank fails to issue bank statements to, or notify the sponsor <u>or the independent financial adviser</u> of large-amount withdrawals from the Special Account in a timely manner for three times, or fails to cooperate with the sponsor <u>or the independent financial adviser</u> in inquires and investigations of information of the Special Account, the Company may terminate the Agreement and log out the Special Account for Proceeds.</p> <p>The Company shall timely make an announcement on the main contents of the Agreement after the signing of the above Agreement. Where the above Agreement is terminated prior to the expiration of the term of validity, the Company shall sign a new agreement with the parties concerned within one month prior to the date of the termination of the</p>	

Existing System	Amendments	Explanations
<p>sponsor shall enter into a tripartite supervision agreement with the Company and controlled subsidiaries deemed as one party.</p>	<p>Agreement, and timely report to the Shenzhen Stock Exchange for filing and make an announcement.</p> <p>When the Company carries out the investment projects through controlled subsidiaries, the Company, the controlled subsidiaries conducting investment projects, the Commercial Bank and the sponsor <u>or the independent financial adviser</u> shall enter into a tripartite supervision agreement with the Company and controlled subsidiaries deemed as one party.</p>	
<p>Article 9 The Company shall utilise proceeds in accordance with the investment plan of proceeds as committed in the offer document, and regularly report to the Board of Directors and publicly disclose the use of the proceeds. In case of any circumstances which severely affect the normal implementation of the investment plan of proceeds, the Company shall timely make an announcement.</p>	<p>Article 9 The Company shall utilise proceeds in accordance with the investment plan of proceeds as committed in the offer document, and regularly report to the Board of Directors and publicly truthfully, accurately and completely disclose the <u>actual</u> use of the proceeds. In case of any circumstances which severely affect the normal implementation of the investment plan of proceeds, the Company shall timely make an announcement <u>shall be made in a timely manner</u>.</p>	
<p>None</p>	<p><u>Article 10 The Directors, Supervisors and senior management of the Company shall be diligent and responsible, urge the Company to standardize the use of proceeds, defend the safety of the proceeds of the Company proactively and shall not participate in, assist or allow the Company to change the purpose of proceeds without permission or in a covert manner.</u></p>	<p>The article is added in accordance with Article 6.3.4 of the Guidelines for Standardized Operation</p>
<p>Article 12 The Board of Company shall conduct a comprehensive inspection of the progress of the investment projects financed by proceeds every half year.</p> <p>When the difference between the annual actual amount of proceeds used in the investment projects financed by proceeds and the latest disclosed expected amount used in the current year of the investment plan of proceeds exceeds 30%, the Company shall adjust</p>	<p>Delete</p>	<p>According to the amendments to the Guidelines for Standardized Operation, the article is incorporated into Article 34 of the Amendments.</p>

Existing System	Amendments	Explanations
the investment plan of proceeds, and disclose the previous annual investment plan of proceeds, the current actual investment progress, adjusted annual investment plan expected as well as the reasons for changes in investment plan, etc., in the periodic reports.		
Article 14 In case the Company decides to terminate any original investment project financed by proceeds, it shall scientifically and prudently select a new investment project as soon as possible.	Delete	
None	<p><u>Article 14 The use of the proceeds by the Company for the following purposes shall be subject to the consideration and approval by the Board of Directors, with explicit consents given by independent non-executive Directors, the Board of Supervisors and the sponsor or the independent financial adviser:</u></p> <p><u>(I) Replacement of the self-raised funds previously injected in the investment projects with the proceeds:</u></p> <p><u>(II) Use of temporarily idle proceeds for cash management:</u></p> <p><u>(III) Use of temporarily idle proceeds for temporary replenishment of working capital:</u></p> <p><u>(IV) Change of the use of the proceeds:</u></p> <p><u>(V) Change of the implementing site of the investment projects financed by proceeds:</u></p> <p><u>(VI) Use of remaining proceeds:</u></p> <p><u>(VII) Use of Excess Proceeds for projects under construction and new projects.</u></p> <p><u>Changes in the use of proceeds shall also be considered and approved by the general meeting</u></p>	The article is added in accordance with Article 6.3.10 of the Guidelines for Standardized Operation.

Existing System	Amendments	Explanations
	<p><u>Where any related party transaction, asset acquisition or external investment is involved, the review procedure and disclosure obligation shall be performed in accordance with the provisions of relevant laws and regulations, departmental rules, regulatory documents and listing rules of the place where the Company's shares are listed.</u></p>	
<p>Article 30 After completion of individual investment project financed by the proceeds, if the Company uses the remaining proceeds from the project (including interest income) for other investment projects of proceeds, such use of proceeds shall be subject to the consideration and approval by the Board of Directors, with explicit consents given by the sponsor.</p> <p>If the amount of remaining proceeds (including interest income) is less than RMB1 million or less than 1% of the committed investment amount of proceeds for the project, the procedures stipulated in the preceding clause may be waived and the use of such proceeds shall be disclosed in the annual report.</p> <p>If the Company uses the remaining proceeds (including interest income) from the project for the investment projects not financed by the proceeds (including supplementing working capital), the relevant procedures and disclosure obligations shall be performed in accordance with Article 24 and Article 26 of this system.</p>	<p>Article 30¹⁵ After completion of individual <u>or all</u> investment projects financed by the proceeds, if the Company uses the <u>amount of</u> remaining funds <u>proceeds from the project</u> (including interest income) <u>is less than 10% of the net proceeds from the project, the Company shall perform the corresponding procedures in accordance with Clause I of Article 14 when using the remaining funds</u> for other investment projects, such use of proceeds shall be subject to the consideration and approval by the Board of Directors, with explicit consents given by the sponsor.</p> <p><u>If the amount of remaining funds (including interest income) reaches or exceeds 10% of the net proceeds from the project, such use of remaining funds by the Company shall be subject to the consideration and approval by the general meeting.</u></p> <p>If the amount of remaining <u>funds</u> proceeds (including interest income) is less than RMB1 million^{5 million} or less than 1% of the committed investment amount of proceeds for the project, the procedures stipulated in the preceding clause may be waived and the use of such proceeds shall be disclosed in the annual report.</p> <p>If the Company uses the remaining proceeds (including interest income) from the project for the investment projects not financed by the proceeds (including supplementing working capital), the relevant procedures</p>	<p>Amendment is made in accordance with Article 6.3.11 of the Guidelines for Standardized Operation, and the position of the article is adjusted to Chapter III according to the revised position of the Guidelines for Standardized Operation.</p>

Existing System	Amendments	Explanations
	and disclosure obligations shall be performed in accordance with Article 24 and Article 26 of this system.	
<p>Article 15 In the event that the Company injects proceeds into a project set to be financed by proceeds to replace its own funds invested in advance, the replacement shall be implemented subject to consideration and approval by the Board of the Company, provision of a verification report by an accounting firm and the expressed consent of the Independent Non-executive Directors, the supervisory committee and the sponsor as well as fulfillment of information disclosure obligations. In the event that the Company has already disclosed its intention of replacing its own funds invested in advance with the proceeds in the offering application documents and the amount invested in advance is certain, it shall make an announcement externally before the replacement.</p>	<p>Article 156 In the event that the Company injects proceeds into a project set to be financed by proceeds to replace its own funds invested in advance, the replacement shall be implemented subject to consideration and approval by the Board of the Company, provision of a verification report <u>shall be provided</u> by an accounting firm and the expressed consent of the Independent Non executive Directors, the supervisory committee and the sponsor as well as fulfillment of information disclosure obligations. <u>The Company may replace its own funds with the raised proceeds within 6 months after the raised proceeds are transferred to the account.</u></p> <p>In the event that the Company has already disclosed its intention of replacing its own funds invested in advance with the proceeds in the offering application documents and the amount invested in advance is certain, it shall make an announcement externally before the replacement.</p>	<p>Amendment is made in accordance with Article 6.3.12 of the Guidelines for Standardized Operation, particularly it additionally specifies that “The Company may replace its own funds with the raised proceeds within 6 months after the raised proceeds are transferred to the account.”, and removes the repeated statement regarding procedures for the Board of Directors, etc., in accordance with Article 14 of the Amendments.</p>
<p>Article 18 The Company may use the temporarily idle proceeds for cash management purpose, and the invested products must meet the following conditions:</p> <p>(I) High safety, principal preservation, and the product issuer can make promise of preserving principal;</p> <p>(II) Good liquidity and shall not affect the normal operation of the proceeds financed investment plan.</p> <p>The invested product shall not be pledged, and the specific product settlement account (if applicable) shall not include other funds than the proceeds or be used for other purpose. Where establishing or cancelling the specific</p>	<p>Article 187 The Company may use the temporarily idle proceeds for cash management purpose, and the <u>duration of invested products shall not exceed twelve months and should be of high safety, good liquidity and will not affect the normal operation of the proceeds financed investment plan, and</u> must meet the following conditions:</p> <p>(I) High safety, principal preservation, and the product issuer can make promise of preserving principal <u>Principal preservation products with high safety such as structural deposits and certificate of deposits;</u></p> <p>(II) Good liquidity and shall not affect the normal operation of the proceeds financed investment plan.</p>	<p>Amendment is made in accordance with Article 8 of the Regulatory Guidelines No. 2 and Article 6.3.13 of the Guidelines for Standardized Operation. The added article incorporates the provisions for idle proceeds for cash management purpose.</p>

Existing System	Amendments	Explanations
<p>product settlement account, the Company shall timely file to the Shenzhen Stock Exchange and make an announcement.</p>	<p>The invested product shall not be pledged, and the specific product settlement account (if applicable) shall not include other funds than the proceeds or be used for other purpose. Where establishing or cancelling the specific product settlement account, the Company shall timely file to the Shenzhen Stock Exchange and make an announcement.</p>	
<p>Article 19 Investment in any investment products by the Company using the idle proceeds is subject to consideration and approval of the Board of Directors of the Company, and require the Independent Non-executive Directors, Supervisory Committee and sponsor to make express affirmative opinion.</p> <p>The Company shall announce the following contents within 2 business days after the Board meeting:</p> <p>(I) The basic information of the proceeds, including the time for raising the proceeds, amount, net amount and investment plan etc.;</p> <p>(II) The information of use of proceeds;</p> <p>(III) The amount and period of idle proceeds that are invested in any investment product;</p> <p>(IV) The reasons that the proceeds remained unused, whether there is any act that changes the proceeds purpose in disguise and whether there is any measure that ensures the normal operation of proceeds-financed project will not be affected;</p> <p>(V) The income distribution method, investment scope, the principal preservation undertakings and the safety analysis on the investment products provided by the issuer;</p>	<p>Article 19 Investment in any investment products by <u>In the event that</u> the Company uses using <u>uses</u> the idle proceeds for cash management purpose, is subject to consideration and approval of the Board of Directors of the Company, and require the Independent Non-executive Directors, Supervisory Committee and sponsor to make express affirmative opinion. <u>for cash management purpose, is subject to consideration and approval of the Board of Directors of the Company, and require the Independent Non-executive Directors, Supervisory Committee and sponsor to make express affirmative opinion.</u> The the Company shall <u>timely</u> announce the following contents within 2 business days <u>after</u> the Board meeting:</p> <p>(I) The basic information of the proceeds, including the time for raising the proceeds, amount, net amount and investment plan etc.;</p> <p>(II) The information of use of proceeds <u>and the reasons that the proceeds remained unused;</u></p> <p>(III) The amount and period of idle proceeds that are invested in any investment product, <u>whether there is any act that changes the proceeds purpose in disguise and whether there is any measure that ensures the normal operation of proceeds-financed project will not be affected;</u></p> <p>(IV) The reasons that the proceeds remained unused, whether there is any act that changes the proceeds purpose in disguise and whether there is any measure that ensures the normal operation of proceeds-financed project will not be affected;</p>	<p>Amendment is made in accordance with Article 8 of the Regulatory Guidelines No. 2 and Article 6.3.14 of the Guidelines for Standardized Operation regarding disclosure requirements for using idle proceeds for cash management purpose.</p>

Existing System	Amendments	Explanations
<p>(VI) Opinions from the Independent Non-executive Directors, Supervisory Committee and the sponsor(s).</p> <p>In the event that there is any significant risk such as the deterioration in the financial position of the issuer of the products or the invested products are exposed to loss, the Company shall promptly disclose and announce the risk thereof as well as the risk control measures adopted to ensure the safety of its proceeds.</p>	<p>(VIV) The income distribution method, investment scope, the principal preservation undertakings and the safety analysis on the investment products provided by the issuer, <u>as well as the risk control measures adopted to ensure the safety of its proceeds, etc.;</u></p> <p>(VI V) Opinions from the Independent Non-executive Directors, Supervisory Committee and, the sponsor(s) <u>or the independent financial advisor.</u></p> <p>In the event that there is any significant risk such as the deterioration in the financial position of the issuer of the products or the invested products are exposed to loss, the Company shall promptly disclose and announce the risk thereof as well as the risk control measures adopted to ensure the safety of its proceeds.</p>	
<p>Article 16 Subject to consideration and approval by the Board of Directors and the expressed consent of the Independent Non-executive Directors, the Supervisory Committee and the sponsor and after disclosure has been made, the Company may temporarily use the idle proceeds to supplement working capital under the following conditions:</p> <p>(I) Use of proceeds shall not be changed or the normal operation of investment plans with proceeds shall not be affected;</p> <p>(II) The proceeds previously used to temporarily supplement working capital (if applicable) have been returned;</p> <p>(III) Duration for supplementing working capital on an individual basis shall not exceed 12 months;</p> <p>(IV) Idle proceeds shall not be used for undertaking high-risk investments.</p>	<p>Article 16 Subject to consideration and approval by the Board of Directors and the expressed consent of the Independent Non-executive Directors, the Supervisory Committee and the sponsor and after disclosure has been made, The temporarily use of idle proceeds to supplement working capital by the Company may temporarily use the idle proceeds to supplement working capital shall be limited to the use in production and operation related to the principal businesses, and under the following conditions:</p> <p>(I) Use of proceeds shall not be changed or the normal operation of investment plans with proceeds shall not be affected;</p> <p>(II) The proceeds previously used to temporarily supplement working capital (if applicable) have been returned;</p>	<p>Amendment is made in accordance with Article 9 of the Regulatory Guidelines No. 2 and Article 6.3.15 of the Guidelines for Standardized Operation regarding the requirements for temporarily using idle proceeds for replenishing working capital, the statement removed has been referred to in other articles.</p>

Existing System	Amendments	Explanations
<p>The use of idle proceeds on working capital shall be limited to the use in production and operation related to the principal businesses, and shall not be used, directly or indirectly, for the placement or subscription of new shares, or the transactions of stocks and their derivatives, convertible bonds, etc.</p>	<p>(III) Duration for supplementing working capital on an individual basis shall not exceed 12 months;</p> <p>(IV) Idle proceeds shall not be used, directly or indirectly, for undertaking high-risk investments <u>such as security investment and transactions of their derivatives, etc.</u></p> <p>The use of idle proceeds on working capital shall be limited to the use in production and operation related to the principal businesses, and shall not be used, directly or indirectly, for the placement or subscription of new shares, or the transactions of stocks and their derivatives, convertible bonds, etc.</p>	
<p>Article 17 The use of the idle proceeds by the Company to supplement working capital shall be subject to the consideration and approval by the Board of Directors of the Company, and the Company shall make an announcement containing the followings within two trading days:</p> <p>(I) Basic information of the proceeds, including the time for raising the proceeds, the amount of proceeds, the net amount of proceeds and the investment plan, etc.;</p> <p>(II) Use of the proceeds;</p> <p>(III) Amount and period in which idle proceeds are used to supplement working capital;</p> <p>(IV) Amount of financial expenses expected to be saved in the supplement of working capital by idle proceeds, the reasons for the insufficiency of working capital, whether there is any act of changing the use of the proceeds and measures to ensure that the normal operation of projects financed by the proceeds is not affected;</p>	<p>Article 17²⁰ <u>In the event that the Company temporarily uses of the idle proceeds by the Company to supplement working capital, shall be subject to the consideration and approval by the Board of Directors of the Company, and the Company shall timely announce the following contents subject to the consideration and approval by the Board of Directors make an announcement containing the followings within two trading days:</u></p> <p>(I) Basic information of the proceeds, including the time for raising the proceeds, the amount of proceeds, the net amount of proceeds and the investment plan, etc.;</p> <p>(II) Use of the proceeds;</p> <p>(III) Amount and period in which idle proceeds are used to supplement working capital;</p> <p>(IV) Amount of financial expenses expected to be saved in the supplement of working capital by idle proceeds, the reasons for the insufficiency of working capital, whether there is any act of changing the use of the proceeds and measures to ensure that the normal</p>	<p>Amendment is made in accordance with Article 6.3.16 of the Guidelines for Standardized Operation of Regulatory Guide regarding requirements for temporarily using idle proceeds for replenishing working capital.</p>

Existing System	Amendments	Explanations
<p>(V) The high-risk investments made by the Company within 12 months prior to the use of idle proceeds for supplementing working capital as well as relevant undertakings that the Company will not undertake high risk investments or provide financial assistance to others during the period of supplementing working capital;</p> <p>(VI) Opinions expressed by Independent Non-executive Directors, the Supervisory Committee and the sponsor;</p> <p>(VII) Other information as required by the Shenzhen Stock Exchange.</p> <p>Prior to the maturity date of the supplemental working capital, the Company shall return such portion of the proceeds to the Special Account for Proceeds and make an announcement within two trading days after the funds are returned in full.</p>	<p>operation of projects financed by the proceeds is not affected;</p> <p>(V) The high risk investments made by the Company within 12 months prior to the use of idle proceeds for supplementing working capital as well as relevant undertakings that the Company will not undertake high risk investments or provide financial assistance to others during the period of supplementing working capital;</p> <p>(VI) Opinions expressed by Independent Non-executive Directors, the Supervisory Committee and the sponsor <u>or independent financial advisor</u>;</p> <p>(VII) Other information as required by the <u>regulators—Shenzhen Stock Exchange</u>.</p> <p>Prior to the maturity date of the supplemental working capital, the Company shall return such portion of the proceeds to the Special Account for Proceeds and <u>timely</u> make an announcement within two trading days after the funds are returned in full.</p>	
None	<p><u>Article 21 The Company shall, based on the actual production and operation needs of the Company and subject to the consideration and approval by the Board of Directors or at the general meeting, use the Excess Proceeds in a planned way in the following order:</u></p> <p><u>(I) supplementing the fund gap of investment projects financed by proceeds;</u></p> <p><u>(II) using for projects under construction or new projects;</u></p> <p><u>(III) repaying bank loans;</u></p> <p><u>(IV) temporarily supplementing working capital;</u></p>	Added in accordance with Article 6.3.23 of the Guidelines for Standardized Operation.

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	<p><u>(V) using for cash management purpose;</u></p> <p><u>(VI) permanently supplementing working capital.</u></p>	
<p>Article 20 Where the Excess Proceeds are used to repay bank loans or permanently supplement working capital, it shall be subject to the consideration and approval at general meetings of the Company. Independent Non-executive Directors and sponsor(s) shall make express affirmative opinion and make disclosure, and the use shall comply with other conditions of relevant laws, regulations, regulatory documents.</p>	<p>Article 202 Where the Excess Proceeds are used to repay bank loans or permanently supplement working capital, it shall be subject to the consideration and approval at general meetings of the Company., Independent Non-executive Directors, <u>the Supervisory Committee</u> and sponsor(s) <u>or independent financial advisor</u> shall make express affirmative opinion and make disclosure, and the use shall comply with <u>the following requirements</u> other conditions of relevant laws, regulations, regulatory documents.</p> <p><u>(I) The Company shall undertake not to make high-risk investment such as security investment and transactions of their derivatives, or provide financial assistance to others other than controlling subsidiaries within 12 months after supplementing working capital, and shall make disclosure;</u></p> <p><u>(II) The Company shall repay bank loans or supplement working capital based on actual needs, and the total amount shall not exceed 30% of the total Excess Proceeds within every twelve months.</u></p>	<p>Amendment is made in accordance with Article 10 of the Regulatory Guidelines No. 2 and Article 6.3.25 of the Guidelines for Standardized Operation regarding the requirements for using excess proceeds for repaying bank loans and permanently supplementing working capital.</p>
<p>Article 23 The occurrence of the following events in the Company is deemed to be a change of the use of proceeds:</p> <p>(I) Cancellation of the original project funded by proceeds and implementation of new projects;</p> <p>(II) Change of the subject of implementation of an investment project funded by proceeds (except for the change of the subject of implementation from the Company to its wholly-owned subsidiary</p>	<p>Article 235 The occurrence of the following events in the Company is deemed to be a change of the use of proceeds:</p> <p>(I) Cancellation <u>or termination</u> of the original project funded by proceeds and implementation of new projects;</p> <p>(II) Change of the subject of implementation of an investment project funded by proceeds (except for the change of the subject of implementation <u>among the Company and its wholly-owned subsidiaries</u> from the Company to its wholly owned subsidiary or from its</p>	<p>Amendments are made in accordance with Article 6.3.17 of the Guidelines for Standardized Operation.</p>

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<p>or from its wholly-owned subsidiary to the Listed Company);</p> <p>(III) Change of the way of implementation of an investment project funded by proceeds;</p> <p>(IV) Other situations considered by the Shenzhen Stock Exchange as a change in the use of proceeds.</p>	<p>wholly owned subsidiary to the Listed Company);</p> <p>(III) Change of the way of implementation of an investment project funded by proceeds;</p> <p>(IV) Other situations considered by the Shenzhen Stock Exchange as a change in the use of proceeds.</p>	
<p>Article 29 Any proposed change in the implementation location of the investment project funded by proceeds shall be subject to consideration and approval by the Board, and shall be announced within two trading days to explain the changes and the reasons behind, impact on the implementation of the investment project funded by the proceeds and the opinions issued by the sponsor.</p>	<p>Article 29³¹ Any proposed change in the implementation location of the investment project funded by proceeds shall be subject to <u>announcement in a timely manner after</u> consideration and approval by the Board, and shall be announced within two trading days to explain the changes and the reasons behind, impact on the implementation of the investment project funded by the proceeds and the opinions issued by the sponsor <u>or the independent financial adviser.</u></p>	<p>Amendments are made in accordance with the Guidelines for Standardized Operation.</p>
<p>Article 31 Upon completion of all the investment projects funded by the proceeds, where the amount of remaining proceeds (including interest income) is more than 10% of the net proceeds, the use thereof by the Company shall be subject to the following conditions:</p> <p>(I) The independent non-executive Directors and Supervisory Committee shall express their opinions.</p> <p>(II) The sponsor shall express its opinion of clear consent; and</p> <p>(III) The Board and the Shareholders' General Meeting shall consider and approve.</p> <p>Where the amount of remaining proceeds (including interest income) is less than 10% of the proceeds, the use thereof shall be subject to consideration and approval by the Board and the opinion of clear consent by the sponsor.</p>	<p>Delete</p>	<p>Combined in the amended Article 15.</p>

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<p>Where the amount of remaining proceeds (including interest income) is less than RMB5 million or less than 1% of the net proceeds, it may be exempted from performing the procedure mentioned above, and the use thereof shall be disclosed in the annual report.</p>		
None	<p><u>Article 32 Prior to the completion of all the investment projects funded by the proceeds, in the event of surplus proceeds as a result of the termination of projects, the Company may use a portion of the proceeds for permanent replenishment of working capital, subject to the following conditions:</u></p> <p><u>(I) The proceeds have been acquired for more than one year;</u></p> <p><u>(II) The implementation of other investment projects funded by the proceeds will not be affected;</u></p> <p><u>(III) The approval procedures and the information disclosure obligation are performed in accordance with the requirements regarding the change of use of the proceeds.</u></p>	Added in accordance with Article 6.3.22 of the Guidelines for Standardized Operation.
<p>Article 32 The planning and finance department of the Company shall be responsible for the management of the special account of the proceeds and the management plan of proceeds transfer and use, as well as the relevant account processing, and shall set up ledger for the use of proceeds, recording in detail the expense of proceeds and the input into projects funded by proceeds. The internal auditing department of the Company shall at least quarterly perform checking on deposit and use of proceeds and promptly make report on the check results to the Audit Committee of the Board.</p> <p>In case of non-compliance or material risks existed in management of the proceeds of the Company as considered by the Audit Committee, or the internal auditing department fails to make report on the check results in</p>	<p>Article 323 The planning and finance department of the Company shall be responsible for the management of the special account of the proceeds and the management plan of proceeds transfer and use, as well as the relevant account processing, and shall set up ledger for the use of proceeds, recording in detail the expense of proceeds and the input into projects funded by proceeds.</p> <p>The internal auditing department of the Company shall at least quarterly perform checking on deposit and use of proceeds and promptly make report on the check results to the Audit Committeeof the Board.</p> <p>In case of non-compliance or material risks existed in management of the proceeds of the Company as considered by the Audit Committee, or</p>	Changed the name of the department.

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<p>accordance with the provisions of the preceding paragraph, a report thereon shall be made to the Board on a timely basis. The Board shall report to the Shenzhen Stock Exchange and make an announcement within two trading days upon the receipt of the report.</p>	<p>the internal auditing department fails to make report on the check results in accordance with the provisions of the preceding paragraph, a report thereon shall be made to the Board on a timely basis. The Board shall report to the Shenzhen Stock Exchange and make an announcement within two trading days upon the receipt of the report.</p>	
<p>Article 34 Where the Company uses the proceeds in a given year, the Board shall issue a special report on the deposit and use of the proceeds on a biannual and annual basis, and shall appoint an accounting firm to issue an annual certified audit report on the deposit and use of the proceeds.</p> <p>If there is a discrepancy between the actual investment progress and the investment plan of the project funded by the proceeds, the Company shall explain the specific reasons. If the idle proceeds are used for cash management investment products in the current period, the Company shall disclose the income for the reporting period as well as the investment share as at the end of the period, contracting parties, product names, terms and other information.</p> <p>The accounting firm shall conduct reasonable assurance and provide a certified audit opinion concluding whether the special report prepared by the Board has been prepared in compliance with relevant guidelines and related format guidelines and whether it gives a true view of the deposit and use of the proceeds for the year.</p> <p>In the event that the certified audit conclusion issued by the accounting firm is a “Qualified opinion” or “Adverse opinion” or the accounting firm is “unable to form an opinion”, the Board of the Company shall conduct analysis on the reasons for the above conclusion in</p>	<p>Article 34 <u>The Board of the Company shall fully audit on the progress of the investment projects funded by the proceeds on a semi-annual basis, issue and disclose the Special Report on the Deposit and Actual Use of the Proceeds of the Company.</u></p> <p>Where the Company uses the proceeds in a given year, the Board shall issue a special report on the deposit and use of the proceeds on a biannual and annual basis, and <u>During the annual audit, the Company shall appoint an accounting firm to issue an annual a certified audit report on the deposit and use of the proceeds. The Company shall disclose the certified audit report issued by the accounting firm together with its regular report on the qualified media at the same time.</u></p> <p>If there is a discrepancy between the actual investment progress and the investment plan of the project funded by the proceeds, the Company shall explain the specific reasons. <u>In the event of a more than 30% discrepancy between the actual amount of proceeds used in investment projects funded by the proceeds in a given year and the expected amount of proceeds to be used as stated in the latest disclosed proceeds investment plan, the Company shall adjust the proceeds investment plan, and disclose information including the latest annual investment plan of the proceeds, current actual investment progress, expected annual investment plan after adjustment, and reasons for the changes in investment plan in its Special Report on the Deposit</u></p>	<p>Amendments are made in accordance with Article 12 of Regulatory Guidelines No. 2, Article 6.3.26 of the Guidelines for Standardized Operation, particularly added the requirement regarding the discrepancy of more than 30% between the actual amount of proceeds used in investment projects funded by the proceeds in a given year with the expected amount of proceeds to be used as stated in the latest disclosed investment plan of the proceeds.</p>

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<p>the certified audit report issued by the accounting firm, propose rectification measures and disclose in its annual report.</p>	<p><u>and Actual Use of the Proceeds of the Company and in its regular report.</u> If the idle proceeds are used for cash management investment products in the current period, the Company shall disclose the income for the reporting period as well as the investment share as at the end of the period, contracting parties, product names, terms and other information.</p> <p>The accounting firm shall conduct reasonable assurance certification and provide a certified audit opinion concluding whether the special report prepared by the Board has been prepared in compliance with relevant guidelines and related format guidelines provisions of Shenzhen Stock Exchange and whether it gives a true view of the deposit and use of the proceeds for the year.</p> <p>In the event that the certified audit conclusion issued by the accounting firm is a “Qualified opinion” or “Adverse opinion” or the accounting firm is “unable to form an opinion”, the Board of the Company shall conduct analysis on the reasons for the above conclusion in the certified audit report issued by the accounting firm accountant, propose rectification measures and disclose in its annual report.</p>	
<p>Article 33 Independent non-executive directors shall pay attention to material discrepancies between the actual use of the proceeds and the information disclosed by the Company. With the consent of more than half of the independent non-executive directors, they may engage an accounting firm to issue a certified audit report on the deposit and use of the proceeds.</p>	<p>Article 335 Independent non-executive directors shall pay <u>ongoing</u> attention to material discrepancies between the actual <u>management and</u> use of the proceeds and the information disclosed by the Company. With the consent of more than half of the independent non-executive directors, they may engage an accounting firm to issue a certified audit report on the deposit and use of the proceeds.</p> <p><u>The Board shall make a timely announcement upon receiving the aforementioned certified audit report. Should the certified audit report present the view that there is a breach in the management and use of the proceeds by the Company, the Board shall also announce such</u></p>	<p>Amendments are made in accordance with Article 6.3.28 of the Guidelines for Standardized Operation, mainly added the provisions in the second paragraph.</p>

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	<u>breaches concerning the deposit and use of the proceeds, any existing or potential consequences, and any measures in place or to be taken.</u>	
<p>Article 35 The sponsor shall conduct on-site investigation on the deposit and use of the proceeds of the Company at least once on a semi-annual basis. At the end of each accounting year, the sponsor shall issue and disclose a special review report on the deposit and use of the proceeds of the Listed Company for the year.</p> <p>In the event that the certified audit conclusion on the deposit and use of the proceeds of the Company issued by the accounting firm is a “Qualified opinion” or “Adverse opinion” or the accounting firm is “unable to form an opinion”, the sponsor shall conduct careful analysis on the reasons for the above certified audit conclusion issued by the accounting firm and express a clear review opinion in its review report.</p>	<p>Article 356 The sponsor <u>or the independent financial advisor</u> shall conduct on-site investigation on the deposit and use of the proceeds of the Company at least once on a semi-annual basis. At the end of each accounting year, the sponsor <u>or the independent financial advisor</u> shall issue and disclose a special review report on the deposit and use of the proceeds of the Listed Company for the year.</p> <p>In the event that the certified audit conclusion on the deposit and use of the proceeds of the Company issued by the accounting firm is a “Qualified opinion” or “Adverse opinion” or the accounting firm is “unable to form an opinion”, the sponsor <u>or the independent financial advisor</u> shall conduct careful analysis on the reasons for the above certified audit conclusion issued by the accounting firm and express a clear review opinion in its review report.</p>	Amendments are made in accordance with the Guidelines for Standardized Operation and the actual situation of the Company.
<p>Article 36 The controlling shareholders, actual controllers, directors, supervisors and senior management of the Company shall be punished according to the relevant provisions of the Listing Rules and this system depending on the seriousness of the case in the event of violation of this system. If the circumstance is serious, they shall be reported to the Shenzhen Stock Exchange and the China Securities Regulatory Commission for investigation and punishment.</p>	<p>Article 367 The controlling shareholders, actual controllers, directors, supervisors and senior management of the Company shall be punished according to the relevant provisions of the <u>Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange</u> and this system depending on the seriousness of the case in the event of violation of this system. If the circumstance is serious, they shall be reported to the Shenzhen Stock Exchange and the China Securities Regulatory Commission for investigation and punishment.</p>	Standardized the name of the system.
<p>Article 40 Upon consideration and approval by the shareholders at the shareholders’ general meeting, this system shall take effect and put into force from the date on which the H Shares publicly issued by the Company are listed for trading on The Stock</p>	<p>Article 401 Upon consideration and approval by the shareholders at the shareholders’ general meeting, the This system shall take effect and put into force from the date <u>of consideration and approval by the shareholders at the shareholders’ general meeting on which</u></p>	Amendments are made in accordance with the actual situation of the Company.

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Exchange of Hong Kong Limited. Since the effective date of this system, the original Proceeds Management System of the Company shall be automatically invalidated.	the H Shares publicly issued by the Company are listed for trading on The Stock Exchange of Hong Kong Limited. Since the effective date of this system, the original Proceeds Management System of the Company shall be automatically invalidated.	

Note: Due to the additions of new articles and the adjustment of order, the numbering of subsequent articles shall be amended accordingly.