
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in Anhui Conch Material Technology Co., Ltd., you should at once hand this circular, together with the accompanying proxy form to the purchaser(s) or the transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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Anhui Conch Material Technology Co., Ltd.

安徽海螺材料科技股份有限公司

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

(Stock Code: 2560)

CONTINUING CONNECTED TRANSACTIONS:

(1) NEW CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT;

(2) NEW CONCH CEMENT SALES OF CONCRETE ADMIXTURES

FRAMEWORK AGREEMENT; AND (3) NEW EXPORT

SALES AND SERVICES FRAMEWORK AGREEMENT

AND

ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND PROPOSED

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AND

NOTICE OF EGM

Independent Financial Adviser to the

Independent Board Committee and the Independent Shareholders



Gram Capital Limited

嘉林資本有限公司

A notice convening the EGM of Anhui Conch Material Technology Co., Ltd. to be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the People's Republic of China at 10 a.m. on Wednesday, 31 December 2025 is set out on pages 231 to 235 of this circular.

The relevant proxy form for use at the EGM is enclosed with this circular and such proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.conchmst.com). If you intend to appoint a proxy to attend the EGM, you shall complete and return the relevant proxy form enclosed herewith in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be) (i.e. before 10 a.m. on Tuesday, 30 December 2025). Completion and return of the relevant proxy form will not preclude you from attending and voting in person at the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

15 December 2025

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DEFINITIONS

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

“Anhui Tech Import & Export”	Anhui Technology Import & Export Company Limited* (安徽省技術進出口股份有限公司), a limited company established under the laws of the PRC, which is held as to approximately 47.9% by Anhui International Trade Group (Holding) Co.,Ltd.* (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the Latest Practicable Date
“Article of Association”	article of association of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Audit committee of the Board”	the audit committee of the Company
“Board”	the board of Directors
“cement grinding aid (type 1)” (水泥助磨劑(類型1))	a type of cement admixture of which three units can be applied to 10,000 units of the production of cement to enhance its grindability and therefore improve its quality
“cement grinding aid (type 2)” (水泥助磨劑(類型2))	a type of cement admixture of which one unit can be applied to 1,000 units of the production of cement to enhance its grindability and therefore improve its quality
“Company”	Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2560)
“Company Law”	Company Law of the People’s Republic of China

DEFINITIONS

“Conch Cement”	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock limited company established under the laws of the PRC, with its A Shares listed on the Shanghai Stock Exchange (stock code: 600585) and H Shares listed on the Stock Exchange (stock code: 914)
“Conch Cement Cement Admixtures Supply Agreement”	The sale of cement admixtures supply agreement entered into between Conch Cement and the Company on 23 December 2024 (its details are set forth in the sub-section headed “Non-Exempt Continuing Connected Transactions” under the section headed “Continuing Connected Transactions” in the Prospectus)
“Conch Cement Concrete Admixtures Framework Agreement”	The sale of concrete admixtures framework agreement entered into between Conch Cement and the Company on 23 December 2024 (its details are set forth in the sub-section headed “Non-Exempt Continuing Connected Transactions” under the section headed “Continuing Connected Transactions” in the Prospectus)
“Conch Cement Group”	Conch Cement and its subsidiaries
“Conch Holdings”	Anhui Conch Holdings Company Limited* (安徽海螺集團有限公司), a limited liability company established under the laws of the PRC
“Conch Tech Innovation”	Anhui Conch Technology Innovation Material Co., Ltd.* (安徽海螺科創材料有限公司) (formerly known as Anhui Conch Investment Co., Ltd.* (安徽海螺投資有限公司)), a limited liability company established under the laws of the PRC, which is wholly-owned by Conch Holdings as at the Latest Practicable Date, and is one of the controlling shareholders of the Company holding approximately 36.47% equity interest in the Company
“Conch Venture”	China Conch Venture Holdings Limited (中國海螺創業控股有限公司), a listed company established under the laws of Cayman Islands, and the shares of which are listed on the Stock Exchange (stock code: 586)

DEFINITIONS

“Concrete and Other Admixture Products”	Concrete and other specific admixtures as specified in the Conch Cement Sales of Concrete Admixtures Framework Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB, which are not listed on any stock exchange
“EGM”	the extraordinary general meeting of the Company to be convened and held on 31 December 2025, for the purpose of considering and, if thought fit, approving the New Framework Agreements and the relevant annual caps
“Export Sales and Services Framework Agreement”	the export of products framework agreement entered into between Anhui Tech Import & Export and the Company on 22 November 2024 (its details are set forth in the sub-section headed “Partially Exempt Continuing Connected Transactions” under the section headed “Continuing Connected Transactions” in the Prospectus)
“Export Services”	export services provided by Anhui Tech Import & Export under the Export Sales and Services Framework Agreement
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
“HKD”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei, established to advise the Independent Shareholders in respect of the New Framework Agreements and the relevant annual caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the New Framework Agreements and the relevant annual caps
“Independent Shareholder(s)”	the Shareholders other than Conch Tech Innovation and its associates who are not required under the Listing Rules to abstain from voting on the ordinary resolution in relation to the New Framework Agreement(s) to be proposed at the EGM
“Independent Third Party”	any entity(ies) or person(s) who is not a connected person of the Company or an associate of any such entity(ies) or person(s) within the meanings ascribed thereto under the Listing Rules
“Latest Practicable Date”	11 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“New Conch Cement Cement Admixtures Supply Agreement”	the purchase agreement for the supply of cement admixtures by the Group entered into between Conch Cement and the Company on 27 November 2025, with major terms as set out in the “Letter from the Board” in this circular

DEFINITIONS

“New Conch Cement Concrete Admixtures Framework Agreement”	the framework agreement for the sales of concrete admixtures entered into between Conch Cement and the Company on 27 November 2025, with major terms as set out in the “Letter from the Board” in this circular
“New Export Sales and Services Framework Agreement”	the framework agreement for the export of products entered into between Anhui Tech Import & Export and the Company on 27 November 2025, with major terms as set out in the “Letter from the Board” in this circular
“New Framework Agreement(s)”	refers to the New Conch Cement Cement Admixtures Supply Agreement, the New Conch Cement Concrete Admixtures Framework Agreement, the New Export Sales and Services Framework Agreement and the Export Sales and Services Framework Agreement, and each a “New Framework Agreement”
“Notice of EGM”	the notice convening the EGM as set out on pages 231 to 235 of this circular
“PRC” or “China”	the People’s Republic of China, for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 31 December 2024 in relation to its initial public offering
“Resale of Products”	Sales of Products to the Company’s end customers through Anhui Tech Import & Export
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Settlement Sum”	The settlement sum to be paid by Anhui Tech Import & Export for the Resale of Products under the Export Sales and Services Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, comprising Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

All the English translation of certain Chinese names or words in this circular are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words. If there is any inconsistency, the Chinese names or words shall prevail.

Unless otherwise specified, the translation of RMB into HKD, and vice versa, in this circular was made at RMB0.90906 = HK\$1.00. The RMB to HK\$ exchange rate is based on the middle rate as published by the People’s Bank of China on 5 December 2025. No representation is made that any amount in RMB or HKD can be or could be, or have been, converted at the above rate or any other rate or at all.

LETTER FROM THE BOARD



Anhui Conch Material Technology Co., Ltd.

安徽海螺材料科技股份有限公司

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

(Stock Code: 2560)

Executive Directors

Mr. Chen Feng (*General Manager and
Chief Executive Officer*)

Mr. Bai Lin

Non-executive Directors

Mr. Ding Feng

(Chairman of the Board)

Mr. Feng Fangbo

(Vice-Chairman of the Board)

Mr. Zhao Hongyi

(Vice-Chairman of the Board)

Mr. Jin Feng

Mr. Fan Haibin

***Headquarter and Principal Place of
Business in the PRC***

No. 1-301, G Zone, Jiangbei New District
Construction Headquarters

150 Meters South of Tongjiang Avenue

Wanjiang Jiangbei Emerging Industry

Concentration Zone (except the Trusteeship Area)

Wuhu City, Anhui Province

China

Principal Place of Business in Hong Kong

Room 1920, 19/F

Lee Garden One, 33 Hysan Avenue

Causeway Bay, Hong Kong

Independent non-executive Directors

Mr. Li Jiang

Mr. Chen Jiemiao

Ms. Xu Xu

Ms. Zeng Xiangfei

Anhui Province, the People's Republic of China

15 December 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS:

(1) NEW CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT;

(2) NEW CONCH CEMENT SALES OF CONCRETE ADMIXTURES

FRAMEWORK AGREEMENT; AND (3) NEW EXPORT

SALES AND SERVICES FRAMEWORK AGREEMENT

AND

ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND PROPOSED

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AND

NOTICE OF EGM

LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to the Prospectus, the announcement of the Company dated 27 November 2025 regarding the New Framework Agreements and the announcement of the Company of even date on the abolishment of the Supervisory Committee and the proposed amendments to the Articles of Association of the Company.

The purpose of this circular is to provide you with, amongst others,

- (1) further details of the New Framework Agreements and their respective annual caps;
- (2) a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the New Framework Agreements;
- (3) a letter from Gram Capital setting out its advice and recommendation to the Independent Board Committee and the Independent Shareholder in respect of the New Framework Agreements;
- (4) further details of the proposed amendments to the Articles of the Association;
- (5) further details of the proposed amendments to the Rules of Procedures for Shareholders' Meetings of the Company;
- (6) further details of the proposed amendments to the Rules of Procedures for Board Meetings of the Company; and
- (7) further details of the proposed amendments to the Administrative Measures for Connected Transactions of the Company.

II. THE NEW FRAMEWORK AGREEMENTS

Background

As disclosed in subsection headed “Non-exempt Continuing Connected Transactions” and “Partially Exempt Continuing Connected Transactions” in “Continuing Connected Transactions” section of the Prospectus and the aforesaid announcements, thereof, (1) On 23 December 2024, the Company entered into the Conch Cement Cement Admixtures Supply Agreement on the supply of cement admixtures to the Conch Cement Group by the Group, for a term from 1 January 2025 and up to 31 December 2025; (2) On 23 December 2024, the Company entered into the Conch Cement Sales of Concrete Admixtures Framework Agreement on the supply of concrete and other

LETTER FROM THE BOARD

admixture products to Conch Cement Group by the Group, for a term from 1 January 2025 and up to 31 December 2025; (3) on 22 November 2024, the Company entered into the Export Sales and Services Framework Agreement for the export of products with Anhui Tech Import & Export, for a term from 22 November 2024 and up to 31 December 2025.

As the terms of the aforesaid agreements will expire on 31 December 2025 and upon the relevant successful tender for the supply of cement admixtures to the Conch Cement Group, the relevant parties agree to enter into new framework agreements to renew the terms.

On 27 November 2025 (after trading hours), the Company and Conch Cement entered into the New Conch Cement Cement Admixtures Supply Agreement in relation to the supply of cement admixtures for the period from 1 January 2026 to 31 December 2026.

On 27 November 2025 (after trading hours), the Company and Conch Cement entered into the New Conch Cement Concrete Admixtures Framework Agreement in relation to the purchase of concrete and other admixture products for the period from 1 January 2026 to 31 December 2026.

On 27 November 2025 (after trading hours), the Company and Anhui Tech Import & Export entered into the New Export Sales and Services Framework Agreement in relation to the export of products for the period from 1 January 2026 to 31 December 2026.

PRINCIPAL TERMS OF THE NEW FRAMEWORK AGREEMENTS

The principal terms of the New Framework Agreements are summarised as follows:

1. The New Conch Cement Cement Admixtures Supply Agreement

Principal terms of the New Conch Cement Cement Admixtures Supply Agreement are as follows:

Date: 27 November 2025

Parties: (1) Conch Cement; and
(2) The Company

Term: 1 January 2026 to 31 December 2026

LETTER FROM THE BOARD

Condition precedent:	The terms of the transactions contemplated under the New Conch Cement Cement Admixtures Supply Agreement shall be conditional upon the obtaining of the shareholders' approval in the shareholders' meeting of the Company.
Products to be provided by the Group and main terms:	<p>Conch Cement and/or its relevant subsidiaries may purchase Cement grinding aid (type 1) and cement grinding aid (type 2), the quantity and quality of which shall be determined by Conch Cement according to its actual needs for its production at the prices stated in the tender document.</p> <p>The sales of the products to Conch Cement and/or its relevant subsidiaries will be based on the purchase order(s) placed by Conch Cement and/or its subsidiaries, according to their respective actual needs of the products, procurement schedule and other specified arrangements. The purchase order shall set out specific terms and arrangements regarding the procurement of products, including product type, price, production and delivery schedule and other arrangements.</p>
The Annual Cap(s):	The Annual Cap under the agreement shall not exceed RMB700.0 million during the term.
Payment terms:	Conch Cement and/or its relevant subsidiaries shall make settlement payment within two months after receiving the invoices of each batch products from the Company.

2. The New Conch Cement Concrete Admixtures Framework Agreement

Date:	27 November 2025
Parties:	(1) Conch Cement; and (2) The Company
Term:	1 January 2026 to 31 December 2026

LETTER FROM THE BOARD

Condition precedent:	The terms of the transactions contemplated under the New Conch Cement Concrete Admixtures Framework Agreement shall be conditional upon the obtaining of the shareholders' approval in the shareholders' meeting of the Company.
Products to be provided by the Group and main terms:	<p>Conch Cement may purchase concrete admixtures and other specific admixtures (“Concrete and Other Admixture Products”) from the Group from time to time, and the quantity of which shall be determined by Conch Cement according to its actual needs for its products.</p> <p>The Group will enter into individual sub-contracts with Conch Cement and/or its relevant subsidiaries regarding the sales of Concrete and Other Admixture Products, according to their respective actual needs for concrete production, procurement schedule and other specified arrangements.</p> <p>The individual sub-contracts shall set out specific terms and arrangements in relation to the procurement of Concrete Admixtures and Other Admixtures, including product type, final price, production and delivery schedule, packaging and other arrangements.</p> <p>The major terms of the individual sub-contracts shall be in line with those of the New Conch Cement Concrete Admixtures Framework Agreement, and the aggregate contract amount under the individual subcontracts shall not exceed the annual cap in the New Conch Cement Concrete Admixtures Framework Agreement.</p>
The Annual Cap(s):	The Annual Cap(s) under the agreement shall not exceed RMB160.0 million during the term.
Payment terms:	Conch Cement and/or its relevant subsidiaries shall make settlement payment within two months after receiving the invoices of each batch products from the Company.

LETTER FROM THE BOARD

3. The New Export Sales and Services Framework Agreement

Date: 27 November 2025

Parties: (1) The Company; and
(2) Anhui Tech Import & Export

Term: 1 January 2026 to 31 December 2026

Condition precedent: The terms of the transactions contemplated under the New Export Sales and Services Framework Agreement shall be conditional upon the obtaining of the shareholders' approval in the shareholders' meeting of the Company.

Products to be sold: The Group will enter into individual export sales and/or services sub-contracts with Anhui Tech Import & Export and/or its relevant subsidiaries regarding the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials (the "**Products**"), according to the actual needs for products, products' specifications, settlement prices for products and other specified arrangements of overseas customers of the Group.

Services to be provided by Anhui Tech Import & Export: Anhui Tech Import & Export and/or its subsidiaries provides export services for the Products, which covers mainly export agency services, custom filing and clearance, settlement services (結算服務) and arrangements for transportation services for the export of Products, if so required ("**Export Services**").

The Group will enter into individual sub-contracts with Anhui Tech Import & Export regarding the sales of import & export service according to their respective actual needs for import & export.

The major terms of the individual sub-contracts shall be in line with those of the New Export Sales and Services Framework Agreement.

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Annual Cap(s):

The Annual Cap(s) under the individual sub-contracts for products to be sold in aggregate during the relevant period of the term of the New Export Sales and Services Framework Agreement shall not exceed the annual cap of RMB90.0 million. Anhui Tech Import & Export also agrees to refer to any export sales business opportunities it and/or its subsidiaries may have to the Group.

The relevant service fees under the individual sub-contracts for the Export Services in aggregate during the relevant period of the term of the New Export Sales and Services Framework Agreement is not expected to exceed HK\$3.0 million (equivalent to approximately RMB2.73 million).

Payment terms:

(a) Sales of Products to the end customers through Anhui Tech Import & Export

The Group will further enter into individual export sales contracts with Anhui Tech Import & Export for the sales of Products to the end customers through Anhui Tech Import & Export. Anhui Tech Import & Export will pay the contract amount to the Group for the Products exported to the overseas end customers.

(b) Export Services provided by Anhui Tech Import & Export

The Group will further enter into individual contracts with (i) the end customers, for the sales of Products, and (ii) Anhui Tech Import & Export and/or its relevant subsidiaries, for its Export Services.

The end customers will make the sales contract sum to the Group through Anhui Tech Import & Export for the sales of the Products; and the Group will pay the export service fees to Anhui Tech Import & Export (which is to be deducted from or set-off from the sales contract sum).

LETTER FROM THE BOARD

HISTORICAL TRANSACTION AMOUNTS AND THE ANNUAL CAPS

1. The New Conch Cement Cement Admixtures Supply Agreement

Existing annual cap and the historical transaction amounts

For the year ending 31 December 2025, the existing annual cap (tax inclusive) for the relevant transactions under the Conch Cement Cement Admixtures Framework Agreement is RMB720.0 million.

The actual transaction amounts (tax inclusive) in respect of the transactions contemplated under the Conch Cement Cement Admixtures Supply Agreement for the ten months ended 31 October 2025 amounted to approximately RMB524.3 million. The utilisation rate of existing annual cap as at 31 October 2025 is approximately 72.8%, and the historical transaction amount is within the existing annual cap for the Conch Cement Cement Admixtures Framework Agreement.

Proposed annual cap and basis of determination of the annual cap

The proposed annual cap of RMB700.0 million for the transactions contemplated under the New Conch Cement Cement Admixture Supply Agreement for the year ending 31 December 2026 was determined based on the following factors and assumptions:

- (a) (i) a total of approximately RMB641.1 million for covering the total demand of about 200,000 tons of cement admixtures indicated by Conch Cement Group on cement grinding aid (type 1) and cement grinding aid (type 2) for different regions for the year of 2026 in the tender documents, with the Group's estimation on product types; and the relevant unit prices quoted in the tender documents for different product types and different regions;
- (ii) approximately RMB22.4 million to cover the indication of demand from our production plant setup Uzbekistan (which is expected to cover among others, Tashkent, Andijan and Karshi regions in Uzbekistan);
- (iii) approximately RMB14.4 million to cover the indication of demand from our production plant in Indonesia which is expected to commence production in 2026 (which is expected to cover among others, North Sulawesi, South Kalimantan and West Papua regions in Indonesia);
- (iv) approximately RMB22.1 million as buffer of less than 10% to cater for unexpected demand of cement grinding aid (type 1) and cement grinding aid (type 2) from Conch Cement Group;

LETTER FROM THE BOARD

- (b) the historical quantity (about 186,000 tons of cement admixture products) and prices of cement grinding aid (type 1) and cement grinding aid (type 2) procured by Conch Cement Group and the historical amounts paid by Conch Cement Group to us for the procurement of these cement grinding aid (type 1) and cement grinding aid (type 2) (approximately RMB524.3 million for the ten months ended 31 October 2025), indicating the actual demand was generally in line with historical indicated demand;

The Company will comply with the requirement of the annual review as set out in Rules 14A.71 to 14A.72 of the Listing Rules and will re-comply with the relevant Listing Rules if any of the annual caps is exceeded, or when the New Conch Cement Cement Admixtures Supply Agreement is renewed or there is any material change to the terms of the New Conch Cement Cement Admixtures Supply Agreement.

2. The New Conch Cement Concrete Admixtures Framework Agreement

Existing annual cap and the historical transaction amounts

For the year ending 31 December 2025, the existing annual cap (tax inclusive) for the relevant transactions under the Conch Cement Concrete Admixtures Framework Agreement is RMB60.0 million.

The actual transaction amounts (tax inclusive) in respect of the transactions contemplated under the Conch Cement Concrete Admixtures Framework Agreement for the ten months ended 31 October 2025 amounted to approximately RMB59.6 million. The utilisation rate of existing annual cap as at 31 October 2025 is approximately 99.3%, and the historical transaction amount is within the existing annual cap for the Conch Cement Concrete Admixtures Framework Agreement.

Proposed annual cap and basis of determination of the annual cap

The annual cap of RMB160.0 million for the transactions contemplated under the New Conch Cement Concrete Admixtures Framework Agreement for the year ending 31 December 2026 was determined based on the following factors and assumptions:

- (a) approximately RMB135.4 million to cover the demand as indicated in the public tender document issued by Conch Cement for selection of suppliers for concrete admixture and other admixture products and under which the Company was selected as a supplier, calculated based on

LETTER FROM THE BOARD

- (i) the expected unit prices of different types of Concrete and Other Admixture Products to be determined based on the pricing policy as mentioned below (primarily taking the average unit price of concrete admixtures products between January to October 2025 for the purpose of calculation);
- (ii) the estimated total procurement quantity of Concrete and Other Admixture Products demanded by Conch Cement Group according to its production plan for Concrete and Other Admixture Products for the year of 2026 as indicated in the aforesaid public tender document (120,000 tons of concrete admixture products);
- (b) approximately RMB16.5 million to cover the indication of additional demand that may result from Conch Cement Group's concrete mixing plants which are expected to commence production in 2026; and supply of other admixture products to Conch Cement Group;
- (c) approximately RMB8.1 million as a buffer of less than 10% to cater for unexpected demand of Concrete and Other Admixture Products from Conch Cement Group;
- (d) the historical quantity of Concrete and Other Admixture Products procured by Conch Cement Group (about 53,600 tons of concrete admixture products and 2,000 tons of other admixture products) and the historical amounts paid by Conch Cement Group to us (approximately RMB59.6 million for the ten months ended 31 October 2025) for the procurement of these Concrete and Other Admixture Products, indicating the actual demand was generally in line with historical indicated demand; and
- (e) the assumptions that there will be no material changes to the demand for Concrete and Other Admixture Products under the production plan of Conch Cement Group for the year of 2026 and the general socio-economic environment of the PRC that may affect the demand of construction projects.

Taking into account of the above assessment, the Board considers that the relevant annual caps and the respective basis of determination of the relevant annual caps of each of the New Framework Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Company will comply with the requirement of the annual review as set out in Rules 14A.71 to 14A.72 of the Listing Rules and will re-comply with the relevant Listing Rules if any of the annual caps is exceeded, or when the New Conch Cement Concrete Admixtures Framework Agreement is renewed or there is any material change to the terms of the New Conch Cement Concrete Admixtures Framework Agreement.

LETTER FROM THE BOARD

3. The New Export Sales and Services Framework Agreement

Proposed annual cap and basis of determination of the annual cap

For the year ending 31 December 2025, the existing annual cap (tax inclusive) for the relevant transactions under Export Sales and Services Framework Agreement is RMB50.0 million.

The actual transaction amounts in respect of the transactions contemplated under the Export Sales and Services Framework Agreement relating to sale of products for the ten months ended 31 October 2025 amounted to approximately RMB36.9 million. The utilisation rate of existing annual cap as at 31 October 2025 is approximately 73.8%, and the historical transaction amount is within the existing annual cap for the sale of products under the New Export Sales and Services Framework Agreement.

For the ten months ended 31 October 2025, the total fees for the export services provided by Anhui Tech Import & Export to the Group amounted to approximately RMB158,000 (equivalent to approximately RMB144,000) which is far less than HK\$3.0 million (equivalent to approximately RMB2.7 million).

Proposed annual cap and basis of determination of the annual cap

The annual cap for the transactions relating to sale of products contemplated under the Export Sales and Services Framework Agreement for the year ending 31 December 2026 is RMB90.0 million. The transaction amounts for the export services to be provided by Anhui Tech Import & Export for the year ending 31 December 2026 is expected to under HKD3.0 million (equivalent to approximately RMB2.7 million).

The annual cap of RMB90.0 million for the transactions contemplated under the New Export Sales and Services Framework Agreement for the year ending 31 December 2026 was determined based on the following factors and assumptions:

(i) Resale of products

- (a) the historical transaction amount of the products sold to Anhui Tech Import & Export (approximately RMB36.9 million for the ten months ended 31 October 2025 and expected up to RMB47.0 million in aggregate for the full year of 2025), and payment and settlement terms under the Export Service Framework Agreement, which will be determined based on the pricing policy as mentioned below;

LETTER FROM THE BOARD

- (b) the Group's plan to extend sales coverage of the Group in overseas market and expand into overseas market for sales of both admixture product and its in-process intermediaries, including Europe, Uzbekistan, Taiwan, Turkey and other countries in Southeast Asia, Middle East and South America, where
 - a total of approximately RMB80.0 million for covering existing ultimate overseas customers, taking into account that for the ultimate overseas customers that the Group commenced Products Resale in 2023, the estimated Products Resale amount for 2026 ranges from RMB10 million to RMB18 million; for the ultimate overseas customers that the Group commenced Products Resale in 2024, the estimated Products Resale amount for 2026 ranges from RMB5 million to RMB18 million; and for the ultimate overseas customers that the Group commenced Products Resale in 2025, the estimated Products Resale amount for 2026 ranges from RMB1 million to RMB5 million (covering France, Switzerland, Uzbekistan, Taiwan, Turkey and Saudi Arabia etc.);
 - a total of approximately RMB10.0 million for covering new ultimate overseas customers (covering Indonesia and Middle East). It is estimated that new ultimate overseas customers are expected to procure relatively less products during their first year of procurement from the Group and/ Anhui Tech Import & Export. Accordingly, the Company estimated that the relevant transaction amount for 2026 to each new ultimate overseas customer ranges from RMB0.3 million to RMB1.3 million.
- (c) the assumption that there will be no material changes to (i) general socio-economic environment of the PRC and the location of potential overseas customers of the Group that may affect the demand of construction projects; and (ii) the expected demand of potential overseas customers of the Group for the Products under their procurement plan during the year ending 31 December 2026.

(ii) Export Services provided by Anhui Tech Import & Export

The fees for the Export Services provided by Anhui Tech Import & Export to the Group are expected to be less than HK\$3.0 million (equivalent to less than approximately RMB2.7 million) in aggregate for the year ending 31 December 2026. The relevant sum is determined after taking into account of the following:

- (a) the estimated services fee charged by Anhui Tech Import & export for providing Export Services (approximately RMB158,000 for the ten months ended 31 October 2025);

LETTER FROM THE BOARD

- (b) the estimated quantity of the Products to be exported through Anhui Tech Import & Export to the overseas end customers based on the Group's expansion plan and discussion with potential end customers in the overseas market and the expected expert service fees to be estimated to be about RMB200,000; and (c) the assumption that there will be no material changes to (i) general socio-economic environment of the PRC and the location of the potential overseas customers; and (ii) the expected demand of the potential overseas customers for the Products under their procurement plan during the year ending 31 December 2026.

The Company will comply with the requirement of the annual review as set out in Rules 14A.71 to 14A.72 of the Listing Rules and will re-comply with the relevant Listing Rules if any of the annual caps is exceeded, or when the New Export Sales and Services Framework Agreement is renewed or there is any material change to the terms of the New Export Sales and Services Framework Agreement.

The transactions relating to the export services are different in nature from the sale of products under the New Export Sales and Services Framework Agreement and are aggregated together. The expected export service fees for the year ending 31 December 2026 are estimated to be about RMB200,000, which is also far below under HK\$3 million and should be partially exempted under Rule 14A.76(a) of the Listing Rule. The information regarding the export services is disclosed herein for completeness and shareholders' information purposes only.

REASONS FOR AND BENEFITS OF THE NEW FRAMEWORK AGREEMENTS

Conch Cement is principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. The Group has been providing various admixture products to Conch Cement Group since 2018. The Group has a well-established and ongoing business relationship with Conch Cement Group and it has been the Group's largest customer for many years. Conch Cement was on the list of world's top 2000 companies as announced by Forbes and on the list of China's top 500 companies as announced by Fortune China. Over years of cooperation both the Group and Conch Cement Group have developed a mutual and deep understanding of their respective business operations. Given the stable and close relationship, the Group is familiarised with Conch Cement Group's specific requirements and expected deliverables. Leveraging on Conch Cement's reputation and ranking in the cement and concrete industry in the world and its demand in high-quality concrete and other admixture products which the Group has been capable of providing throughout the past few years, the Group believe it is beneficial to the Group to continue to provide Cement Admixture, Concrete Admixture and Other Admixture Products to Conch Cement Group to generate stable revenue.

LETTER FROM THE BOARD

Anhui Tech Import & Export was established in 1985 with more than 400 employees. It is a licensed and experienced import and export company in the PRC and experienced in providing general import and export related services with scale. It could ensure smooth clearance process for our products like cement admixture and concrete admixture, provide timely services for delivery of our products to end customers in order to accommodate the operating needs of the Group, catering for day-to-day business and administrative schedule. The Group will in turn benefit from organised, efficient and cost-effective export sales and services, which helps enhance the market competitiveness and facilitates plan to expand into the overseas market. For sale of products to Anhui Tech Import & Export, the terms are comparable to other Independent Third Parties, and where credit terms are provided for products sold, Anhui Tech Import & Export is with higher credibility than others taking into account of the related party relationship with the Group with long term history, which lowers the Group's credit risks of products which are ultimately sold to overseas markets. For export services, the Group compare terms of the sale of products and export services with Independent Third Parties from time to time and it may at its discretion to opt for another service provider for similar services if the terms offered by Anhui Tech Import & Export are less favourable than those offered by the Independent Third Parties.

The Directors (excluding two non-executive Directors Mr. Ding Feng and Mr. Jin Feng who are required to abstain from voting on the board resolutions) are of the view that each of the New Framework Agreements have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of each of the New Framework Agreements and the relevant annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save and except for Mr. Ding Feng (being the vice general manager, chief economist and vice chief accountant of Conch Holdings, a director of Conch Tech Innovation and is a director or a senior management of certain other subsidiaries of Conch Holdings) and Mr. Jin Feng (being a vice general manager, director of Conch Tech Innovation and a director or senior management of certain other subsidiaries of Conch Holdings), who are regarded to be materially interested in the New Framework Agreements and the transactions contemplated thereunder and therefore are deemed to have material interests in the New Framework Agreements and the transactions contemplated thereunder and therefore had abstained from voting on the relevant board resolutions, the Directors have confirmed, no other Directors have material interests in the New Framework Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

PRICING POLICIES AND INTERNAL CONTROL

1. The New Conch Cement Cement Admixtures Supply Agreement

The unit prices of the cement admixture products in which the Company quoted in the tender were determined with reference to the pricing policies, fair market price by conducting research on the prevailing market conditions and practices, as well as, the pricings and terms of similar products being sold to other Independent Third Party customers by the Group, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of cement admixture products in which the Group quoted in the tender and resources required (including human resources and materials) and the quantity to be procured by Conch Cement Group.

Conch Cement conducted an open tender for the procurement of cement admixtures in accordance with the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) and the Implementing Regulations on the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》). The Company participated in the relevant open tender in late November 2025.

The Company participated in the tender relating to the Conch Cement Cement Admixtures Supply Agreement. As disclosed in the announcement dated 27 November 2025 regarding procurement of cement admixtures, concrete admixtures and other admixtures, a total of three suppliers (one of which being the Company and the other two being Independent Third Parties) participated in the relevant open tender. The tenders were rated based on technical evaluation and commercial evaluation. Technical evaluation included ratings on the operation results, credibility of 5 contract performance, project management capabilities, credit status, overall strengths, and after-sales service of the tenderers; commercial evaluation included ratings on the price quotations of the products, ranking from the lowest to the highest. According to the overall rating results based on the technical evaluation and commercial evaluation, the Company has been selected as one of the cement admixture suppliers of Conch Cement. The unit prices of the cement admixture products under the Conch Cement Cement Admixtures Supply Agreement were determined based on the results of the tender and on arm's length basis.

Internal control

Pricing for sale of cement admixture products to Conch Cement Group under the New Conch Cement Cement Admixtures Supply Agreement must accord to the prices as the result of the relevant tender. The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for the monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

LETTER FROM THE BOARD

2. The New Conch Cement Concrete Admixtures Framework Agreement

Conch Cement conducted an open tender for the procurement of concrete admixtures in accordance with the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) and the Implementing Regulations on the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) for the purpose of admitting qualified suppliers. The Company participated in the relevant open tender in late November 2025 and was selected as one of the approved suppliers for the supply of the concrete admixture products, and the New Concrete and Other Admixture Products Framework Agreement was signed between Conch Cement and the Company for the supply of the relevant products, which provides that the unit price of the Concrete and Other Admixture Products will be further determined by the transaction methods, including open tender, invitation tender or request for quote and negotiation. The transaction methods would be decided by each individual subsidiaries or branch of Conch Cement Group.

Open tender or invitation tender: The unit price of Concrete and Other Admixture Products will be subject to the tender result after taking into account the tender criteria of the Conch Cement Group and conducting market researches to understand the market conditions and prevailing market rate of the relevant products. Conch Cement Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Material Technology and Independent Third Parties) offering similar admixture products in accordance with the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) and the Implementing Regulations on the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》). It is expected that the tenders will be rated based on technical evaluation and commercial evaluation. Technical evaluation will include ratings on the operation results, credibility of contract performance, project management ability, credit status, overall strengths, and after-sales service of the tenderers; commercial evaluation will include ratings on the price quotations of the products, ranking from the lowest to the highest. The successful tenderer shall achieve the highest or best overall rating results based on the technical evaluation and commercial evaluation. The unit prices of the admixture products under the sub-contracts of the New Concrete and Other Admixtures Framework Agreement shall be determined with reference to the results of the tenders.

Request for quote and negotiation: The unit price of the Concrete and Other Admixture Products will be determined on arm's length basis with reference to the fair market price and the unit price of similar products being sold to other Independent Third Party customers by the Group and negotiation among parties on fair basis, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of Concrete and Other Admixture Products and resources required (including human resources and materials) and the quantity to be procured by Conch Cement Group.

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Before entering into any transactions in relation to the New Conch Cement Sales of Concrete Admixtures Framework Agreement, the sales team of the relevant subsidiary of the Group will take into account the pricing policies, make reference to the pricing and terms between the Group and the Independent Third Parties for similar products, and conduct research on the prevailing market conditions and practices. The results would be subject to the open tender or invitation tender or request for quote and negotiation process conducted by Conch Cement Group. As such, the unit price for the Concrete and Other Admixture Products sold to Conch Cement Group should be on arm's length basis and at the fair market price.

The price range for the Concrete Admixture and Other Admixture Products are generally determined once a month, according to the following formula: costs for different types of polycarboxylic acid mother liquor plus costs for ancillary materials, times the required quantities under the specific required formula, plus expected gross profit margin.

The Company adopts the same management policies for pricing of different products. It has established pricing management committee comprising the head of the sales department, finance department and procurement department, the person-in-charge for the sales of the relevant products.

Pricing for Concrete and Other Admixture Products under the New Conch Cement Sales of Concrete Admixtures Framework going beyond the price range (under or above the price range) in routine or periodically as mentioned above shall be approved by the pricing management committee. Even if the pricing for Concrete and Other Admixture Products under the New Conch Cement Sales of Concrete Admixtures Framework going beyond the price range, the pricing management committee would further compare the price with those offered to the Independent Third Parties to assess the fairness and on normal commercial terms.

Internal control

The Company also adopts tender management and contract implementation policy to encourage submission of tenders, and each tender shall be prepared by the sales department of the relevant subsidiary and submit to head of sales department of the Company.

The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for the monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

LETTER FROM THE BOARD

3. The New Export Sales and Services Framework Agreement

(a) Resale of Products

The Settlement Sum to be paid by Anhui Tech Import & Export for the Resale of Products will be determined based on arm's length negotiation between the Group and Anhui Tech Import & Export, taking into account of the sales contract sum for the Products to be exported, the pricing policies, the fair market price and the unit price of similar products being sold to other import and export providers under comparable conditions on fair basis.

Price range for intermediates products (alcohol amine, polyether monomers and polycarboxylic acid mother liquor for concrete admixtures) will be set weekly each subsidiary after taking into account of the market price (with reference to prices quoted by commodities information service providers, production costs, variation of different specification and the expected gross profit margin, and submit for approval by the head of sales department of the Company for implementation on every Monday. Pricing for sale of cement admixture products and concrete admixture products will be set monthly on similar basis for implementation on the first day of each month.

Internal control

Pricing going beyond the price range (under or above the price range) in routine or periodically as mentioned above shall be approved by the pricing management committee.

The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for the monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

(b) Export Services provided by Anhui Tech Import & Export

The service fee for providing export services for the Products will be determined on arm's length basis with reference to prevailing market rates available from independent third parties under comparable conditions, as well as the pricing and terms between the Group and the Independent Third Parties for similar services. Such service fee should be no less favourable than those offered by Anhui Tech Import & Export to any other third parties under comparable condition/other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

LETTER FROM THE BOARD

Before entering into any transactions in relation to the New Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will make reference to the pricing and terms between the Group and the Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the unit price of various types of services should be on arm's length basis and at the fair market price.

Having taken into account of the above pricing mechanism which is commonly adopted in the market and would have considered the market prices and relevant internal control adopted that ensures the price offered by the Company to the relevant connected persons are no less favourable to the Group than the terms available from Independent Third Parties, the Board considers that pricing policies for the transactions contemplated under the New Framework Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders.

INFORMATION ON THE GROUP

The Group is a fine chemical materials supplier which produces and sells cement admixture, concrete admixture and their respective upstream raw materials.

INFORMATION ON CONCH CEMENT

Conch Cement is a joint stock limited company established under the laws of the PRC, with its A Shares listed on the Shanghai Stock Exchange (stock code: 600585) and H Shares listed on the Stock Exchange (stock code: 914). Conch Cement Group is principally engaged in the production and sales of cement, commodity clinker, aggregates and commodity concrete. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, Conch Cement is owned as to 36.40% by Conch Holdings. Conch Holdings is ultimately beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and as to 49% by China Conch Venture Holdings Limited (中國海螺創業控股有限公司)(the shares of which are listed on the Stock Exchange (stock code: 586). To the best information and knowledge of the Directors, there is no other single shareholder or group of shareholders holding 30% or more interests in Conch Cement, and there is no single shareholder or group shareholder holding 30% or more interest in Conch Venture.

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INFORMATION ON ANHUI TECH IMPORT & EXPORT

Anhui Tech Import & Export is a licensed import and export company in the PRC and experienced in providing general import and export related services, which is held as to approximately 47.9% by Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the Latest Practicable Date.

To the best information and knowledge of the Directors, as at the Latest Practicable Date, (i) each of Anhui Shun An De Enterprise Management Centre (Limited Partnership) (安徽順安德企業管理中心(有限合夥)), Anhui Shun An Yi Enterprise Management Centre (Limited Partnership) (安徽順安易企業管理中心(有限合夥)), Anhui Shun An She Enterprise Management Centre (Limited Partnership) (安徽順安舍企業管理中心(有限合夥)) and Zuo Bing (左兵) held as to 17.37%, 17.27%, 16.77% and 0.63% of the interests in Anhui Tech Import & Export, respectively; and (ii) the managing partner of each of Anhui Shun An De Enterprise Management Centre (Limited Partnership) (安徽順安德企業管理中心(有限合夥)), Anhui Shun An Yi Enterprise Management Centre (Limited Partnership) (安徽順安易企業管理中心(有限合夥)) and Anhui Shun An She Enterprise Management Centre (Limited Partnership) (安徽順安舍企業管理中心(有限合夥)) is Zhuang Binbing (莊斌兵), Diao Rong (刁嶸) and Sun Hongqing (孫宏慶), respectively.

To the best information and knowledge of the Directors, as at the Latest Practicable Date, the remaining 45% in Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司) was held as to 39.71% by Anhui Provincial State-owned Capital Operation Holdings Group Co., Ltd. (安徽省國有資本運營控股集團有限公司) and 5.29% by Anhui Provincial Department of Finance (安徽省財政廳), respectively.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the Latest Practicable Date, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by China Conch Venture Holdings Limited. Conch Holdings holds approximately 36.4% equity interest in Conch Cement. Conch Cement is hence an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the New Conch Cement Cement Admixtures Supply Agreement and the New Conch Cement Sales of Concrete Admixtures Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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Conch Holding holds approximately 55% equity interest of Anhui International Trade Group (Holding) Co., Ltd., which holds approximately 47.9% equity interest of Anhui Tech Import & Export as at the Latest Practicable Date. Anhui Tech Import & Export is hence a connected person of the Company. The transactions contemplated under the New Export Sales and Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the annual cap for the transactions contemplated under the New Conch Cement Cement Admixtures Supply Agreement, the New Conch Cement Concrete Admixtures Framework Agreement, and the New Export Sales and Services Framework Agreement are all expected to be more than 5%, and there exist no exemptions, the transactions contemplated under the aforesaid three agreements are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened for the Shareholders to consider, and if thought fit, approve the New Framework Agreements and the relevant annual caps. Each of Conch Tech Innovation and its associates will abstain from voting on the resolution(s) in respect of the New Framework Agreements and the relevant annual caps at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been set up to advise the Independent Shareholders in connection with the New Framework Agreements and the relevant caps. Gram Capital has been appointed as the Independent Financial Adviser for the purpose of providing independent advice to the Independent Board Committee and the Independent Shareholders in connection with the New Framework Agreements and the relevant annual caps.

Having considered the factors set out above, Gram Capital is of the view that the terms of each of the New Framework Agreements have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of each of the New Framework Agreements and the relevant annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

III. THE ABOLISHMENT OF THE SUPERVISORY COMMITTEE, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND CERTAIN RULES OF PROCEDURES

In order to further optimize the governance structure of the Company, and in accordance with the provisions of relevant laws and regulations such as the Company Law and with reference to the “Guidelines for the Articles of Association of Listed Companies (Revised in 2025)”, and taking

LETTER FROM THE BOARD

into account the actual operational and management needs of the Company, the Board resolved to abolish the Supervisory Committee and to amend the Articles of Association, the “Rules of Procedures for Shareholders’ Meetings”, the “Rules of Procedures for Board Meetings” and the “Administrative Measures for Connected Transactions” of the Company accordingly.

Upon completion of the proposed amendments to the Articles of Association, the Company will no longer maintain the Supervisory Committee and the positions of supervisors. The functions and powers of the Supervisory Committee as stipulated under the Company Law shall be exercised by the audit committee of the Board, and the “Rules of Procedures for the Supervisory Committee” of the Company will be repealed accordingly. At the same time, relevant provisions involving the Supervisory Committee in the Articles of Association will be amended accordingly.

The full texts of the proposed amendments to (1) the Articles of Association, (2) the “Rules of Procedures for Shareholders’ Meetings”, (3) the “Rules of Procedures for Board Meetings” and (4) the “Administrative Measures for Connected Transactions” are set out in **Appendix I, Appendix II, Appendix III and Appendix IV** to this circular, respectively.

The legal adviser to the Company as to Hong Kong law have confirmed that the proposed amendments to the Articles are not inconsistent with the Listing Rules and the legal adviser to the Company as to PRC laws have confirmed that the proposed amendments to the Articles do not violate the laws of the PRC. The Company confirms that there is nothing unusual about the proposed amendments to the Articles.

The proposed amendments to the Articles of Association, the “Rules of Procedures for Shareholders’ Meetings”, the “Rules of Procedures for Board of Directors” and the “Administrative Measures for Connected Transactions” are subject to approval of the Shareholders at the EGM.

IV. EGM

The EGM will be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the PRC] at 10 a.m. on Wednesday, 31 December 2025. The notice of the EGM is set out on pages 231 to 235 of this circular.

Shareholders who intend to attend the EGM by proxy are required to complete and return the accompanying proxy form, in accordance with the instructions printed thereon as soon as possible. For the proxy forms to be valid, they must be deposited with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders), or the Company’s Board office at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu

LETTER FROM THE BOARD

City, Anhui Province, China (in respect of Domestic Shareholders), not later than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be), that is, before 10 a.m. on Tuesday, 30 December 2025. After completing and returning the proxy form, you may still attend the EGM and vote in person.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025, both days inclusive, during which period no transfer of Shares will be registered. To ascertain the Shareholders' entitlement to attend and vote at the EGM, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders) or the Company's Board office at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, the PRC (in respect of Domestic Shareholders) for registration not later than 4:30 p.m. Tuesday, 23 December 2025. Shareholders whose names appear on the register of members of the Company on Wednesday, 31 December 2025 are entitled to attend and vote at the EGM.

Therefore, the record date for determining shareholders' eligibility to attend and vote at the EGM is Wednesday, 31 December 2025.

V. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll.

Each of Conch Tech Innovation and its associates will abstain from voting on the resolution in respect of each of the New Framework Agreements and the relevant annual caps at the EGM.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, Conch Tech Innovation and its associates, which were interested in, in aggregate, 211,470,000 Shares (comprising 198,470,000 Domestic Shares and 13,000,000 H Shares, representing approximately 36.47% of the issued share capital of the Company, will abstain from voting at the EGM on the resolution in relation to the New Framework Agreements is required to abstain from voting on the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

VI. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei, has been established to advise and provide recommendation to the Independent Shareholders in respect of the New Framework Agreements.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the relevant annual caps.

VII. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 32 to 33 of this circular which contains its recommendation to the New Framework Agreements and the relevant annual caps, and the letter from the Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 34 to 52 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreements and the relevant annual caps.

The Directors (including the independent non-executive Directors having taken into account the advice from Gram Capital, but excluding two non-executive Directors Mr. Ding Feng and Mr. Jin Feng who are required to abstain from voting on the Board resolutions) are of the view that each of the New Framework Agreements have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of each of the New Framework Agreements and the relevant annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, based on the relevant information disclosed herein, the Directors consider that (i) the proposed amendments to the Articles of Association; (ii) the proposed amendments to the Rules for the Procedures for Shareholders' Meetings, (iii) the proposed amendments to the Rules for the Procedures for Board Meetings, and (iv) the proposed amendments to the Administrative Measures for Connected Transactions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the aforesaid resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

VIII. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix V to this circular.

The English version shall prevail in case of any discrepancy or inconsistency between this English version and its Chinese translation.

Yours faithfully,

By order of the Board

Anhui Conch Material Technology Co., Ltd.

Ding Feng

Chairman of the Board and non-executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Anhui Conch Material Technology Co., Ltd.

安徽海螺材料科技股份有限公司

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

(Stock Code: 2560)

15 December 2025

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS:

- (1) NEW CONCH CEMENT CEMENT ADMIXTURES SUPPLY AGREEMENT;**
- (2) NEW CONCH CEMENT SALES OF CONCRETE ADMIXTURES
FRAMEWORK AGREEMENT; AND**
- (3) NEW EXPORT SALES AND SERVICES FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 15 December 2025 (the “**Circular**”) despatched to the Shareholders of which this letter forms part. Unless the context requires otherwise, terms and expressions defined or adopted in the Circular shall have the same meanings in this letter.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether the New Framework Agreements are on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Agreement and the relevant annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the same.

We wish to draw your attention to the letter from the Board as set out on pages 7 to 31 of the Circular and the text of a letter of advice from the Independent Financial Adviser as set out on pages 34 to 52 of the Circular, both of which provide details of the New Framework Agreements and the relevant annual caps.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the New Framework Agreements and the relevant annual caps, and the principal factors and reasons considered by the Independent Financial Adviser and its advice, we are of the opinion that the New Framework Agreements are on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the New Framework Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the resolutions relating to the New Framework Agreements and the relevant annual caps.

Yours faithfully

For and on behalf of

the Independent Board Committee of

Anhui Conch Material Technology Co., Ltd.

Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei

Independent Non-Executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Framework Agreements for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

15 December 2025

*To: The independent board committee and the independent shareholders of
Anhui Conch Material Technology Co., Ltd.*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Framework Agreements and the transactions contemplated thereunder (including annual caps), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 15 December 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Given that the terms of the Conch Cement Cement Admixtures Supply Agreement, the Conch Cement Sales of Concrete Admixtures Framework Agreement and the Export Sales and Services Framework Agreement will expire on 31 December 2025, on 27 November 2025, the Company entered into (i) the New Conch Cement Cement Admixtures Supply Agreement with Conch Cement, in relation to the supply of cement admixtures to the Conch Cement Group by the Group (the “**Cement Admixtures Transactions**”) for the period from 1 January 2026 to 31 December 2026 (“**FY2026**”); (ii) New Conch Cement Concrete Admixtures Framework Agreement with Conch Cement, in relation to the supply of concrete and other admixture products to the Conch Cement Group by the Group (the “**Concrete & Other Admixtures Transactions**”) for FY2026; and (iii) the New Export Sales and Services Framework Agreement with Anhui Tech Import &

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Export, in relation to the export of products (the “**Export Transactions**”, and together with the Cement Admixtures Transactions and the Concrete & Other Admixtures Transactions, the “**Transactions**”) for FY2026.

With reference to the Board Letter, the transactions contemplated under the New Framework Agreements constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules and the New Framework Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the New Framework Agreements were entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the terms of the New Framework Agreements and the transactions contemplated thereunder (including the relevant annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the New Framework Agreements and the transactions contemplated thereunder (including the relevant annual caps) at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital’s independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders. In addition, there was no arrangement whereby Gram Capital has or will receive fees or benefits from the Company or the Directors, chief executives or substantial Shareholder or any of their respective associates apart from normal professional fees payable in relation to the current appointment as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been

LETTER FROM GRAM CAPITAL

provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the New Framework Agreements. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 the 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 the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Conch Cement, Anhui Tech Import & Export or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of entering into of the New Framework Agreements. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the New Framework Agreements and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the New Framework Agreements

Information on the Group

With reference to the Board Letter, the Group is a fine chemical materials supplier which produces and sells cement admixture, concrete admixture and their respective upstream raw materials.

Set out below are the Group's consolidated financial information for the two years ended 31 December 2024 and the six months ended 30 June 2025 (with comparative figures for previous year) as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report") and the Company's interim report for the six months ended 30 June 2025 (the "2025 Interim Report") respectively:

	For the six months ended 30 June 2025 ("1H2025") (<i>unaudited</i>) RMB'000	For the six months ended 30 June 2024 ("1H2024") (<i>unaudited</i>) RMB'000	Year-on-year change %	For the year ended 31 December 2024 ("FY2024") (<i>audited</i>) RMB'000	For the year ended 31 December 2023 ("FY2023") (<i>audited</i>) RMB'000	Year-on-year change %
Revenue	1,081,301	1,103,390	(2.00)	2,384,149	2,395,471	(0.47)
— Cement admixture and in-process intermediaries	550,864	618,373	(10.92)	1,256,135	1,427,725	(12.02)
— Concrete admixture and in-process intermediaries	527,719	482,760	9.31	1,124,194	962,520	16.80
— Others	2,718	2,257	20.43	3,820	5,226	(26.90)
Gross profit	212,729	209,112	1.73	459,680	459,122	0.12
Profit for the year/period	61,038	60,184	1.42	147,884	143,934	2.74

As depicted from the above table, the Group's revenue for FY2024 was relatively stable as compared to that for FY2023. Decrease in the Group's revenue from cement admixture and in-process intermediaries for FY2024 as compared to that for FY2023 (which was mainly due to fluctuations in market prices of raw material that impacted downstream product pricing, according

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to the 2024 Annual Report) was substantially offset by the increase in the Group's revenue from concrete admixture and in-process intermediaries (which was primarily driven by the Group's efforts to develop customers for concrete admixture and in-process intermediaries, resulting in an expanded market share, according to the 2024 Annual Report). With the relatively stable revenue of the Group and slight increase in the Group's gross profit margin from approximately 19.17% for FY2023 to approximately 19.28% for FY2024, there was slight increase in the Group's gross profit for FY2024 as compared to those for FY2023. Due to the increase in the Group's gross profit, other net income and reduction in impairment losses on trade receivables, as partially offset by increase in distribution costs and research and development costs, the Group's profit for FY2024 also increased slightly as compared to that for FY2023.

As depicted from the above table, there was a slight decrease in the Group's revenue for 1H2025 as compared to that for 1H2024. Such decrease was mainly attributable to the decrease in the Group's revenue from cement admixture and in-process intermediaries (which was mainly due to the continuous decline in market price of the raw material that impacted the price of downstream products, according to the 2025 Interim Report), as partially offset by the increase in the Group's revenue from concrete admixture and in-process intermediaries (which was primarily due to the proactive expansion of concrete admixture-related businesses, according to the 2025 Interim Report). Despite the slight decrease in the Group's revenue, the Group's gross profit for 1H2025 increased slightly as compared to that for 1H2024. With reference to the 2025 Interim Report, such increase was mainly due to that (a) the Group offered a greater proportion of differentiated products with higher gross profit; and (b) the Group strengthened corresponding cost control measures, optimized the timing of material procurement, and benefited from lower purchase prices for certain raw materials. Due to the increase in the Group's gross profit, other net income and reduction in research and development costs, as partially offset by increase in administrative expenses and impairment losses on trade receivables, the Group's profit for 1H2025 also increased slightly as compared to that for 1H2024.

Information on Conch Cement

With reference to the Board Letter, Conch Cement is a joint stock limited company established under the laws of the PRC, with its A Shares listed on the Shanghai Stock Exchange (stock code: 600585) and H Shares listed on the Stock Exchange (stock code: 914). Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the Latest Practicable Date, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is ultimately beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and as to 49% by Conch Venture (the shares of which are

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listed on the Stock Exchange (stock code: 586). Conch Holdings holds approximately 36.4% equity interest in Conch Cement. Conch Cement is hence an associate of Conch Holdings and a connected person of the Company.

Information on the Anhui Tech Import & Export

With reference to the Board Letter, Anhui Tech Import & Export is a licensed import and export company in the PRC and experienced in providing general import and export related services. Conch Holding holds approximately 55% equity interest of Anhui International Trade Group (Holding) Co., Ltd., which holds approximately 47.9% equity interest of Anhui Tech Import & Export as at the Latest Practicable Date. Anhui Tech Import & Export is hence a connected person of the Company.

Reasons for and benefits for entering into of the New Framework Agreements

With reference to the Board Letter:

- (i) Conch Cement is principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. Leveraging on Conch Cement's reputation and ranking in the cement and concrete industry in the world and its demand in high-quality concrete and other admixture products which the Group has been capable of providing throughout the past few years, the Group believe it is beneficial to the Group to continue to provide cement admixture, concrete admixture and other admixture products to Conch Cement Group to generate stable revenue.
- (ii) Anhui Tech Import & Export was established in 1985 with more than 400 employees. It is a licensed and experienced import and export company in the PRC and experienced in providing general import and export related services with scale. It could ensure smooth clearance process for the Group's products, provide timely services for delivery of the Group's products to end customers in order to accommodate the operating needs of the Group, catering for day-to-day business and administrative schedule. The Group will in turn benefit from organised, efficient and cost-effective export sales and services, which helps enhance the market competitiveness and facilitates plan to expand into the overseas market.

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As confirmed by the Directors, the products sold by the Group under the Transactions are the Group's existing products being sold under its daily operation. The Transactions generate revenue for the Group, Conch Cement Group is one of the major customers of the Group. In addition, we noted from:

- (i) the 2025 Interim Report that the Group will accelerate strategic deployment in overseas markets by deepening operations in Indonesia and the Middle East, making advance arrangements in Southeast Asian markets, improving the Asia-Pacific sales network, continuing overseas trade activities, and vigorously exploring emerging international markets, such as North Africa and South America to effectively release domestic production capacity; and
- (ii) the 2024 Annual Report and the 2025 Interim Report that the Group recognised revenue from Asia (except the PRC) since FY2024 and its revenue recognised therefrom for 1H2025 increased by approximately 43 times as compared to that for 1H2024, indicating the implementation of the aforesaid development strategy.

The Export Transactions align with the Group's strategy to accelerate strategic deployment in overseas markets and conducting the Export Transactions with Anhui Tech Import & Export which is experienced in providing general import and export related services with scale will facilitate the Group's development in this aspect.

Given the above, we are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Cement Admixtures Transactions

The tables below summarise the major terms of the Cement Admixtures Transactions as contemplated under the New Conch Cement Cement Admixtures Supply Agreement (details of which are set out in the Board Letter):

Date: 27 November 2025

Parties: The Company and Conch Cement

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Subject matter:

Pursuant to the New Conch Cement Cement Admixtures Supply Agreement, the Group will supply and Conch Cement Group will purchase cement admixtures products.

Term:

FY2026

Pricing

With reference to the Board Letter:

- (i) The unit prices of the cement admixture products in which the Company quoted in the tender were determined with reference to the pricing policies, fair market price by conducting research on the prevailing market conditions and practices, as well as, the pricings and terms of similar products being sold to other Independent Third Party customers by the Group, taking into account the cost involved, the complexity level of the techniques and procedures needed to produce the required quality of cement admixture products in which the Group quoted in the tender and resources required (including human resources and materials) and the quantity to be procured by Conch Cement Group.
- (ii) The Company participated in the tender relating to the Conch Cement Cement Admixtures Supply Agreement (the “**Cement Admixtures Tender**”). The unit prices of the cement admixture products under the Conch Cement Cement Admixtures Supply Agreement were determined based on the results of the tender and on arm’s length basis.

We noted the unit prices of the cement admixture products (for each type of product and different destination) as set out under the Conch Cement Cement Admixtures Supply Agreement (the “**Contracted Prices**”). For our diligence purpose, we obtained a price list (the “**I3P Price List**”) from the Company that recorded the unit price of the corresponding cement admixture products offered by the Group to Independent Third Parties during the ten months ended 31 October 2025 (“**10M2025**”). By comparing the Contracted Prices with the prices listed out in the whole I3P Price List, we noted that the Contracted Prices are either higher than or comparable with the prices offered by the Group to Independent Third Parties. For our due diligence purpose, we also obtained from the Company relevant documents relating to the Cement Admixtures Tender and corresponding internal pricing record of the Contracted Prices. Nothing from the aforesaid documents has come to our attention that causes us to believe that the determination of Contracted Prices was not complied with applicable pricing terms. Based on the above, we consider that the Contract Prices are on normal commercial term and the above pricing terms of the Cement Admixtures Transactions to be on normal commercial term, fair and reasonable.

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Annual caps

With reference to the Board Letter, the historical amount of the Cement Admixtures Transactions was approximately RMB524.3 million for 10M2025, with existing annual cap of RMB720.0 million for the year ending 31 December 2025 (“**FY2025**”). The historical amount of the Cement Admixtures Transactions for 10M2025 reached approximately 73% of its existing annual cap for FY2025.

The annual cap of the Cement Admixtures Transactions for FY2026 (the “**Cement Admixtures Cap**”) is RMB700.0 million, which was determined based on the factors and assumptions set out under the section headed “HISTORICAL TRANSACTION AMOUNTS AND THE ANNUAL CAPS” of the Board Letter.

To assess the fairness and reasonableness of the Cement Admixtures Cap, we obtained from the Company the calculation of the Cement Admixtures Cap. We noted from the calculation that:

- (i) Approximately RMB641.1 million of the Cement Admixtures Cap is catered for the supply of cement admixtures products demanded under the Cement Admixtures Tender (under which the Company was selected as supplier and entered into the New Conch Cement Cement Admixtures Supply Agreement thereafter), which was calculated based on (a) the quantity of cement admixtures products demanded under the Cement Admixtures Tender (i.e. about 200,000 tons); (b) the Group’s estimation on product types (based on historical sales pattern of the Cement Admixtures Transactions for 10M2025); and (c) the relevant Contracted Prices.

For our due diligence purpose, we obtained from the Company (a) relevant Cement Admixtures Tender documents which stated the aforesaid quantity of cement admixtures products demanded; and (b) historical sales record of the Cement Admixtures Transactions for 10M2025 which demonstrated the historical sales pattern that support the Group’s estimation on product types. We also noted the Contract Prices as set out under the Conch Cement Cement Admixtures Supply Agreement.

We consider the quantity of cement admixtures products demanded under the Cement Admixtures Tender, the historical sales pattern and the relevant Contracted Prices formed a reasonable base for calculation of the aforesaid transaction amount to be catered by the Cement Admixtures Cap.

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- (ii) In addition to the quantity of cement admixtures products demanded under the Cement Admixtures Tender, the Company also expected to supply additional quantity of cement admixtures products to Conch Cement Group in overseas markets, including Uzbekistan and Indonesia.
- (iii) Approximately RMB22.4 million of the Cement Admixtures Cap is catered for the supply of cement admixtures products in Uzbekistan where the Group commenced production in FY2024. For our due diligence purpose, we obtained from the Company breakdown of the aforesaid amounts by counterparties and they sum up to RMB22.4 million, indicating relevant demand from counterparties.
- (iv) Approximately RMB14.4 million of the Cement Admixtures Cap is catered for the supply of cement admixtures products in Indonesia where the Group is expected to commence production by the beginning of FY2026. For our due diligence purpose, we obtained from the Company breakdown of the aforesaid amounts by counterparties and they sum up to RMB14.4 million, indicating relevant demand from counterparties.
- (v) Approximately RMB22.1 million of the Cement Admixtures Cap is catered for unexpected demand of cement admixtures products by Conch Cement Group (the “**Cement Admixtures Cap Buffer**”). The Cement Admixtures Cap Buffer represented approximately 3% of the Cement Admixtures Cap. We noted that the historical amount of the Cement Admixtures Transactions for 10M2025 reached approximately 73% of its existing annual cap for FY2025 (indicating that the Company did not over-estimate the transaction amount when determining the existing annual cap). Accordingly, we consider the moderate Cement Admixtures Cap Buffer to be justifiable.

Having considered the above, we are of the view that the Cement Admixtures Cap is fair and reasonable.

Shareholders should note that as the Cement Admixtures Cap for FY2026 is relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Cement Admixtures Transactions. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Cement Admixtures Transactions will correspond with the Cement Admixtures Cap.

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Having considered the pricing of the Cement Admixtures Transactions and Cement Admixtures Cap for FY2026 as aforementioned, we are of the view that the terms of the Cement Admixtures Transactions as contemplated under the Conch Cement Cement Admixtures Supply Agreement (including the Cement Admixtures Cap) are on normal commercial terms and are fair and reasonable.

3. Principal terms of the Concrete & Other Admixtures Transactions

The tables below summarise the major terms of the Concrete & Other Admixtures Transactions as contemplated under the New Conch Cement Concrete Admixtures Framework Agreement (details of which are set out in the Board Letter):

Date:	27 November 2025
Parties:	The Company and Conch Cement
Subject matter:	Pursuant to the New Conch Cement Concrete Admixtures Supply Agreement, the Group will supply and Conch Cement Group will purchase concrete and other admixture products.
Term:	FY2026

Pricing

With reference to the Board Letter, the unit price of the concrete and other admixture products will be determined by the transaction methods, including open tender, invitation tender or request for quote and negotiation. Details of open tender, invitation tender or request for quote and negotiation are set out under the section headed “PRICING AND INTERNAL CONTROL” of the Board Letter.

For our due diligence purpose, we obtained from the Company a list of Concrete & Other Admixtures Transactions for 10M2025 and randomly selected three transactions from the aforesaid list. As (i) the samples were selected on a random basis; (ii) the number of samples (i.e. three) avoided isolated evidence for analysis; and (iii) the aforesaid review period (i.e. 10M2025) covered the period from the listing of the Company (i.e. 9 January 2025) up to 31 October 2025, we consider the samples to be sufficient from independent financial adviser’s perspective and such samples are fair and representative. For each selected transaction, the Company provided us invoice of the selected transaction, together with invoice of comparable transaction with Independent Third Party (for the same product sold during 10M2025). We noted from the aforesaid documents that the prices offered by the Group to Conch Cement Group were not less than those

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offered by the Group to Independent Third Parties. For our due diligence purpose, we also obtained from the Company corresponding internal pricing record of the aforesaid sampled transactions, nothing has come to our attention that causes us to believe that the determination of sales prices of the samples was not complied with applicable pricing terms. Based on the above, we consider that the prices of the sampled transactions were on normal commercial terms and the above pricing terms of the Concrete & Other Admixtures Transactions to be on normal commercial term, fair and reasonable.

Annual caps

With reference to the Board Letter, the historical amount of the Concrete & Other Admixtures Transactions was approximately RMB59.6 million for 10M2025, with existing annual cap of RMB60.0 million for FY2025. The historical amount of the Concrete & Other Admixtures Transactions for 10M2025 reached approximately 99% of its existing annual cap for FY2025.

The annual cap of the Concrete & Other Admixtures Transactions for FY2026 (the “**Concrete & Other Admixtures Cap**”) is RMB160 million, which was determined based on the factors and assumptions set out under the section headed “HISTORICAL TRANSACTION AMOUNTS AND THE ANNUAL CAPS” of the Board Letter.

To assess the fairness and reasonableness of the Concrete & Other Admixtures Cap, we obtained from the Company the calculation of the Concrete & Other Admixtures Cap. We noted from the calculation that:

- (i) Approximately RMB135.4 million of the Concrete & Other Admixtures Cap is catered for the supply of concrete admixtures products demanded under the tender conducted by Conch Cement (the “**Concrete Admixtures Tender**”) (under which the Company was selected as supplier), which was calculated based on (a) the quantity of concrete admixtures products demanded under the Concrete Admixtures Tender (i.e. 120,000 tons); and (b) the average unit price of concrete admixtures products for 10M2025.

For our due diligence purpose, we obtained from the Company (a) relevant Concrete Admixtures Tender documents which stated the aforesaid quantity of concrete admixtures products demanded; and (b) historical sales record of the Concrete Admixtures Transactions for 10M2025 which demonstrated the aforesaid average unit price of concrete admixtures products for 10M2025.

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We consider the quantity of concrete admixtures products demanded under the Cement Admixtures Tender and the average unit price of concrete admixtures products for 10M2025 formed a reasonable base for calculation of the aforesaid transaction amount to be catered by the Concrete Admixtures Cap.

- (ii) Approximately RMB16.5 million of the Concrete & Other Admixtures Cap is catered for (a) additional supply of concrete admixtures products to Conch Cement Group's concrete mixing plants which are expected to commence production in FY2026; and (b) supply of other admixtures products to Conch Cement Group. Such amount under the calculation demonstrated possible demand of the counterparties.
- (iii) Approximately RMB8.1 million of the Concrete & Other Admixtures Cap is catered for unexpected demand of concrete and other admixtures products by Conch Cement Group (the **"Concrete & Other Admixtures Cap Buffer"**). The Concrete & Other Admixtures Cap Buffer represented approximately 5% of the Cement Admixtures Cap. We noted that the historical amount of the Concrete & Other Admixtures Transactions for 10M2025 reached approximately 99% of its existing annual cap for FY2025 (indicating that the Company did not over-estimate the transaction amount when determining the existing annual cap). Accordingly, we consider that the moderate Concrete & Other Admixtures Cap Buffer to be justifiable.

Having considered the above, we are of the view that the Concrete & Other Admixtures Cap is fair and reasonable.

Shareholders should note that as the Concrete & Other Admixtures Cap for FY2026 is relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Concrete & Other Admixtures Transactions. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Concrete & Other Admixtures Transactions will correspond with the Concrete & Other Admixtures Cap.

Having considered the pricing of the Concrete & Other Admixtures Transactions and Concrete & Other Admixtures Cap for FY2026 as aforementioned, we are of the view that the terms of the Concrete & Other Admixtures Transactions as contemplated under the Conch Cement Concrete Admixtures Supply Agreement (including the Concrete & Other Admixtures Cap) are on normal commercial terms and are fair and reasonable.

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4. Principal terms of the Export Transactions

The tables below summarise the major terms of the Export Transactions as contemplated under the New Export Sales and Services Framework Agreement (details of which are set out in the Board Letter):

Date:	27 November 2025
Parties:	The Company and Anhui Tech Import & Export
Subject matter:	Pursuant to the New Export Sales and Services Framework Agreement, the Group will export its products to overseas through Anhui Tech Import & Export and Anhui Tech Import & Export will provide export services to the Group.
Term:	FY2026

Pricing

With reference to the Board Letter:

- (i) The settlement sum to be paid by Anhui Tech Import & Export for the resale of products (“**Products Resale**”) will be determined based on arm’s length negotiation between the Group and Anhui Tech Import & Export, taking into account of the sales contract sum for the products to be exported, the pricing policies, the fair market price and the unit price of similar products being sold to other import and export providers under comparable conditions on fair basis.
- (ii) The service fee for providing export services for the products (the “**Export Services**”) will be determined on arm’s length basis with reference to prevailing market rates available from Independent Third Parties under comparable conditions, as well as the pricing and terms between the Group and the Independent Third Parties for similar services. Such service fee should be no less favourable than those offered by Anhui Tech Import & Export to any other third parties under comparable condition/other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

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- (iii) Before entering into any transactions in relation to the New Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will make reference to the pricing and terms between the Group and Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the unit price of various types of services should be on arm's length basis and at the fair market price.

For our due diligence purpose in respect of the Products Resale, we obtained from the Company a list of Export Transactions for 10M2025 (the “**Export Transactions List**”) and randomly selected three transactions from the aforesaid list. As (i) the samples were selected on a random basis; (ii) the number of samples (i.e. three) avoided isolated evidence for analysis; and (iii) the aforesaid review period (i.e. 10M2025) covered the period from the listing of the Company (i.e. 9 January 2025) up to 31 October 2025, we consider the samples to be sufficient from independent financial adviser's perspective and such samples are fair and representative. For each selected transaction, the Company provided us invoice of the selected transaction, together with invoice of comparable transaction with Independent Third Party (for the same product sold during 10M2025). We noted from the aforesaid documents that the prices of the Products Resale were not less than those offered by the Group to Independent Third Parties. For our due diligence purpose, we also obtained from the Company corresponding internal pricing record of the aforesaid sampled transactions.

As advised by the Directors, the fees charged for the Export Services are deducted from the sale prices of Products Resale that required Export Services. Accordingly, the Export Transactions List also reflected the fee rate charged for the Export Services. For our due diligence purpose in respect of the Export Services, we obtained from the Company a recent fee inquiry record which set out the fee rates offered by three Independent Third Party service providers upon the Company's inquiry. We note that the fee rate charged for the Export Services as reflected by the Export Transactions List is not higher than the fee rates offered by three Independent Third Party service providers as set out in the aforesaid fee inquiry record.

Based on the above observation, nothing has come to our attention that causes us to believe that the determination of sales prices of the sampled transactions and the fees charged for the Export Services were not complied with applicable pricing terms. We also consider that the sales prices of the sampled transactions and the fees charged for the Export Services were on normal commercial term and the above pricing terms of the Export Transactions to be on normal commercial term, fair and reasonable.

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Annual caps

With reference to the Board Letter, the historical amount of the Products Resale was approximately RMB36.9 million for 10M2025, with existing annual cap of RMB50.0 million for FY2025. The historical amount of the Products Resale for 10M2025 reached approximately 74% of its existing annual cap for FY2025. The historical fees for the Export Services was less than HK\$3.0 million (equivalent to approximately RMB2.8 million) for 10M2025.

The annual cap of the Export Transactions for FY2026 (the “**Export Cap**”) is RMB90.0 million, which was determined based on the factors and assumptions set out under the section headed “HISTORICAL TRANSACTION AMOUNTS AND THE ANNUAL CAPS” of the Board Letter.

To assess the fairness and reasonableness of the Export Cap, we obtained from the Company the calculation of the Export Cap. We noted from the calculation that:

- (i) RMB80.0 million of the Export Cap is catered for the Products Resale to existing ultimate overseas customers, which was derived from the followings:

Based on the historical amount of the Products Resale for 10M2025, the Company estimated the Products Resale amount to each existing ultimate overseas customer for FY2025 (approximately RMB47 million in aggregate) (the “**FY2025 Estimated Products Resale Amount**”).

As advised by the Directors, the ultimate overseas customers that have established longer term of relationship with the Group/Anhui Tech Import & Export are expected to procure more products. Accordingly, based on (a) FY2025 Estimated Products Resale Amount; and (b) the commencement year of Products Resale (i.e. 2023, 2024 or 2025) to the ultimate overseas customers, the Company estimated the Products Resale amount to the existing ultimate overseas customers for FY2026.

Based on the Export Cap calculation, for each of the ultimate overseas customers that the Group commenced Products Resale in 2023, the estimated Products Resale amount for FY2026 are RMB10 million, RMB18 million and RMB18 million respectively; for each of the ultimate overseas customers that the Group commenced Products Resale in 2024, the estimated Products Resale amount for FY2026 are RMB5 million and RMB18 million respectively; and for each of the ultimate overseas customers that the Group commenced Products Resale in 2025, the estimated Products Resale amount for FY2026 are RMB1 million, RMB5 million and RMB5 million respectively.

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Upon our discussion with the Company regarding the aforesaid principle and basis of estimation, we do not doubt the estimated Products Resale amount.

The estimated Products Resale amount to the aforesaid ultimate overseas customers is RMB80 million in aggregate for FY2026.

- (ii) RMB10.0 million of the Export Cap is catered for the Products Resale to new ultimate overseas customers which are expected to commence business with the Group and/or Anhui Tech Import & Export in FY2026. Such amount was derived from the followings:

As advised by the Directors, new ultimate overseas customers are expected to procure relatively less amount of products during their first year of procurement from the Group and/Anhui Tech Import & Export. Accordingly, the Company estimated that the Products Resale amount for FY2026 to each new ultimate overseas customer (15 new ultimate overseas customers in total) ranges from RMB0.3 million to RMB1.3 million for each of the ultimate overseas customers. Upon our discussion with the Company regarding the aforesaid principle and basis of estimation, we do not doubt the estimated Products Resale amount.

Based on the Export Cap calculation, estimated Products Resale amount to the aforesaid new ultimate overseas customers is RMB10 million in aggregate for FY2026.

Having considered the above and that the historical amount of the Products Resale for 10M2025 reached approximately 74% of its existing annual cap for FY2025 (indicating that the Company did not over-estimate the transaction amount when determining the existing annual cap), we are of the view that the Export Cap is fair and reasonable.

Shareholders should note that as the Export Cap for FY2026 is relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Export Transactions. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Export Transactions will correspond with the Export Cap.

Having considered the pricing of the Export Transactions and Export Cap for FY2026 as aforementioned, we are of the view that the terms of the Export Transactions as contemplated under the New Export Sales and Services Framework Agreement (including the Export Cap) are on normal commercial terms and are fair and reasonable.

5. Listing Rules requirements

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Transactions must be restricted by the corresponding annual caps for the period concerned under the New Framework Agreements; (ii) the terms of the Transactions must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and (iv) have exceeded the corresponding annual caps. In the event that the amounts of the Transactions are expected to exceed the corresponding annual caps, or that there is any material amendment to the terms of the New Framework Agreements, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions under the New Framework Agreements (including annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the Transactions under the New Framework Agreements are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the New Framework Agreements and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司

ARTICLES OF ASSOCIATION

(Applicable after the issuance of overseas listed foreign shares)

(Approved by the Company's first extraordinary general meeting of 2024 held on 31 August 2024)

(Approved by the Company's [•] extraordinary general meeting of 2025 held on [•] 2025)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legal status of Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司) (the “**Company**”), and to regulate the organization and activities of the Company, these Articles of Association are formulated in accordance with 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 Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, the Guidelines on the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and other relevant laws, administrative regulations, department rules and regulatory documents, and on the basis of the principle of safeguarding the legal rights and interests of the Company, its shareholders, employees and creditors and in the light of the Company’s actual situation.

In the event of any inconsistency between these Articles of Association and the mandatory provisions of the laws and regulations of the People’s Republic of China (the “**PRC**”), the laws and regulations of the PRC shall prevail.

Article 2 The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant laws, administrative regulations and regulatory documents of the PRC.

Article 3 The Company is a joint stock limited liability company promoted and established by the former Anhui Conch New Material Technology Co., Ltd. (安徽海螺新材料科技有限公司) by way of overall alteration. Through the overall conversion of the audited book net assets of the former Anhui Conch New Material Technology Co., Ltd. as at 30 April 2022, and conducting overall alteration, the Company was established by all the promoters and registered at Wuhu Municipal Administration for Market Regulation on 15 July 2022 with the Business License (Uniform Social Credit Code: 91340200MA2RR2PE1N) granted. The Company inherited all the assets, liabilities and business of the former Anhui Conch New Material Technology Co., Ltd., and the original shareholders of the limited liability company were the promoters of the Company.

Article 4 All the Company’s capital is divided into equal shares. Each shareholder is responsible to the Company to the extent of the shares held by them. The Company is responsible for its debts with all its assets.

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 5 Upon filing with the China Securities Regulatory Commission (the “CSRC”) on 2 April 2024 and as approved by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 8 January 2025, the Company initially issued 144,974,000 RMB-denominated ordinary shares to the public, all of which are overseas listed foreign shares (“**H Shares**”), and H Shares were listed on the Hong Kong Stock Exchange on 9 January 2025.

Article 6 The Company’s names are 安徽海螺材料科技股份有限公司 in Chinese, and Anhui Conch Material Technology Co., Ltd. in English.

Article 7 The Company’s address is No. 1-301, G Zone, Jiangbei New District Construction Headquarters, Wuhu City, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province.

Postal code: 241000

Article 8 The Company is a joint stock limited liability company with perpetual existence. The Company is a corporate legal person, has independent legal person properties, enjoys the property rights of a legal person and civil rights in accordance with the laws, and bears civil liability. The Company is governed and protected by the laws, regulations and regulatory documents of the PRC. All actions of the Company shall comply with the provisions of the laws, regulations and relevant ordinances of the PRC and shall protect the legitimate rights and interests of shareholders.

Article 9 The chairman of the board of directors of the Company shall be a director responsible for executing the Company’s affairs and shall serve as the legal representative of the Company.~~The chairman of the board of directors of the Company is the legal representative of the Company.~~ If the chairman of the board of directors resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative. If the Company changes its legal representative, the application for registration of change shall be signed by the new legal representative. The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company. Restrictions on the authority of the legal representative imposed by the Company’s Articles of Association or the shareholders’ general meeting shall not be enforceable against bona fide counterparty. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, seek compensation from the legal representative at fault in accordance with the laws or these Articles of Association.

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 10 In conducting business activities, the Company must abide by national laws, regulations and rules, observe social morality and business ethics, and accept the supervision of the government and the public. The legitimate rights and interests of the Company are protected by laws and shall not be infringed.

Article 11 The Company shall set up an organization of the Communist Party of China and carry out Party activities pursuant to the provisions of the Constitution of the Communist Party of China and requirements of superior Party organizations. The Company shall provide necessary conditions for the activities of the Party organizations. The Party organizations shall play a leading role in the Company in accordance with the provisions of the Constitution of the Communist Party of China to research and discuss significant operation and management matters of the Company, and support management structures to exercise their functions and powers in accordance with the law. Persistence in and implementation of the construction of the Party shall be planned with the reform development of the Company. The Party organizations and working organs shall be established together. Persons in charge of Party organizations and Party workers shall be designated correspondingly to carry out the construction of the Party. The Party organization activities of the Company shall be conducted in accordance with the Constitution of the Communist Party of China and relevant policies and requirements.

Article 12 From the date upon which the Company's Articles of Association come into effect, it shall become a legally binding document regulating the Company's organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders.

Article 13 These Articles of Association shall be binding on the Company, its shareholders, directors,~~supervisors~~ and senior management members. The aforesaid personnel shall have the right to propose claims concerning the affairs of the Company in accordance with these Articles of Association. A shareholder may sue the Company pursuant to these Articles of Association; the Company may sue the shareholders, directors,~~supervisors~~, managers and senior management members pursuant to these Articles of Association; a shareholder may sue other shareholders pursuant to these Articles of Association; and a shareholder may sue directors,~~supervisors~~ and senior management members of the Company pursuant to these Articles of Association.

The term sue referred to in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

Article 14 The term senior management members in these Articles of Association refers to the general manager, deputy general manager(s), assistants to the general manager, secretary to the board of directors and chief accountant (the personnel in charge of financial affairs) of the Company.

Article 15 The Company may invest in other limited liability companies and joint stock companies, and liabilities in such investees are limited to the amount of its capital contribution.

The Company shall not become a capital contributor that shall bear the joint liabilities for the debts of all entities it invests in, unless it is otherwise provided for by laws.

CHAPTER 2 BUSINESS OBJECTIVES AND BUSINESS SCOPE

Article 16 The objectives of the Company are: based on the development concepts of innovation, coordination, green, openness and sharing, committed to leading the regulated and standardized development of the industry, leveraging scientific research and market advantages, and striving to maximize the economic, social and environmental benefits.

Article 17 The business scope of the Company registered under the laws are: R&D, production and sales of cement additives and concrete admixtures, sales of chemical products (excluding hazardous chemicals), technology development, technology transfer, technology consulting and technical services in the field of new materials, equity investment, project investment, industrial investment (without financial and other regulatory approval, shall not engage in the public financing deposits, financing guarantees and manage client's assets and other financial services). (Projects subject to approval in accordance with the laws, business activities can only be carried out after approval by relevant departments).

Article 18 The business scope of the Company is determined by the Company's Articles of Association and is registered with the industrial and commercial administrative authorities in accordance with the laws. The Company may change its business scope by amending the Company's Articles of Association, provided however that the change of registration shall be completed.

Article 19 As to projects within the business scope of the Company which have to be approved under the laws and administrative regulations, they shall be approved according to the laws.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issuance of Shares

Article 20 The shares of the Company shall be in registered form.

Article 21 All shares issued by the Company are ordinary shares.

Article 22 The shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank pari passu in all respects. Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

Article 23 Upon filing with the CSRC, the Company may issue shares to both domestic investors and overseas investors.

Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries and Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within the PRC other than those in the aforementioned regions who subscribe for shares issued by the Company.

Article 24 The shares issued by the Company shall be denominated in RMB and have a par value of RMB1 each. Renminbi referred to in the preceding paragraph means the lawful currency of the PRC.

Article 25 The shares issued by the Company to domestic investors are centrally deposited in China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company are mainly under the custody of Central Depository of the Hong Kong Securities Clearing Company Limited and may also be held by shareholders in their own names.

~~**Article 26** The registered capital of the Company before issuing H Shares was RMB434.92 million, with a total of 434.92 million shares. Upon completion of the offering of H Shares, if the over-allotment option is not exercised, the registered capital of the Company will be RMB579.894 million; if the over-allotment option is exercised, the registered capital of the Company shall be up to RMB601.64 million. Based on the actual situation regarding the issue, the Company shall undergo formalities regarding the change of registration with the Company's original competent administration authorities for industry and commerce in respect of the change of registered capital.~~

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 27 26 The Company was established by means of promotion. The Company issued 361,560,000 ordinary shares to its promoters on the date of its establishment. The promoters are Anhui Conch Technology Innovation Material Co., Ltd., Linyi Haihong New Material Technology Co., Ltd. and Hubei Xintongling Equity Investment Co., Ltd.. The number of shares subscribed, the method of capital contribution, the percentage of shareholding and the percentage of the total share capital of each promoter are as follows:

No.	Name of promoter	Method of capital contribution	Number of shares subscribed ('0,000 shares)	Percentage of shareholding (%)
1	Anhui Conch Technology Innovation Material Co., Ltd.	Shares converted from net assets	18,340	50.7246
2	Hubei Xintongling Equity Investment Co., Ltd.	Shares converted from net assets	10,480	28.9855
3	Linyi Haihong New Material Technology Co., Ltd.	Shares converted from net assets	7,336	20.2899
Total			36,156	100.0000

Article 2827 The registered capital of the Company is RMB579,894,000. Upon filing with the CSRC, the Company issued 144,974,000 overseas listed shares under the initial public offering. Upon completion of the H Shares issuance, ~~the share capital structure of the Company is:~~ the total number of shares of the Company will be 579,894,000 shares, all of which are ordinary shares with a par value of RMB1 each.

~~After the issuance of the aforesaid H Shares and the conversion of 40,396,800 domestic unlisted shares into overseas listed shares and the completion of listing on the Main Board of the Hong Kong Stock Exchange, if the over-allotment option is not exercised, the share capital structure of the Company will be ordinary shares of 579,894,000, comprising 144,974,000 H Shares, 40,396,800 overseas listed shares converted from domestic unlisted shares and 394,523,200 domestic unlisted shares not converted into overseas listed shares.~~

~~After the issuance of the aforesaid H Shares and the conversion of 40,396,800 domestic unlisted shares into overseas listed shares and the completion of listing on the Main Board of the Hong Kong Stock Exchange, if the over-allotment option is fully exercised, the share capital structure of the Company will be ordinary shares of 601,640,000, comprising 166,720,000 H Shares, 40,396,800 overseas listed shares converted from domestic unlisted shares and 394,523,200 domestic unlisted shares not converted into overseas listed shares.~~

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 2928 Without violating the laws and regulations as well as the mandatory requirements of the relevant laws and regulations in the place of listing, with the consent of the general meeting of the Company or the board of directors, the Company may borrow funds from the shareholders with compensation. If any of the shareholders provides financial support to the Company, the other parties shall provide corresponding guarantees to the shareholders who provide the funds with their shares and other assets of the Company.

Article 3029 Save for its wholly-owned subsidiaries and controlled subsidiaries, the Company shall not provide external guarantees or give external assurances in any form, etc., except for those considered and approved by the general meeting of the Company in accordance with these Articles of Association.

Article 3130 No financial assistance in the form of grants, advances, guarantees, indemnities or loans shall be given by the Company to a person who purchases or proposes to purchase shares in the Company or its parent company, except for the implementation of the Company's employee stock ownership plans.

For the benefit of the Company, upon a resolution of the general meeting, or a resolution of the board of directors in accordance with these Articles of Association or the authorization of the general meeting, the Company may provide financial assistance to other persons for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the board of directors shall be approved by more than two-thirds of all directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible directors, ~~supervisors~~ and senior management members shall be liable for compensation.

Section 2 Increase, Reduction and Repurchase of Shares

Article 3231 Subject to the provisions of laws, regulations, listing rules of the place where the Company's shares are listed, the Company may, upon resolution by a general meeting, increase its capital on the basis of its business and development needs, by any of the following methods:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) distribute bonus shares to existing shareholders;

(IV) convert capital reserves into share capital;

(V) any other means stipulated in the laws and administrative regulations and approved or filed by the CSRC.

After having been approved in accordance with the provisions of these Articles of Association and listing rules of the stock exchange where the Company's shares are listed, the increase of the Company's capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant PRC laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the Company's shares are listed.

The board of directors may, in accordance with these Articles of Association or the authorization of the general meeting, decide to issue shares not exceeding fifty percent of the issued shares within three years. However, the capital contribution in the form of non-monetary property shall be resolved by the general meeting.

If the decision of the board of directors to issue shares pursuant to the provisions of the preceding paragraph results in a change in the registered capital of the Company or the number of issued shares, amendments to such matters recorded in these Articles of Association are not required to be voted on at the general meeting. Where the board of directors resolves to issue new shares in accordance with these Articles of Association or the authorization of the general meeting, the resolution of the board of directors shall be passed by more than two-thirds of all directors.

Article 3332 The Company may reduce its registered capital. Reduction of the registered capital by the Company shall be implemented according to the Company Law and other relevant regulations, the listing rules of the place where the Company's shares are listed and other securities regulatory rules, and the procedures stipulated in these Articles of Association. The Company's registered capital must not, upon the reduction of capital, be less than the statutory minimum.

Article 3433 The Company shall not acquire shares in the Company. However, the Company may acquire shares of the Company in accordance with the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, departmental rules and these Articles of Association, if such acquisition is approved by the Company according to the procedures set forth in these Articles of Association under the following circumstances:

(I) reducing the registered capital of the Company;

(II) merger with another company which holds the shares of the Company;

- (III) using such shares in connection with employee stock ownership plans or share incentives;
- (IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;
- (V) using the shares for conversion of convertible corporate bonds issued by the listed company;
- (VI) it is necessary for a company to maintain its value and the shareholders' equity;
- (VII) other circumstances stipulated by laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed.

Article 3534 The Company may purchase its own shares by way of open and centralized transaction, or other means approved by laws, administrative regulations, the listing rules of the place where the Company's shares are listed and other securities regulatory rules and the CSRC.

Where the Company acquires its shares due to the circumstances specified in (III), (V) and (VI) of the first paragraph of Article 34 of these Articles of Association, it shall be conducted by way of open and centralized transaction.

Article 3635 Where the Company acquires its shares due to the circumstances specified in (I) and (II) of the first paragraph of Article 34 of these Articles of Association, it shall be subject to resolution at a shareholders' general meeting. Where the Company acquires its shares due to the circumstances specified in (III), (V) and (VI) of the first paragraph of Article 34 of these Articles of Association, it shall be resolved by a meeting of the board of directors at which more than 2/3 of the Directors are present.

For any repurchase of the Company's shares under the first paragraph of Article 34 of these Articles of Association, shares repurchased pursuant to (I) shall be cancelled within ten (10) days from the date of the buy-back; for those circumstances described in (II) and (IV), the shares shall be transferred or cancelled within six (6) months; for those circumstances described in (III), (V) and (VI), the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three (3) years.

Article 3736 Where the Company cancels a part of shares due to the share repurchase, the application for change of the registered capital shall be filed with the original company registration authorities. The aggregate par value of the shares so canceled shall be deducted from the Company's registered capital.

Section 3 Transfer of Shares

Article 3837 Unless otherwise specified in law, administrative regulations, the listing rules of the place where the Company's shares are listed or these Articles of Association, the shares of the Company can be transferred in accordance with law. Transfer of the Company's shares shall be registered with the share registrar(s) designated by the Company. All the transfers of overseas-listed foreign-invested shares shall be effected by written instruments of transfer in an ordinary or common form or in any other form acceptable to the board of directors (including the standard transfer format or form of transfer provided by Hong Kong Stock Exchange from time to time). Where the transferor or transferee is a recognized clearing house as defined by relevant regulations of the laws of Hong Kong from time to time (hereinafter referred to as the "**Recognized Clearing House**") or its nominee, the written instruments of transfer may be signed by hand or in a machine-imprinted format. All instruments of transfer must be kept at the legal address of the Company or at such other place as the board of directors may designate from time to time.

Article 3938 The Company shall not accept any of its own shares as the subject of pledge.

Article 4039 The shares issued before the Company's public offering of shares shall not be transferred within one year from the date the Company's shares are listed and traded on a stock exchange.

Article 4140 The directors,~~supervisors~~ and senior management officers of the Company shall declare to the Company the number of shares of the Company they hold and the subsequent changes in their shareholdings. The number of shares that such persons may transfer every year during their terms of office as determined at the time of his assumption of post shall not exceed 25% of the total number of the Company's same shares held by him; the shares held in the Company shall not be transferred within one year as from the date when the Company shares have been listed. Such personnel shall not transfer the Company's shares held within half a year after they have terminated their employment with the Company. Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer. If listing rules of the stock exchange of the place where the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

Article 4241 Upon file with the CSRC, the shareholders of unlisted shares of the Company may have all or part of the shares held by them listed and traded on overseas stock exchange(s); the shareholders of domestic unlisted shares of the Company may transfer all or part of the shares held by them to foreign investors and have the shares listed and traded on overseas stock exchange(s); all or part of domestic unlisted shares are convertible into overseas-listed shares which may be listed and traded on overseas stock exchange(s). The shares transferred or converted shall comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded in an overseas stock exchange.

Article 4342 If the Company's shareholders, directors,~~supervisors~~, senior management who hold more than 5% of the Company's shares sell the Company's shares or other securities with equity properties held by them within 6 months after the purchase, or repurchased within 6 months of after the sale, the proceeds thereby shall belong to the Company, and the board of directors of the Company shall take back the proceeds, except that a securities company holds more than 5% of the shares as a result of the purchase of the remaining shares after the underwriting sale, and where there are other circumstances as prescribed by the CSRC.

The shares or other securities with equity properties held by directors,~~supervisors~~, senior management or natural shareholders referred to in the preceding paragraph include shares or other securities with equity properties held by their spouses, parents or children and those held using the accounts of others.

If the board of directors of the Company fails to implement the provisions in accordance with paragraph 1 of this Article, the shareholders shall have the right to request the board of directors to do so within 30 days. If the board of directors of the Company fails to enforce the same within the said period, the shareholders shall have the right to bring a lawsuit directly to the People's Court in their own name in the interest of the Company.

If the Company's board of directors fails to implement the provisions of the first paragraph of this Article, the responsible directors shall bear joint and several liabilities according to the law.

CHAPTER 4 PARTY ORGANIZATION OF THE COMPANY

Article 4443 The Company established ~~the General Branch Committee of the Communist Party of China of Anhui Conch Material Technology Co., Ltd. (hereinafter referred to as the "Company's Party Committee")~~, and the Discipline Inspection Committee of the Communist Party of China of Anhui Conch Material Technology Co., Ltd. (hereinafter referred to as the **"Discipline Inspection Committee of the Company"**) shall be established at the same time, and the Party organizations of all branches and subsidiaries shall be set up accordingly and shall be subordinate to the Company's Party Committee.

Article 4544 According to the Working Regulations of the Communist Party of China on the Grassroots Organization of State-owned Enterprises (Trial) and other relevant regulations, as approved by the superior Party organization, the Company's Party Committee and Discipline Inspection Committee shall be reasonably staffed. The members of the Company's Party Committee and Discipline Inspection Committee are elected at the meeting of all party members or the party congress for a term of five years.

Article 4645 Eligible members of the leading group of the Company's Party Committee can join the board of directors, ~~the supervisory committee~~, and managers through statutory procedures, while eligible Party members of the board of directors, ~~the supervisory committee~~, and managers can also join the Company's Party Committee in accordance with relevant regulations and procedures.

Article 4746 Consideration and discussion by the Company's Party Committee are the prepositive procedures for decision-making on major issues by the board of directors and managers. Major operational and administrative issues must first be considered and discussed by the Party Committee, and then submitted to the board of directors or managers for making decisions. Main contents considered and discussed by the Party Committee involved in decisions on material issues include:

- (I) implementation of the major initiatives adopted by the Party Central Committee and the Provincial Committee as well as the national and provincial development strategies.
- (II) the Company's development strategy, mid-to-long term development plan, guidelines for production and operation and annual plan.
- (III) the Company's major reform measures and implementation programs.
- (IV) the Company's profit distribution and loss recovery plan, annual financial budgets and final accounts, payroll budget plan and implementation.
- (V) the Company's significant risk management strategies and solutions.
- (VI) the Company's and its subsidiaries' major mergers and acquisitions, reorganizations, property rights exchange and transfer, and arrangements for major projects.
- (VII) the Company's and its subsidiaries' external investments, transactions in state-owned assets, asset mortgages, guarantees, entrusted finance and connected transactions and related issues.

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- (VIII) the Company's and its subsidiaries' increase or reduction of the registered capital, issuance of corporate bonds, listing and financing and related issues.
- (IX) the Company' state-owned equity management plan such as merger, demerger, dissolution and liquidation.
- (X) the Company's formulation or amendment of important rules and system such as the Articles of Association, the Rules of Procedures of the Board of Directors and the Rules of Procedures of the General Manager's Office.
- (XI) the Company's selection, evaluation, remuneration, management and supervision of the middle management and technical research and development personnel, and other material matters of human resources management.
- (XII) handling and accountability involving the Company's personnel casualties, economic disputes, emergencies, and other major events affecting the Company's production safety, maintenance of stability.
- (XIII) major matters involving the vital interests of employees, such as appraisal and incentives, salary distribution, annuity plan, life health and safety, and employee diversion and resettlement plan.
- (XIV) major matters involving environmental protection, stabilising employment, donation and sponsorship and other matters related to the fulfillment of the Company's social responsibility.
- (XV) arrangements for major scientific research and development, introduction of key equipments, major bidding and management projects and other major projects.
- (XVI) other material issues subject to the consideration and discussion of by the Party Committee.

Article 4847 The Company's Party Committee shall convene a Party Committee meeting to discuss relevant issues and adhere to collective leadership, democratic centralism, individual deliberation and resolution by meeting when making decisions. Issues shall be made scientifically, democratically and in accordance with the law.

Article ~~4948~~ ~~The Work Steering Team of the~~ Party Committee of the Company shall be responsible for the systematic planning, overall coordination and whole advancement of the Party building work of the Company. The Company shall incorporate the construction of the Communist Party into its mid-to-long term plan and annual plan, and formulate annual work plan for the construction of the Communist Party to make a systematic deployment and arrangement for the construction of the Communist Party of the Company.

Article ~~5049~~ Working organs of the Communist Party and Party workers shall be incorporated into the structure of management organs and staff of the Company. The Company shall establish working organs for Party affairs and the number of specialized Party workers shall in-principle not less than 1% of the total number of staff.

Article ~~5150~~ The operational funds for the implementation of the construction of the Communist Party shall not less than 1% of the amount of the total staff salaries for the previous year and be expensed before tax under the administrative expenses of the Company.

Article ~~5251~~ The Company's Party Committee shall exercise the leadership authority over personnel affairs of cadres and the management power over important cadres. The Company shall strengthen the selection and appointment of personnel, strictly implement democratic centralism, and stringently standardize the procedures for motion and nomination, organization and examination, as well as discussion and decision.

Article ~~5352~~ The Company's Party Committee shall take a leading and gatekeeping role in the selection and appointment of personnel that meet the market needs to determine standards, standardize procedures, participate in examination and nominate candidates.

Article ~~5453~~ The Company shall insist on the combination of the principles of management of cadres by the Party and the selection of operation managers by the board of directors according to laws and the exercising of employment right by the operation managers according to laws. The Company's Party Committee shall consider and comment on the candidates nominated by the board of directors or general manager, or recommend candidates to the board of directors or general manager. The Company's Party Committee, together with the board of directors, shall evaluate the proposed candidates and put forth comments and suggestions collectively.

Article ~~5554~~ The Discipline Inspection Committee of the Company fulfills the disciplinary accountability duties of supervision. It assists the Company's Party Committee in strengthening the building of a clean Party and anti-corruption work; strengthens the supervision and inspection of observing the Party's rules, regulations and discipline and of performing duties by the Company's Party Committee, Party's work departments and Party organizations under its scope and Party's leading cadres. The Discipline Inspection Committee of the Company shall implement the "dual"

requirement; carry out supervision and enforce disciplines strictly with the comprehensive use of the “four patterns”; and focus on the main responsibilities and principal businesses and on strengthening team building.

CHAPTER 5 SHAREHOLDERS AND GENERAL MEETING

Section 1 Shareholders

Article 5655 The Company shall establish a register according to the certificates provided by the securities registry and the register shall be the ample evidence that the shareholders hold any shares in the Company. The Hong Kong branch register must be available for inspection by shareholders, but the Company may be permitted to close the register of members on terms equivalent to those of section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The shareholders of the Company shall be the parties who legally hold the Company’s shares and whose names have been registered on the register.

A shareholder shall enjoy rights and assume obligations pursuant to the class and quantity of shares held; holders of the same class of share shall enjoy equal rights and assume equal obligations.

Article 5756 The Company may, in accordance with any understanding or agreements between the securities regulatory authority of the State Council and overseas securities regulatory authorities, keep its register of holders of H shares outside China and entrust overseas agent(s) to manage such register. The original copy of the register of holders of H shares shall be kept in Hong Kong.

The Company shall keep a duplicate of the register of holders of H shares at its domicile. The entrusted overseas agent shall ensure that the original and duplicates of the register of holders of H shares are always consistent.

Where the original and duplicates of the register of holders of domestic H shares are not consistent, the original version shall prevail.

Article 5857 The Company shall maintain a complete register. The register shall include the following parts:

- (I) the register kept at the Company’s domicile (other than those registers as described in (II) and (III) of this Article);

- (II) the register of holders of overseas-listed shares of the Company kept at the place where the overseas stock exchange on which the shares are listed is located;
- (III) the register kept at such other place as the board of directors may deem necessary for the purpose of listing of the Company's shares.

Article 5958 The various parts of the register shall not overlap with each another. The transfer of shares registered in a certain part of the register shall not be registered in any other part of the register during the continuance of the registration of such shares.

Any changes or corrections of any part of the register shall be effected in accordance with the laws of the jurisdiction in which that part of the register is kept.

Article 6059 The Company shall protect the rights of shareholders in accordance with the law, emphasising the protection of the legitimate rights and interests of minority shareholders, and shall not deprive or restrict shareholders of their legitimate rights.

When two or more persons are registered as joint shareholders of any shares, they shall be deemed to be joint shareholders of such shares, subject to the following provisions:

- (I) the Company is not required to register more than four persons as joint shareholders of any share;
- (II) all the joint shareholders of any share shall jointly and severally assume the liability to pay for all amounts payable for the relevant share;
- (III) in case one of the joint shareholders has deceased, only the surviving joint shareholders shall be deemed by the Company as such persons having the ownership of the relevant share. But the board of directors shall have the right, for the purpose of making amendments to the register of members, to demand a death certificate of such shareholder where it considers appropriate to do so;
- (IV) for joint shareholders of any shares, only the joint shareholder whose name appears first in the register of members shall be entitled to receive the certificate for the share, receive the Company's notices, and to attend and exercise all voting rights of the share in the general meetings of the Company. Any notice served on the above person shall be deemed to have been served on all joint shareholders of the share;

- (V) any receipts issued to the Company by one of the joint shareholders for any dividend, bonus issue or return on capital payable to such joint shareholders shall be treated as a valid receipt that has been issued by all the joint shareholders to the Company.

Article 6160 When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the board of directors or conveners of a general meeting shall decide the record date. The Shareholders whose names appear on the register at the close of trading on the record date shall enjoy the relevant rights.

No changes in the register of shareholders may be made within 20 days before the date of a general meeting or within 5 days before the record date for the Company's distribution of dividends. Where laws, administrative regulations, or the securities regulatory authorities have other provisions regarding the changes in the register of shareholders of the Company, those provisions shall prevail.

Article 6261 The shareholders of the Company shall have the following rights:

- (I) to receive dividends and other profit distributions according to the number of shares held;
- (II) to request, convene, hold, participate or send proxy to attend general meetings and to exercise the corresponding speaking and voting rights according to the law, unless individual shareholders are required by the listing rules of the stock exchange(s) of the places where the Company's shares are listed, or other applicable laws, regulations and administrative regulations, to abstain from voting in respect of any matter to be considered at the general meeting;
- (III) to supervise and manage business operations of the Company and to raise proposals or address inquiries accordingly;
- (IV) to transfer, donate or pledge the shares held by him pursuant to the provisions of laws, administrative regulations and these Articles of Association;
- (V) to review and copy these Articles of Association, register, minutes of general meetings, resolutions of board meetings, ~~resolutions of meetings of the supervisory committee~~, and financial accounting Reports;

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(VI) to participate in, upon the Company's termination or liquidation, the distribution of the Company's remaining assets according to the quantity of shares held;

(VII) with respect to shareholders voting against any resolution adopted at the general meetings on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;

(VIII) other rights as stipulated in laws, administrative regulations, departmental regulations, listing rules of the stock exchange(s) of the places where the Company's shares are listed and these Articles of Association.

Article 6362 When a shareholder requests to have access to the information mentioned in the preceding Article, he shall comply with the provisions of the Securities Act and other laws and administrative regulations, and present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity.

A shareholder who individually or jointly holds more than 3% of the Company's shares for over 180 consecutive days may request to inspect the Company's accounting books and vouchers by submitting a written request stating the purpose to the Company. If the Company has reasonable grounds to believe that the shareholder's request to inspect the Company's accounting books and vouchers serves an improper purpose and may harm the Company's legitimate interests, it may refuse the inspection. The Company must respond to the shareholder in writing within 15 days of receiving the written request, providing reasons for the refusal. If the inspection is denied, the shareholder may file a lawsuit with the people's court.

Shareholders who wish to inspect the materials mentioned in the preceding paragraph may entrust intermediary institutions such as accounting firms and law firms.

Shareholders and such intermediary institutions as accounting firms and law firms entrusted by them to inspect and copy relevant materials shall comply with the Securities Law, and the relevant laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, and personal information.

If a shareholder requests to inspect or copy materials related to the Company's wholly-owned subsidiaries, the provisions of the preceding four paragraphs shall apply thereto.

Article 6463 If a resolution passed at the general meeting or board meeting of the Company violates relevant the laws or administrative regulations, the shareholders shall have the right to submit a petition to the people's court to render the same as invalid.

If the procedures for convening, or the methods of voting at, a general meeting or board meeting violate the laws, administrative regulations or these Articles of Association, or the contents of a resolution violate these Articles of Association, shareholders shall be entitled to submit a petition to the people's court to rescind such resolution within 60 days from the date on which such resolution is passed, except for the circumstances where the convening procedures and voting ways have only minor flaws and there's no substantial impact on resolutions.

Shareholders who have not been notified to participate in the shareholders' general meeting may file a petition with the people's court to revoke the resolution within 60 days from the date when they know or should know that the resolution is made at the general meeting; if they do not exercise the right to revoke within one year from the date of the resolution, the revoke right shall be extinguished.

Resolutions of a general meeting or the board of directors of the Company shall not be established in any of the following circumstances:

- (I) a shareholders' general meeting or a meeting of the board of directors was not convened to make the resolution;
- (II) the resolution was not voted at a shareholders' general meeting or a meeting of the board of directors;
- (III) the number of attenders of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association;
- (IV) the number of attenders in favour of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association.

Where the resolution of a shareholders' general meeting or a meeting of the board of directors is declared invalid, revoked or confirmed to be invalid by the people's court, the Company shall apply to the company registration authority for cancellation of the registration already made in accordance with the resolution, and the civil legal relationship between the Company and the bona fide counterparty formed in accordance with the resolution shall not be affected.

Article 6564 Where the Company incurs losses as a result of directors', ~~supervisors'~~ and senior management members' violation of the laws, administrative regulations or these Articles of Association in the course of performing their duties with the Company, they shall be liable for compensation.

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Shareholders may bring proceedings against the Company in accordance with these Articles; the Company may bring proceedings against the shareholders in accordance with these Articles; a shareholder may bring proceedings against other shareholders in accordance with these Articles; and the shareholders may bring actions against directors, general manager and other senior management staff of the Company in accordance with these Articles.

~~Where a director or a senior management member is under the circumstance set forth in the preceding paragraph, shareholder(s) individually or jointly holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the supervisory committee to initiate proceedings to the people's court. Where a supervisor is under the circumstance set forth in the preceding paragraph, shareholder(s) individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days, the shareholders shall be entitled to make a request in writing to the board of directors to initiate proceedings to the people's court.~~

~~In the event that the supervisory committee or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraphs, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraphs shall have the right to initiate proceedings to the people's court directly in their own names in the interest of the Company.~~

~~If any other person infringes upon the lawful rights and interests of the Company, thereby resulting in the Company incurring any loss, shareholders described in the first paragraph of this Article may initiate proceedings to the people's court in accordance with the preceding two paragraphs.~~

~~If the directors, supervisors or senior management members of a wholly-owned subsidiary of the Company are involved in any of the circumstances described in the first paragraph of this Article, or if any person infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company and thus causes losses, a shareholder or shareholders individually or jointly holding over 1% of the shares of the Company for more than 180 consecutive days, may request in writing, in accordance with the provisions of the preceding four paragraphs, that the supervisory committee or the board of directors of the wholly-owned subsidiary to initiate proceedings to the people's court, or initiate proceedings to the people's court directly in its or their own names.~~

Article 6665 If any director or senior management members violates the laws, administrative regulations or these Articles of Association, thereby resulting in the shareholders incurring any loss, the shareholders may initiate proceedings to the people's court.

Article 6766 The shareholders of the Company shall assume the following obligations:

- (I) to abide by the law, administrative regulation, listing rules of the stock exchange(s) of the places where the Company's shares are listed and these Articles of Association;
- (II) to pay for the shares pursuant to the quantity and the method of subscription;
- (III) not to divest the shares except as required by the law or statutory regulations;
- (IV) not to abuse his rights as a shareholder to damage the Company's or other shareholder's interests; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to damage the interests of creditors of the Company;
- (V) other obligations as stipulated in laws, administrative regulations, listing rules of the stock exchange(s) of the places where the Company's shares are listed and these Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and thereby causing damage to the Company or other shareholders shall be liable for indemnity according to the laws. Where shareholders of the Company abuse the independent legal person status of the Company and the limited liability of shareholders for the purpose of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Article 6867 Shareholders who hold more than 5% or more voting shares of the Company pledge any of their shares shall report the same to the Company in writing on the day the fact occurs.

Article 6968 Controlling shareholders and the de facto controllers of the Company shall not take advantage of their connected relationship with the Company to act in detriment to the interests of the Company. If they violated the regulations and caused damage to the Company, they shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall execute its rights as an investor in strict compliance with the law, and shall not harm the legal interests of the Company and other shareholders through profit distribution, asset restructuring, foreign investment, use of capital, or loan guarantees and shall not make use of their controlling position to harm the interests of the Company and other shareholders.

Article 7069 Any shareholder who is registered in, or any person who requests to have his name added into the register of shareholders, may (if his share certificates (the “**original certificates**”) are lost) apply to the Company for a replacement share certificate in respect of such shares (the “**relevant shares**”).

If a holder of unlisted shares of the Company loses his share certificates and applies for replacement, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a holder of H shares loses his share certificates and applies for replacement, it may be dealt with in accordance with laws, the rules of the stock exchange or other relevant regulations of the place where the original register of members of H shares is deposited.

Section 2 General Meeting

Article 7170 The shareholders’ general meeting shall comprise all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers according to the laws:

- (I) to elect and replace directors ~~and supervisors~~ and to determine matters relating to the remuneration of the directors ~~and supervisors~~;
- (II) to consider and approve the reports of the board of directors;
- ~~(III) to consider and approve the reports of the supervisory committee;~~
- ~~(IIIIV)~~ to consider and approve the Company’s profit distribution plans and loss recovery plans;
- ~~(IVV)~~ to resolve on the increase or reduction of the Company’s registered capital;
- ~~(VVH)~~ to resolve on the issuance of corporate bonds or other securities and listing plans;
- ~~(VIWH)~~ to resolve on matters such as the merger, division, dissolution, liquidation or transformation of corporate form of the Company;
- ~~(VIIWHH)~~ to amend these Articles of Association, and to approve the Rules of Procedures of General Meetings, the Rules of Procedures of the Board of Directors ~~and the Rules of Procedures of the Supervisory Committee~~;

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~~(VIII)~~ to resolve on the Company's appointment or removal of accounting firms, and the determination of remuneration for the accounting firm and methods of determination;

~~(IX)~~ to consider and approve guarantees required by Article 72 of these Articles of Association;

~~(X)~~ to consider matters relating to the purchase and sale of material assets by the Company within one year valued at more than 30% of the audited total assets of the Company as at the latest period;

~~(XII)~~ to consider and approve matters relating to changes in the use of funds raised;

~~(XIII)~~ to consider equity incentive plans and employee stock ownership plans;

~~(XIV)~~ to consider other matters which, in accordance with the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the shares of the Company are listed and these Articles of Association, shall be approved by the general meeting.

The general meeting can authorise or entrust the board of directors to handle the matters authorised or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated, including but not limited to the following matters at the general meeting:

- (I) subject to the applicable laws, regulations and listing rules, to give a general mandate to the board of directors, subject to the approval of the general meeting by way of a special resolution to issue, allot and deal with additional H shares not exceeding 20% of the H Shares in issue as at the date of the general meeting (or such other lower proportions as required by the applicable laws, regulations and listing rules) and authorize the board of directors to make corresponding amendments to these Articles of Association as it deems fit so as to reflect the new capital structure upon the allotment or issuance of shares;
- (II) to authorize the board of directors, within the cap amount of debt issuance, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instruments such as domestic short-term financial bonds, medium-term notes, corporate bonds, overseas USD bonds based on the needs for production, operation and capital expenditure as well as the market conditions, including but not limited to the determination of the amount, interest rate, term, target group and use of proceeds of the bonds being actually issued, as well as the preparation, signing and disclosure of all necessary documents thereof subject to the aforementioned limit.

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Article 7271 The following external guarantees given by the Company shall be considered and approved by the general meeting:

- (I) any guarantee to be provided by the Company and its controlled subsidiaries after the total amount of external guarantees exceeds 50% of the audited net asset of the Company for the most recent period;
- (II) guarantees to be provided in favour of a guarantee recipient whose gearing ratio exceeds 70%;
- (III) guarantees with a single guaranteed amount in excess of 10% of the audited net asset of the Company for the most recent period;
- (IV) guarantees to be provided by the Company within one year with an amount more than 30% of the audited total assets of the Company for the most recent period when being aggregated with guarantees incurred in the preceding 12 consecutive months;
- (V) any guarantee to be provided after the total amount of external guarantee provided by the Company has exceeded 30% of the audited total assets for the most recent period;
- (VI) guarantees to be provided in favour of any shareholder, de facto controllers of the Company and their respective connected persons;
- (VII) other guarantees as stipulated in laws, administrative regulations, departmental rules, other normative documents, listing rules of the stock exchange where the shares of the Company are listed and these Articles of Association.

When the general meeting considers a motion to provide guarantees for a shareholder, a de facto controller and his/her connected persons, such shareholder or shareholders at the disposal of such de facto controller shall not participate in such vote, which shall be passed by a majority of the voting rights held by other shareholders present at the general meeting. Directors, general managers and other senior management members who have violated the laws, administrative regulations or the provisions of the Articles of Association on the approval authority and deliberation procedures for external guarantees, and have caused losses to the Company, shall be liable to pay compensation, and the Company may initiate legal proceedings against them in accordance with the law.

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Article ~~73~~72 Unless the Company is in a crisis or under other special circumstances, the Company shall not, without the approval by special resolutions at a general meeting, enter into any contract with any party other than the directors,~~supervisors~~, general manager and other senior management members, pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article ~~74~~73 General meetings shall be divided into annual general meeting and extraordinary general meetings. The Company shall convene general meetings in strict accordance with the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the shares of the Company are listed and these Articles of Association to ensure that shareholders are able to exercise their rights in accordance with the laws. Annual general meetings are held once every year and within 6 months from the end of the preceding accounting year.

Article ~~75~~74 The Company shall convene an extraordinary general meeting within 2 months after the occurrence of any one of the following circumstances:

- (I) where the number of directors falls short of the minimum number required by the Company Law or is no more than two-thirds of the number required by these Articles of Association;
- (II) where the unrecovered losses of the Company amount to one-third of its total paid up share capital;
- (III) where shareholder(s) individually or jointly holding 10% or more of the shares of the Company request(s) in writing;
- (IV) where the board of directors considers it necessary;
- (V) where the ~~audit committees~~supervisory committee so request;
- (VI) where more than two independent directors (i.e. independent non-executive directors under the Listing Rules) so request;
- (VII) other circumstances as stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the shares of the Company are listed or these Articles of Association.

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The number of shares held by a shareholder in sub-paragraph (III) above shall be based on the number of shares held on the date of written request by the shareholder.

Article 7675 The venue of the general meeting of the Company shall be the domicile of the Company or other venues explicitly notified in the notice of the general meeting.

Article 7776 A general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting and/or electronic means of communication. On the premise of ensuring that the general meeting is lawful, effective and permitted by the regulatory authorities, the Company may convene the general meeting through various other means and methods recognized or required by the securities regulatory authorities, including modern information technology means such as video and telephone, in order to facilitate shareholders' participation in the general meeting. Shareholders participating in the general meeting through the above means shall be deemed to be present. If a shareholder is a corporation, it may appoint a proxy to attend and vote at any general meeting of the Company, and if such corporation has appointed a proxy to attend any meeting, it shall be deemed to be present in person.

Article 7877 The Company may, when convening a general meeting, engage a legal counsel to issue legal advice and make an announcement on the following issues:

- (I) whether or not the procedures for convening and holding a general meeting comply with the requirements of the laws, administrative regulations, listing rules of the stock exchange where the shares of the Company are listed and these Articles of Association;
- (II) whether the qualifications of the attendants and the convener are lawful and valid;
- (III) whether or not the voting procedures for and the voting results of the general meeting are lawful and valid;
- (IV) issuance of the legal opinion on other relevant issues at the request of the Company.

Section 3 Convening of General Meeting

Article 7978 General meetings shall be convened by the board of directors in accordance with the laws. Independent directors (i.e. independent non-executive directors under the Listing Rules) shall have the right to propose to the board of directors to convene an extraordinary general meeting. In respect of a proposal by an independent director to convene an extraordinary general meeting, the board of directors shall give a written reply on whether or not it agrees to hold such

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extraordinary general meeting within ten days after receipt of the request, in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors; If the board of directors does not agree to convene such extraordinary general meeting, reasons shall be explained and the announcement shall be made.

Article 8079 The audit committee~~supervisory committee~~ shall have the right to propose to the board of directors to convene an extraordinary general meeting, and shall propose to the board of directors in writing. The board of directors shall give a written reply on whether or not it agrees to hold such extraordinary general meeting within ten days after receipt of the request, in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors, and any changes to the original proposal contained in the notice shall be subject to the approval of the audit committee~~supervisory committee~~.

If the board of directors does not agree to convene such extraordinary general meeting, or fails to give a response in writing within ten days after receipt of the proposal, the board of directors shall be deemed to be unable to or have failed to perform its duty to convene the general meeting, and the audit committee~~supervisory committee~~ shall have the right to convene and preside over such meeting on its own.

Article 8180 Shareholder(s) individually or jointly holding 10% or more of the shares of the Company shall have the right to request the board of directors to hold an extraordinary general meeting, and shall put forward such request to the board of directors in writing and state the resolution of the meeting. The board of directors shall give a written reply on whether or not it agrees to hold such extraordinary general meeting within ten days after receipt of the request, in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.

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If the board of directors does not agree to convene such meeting, or fails to give a written response within ten days after receipt of the request, it shall be deemed that the board has not been able to perform or it does not perform its duty to convene such general meeting,~~shareholder(s) individually or jointly holding 10% or more of the shares of the Company shall have the right to propose to the supervisory committee to convene an extraordinary general meeting, and shall put forward such request to the supervisory committee in writing. The supervisory committee shall, in accordance with laws, administrative regulations and these Articles of Association, make a decision and give a written response to the shareholders on whether or not an extraordinary general meeting should be held within ten days of receiving any such request.~~

~~If the supervisory committee agrees to convene an extraordinary general meeting, a notice for convening such meeting s hall be issued within five days after receipt of the request and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.~~

~~If t he supervisory committee fails to issue a notice convening the general meeting by the prescribed period, the supervisory committee shall be deemed to refuse to convene and preside over such meeting, and shareholder(s) individually or jointly holding 10% or more of the shares of the Company for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.~~

Article 8281 If the audit committees~~supervisory committee~~ or shareholders decide(s) to convene a general meeting on its/their own, a written notice shall be submitted to the board of directors and filed with the relevant securities regulatory authority of the place where the Company is located and corresponding stock exchange in accordance with the applicable regulations.

Prior to the announcement of the resolution of a general meeting, the convening shareholder shall hold no less than 10% of the shares of the Company. The ~~supervisory committee or~~ shareholders that convene the meeting shall, when circulating a notice of general meeting and making an announcement on the resolution of a general meeting, submit the relevant certification materials to the stock exchange.

Article 8382 The board of directors and the secretary to the board of directors shall cooperate with respect to the general meeting convened by the audit committees~~supervisory committee~~ or the shareholders on their own. The board of directors shall provide the register of shareholders as of the shareholding record date.

Article 8483 Where a general meeting is convened by the audit committees~~supervisory committee~~ or the shareholders on their own, all necessary expenses arising therefrom shall be borne by the Company.

Section 4 Proposing Motion at and Notice of the General Meeting

Article 8584 The substance of the motion proposed shall fall within the terms of reference of the general meeting, with clear subjects for discussion and specific issues for resolution and in compliance with the relevant provisions of the laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed and these Articles of Association. The motion shall be submitted in writing or delivered to the convener.

Article 8685 Whenever the Company convenes a general meeting, the board of directors, the ~~audit committee~~^{supervisory committee} and shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to propose motions to the Company.

Shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to submit an interim motion in writing to the board of directors ten days prior to the date of the general meeting.

The board of directors shall issue a supplemental notice of the general meeting within two days after receiving the proposed motion announcing the contents of the interim motion. The supplemental notice shall contain the name of the shareholder submitting the interim motions, shareholding percentage and the contents of the interim motions. The contents of the interim motion shall fall within the terms of reference of the general meeting, with clear subjects for discussion and specific issues for resolution.

Save as provided above, the convener shall not amend motions stated in or add new motions to the notice of the general meeting after the same has been issued.

No voting or resolution shall be executed or adopted at the general meeting for motions that have not been stated in the notice of the general meeting or that do not comply with Article 85 of these Articles of Association.

Article 8786 The convener shall notify all the shareholders of an annual general meeting by announcement at least twenty-one (21) days prior to the convening of the annual general meeting, and shall notify all the shareholders of an extraordinary general meeting by announcement at least fifteen (15) days prior to the convening of the extraordinary general meeting.

The notice period mentioned in the preceding paragraph does not include the date on which the meeting is held, but includes the date on which the notice is issued.

Where laws, administrative regulations and the listing rules of the stock exchange in the place where the Company's shares are listed have any other provisions, such provisions shall prevail.

Article 8887 Notice of a general meeting shall meet the following requirements:

- (I) be made in writing;
- (II) specify the time, place, way and period of the meeting;
- (III) set out the matters and proposals submitted to the meeting for consideration;
- (IV) contain a clear statement that all shareholders are entitled to attend the general meeting and have the right to appoint one or more proxies in writing to attend and vote on his behalf; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its director or attorney or person duly authorized. Such proxy need not be a shareholder of the Company;
- (V) designate the equity registration date of shareholders entitled to attend the general meeting;
- (VI) contain the name and contact information of the permanent contact person of the meeting;
- (VII) contain the time and procedures for voting by internet or other means (if any);
- (VIII) set out other requirements stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the shares of the Company are listed and these Articles of Association.

The notice and supplementary notice of the general meeting shall contain the information required by the Listing Rules and these Articles of Association and shall sufficiently and completely disclose the particulars of all proposals and all information and explanations necessary for shareholders to make a reasonable judgment on matters to be discussed. If independent directors (i.e. the independent non-executive directors referred to under the Listing Rules) are required to give opinions about matters to be discussed, such independent directors' opinions and reasons shall be disclosed at the same time when giving the notice or the supplementary notice of the general meeting. If a general meeting is convened by other off-site means, the time for voting and the voting procedures of the other off-site means shall be clearly stated in the notice of the general meeting.

Article ~~89~~88 If matters relating to the election of directors ~~and supervisors~~ are proposed to be discussed at a general meeting, detailed information of the candidates for directors ~~and supervisors~~ shall be fully disclosed in the notice of the general meeting, which shall at least include the following:

- (I) personal information relating to their educational background, work experience and all other positions undertaken on a part-time basis etc.;
- (II) whether there is any connected relationship with the Company or its controlling shareholders or de facto controllers;
- (III) their shareholdings in the Company;
- (IV) whether or not they have been subject to any punishment by the CSRC or other relevant departments or to any sanction by any stock exchange;
- (V) information relating to candidates for directors ~~and supervisors~~ required to be disclosed under the Listing Rules.

In addition to the adoption of a cumulative voting system for the election of directors ~~and supervisors~~, motions relating to each of the candidates for directors ~~and supervisors~~ shall be proposed on an individual basis.

Article ~~90~~89 Upon issuance of the notice of a general meeting, the general meeting shall neither be postponed nor cancelled without proper reasons. Motions listed in such notice shall not be revoked. In the event of postponement or cancellation, the convener shall announce and explain the reasons at least two working days before the original date of the meeting. If the general meeting is postponed, the notice shall also state the date of the postponed meeting. Where there are other rules in respect of the aforesaid matters in the listing rules of the stock exchange in the place where the Company's shares are listed, such rules shall prevail.

Section 5 Holding of the General Meeting

Article ~~91~~90 The board of directors of the Company together with other conveners thereof shall adopt necessary measures to maintain the normal order of the general meeting. Measures shall also be adopted to stop any acts from interfering with the general meeting, creating quarrels and nuisance as well as infringing the lawful interests of the shareholders while a timely report of the same shall also be made to the relevant authority for investigation.

Article 9291 All shareholders whose names appear in the register of shareholders on the equity registration date or their proxies shall be entitled to attend and vote at general meetings in accordance with the relevant laws, regulations, the listing rules of the stock exchange in the place where the Company's shares are listed and these Articles of Association.

Article 9392 A shareholder may attend the general meeting in person or appoint a proxy to attend and vote on his/her behalf. Any shareholder entitled to attend and vote at a general meeting have the right to appoint one or more persons (who may not be a shareholder) as his/her proxies to attend and vote on his/her behalf. A shareholder has the right to speak and vote at the general meeting, except where individual shareholders are required by the Listing Rules to abstain from voting on individual matters.

Article 9493 Individual shareholders attending the meeting in person shall present their identity cards (or other valid certificates or evidence of identity) and stock account cards. If a proxy is appointed to attend the meeting, the proxy shall present his/her valid identity card and the proxy form issued by the shareholder.

The legal representative/executive partner (appointed representative) or proxies appointed thereby shall attend the meeting on behalf of corporate/partnership shareholders. The legal representative/executive partner (appointed representative) attending the meeting shall present his/her identity card and valid certificate evidencing his/her capacity as a legal representative/executive partner (appointed representative); if a proxy is appointed to attend the meeting, such proxy shall present his/her identity card and a written power of attorney duly issued by the legal representative/executive partner (appointed representative) of the corporate/partnership shareholders (except for a recognized clearing house or agent thereof).

Article 9594 Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her proxy so authorized in writing.

The proxy form issued by a shareholder to appoint a third party to attend the general meeting on his/her behalf shall specify the following contents:

- (I) the name of the proxy;
- (II) the number of shares of the appointer that the proxy represents;
- (III) whether or not having the right to vote;

(IV) the respective instructions on voting in favour of, against or abstention from voting in respect of each matter on the agenda of the general meeting;

(V) the issue date and valid term of the proxy form;

(VI) the signature (or seal) of the appointer. In case the appointer is a corporate/partnership shareholder, the proxy form shall be affixed with the seal.

The proxy form shall specify whether or not the proxy may vote at his/her own discretion in the absence of any specific instruction from the shareholders.

Article 9695 If the instrument appointing the voting proxy is signed by the attorney on behalf of the principal, the power of attorney or other authority must be notarized. The notarized power of attorney or other authority must be delivered to the registered address of the Company or such other place specified in the notice of the meeting together with the instrument appointing the voting proxy not less than 24 hours prior to convening of the meeting at which the relevant matters will be voted on, or 24 hours before the time designated for voting.

Where an appointer is a corporate/partnership, its legal representative/executive partner (appointed representative) or other persons authorized by the resolutions of the board of directors or other decision-making body shall be entitled to attend the general meeting of the Company as a representative of the appointer.

If a shareholder is a recognized clearing house (or its proxy) as is defined under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), it may, as it sees fit, authorize one or more persons as its proxies to attend and vote at any general meeting or class meeting. However, if more than one person is authorized, the power of attorney shall specify the number and class of the shares relating to each such proxy so authorized. A person so authorized may exercise the same rights and powers (including the right to speak and vote and, where a show of hands is allowed, the right to vote individually on a show of hands) on behalf of the recognized clearing house (or its “**proxy**”) as if he is an individual shareholder of the Company (without having to produce a shareholding certificate, a notarized authorization and/or further evidence of his duly authorized authority).

Article 9796 The register of meeting attendees shall be prepared by the Company. The register of meeting attendees shall contain the names of participants (or entities), their identification numbers, domicile addresses, the number of shares held or represented with voting rights, and the names of the appointors (or entities).

Article 9897 The convener and the attorney engaged by the Company (if any) or the Share Registrar shall jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authorities, and register the names of the shareholders together with the numbers of voting shares held. The registration of the meeting shall be closed until the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights.

Article 9998 When a general meeting is held, all directors, ~~supervisors~~ and the secretary to the board of directors of the Company shall attend the meeting, while the manager and other senior management shall attend the meeting as non-voting participants.

Article 10099 The general meeting shall be convened and presided over by the chair man. When the chairman is unable or fails to perform his/her duties, the vice chairman (if there are two or more vice chairmen, the one elected by a majority of the directors shall preside) shall perform the said duties; when the vice chairman is unable or fails to perform his/her duties, a director jointly elected by a majority of the directors shall perform the said duties.

Article 101100 Where a general meeting is convened by the audit committee~~supervisory committee~~ on its own, the meeting shall be presided over by the convener ~~chairman~~ of the audit committee~~supervisory committee~~. If the convener of the audit committee~~chairman~~ of the supervisory committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the audit committee~~the vice chairman of the supervisory committee~~. ~~In the event that the vice chairman of the supervisory committee is unable or fails to perform his/her duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the members of the audit committee~~supervisors.

Where a general meeting is convened by shareholders on their own, the meeting shall be presided over by a representative elected by the convening shareholders.

When a general meeting is held and the chairman of the meeting violates the Rules of Procedures of General Meetings in a way that makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights.

Article 102101 The Company shall formulate the Rules of Procedures of General Meetings that set out in details on the procedures for the convening of and voting at a general meeting, including giving notice, completing recording tasks, considering motions, voting, counting votes, announcement of the voting results, adoption of resolutions at the meeting, minutes and execution thereof, making public announcement and other particulars, and that specify the principles of

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conferring power upon the board of directors at the general meeting and the substance of such authorization. The Rules of Procedures of General Meetings shall be developed by the board of directors and approved at the general meeting.

Article ~~103~~102 At the annual general meeting, the board of directors ~~and the supervisory committee~~ shall deliver their respective working reports for the previous year at the general meeting. Each of the independent directors (i.e. the independent non-executive directors referred to under the Listing Rules) shall also deliver their respective working reports.

Article ~~104~~103 The directors, ~~supervisors~~ and senior management members present at the general meeting shall provide responses or explanations with respect to any queries or suggestions raised by the shareholders, except for those involving the Company's trade secrets that cannot be disclosed at the general meeting.

Article ~~105~~104 The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies present at the meeting as well as the total number of voting shares held. The number of shareholders and proxies present at the meeting as well as the total number of voting shares held shall be subject to those recorded during the meeting.

Article ~~106~~105 Minutes of general meetings shall be maintained by the secretary to the board of directors. The minutes of a meeting shall record the following:

- (I) the date and venue for convening the meeting, the meeting agenda and the name of the convener of the meeting;
- (II) the name of the chairman of the meeting as well as those of the directors, ~~supervisors~~, the manager and other senior management present at the meeting as voting and non-voting attendees;
- (III) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held and the proportion to the total number of shares of the Company;
- (IV) the description of the entire course of consideration of each proposal, the main points put forward by each speaker relating thereto, and the voting results;
- (V) details of queries and suggestions of the shareholders and the corresponding response or explanation in relation thereto;

(VI) the names of the attorney (if any) and persons responsible for counting the votes and for supervising the counting process;

(VII) other contents that should be recorded in the minutes as provided for in these Articles of Association.

Article ~~107~~106 The convener shall ensure that the minutes are true, accurate and complete. The attending directors, ~~thesupervisors~~, secretary to the board of directors, the convener or its representative and the meeting chairman shall sign the minutes and ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes shall be kept together with the signature book of shareholders present in the meeting in person and the proxy form for proxy attendance, valid information on voting by internet and other means for a period of not less than ten years.

Article ~~108~~107 The convener shall ensure that a general meeting is held on a continuous basis until a final resolution is adopted. If a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, requisite measures shall be adopted so as to promptly resume the general meeting or to directly terminate the then general meeting, and announcements and reports shall be made in a timely manner in accordance with the laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

Section 6 Voting at and Resolutions of the General Meeting

Article ~~109~~108 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of voting shares that he/she represents, and each share shall have one vote. When a poll is taken, the shareholders (including their proxies) who have the right to two or more votes need not cast all his/her votes in the same way.

Where significant matters affecting the interests of minority investors are considered in general meeting, the votes cast by minority investors shall be counted separately. The result of such separate vote-counting shall be disclosed promptly to the public.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by shareholders attending the general meeting.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted in how he votes (only for or against a particular resolution), in accordance with the requirements of the laws, regulations, the listing rules of the stock exchange in the place where the

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Company's shares are listed and these Articles of Association, any vote cast by such shareholder or proxy thereof in contravention of the aforementioned requirements or restrictions shall not be counted towards the voting results.

Where any shareholder is required to abstain from voting or is restricted to cast only an affirmative or dissenting vote in relation to a particular resolution in accordance with the Listing Rules, any vote cast by such shareholder or proxy thereof in contravention of the relevant requirements or restrictions shall not be counted.

The board of directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or provisions of the CSRC may collect voting rights from other shareholders. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for collecting voting rights.

Article ~~110~~109 Resolutions of the general meeting are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) attending the meeting.

Special resolutions of the general meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies) attending the meeting.

Article ~~111~~110 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) work reports of the board of directors ~~and the supervisory committee~~;
- (II) plans for profit distribution and recovery of losses drafted by the board of directors;
- (III) appointment or removal of members of the board of directors ~~and the supervisory committee~~; and their remuneration and method of payment thereof;
- (IV) the Company's annual reports;
- (V) the engagement or dismissal of the accounting firm;

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- (VI) any matters other than those required by the laws, administrative regulations, the regulatory rules in the place where the Company's shares are listed or these Articles of Association to be approved by special resolutions.

Article ~~112~~111 The following matters shall be resolved by way of special resolutions at a general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) separation, division, merger, dissolution and liquidation (including voluntary winding up) of the Company or a change in its corporate form;
- (III) amendment to these Articles of Association;
- (IV) purchase or disposal of material assets or provision of a guarantee to others by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;
- (V) equity incentive plans;
- (VI) variation or abrogation of the rights of class shareholders;
- (VII) other matters prescribed by law, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed or these Articles of Association, and any other matters that, if resolved by way of an ordinary resolution of the general meeting, may have a material impact on the Company and shall be adopted by a special resolution.

Article ~~113~~112 In the course of considering matters relating to connected transactions at the general meeting, the connected shareholders shall abstain from voting and the voting rights represented by the number of shares held by such shareholders shall be excluded from the total number of valid votes. The voting result of the non-connected shareholders shall be fully disclosed in the announcement of the resolution of the general meeting.

Connected shareholders shall take the initiative to apply for disqualification. If connected shareholders do not abstain voluntarily, any other shareholder who is aware of the fact has the right to request them to abstain therefrom. In the course of considering matters relating to connected transactions at the general meeting, the chairperson of the meeting shall announce the

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list of connected shareholders, state whether or not they will participate in the voting, and announce the total number of voting shares of non-connected parties attending the meeting and the proportion of these shares to the total shares of the Company before the voting.

Article ~~114~~113 The list of candidates for directors ~~and supervisors~~ shall be proposed in form of a motion to the general meeting for resolution.

When voting on the election of Directors ~~or Supervisors~~ at the general meeting, the cumulative voting system may be implemented in accordance with the provisions of these Articles of Association or a resolution of the general meeting.

The cumulative voting system referred to in the preceding paragraph represents that in the election of directors ~~or supervisors~~ at the 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 held by shareholders may be used collectively. The board of directors shall inform the shareholders of the biographical details and general information of the candidate directors ~~and supervisors~~.

Article ~~115~~114 Except for the cumulative voting system, voting for all motions proposed to the general meeting shall be conducted one by one. If different motions have been proposed for the same matter, voting related thereto shall be conducted based on the chronological order of proposing the motions. Unless the general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no motion shall be set aside or rejected for voting at the general meeting.

Article ~~116~~115 When considering a motion at the general meeting, no change shall be made thereto; otherwise, the relevant change shall be treated as a new motion that cannot be proceeded for voting at the then general meeting.

Article ~~117~~116 The same right to vote can only be exercised by electing to vote at the scene, via the internet or in other manner. If the same right to vote has been exercised twice, the result of the first voting shall prevail.

Article ~~118~~117 The general meetings shall be voted by registered ballot.

Article ~~119~~118 Before voting on a resolution at the general meeting, two representatives of the shareholders shall be nominated to participate in counting the votes as well as supervising the counting process. Where any shareholder is interested in or connected with any matter considered, the relevant shareholder and his/her proxies shall not participate in counting the votes or supervising the counting process.

When voting on a resolution at the general meeting, the attorney (if any) or the Share Registrar, a representative of shareholders ~~and a representative of the supervisors~~ shall be responsible for counting the votes as well as supervising the counting process and announcing the voting results at the meeting. The voting results in connection with the resolution shall be recorded in the minutes.

Shareholders of the Company or their proxies who cast their votes via the internet or otherwise off-site shall have the right to check their voting results by the corresponding voting system.

Article ~~120~~119 The general meeting shall end on site no earlier than online or by other means. The meeting chairman shall announce the vote and the result of each proposal and, based on the result of the vote, declare whether the proposal has been adopted or not.

Prior to making a formal announcement on the voting results, companies, the vote counters, scrutineers, major shareholders, network service providers and other relevant parties involved in the on-site, online and other voting methods at the general meeting shall have the obligation to keep matters related to voting confidential.

Article ~~121~~120 Shareholders attending the general meeting shall express their opinion with respect to the motion tabled for resolution as in favour of, against or abstention from voting in respect of such motion, except that the securities registrar and settlement institution, as the nominal holder of shares under the Inter-connected Mechanism for Trading on Stock Markets in the Mainland and Hong Kong, may make the declaration in accordance with the intention of the actual holder.

Ballot papers that are left in blank, unduly completed or illegible, or that have not been used, shall be treated in the way that the voters waive their right to vote and the voting results representing the shares held by such voters shall be treated as “abstention from voting”.

Article ~~122~~121 In the event the chairman of the meeting has any doubts as to the voting results of the resolutions submitted, he/she may count the votes cast. In the event the chairman of the meeting does not conduct a vote count and an attending shareholder or proxy objects to the results announced by the chairman of the meeting, he/she shall be entitled to request the counting of the votes immediately after the announcement and the chairman of the meeting shall count the votes immediately upon request. The counting results shall be recorded into the minutes of the meeting.

Article ~~123~~122 The resolutions of the general meeting shall be announced in a timely manner, and the announcement shall list matters related to the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the Company, the voting method, the voting results of each proposal and detailed contents of resolutions approved.

Article ~~124~~123 If a proposal is not passed, or if the resolution passed by the preceding general meeting is changed by the current general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.

Article ~~125~~124 Where the general meeting has passed the proposals for electing directors~~or supervisors~~, unless otherwise expressly provided in the resolution of a general meeting, the newly elected directors ~~and supervisors~~ shall take office on the day when the resolution on election of the directors ~~or supervisors~~ is passed at the general meeting.

Article ~~126~~125 Where any proposals in relation to the distribution of profits, issue of bonus shares or capital increase by way of realization of capital reserve are passed at the general meeting, the Company shall implement the specific plan within two months from the closing of the general meeting.

CHAPTER 6 THE BOARD OF DIRECTORS

Section 1 Directors

Article ~~127~~126 A director of the Company is a natural person, and a person who falls under any of the following circumstances may not serve as a director of the Company:

- (I) a person without or with limited capacity for civil conduct;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in case of a suspended sentence, not more than two years have elapsed since the date of expiration of the probationary period;

- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise which had its business licence revoked or was ordered to close due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business licence or closure order;
- (V) a person who has a relatively large amount of debts due and outstanding, who have been listed by the people's court as defaulter;
- (VI) a person who is prohibited from entering the securities market by the CSRC and publicly recognized by the stock exchange as unsuitable to serve as a director of the Company, and the time limit has not expired;
- (VII) other content stipulated in the laws, administrative regulations, departmental rules or the listing rules of the stock exchange of the place where the Company's shares are listed.

The election or appointment of directors in violation of this article shall be deemed invalid. If a director falls under the circumstances specified in this article during his term of office, the Company shall remove him/her from his/her position.

Article 128127 Directors are elected or replaced by the general meeting. The term of their office is three years. Directors may be re-elected upon expiration of their term of office, unless otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the stock exchange of the place where the Company's shares are listed. Directors can be removed by the general meeting before the term of office expires.

The term of office of a director shall be calculated from the date of taking office to the expiry of the term of the current session of the board of directors. If a director fails to be re-elected in time upon the expiration of his/her term of office, the original director shall still perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association until the re-elected director takes office.

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The general meeting may, subject to the provisions of the relevant laws and regulations, remove any director (including executive directors) whose term of office has not expired (but such removal does not affect the rights of such director to make any claim under any contract) by ordinary resolution.

The written notice about the purposes of candidates of directors or the willingness of the candidates to accept the nomination shall be delivered to the Company no earlier than the date of delivery of notification of the general meeting and no later than seven days before the general meeting. The time limit for relevant nomination and accepting of the nomination shall not be shorter than seven days.

Directors of the Company may be concurrently held by the manager or other senior management, but the directors who concurrently serve as the manager or other senior management shall not exceed one half of the total number of directors of the Company. There are no employee representative directors on the board of directors.

Article ~~129~~128 The directors shall comply with the laws, administrative regulations, listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association and shall faithfully perform their following obligations to the Company and shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their authority to obtain improper benefits:

- (I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;
- (II) not to misappropriate the money of the Company;
- (III) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (IV) not to violate these Articles of Association and lend the money of the Company to others or provide guarantee to others by charging the Company's assets without approval of the general meetings or the board of directors;
- (V) a director, the close relatives of the director, the enterprises directly or indirectly controlled by the director, and the connected persons with whom the director is otherwise connected, shall not directly or indirectly enter into a contract or transaction with the Company in violation of the provisions of these Articles of Association or without the consent of the board of directors or the general meeting. The said person shall report at the general meeting on matters related to entering into the contract or transaction, which shall be approved by a resolution of the board of directors or at the general meeting in accordance with the provisions of these Articles of Association;

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- (VI) not to take advantage of their positions to seek business opportunities for themselves or others that should belong to the Company except under one of the following circumstances: (1) they report to the board of directors or at the general meeting, and obtain approval by a resolution of the board of directors or the general meeting in accordance with the provisions of these Articles of Association; (2) The Company cannot utilize the business opportunity under the provisions of laws, administrative regulations or these Articles of Association;

- (VII) not to operate a business similar to the business of the Company for the benefit of themselves or others, without reporting to the board of directors or at the general meeting and without obtaining approval by a resolution of the board of directors or at the general meeting in accordance with the provisions of these Articles of Association;

- (VIII) not to accept commissions in relation to transactions of the Company;

- (IX) not to use their connected relationship to harm the interests of the Company;

- (X) not to disclose the secrets of the Company without consent;

- (XI) to be bound by other obligations stipulated by the laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association.

Income received by any directors in violation of this article shall be forfeited by the Company. Any directors who act in violation of this article shall be liable for compensation for any losses caused to the Company.

Article ~~130~~129 The directors shall diligently perform their following obligations to the Company in compliance with laws, administrative regulations, listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association, when in performing their duties, they shall exercise the reasonable care that may be expected of a manager normally in performing his/her duties in the best interests of the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the national laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business licence;
- (II) to treat all shareholders equally and fairly;
- (III) to review various business and financial reports of the Company diligently and understand the operation and management of the Company in a timely manner;
- (IV) to sign written confirmations to regular reports of the Company and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- ~~(V) to provide all relevant information and materials required by the supervisory committee and to accept the lawful supervision and rational suggestions of the supervisory committee on their performance of duties, and shall not intervene the performance of duties of the supervisory committee or supervisors;~~
- ~~(V)~~ to perform other due diligence obligations stipulated by laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association.

Article ~~131~~130 Where a controlling shareholder and a de facto controller who does not act as a director of the Company but actually handles the affairs of the Company, the provisions on the directors' duty of loyalty and duty of diligence shall apply thereto.

Article ~~132~~131 Any director who fails to attend board meetings in person and has not entrusted other directors to attend the meeting on his/her behalf for two consecutive times shall be deemed as unable to perform his duties. The board of directors shall propose to the general meeting to remove such director.

Article ~~133~~132 A director may resign before the expiry of his/her tenure. The resigning director shall submit to the board of directors a written resignation report. The board of directors shall disclose the relevant information within two days.

Article ~~134~~133 If the board of directors of the Company falls below the statutory minimum due to the resignation of directors, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules and these Articles of Association before the re-elected directors take office. The resignation report of the such director shall be effective only after the succeeding director has filled his vacancy.

Except the circumstances specified in the preceding paragraph, the resignation of a director shall be effective when the resignation report is served to the board of directors.

Subject to the relevant laws and regulations and regulatory rules in the PRC and the places where the Company is listed, if the board of directors appoints a new director to fill a casual vacancy on the board of directors or to add to the board of directors, the term of office of such appointed director shall end at the first annual general meeting after his/her acceptance of the appointment and he/she shall be eligible for election by the Shareholders for re-election at such annual general meeting.

Article ~~135~~134 A director shall complete all of the handover procedures with the board of directors once his/her resignation becomes effective or his/her term of office expires. The fiduciary duties to the Company and the shareholders are not necessarily released within a term of 3 years after expiry of his/her term of office. The duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness depending on the duration between the act concerned and the termination and the specific circumstances and conditions under which the relationship between the director and the Company was terminated.

Article ~~136~~135 In the absence of specification in these Articles of Association or legitimate authorization by the board of directors, no director shall act in his/her personal capacity on behalf of the Company or the board of directors. When a director acts in his/her personal capacity, but a third party may reasonably believe that the director is representing the Company or the board of directors, that director shall declare his/her stance and capacity in advance.

Article ~~137~~136 If any director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or these Articles of Association in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said director shall be liable for compensation. Any controlling shareholder or de facto controller of the Company who instructs a director to engage in an act detrimental to the interests of the Company or its shareholders shall bear joint and several liability with such director.

Article ~~138~~137 If a director of the Company, in the performance of his/her duties, causes damage to others, the Company shall be liable for compensation; and the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

Article ~~139~~138 The Company shall have at least three independent directors (or independent non-executive directors). Except as otherwise provided in this section, the provisions of this section concerning the qualifications and duties of directors shall apply to independent directors. The board of directors of the Company shall include at least one-third independent directors, including at least one accounting professional who must possess financial professional qualifications or accounting or relevant financial management expertise as stipulated by the listing rules of the place where the Company's shares are listed. Independent directors shall faithfully perform their duties and safeguard the interests of the Company, paying particular attention to the legitimate rights and interests of the public shareholders not to be jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

At any time if the number of independent directors fails to meet the minimum number required by these Articles of Association due to either the failure to meet the criteria of independence or other circumstances which may put such independent directors inappropriate to perform their duties, the Company shall appoint additional independent directors to meet the requirement.

Article ~~140~~139 The functions and powers and other relevant issues of the independent directors shall be subject to relevant provisions of the laws, administrative regulations, departmental rules and listing rules of the stock exchange of the place where the Company's shares are listed.

Section 2 The Board of Directors

Article ~~141~~140 The Company shall have a board of directors accountable to the general meeting.

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Article ~~142~~141 The board of directors consists of 11 directors, including 4 independent directors, who are elected by the general meeting.

Article ~~143~~142 The following conditions should be met for a person to serve as an independent non-executive director:

- (I) qualified to be a director of the Company in accordance with the laws, administrative regulations, the listing rules of the place of listing and other relevant regulations;
- (II) meet the requirements of the Listing Rules regarding the qualification of independent non-executive directors.

In the event that an independent non-executive director fails to meet the basic requirements to serve as an independent non-executive director or is otherwise unsuitable to perform the duties of an independent non-executive director, the independent non-executive director shall be replaced within three months after he or she fails to meet the relevant requirements.

Article ~~144~~143 The board of directors shall have the following duties and powers:

- (I) responsible for convening general meetings and presenting reports thereto;
- (II) implementing the resolutions made at the general meetings;
- (III) determining the Company's business plans and investment plans;
- (IV) working out the Company's profit distribution plans and loss recovery plans;
- (V) working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of bonds or other securities and listing plans;
- (VI) formulating proposals for major acquisitions of the Company, purchase of shares of the Company, merger, split-up, dissolution and change of the Company nature;
- (VII) deciding on matters of the Company such as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions and donations to others within the scope authorized by the general meeting;

- (VIII) deciding on the establishment of the Company's internal management departments;
- (IX) deciding on the appointment or dismissal of the general manager, the secretary to the board of directors and other senior management of the Company; deciding on the appointment or dismissal of senior management, such as deputy general manager and financial controller, as well as their remunerations and rewards and punishments according to the nomination of the general manager;
- (X) formulating the Company's basic management system;
- (XI) formulating the plan for modification of these Articles of Association;
- (XII) administering matters on information disclosures of the Company;
- (XIII) proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;
- (XIV) hearing the manager's work report and check the general manager's work;
- (XV) assessing and determining the nature and scope of risks that the Company is willing to assume in pursuit of its strategic objectives, and ensuring that the Company has put in place and maintained appropriate and effective risk management and internal control systems;
- (XVI) designing, implementing and monitoring the risk management and internal control systems, and the management should provide a confirmation to the board of directors on the effectiveness of these systems;
- (XVII) conducting a review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems at least annually and reporting to shareholders that it has done so in its Corporate Governance Report;
- (XVIII) ensuring that the resources, staff qualifications and experience in relation to the Company's accounting, internal audit, financial reporting and the Company's environmental, social and governance performance and reporting, and training courses received by the staff and related budgets are adequate;

(XIX) deciding on other major matters and administrative affairs other than those specified in the laws, administrative regulations, departmental rules, these Articles of Association and listing rules of the stock exchange of the place where the Company's shares are listed to be decided by the general meeting and sign other important agreements;

(XX) exercising other powers regulated in laws, administrative regulations, departmental rules, rules governing the place where the shares of the Company are listed or these Articles of Association or general meetings.

The above-mentioned functions and powers exercised by the board of directors, or any transaction or arrangement of the Company, shall be submitted to the general meeting for consideration if they are required to be considered by the general meeting according to the listing rules of the stock exchange of the place where the Company's shares are listed.

Matters exceeding the scope of the authority of the general meeting shall be submitted to the general meeting for consideration.

Article ~~145~~144 The board of directors of the Company shall establish the audit committee, ~~and establish the nomination committee and the remuneration committee as needed.~~ Each special committee shall be accountable to the board of directors and perform the duties prescribed by these Articles of Association and the board of directors. Any proposals shall be submitted to the board of directors for consideration and approval. All members of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee, the remuneration committee shall be independent directors who also convene the meeting of such committees. The convenor of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the rules of procedures of each special committee and regulating the operation of the special committees.

Article ~~146~~145 The Audit Committee shall be composed of more than three members. All of them shall be non-executive directors who shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgment. The members of the Audit Committee shall be appointed directly by the board of directors, with a majority of independent non-executive directors. The post of the chairman of the Audit Committee shall be held by an independent non-executive director who possesses financial professional qualifications or accounting or relevant financial management expertise as stipulated by the listing rules of the place where the Company's shares are listed.

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The Audit Committee is a standing committee under the board of directors, which shall exercise the functions and powers stipulated in the Terms of Reference of the Audit Committee approved to become effective by the board of directors, as well as the functions and powers prescribed for the supervisory committee under the Company Law.~~directors and is principally performing its monitoring function in the following areas:~~

- ~~(I) truthfulness of financial reports and procedures for financial reporting;~~
- ~~(II) effectiveness of risk management and internal control systems;~~
- ~~(III) ensuring that the Company's resources in accounting, internal audit and financial reporting functions, qualifications and experience of accounting and reporting personnel, and the training for relevant employees and budget for relevant expenditures are adequate;~~
- ~~(IV) reviewing the findings of internal investigations and responses from management in relation to any suspected dishonesty, non-compliances, or suspected violations of laws, rules and regulations;~~
- ~~(V) assessing whether the Company has any major internal control defaults or weaknesses;~~
- ~~(VI) ensuring the adequacy and effectiveness of the details and frequency of the monitoring results reported by relevant functional departments to the board of directors and its committees;~~
- ~~(VII) assessing the changes in the nature and extent of significant risks faced by the Company after the previous year and the Company's ability to respond to the changes in its businesses and external environment;~~
- ~~(VIII) performance of internal audit functional departments and personnel;~~
- ~~(IX) appointment of external auditors and assessment of their qualifications, independence and performance;~~
- ~~(X) periodic review and annual audit of the Company's financial reports; and~~
- ~~(XI) compliance with relevant accounting standards and requirements on financial information disclosures in laws and regulatory rules.~~

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Article 147~~146~~ The Nomination Committee consists of three or more directors, who shall be appointed directly by the board of directors, with a majority of independent non-executive directors. The post of the chairman of the Nomination Committee shall be held by an independent non-executive director/the chairman of the board of directors.

The Nomination Committee is a standing committee under the board of directors, which shall exercise the functions and powers stipulated in the Terms of Reference of the Nomination Committee approved to become effective by the board of directors.~~principally performing its monitoring function in the following areas:~~

- ~~(I) assisting the board of directors in formulating the procedures and criteria for electing and appointing the directors of the Company and assessing their qualifications within its scope;~~
- ~~(II) screening and nominating candidates for directors and members of the committees under the board of directors for consideration at the general meeting with prior approval of the board of directors;~~
- ~~(III) ensuring the directors and members of the Committees always maintain sufficient skills, experience and knowledge to perform their duties; and~~
- ~~(IV) ensuring the continuous and effective performance of the board of directors on its corporate governance duties.~~

Article 148~~147~~ The Remuneration Committee consists of three or more directors, who shall be appointed directly by the board of directors, with a majority of independent non-executive directors. The post of the chairman of the Remuneration Committee shall be held by an independent non-executive director.

The Remuneration Committee is a standing committee under the board of directors, which shall exercise the functions and powers stipulated in the Terms of Reference of the Remuneration Committee approved to become effective by the board of directors.

~~The Remuneration Committee is a specialized working body under the board of directors and is principally responsible for researching the remuneration strategies and policies, performance appraisal and incentive mechanism and other matters regarding the remuneration of directors, supervisors and senior management, and making relevant recommendations to the Board. Upon the approval by the board of directors, they will be proposed for consideration at the general meeting.~~

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Article ~~149~~148 The remuneration of the Company's directors, ~~supervisors~~ and senior management shall be determined on the basis of the Company's operation and general management after a comprehensive assessment on the performance of the business plan and the assigned work, the fulfillment of the job objectives, and the performance of personal duties and personal development.

The Remuneration Committee under the board of directors can make recommendations to the board of directors on the Company's policy and structure for directors', ~~supervisors'~~ and Senior Management's remuneration and on establishing a formal and transparent procedure for developing remuneration policy.

Article ~~150~~149 The board of directors shall not make any resolution on the following matters without the approval of a majority of all members of the Audit Committee:

- (I) the engagement or dismissal of the accounting firm that undertakes the Company's audit, and the determination of its remuneration;
- (II) the appointment or dismissal of the person in charge of finance of the Company;
- (III) the disclosure of the financial accounting reports;
- (IV) other matters prescribed by the securities regulatory authorities under the State Council.

Article ~~151~~150 The board of directors of the Company shall explain to the general meeting any non-standard audit opinions issued by the certified public accountant on the Company's financial reports.

Article ~~152~~151 The board of directors shall formulate the Rules of Procedures of the Board of Directors in order to ensure that the board of directors can implement resolutions of the general meeting, improve working efficiency and guarantee scientific decision-making.

Article ~~153~~152 The board of directors shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, entrusted wealth management, connected transactions and donations to others, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.

Article ~~154~~153 The board of directors shall have the right to approve matters of external guarantees other than those to be approved by the general meeting as stipulated in Article ~~72~~71 of these Articles of Association. When the board of directors decides on external guarantees, it shall obtain the consent of more than two-thirds of all directors.

For independent directors who do not have the qualifications or capabilities of independent directors, failed to perform their duties independently or failed to protect the Company, shareholders who individually or collectively hold 3% or more of the Company's shares for more than 90 consecutive days may make a proposal to the board of directors of the Company to question or remove such independent directors. The board of directors of the Company shall promptly convene a special meeting to discuss the matter after receiving the relevant proposal of question or for removal and disclose the results of the discussion to all shareholders and all directors.

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Article ~~155~~154 The board of directors shall comprise 1 chairman and 2 vice chairmen. The chairman and the vice chairmen shall be elected with the approval of more than half of all the directors by the board of directors.

Article ~~156~~155 The chairman of the board of directors shall exercise the following functions and powers:

- (I) to preside over general meetings, and to convene and preside over the meetings of the board of directors;
- (II) to monitor and check the implementation of the resolutions of the board of directors;
- (III) to exercise other functions and powers conferred by laws, regulations, regulatory documents, the listing rules of the stock exchanges on which the Company's shares are listed and these Articles of Association and the board of directors.

Article ~~157~~156 The vice chairman of the Company shall assist the chairman's work, if the chairman is unable or fails to perform his/her duties, the vice chairman shall perform the duties on his/her behalf (where the Company has two or more vice chairmen, the duties shall be performed by the vice chairman nominated and elected by more than half of all directors), if the vice chairman is unable or fails to perform his/her duties, such duties shall be performed by a director who is nominated and elected by more than half of the directors.

Article ~~158~~157 The meetings of the board of directors include regular meeting of the board of directors and extraordinary meeting of the board of directors. Meetings of the board of directors shall be held at least four times a year and shall be convened by the chairman of the board of directors.

Article ~~159~~158 An extraordinary meeting of the board of directors may be convene and preside by the chairman of the board of directors within 10 days after receipt of the proposal, if it is:

- (I) jointly proposed by more than one-third of the directors;
- (II) proposed by the audit committee~~supervisory committee~~;
- (III) proposed by shareholders representing more than 10% of the voting rights;
- (IV) other circumstance as stipulated in these Articles of Association.

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Article ~~160~~159 Regular meetings shall be held by giving a written notice to all directors ~~and supervisors~~ 14 days before the meeting. Documents of meeting shall be delivered to all directors ~~and supervisors~~ three days before the meeting.

When the board of directors convenes an extraordinary meeting, the secretary of the board of directors shall submit a written notice of the meeting and the documents of the meeting to all directors ~~and supervisors~~ 5 days before the convening of the meeting by hand, express mail, facsimile or electronic mail.

Article ~~161~~160 When an extraordinary board meeting 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; and if unanimously agreed by all the directors, it may not be subject to the limitation of the time, but the convener shall provide an explanation at the meeting and make corresponding records in the minutes of the meeting. Notice of a meeting shall be deemed to be served to any directors who attend the meeting without protesting against any lack of notice before or at its commencement.

Article ~~162~~161 The written notice of a meeting of the board of directors shall specify:

- (I) the date, venue and duration of the meeting;
- (II) the form of convening the meeting;
- (III) matters (proposals) to be considered;
- (IV) the convener and presider of the meeting, proposer of the extraordinary meeting and his/her written proposal;
- (V) the meeting materials required for the directors to vote;
- (VI) the requirement for directors to attend in person or to appoint other directors to attend on their behalf;
- (VII) the contact of the meeting and his/her contact information;
- (VIII) the reasons for the meeting and the date of issuing the notice;
- (IX) relevant explanation for and the basis of convening the board meeting in the event that the meeting is not convened by the chairman.

The notice of the meeting of the board of directors shall be submitted to all directors ~~and supervisors~~ by hand, express mail, facsimile or electronic mail. The verbal meeting notice shall include at least the contents in items (I) and (II) above, together with a statement that an extraordinary meeting shall be convened as soon as possible to the urgency of the situation.

Article ~~163~~162 The quorum of the meetings of the board of directors shall be more than half of the directors (directors who appointed other directors to attend the meeting shall be deemed as having attended the meeting). Each director shall have one vote. Resolutions of the board of directors shall be approved by more than half of all the directors.

Article ~~164~~163 Voting for resolutions of board of directors shall be conducted by open ballot.

Article ~~165~~164 A director shall not exercise his/her voting rights in respect of any resolution approving any contract or arrangement in which he/she or any of his/her close associates (as defined in the applicable Listing Rules in force from time to time) is interested (including a resolution concerning a related entity or person). Where a director has a connected relationship with any enterprise or person involved in a resolution to be voted on at a meeting of the board of directors, such director shall promptly report in writing to the board of directors, nor shall he/she exercise his/her voting rights on behalf of any other directors, nor shall he/she be counted in the quorum of the relevant meeting, nor shall his/her vote be counted. A meeting of the board of directors may be convened by the presence of a majority of the directors who have no such interest or affiliation, and resolutions of the meeting of the board of directors shall be approved by more than half of the directors who have no such interest or affiliation. If the number of directors without such interests or affiliations present at a meeting of the board of directors is less than 3, the matter shall be submitted to the general meeting for consideration.

Article ~~166~~165 The regular meetings and extraordinary meetings of the board of directors shall be conducted by way of on-site meetings or electronic communications. The meetings shall be conducted by way of telephone meetings or video meetings, on the premise that the directors can fully express their opinions. Proposals that need to be approved by way of resolutions of the board of directors but do not require intensive communication or discussion among the directors may be adopted by signing by directors.

Article ~~167~~166 The directors shall attend the meeting of the board of directors in person; in the event that a director is unable to attend the meeting for any reason, he/she may carefully choose and appoint other directors in writing to attend the meeting on his/her behalf. An independent director shall not appoint non-independent directors to attend the meeting on his/her behalf. The proxy letter shall specify the name of the principal and proxy, the outlined opinions of the principal on each respective proposal, the scope of authorization and the instructions about voting intent in relation to the proposals, the valid term, and shall be affixed with the signature or seal of the principal with date. The director who attends the meeting on behalf of another director shall exercise the right of the director within the scope of authorization. Where voting matters are involved, the principal shall expressly state in the proxy his/her opinion in favor of, against or abstaining from voting on each matter. A director shall not give or accept a proxy with no voting intention, a discretionary proxy, or a proxy with an unclear scope of authorization. If any director fails to attend the meeting of the board of directors or authorize a proxy to be present on his/her behalf, such director shall be deemed to have waived his/her voting rights at that meeting.

A director shall not be entrusted by more than two directors to attend a meeting of the board of directors on their behalf at a meeting. When considering related transactions, a non-related director shall not entrust a related director to attend the meeting.

Article ~~168~~167 Minutes shall be taken for decisions made on matters discussed at the meeting. Directors, the secretary to the board of directors and recorders attending the meeting shall sign on the minutes. Any director present at the meeting shall be entitled to request a recorder to make a descriptive record on his/her speech at the meeting. Any director who disagrees with the minutes of the meeting or minutes of the resolutions may indicate his/her disagreement in writing when signing the minutes. If necessary, such director may make a public announcement. Where any director neither signs as per the preceding paragraph nor provides his/her different opinions in writing or make public announcements, such director shall be deemed as agreeing with the minutes fully. After the meeting of the board of directors is over, the first draft and final draft of minutes shall be sent to all the directors in succession as appropriate. The first draft is provided for directors to express their opinions, while the final draft serves as the record. Minutes of board meetings shall be kept as file of the Company by the secretary to the board of directors for no less than 10 years.

Article ~~169~~168 The minutes of the meetings of the board of directors shall include the following:

- (I) the session and time, the venue of the meeting and the method by which it was held;
- (II) details on the issuance of the meeting notice;
- (III) the names of the convener and chairman of the meeting;
- (IV) the names of the attending directors and the names of the directors (proxies) attending the meeting upon entrustment by other directors;

- (V) the meeting agenda;
- (VI) the motions considered at the meeting, the gist of the statements and the main opinions of each director on relevant matters and his/her intent of voting on the resolutions;
- (VII) the voting method for, and voting results of, each matter that was the subject of a resolution (the results of the vote shall state the number of votes for, votes against and abstentions);
- (VIII) other matters that the attending directors deem necessary to include in the minutes.

Article ~~170~~169 Directors shall sign and be accountable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or these Articles of Association thus causing serious losses to the Company, the directors participating in such resolution shall be liable to compensate the Company for the losses. However, if it is verified that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.

Article ~~171~~170 Each director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. If an independent non-executive director serves more than 9 years, his/her further appointment should be subject to a separate resolution to be approved by shareholders. The documents to shareholders accompanying such resolution should state why the board of directors (or the Nomination Committee) believes the director is still considered as independent and should be re-elected including the factors considered, the process and the discussion of the board of directors (or the Nomination Committee) in arriving at such determination.

Where all the independent non-executive directors of the board of directors of the Company have served more than nine years, the Company should:

- (I) disclose the length of tenure of each existing independent non-executive director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and
- (II) appoint a new independent non-executive director at the next annual general meeting.

Section 3 Secretary to the Board of Directors

Article ~~172~~171 The board of directors shall have a secretary to the board of directors, who is a senior management member of the Company and shall be accountable to the board of directors.

Article ~~173~~172 The secretary to the board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. The qualifications of secretary to the board of directors shall be:

- (I) the secretary to the board of directors shall be a natural person who has been engaged in secretarial and shareholding management affairs for more than 3 years;
- (II) the secretary to the board of directors shall possess professional knowledge in fields such as financial, taxation, law and finance, have good personal qualities, comply strictly with relevant laws, regulations and professional ethics, be able to faithfully fulfill his/her duties, and have good communication skills and flexibility in dealing with matters;
- (III) The circumstances defined in these Articles of Association with respect to disqualified directors of the Company are applicable to the secretary to the board of directors.

Article ~~174~~173 The major duties of the secretary to the board of directors shall be:

- (I) to ensure that the Company has complete organization documents and records;
- (II) to ensure the lawful preparation and submission by the Company of reports and documents as required by relevant authorities;
- (III) to ensure that the shareholders' register of the Company is properly maintained and that the persons who have the right of access to the relevant records and documents of the Company can obtain the same in due time;
- (IV) to exercise other duties stipulated by laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed or these Articles of Association.

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Article ~~175~~174 The secretary to the board of directors shall be responsible for the preparation of the general meetings and meetings of the board of directors of the Company, keeping of documents, management of shareholders' information of the Company and handling matters such as information disclosure.

The secretary to the board of directors shall comply with laws, administrative regulations, departmental rules and relevant provisions of these Articles of Association.

Article ~~176~~175 A director or other senior management members of the Company may also act as the secretary to the board of directors of the Company. Any certified public accountant of an accountancy firm engaged by the Company shall not act as the secretary to the board of directors.

Where the office of the secretary to the board of directors is held concurrently by a director, and an act is required to be done by a director and a secretary to the board of directors separately, the person who holds the office of director and secretary to the board of directors shall not perform the act in a dual capacity.

Article ~~177~~176 The secretary to the board of directors shall be nominated by the Chairman and appointed or dismissed by the board of directors.

CHAPTER 7 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article ~~178~~177 The Company shall have 1 general manager, 1 secretary to the board of directors, 1 chief accountant (the chief financial officer), and several other senior management members, all shall be appointed or removed by the board of directors.

Article ~~179~~178 The circumstances defined in these Articles of Association with respect to disqualified directors are applicable to the senior management members. Requirements defined in these Articles of Association with respect to the directors' duty of good faithfulness and the obligations of integrity and diligence shall also be applicable to the senior management members.

Article ~~180~~179 A person holding other executive duties other than director ~~and supervises~~ in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a senior management member of the Company.

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The senior management members shall be only entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.

Article ~~181~~180 The term of office of the general manager shall be 3 years, and the general manager may take another term if he/she is reappointed.

Article ~~182~~181 The general manager shall report to the board of directors and have the following duties and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions adopted by the board of directors, and to report his/her work to the board of directors;
- (II) to organize and implement the annual business plans and investment plans of the Company;
- (III) to draft schemes for the establishment of the Company's internal management departments;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate the detailed rules and regulations of the Company;
- (VI) to make proposals regarding the appointment or removal of the vice president and chief financial officers of the Company;
- (VII) to appoint or remove managerial officers other than those to be appointed or removed by the board of directors;
- (VIII) to draw up a package of staff's salary, benefits, awards and penalty, as well as to decide the appointment and dismissal of the staff of the Company;
- (IX) to arrange the implementation of resolutions of the board of directors;
- (X) to formulate the Company's plans on annual financial budgets and final accounts;
- (XI) to formulate the Company's profit distribution plans and plans on making up losses;

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(XII) to review and approve the dispatch of large amounts and financial expenditures of the Company, in accordance with the decision of the board of directors;

(XIII) to represent the Company in external negotiations, business dealings and signing of contracts and agreements, as entrusted by the chairman of the board of directors;

(XIV) to propose the convening of extraordinary meetings of the board of directors;

(XV) other duties and powers authorized by these Articles of Association and the board of directors.

Article ~~183~~182 The general manager shall attend board meetings.

Article ~~184~~183 The general manager shall, as required by the board of directors ~~or the supervisory committee~~, report to the board of directors ~~or the supervisory committee~~ the entry into and performance of material contracts, application of funds and profits and losses. The general manager shall ensure the authenticity of such report.

Article ~~185~~184 On the matters related to the personal interests of the employees, the general manager shall consult the trade union and the employee representatives' general meeting, prior to drafting plans for employees' wages, benefits, safe-production procedures and workers' protection, labor insurance and disengagement (or dismissal) of employees.

Article ~~186~~185 The general manager shall prepare the job specifications of the manager for approval by the board of directors before implementation. The job specifications of manager shall contain the following:

(I) conditions for the convening of and the procedure for the manager's meeting, and the personnel attending the meeting;

(II) respective duties and division of work of the general manager and other senior management members;

(III) application of the Company's funds and assets, the authority to enter into material contracts, and the system of reporting to the board of directors ~~and the supervisory committee~~;

(IV) other matters which the board of directors consider necessary.

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Article ~~187~~186 The general manager may resign before his/her term of office expires. The procedure and rules for such resignation shall be specified in the labor contract between the manager and the Company. If the general manager is unable to fulfil his/her duty for any special reason, the board of directors shall designate one deputy general manager to act on his/her behalf.

Directors may concurrently serve as general manager or other senior management members.

Article ~~188~~187 The deputy general manager and the chief financial officer of the Company shall be nominated by the general manager and appointed by the board of directors. The deputy general manager and the chief financial officer shall be responsible to the general manager and report to him/her, and shall perform the relevant duties in accordance with the scope of assigned business.

Article ~~189~~188 If a senior management member violates any laws, administrative rules, departmental rules and regulations and the provisions stipulated in these Articles of Association in the course of performing his duties of the Company and subsequently causes losses to the Company, he/she shall be liable for compensation. Any controlling shareholder or de facto controller of the Company who instructs a senior management member to engage in an act detrimental to the interests of the Company or its shareholders shall bear joint and several liability with such senior management member.

Any senior management member shall not take advantage of their connected relationship with the Company to compromise the interests of the Company. If he/she violates the provisions, causing losses to the Company, he/she shall be liable for compensation.

Article ~~190~~189 The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and its shareholders as a whole. Senior management members of the Company who fail to perform their duties faithfully or breach their fiduciary duties shall be liable for compensation according to law if they cause damage to the interests of the Company and the public shareholders.

Article ~~191~~190 If a senior management member, in the performance of his/her duties, causes damage to others, the Company shall be liable for compensation; the senior management member shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

Article 192~~191~~ The Company shall establish and improve the supporting systems such as assessment of material decisions, records of performance of duties in decision-making matters and identification of decision-making faults and refine the lists of various types of operation and investment responsibilities to clarify the responsibilities of positions and procedures for performance of duties and continuously improve the level of standardization and scientification of the management of operation and investment responsibilities.

~~CHAPTER 8 SUPERVISORY COMMITTEE~~

~~Section 1 Supervisors~~

Article 193 ~~The circumstances stipulated in these Articles of Association where the persons shall not be appointed as the director shall also be applicable to the supervisors. Directors, manager and other senior management members shall not hold the position of Supervisors.~~

Article 194 ~~The term of office of a supervisor shall be three years. A supervisor may take another term if he/she is reelected after the expiration of his/her term.~~

Article 195 ~~If re-election of a Supervisor has not taken place prior to the end of the appointment term, or a Supervisor has resigned during his/her appointment term resulting in the supervisory committee members to be less than quorum, before the re-elected Supervisor takes office, the outgoing Supervisor shall nevertheless perform his/her duties as a Supervisor in accordance with the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association.~~

Article 196 ~~Supervisors shall comply with the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and these Articles of Association, fulfil their obligations of loyalty and diligence, and shall not abuse his/her powers to accept bribes or other unlawful incomes, or misappropriation of the Company's property.~~

~~The provisions of these Articles of Association on duty of loyalty and duty of diligence of the directors shall also apply to the supervisors.~~

Article 197 ~~Supervisors shall guarantee the truth, accuracy and integrity of the information disclosed by the Company and sign written confirmation opinion on periodic reports.~~

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~~**Article 198** Supervisors may attend the meeting of the board of directors, and question or make recommendations on the resolutions to be passed by the board of directors.~~

~~**Article 199** Supervisors shall not use their connected relationships to prejudice the interest of the Company. If any loss is thus incurred by the Company, they shall be held liable for compensation.~~

~~If a supervisor violates the laws, administrative regulations, department rules, the listing rules of the place where the Company's shares are listed or these Articles of Association in the performance of his/her duties in the Company and incurs a loss to the Company, he/she shall be held liable for compensation.~~

Section 2 Supervisory Committee

~~**Article 200** The Company has a supervisory committee. The supervisory committee shall consist of three Supervisors and one chairman, of whom two are recommended by Anhui Conch Technology Innovation Material Co., Ltd. and one is an employee representative supervisor. Shareholder representative supervisors in the supervisory committee shall be elected by the general meeting, and the employee representative supervisors shall be democratically elected by the employees of the Company through employee representatives' meetings.~~

~~The supervisory committee shall have a chairman recommended by Anhui Conch Technology Innovation Material Co., Ltd. and elected by more than half of all supervisors.~~

~~**Article 201** The supervisory committee shall be accountable to the general meeting and shall perform the following duties:~~

- ~~(I) to review the securities issuance documents and the Company's periodical reports prepared by the board of directors and to express its comments in writing;~~
- ~~(II) to inspect the Company's financial position;~~
- ~~(III) to supervise the behaviors of the Directors and senior management members in performing their duties in the Company, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, these Articles of Association, the listing rules of the place where the Company's shares are listed or resolutions of the general meetings;~~
- ~~(IV) to demand the Directors and senior management members to rectify their errors if their actions impair the Company's interest;~~

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- ~~(V) to propose to convene an extraordinary general meeting, and where the board of directors fails to perform the duties in relation to convening and presiding over a general meeting as required by the Company Law, to convene and preside over the general meeting;~~
- ~~(VI) to propose motions in a general meeting;~~
- ~~(VII) to take legal actions against the Directors and senior management members according to Rule 189 of the Company Law;~~
- ~~(VIII) to supervise the Company's compliance operations, management in accordance with the law and corporate governance by the management in accordance with the law;~~
- ~~(IX) to conduct investigations whenever unusual conditions of operation of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist their work at the Company's expense;~~
- ~~(X) other duties and authorities specified by the laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and these Articles of Association and granted by the general meeting.~~

~~**Article 202** The supervisory committee may, if necessary, engage professional institutions such as firms of lawyers and accountants to assist with the exercise of its duties. Any costs arising therefore shall be borne by the Company;~~

~~**Article 203** Supervisory committee meetings include regular meetings and extraordinary meetings. Supervisory committee meetings shall be convened at least once every six months, and Supervisors may propose the convening of extraordinary meetings of the supervisory committee and may propose the convening of regular and extraordinary meetings of the supervisory committee. A written notice of the meeting with the seal of the supervisory committee shall be submitted to all the Supervisors by hand, by express mail, or by facsimile or electronic mail ten days and five days in advance of the convening of the regular and extraordinary meetings of the supervisory committee, respectively.~~

~~Where an extraordinary meeting of the supervisory committee needs to be convened in emergency, the notice of meeting may be sent by verbal means, telephone, fax or other means at any time, but the convener shall make explanations at the meeting.~~

~~**Article 204** The written notice of the supervisory committee meeting includes the following:~~

- ~~(I) time and location of the meeting;~~
- ~~(II) issues to be considered (meeting proposals);~~
- ~~(III) the convener and chairman of the meeting, the proposer of the extraordinary meeting and his/her written proposal;~~
- ~~(IV) meeting materials necessary for the Supervisors to vote;~~
- ~~(V) requirements with regard to meeting attendance by Supervisors in person;~~
- ~~(VI) contact person and his/her contact details;~~
- ~~(VII) date of issuing the notice.~~

~~A verbal notice of meeting shall at least include (I) and (II) above, and an explanation of the extraordinary meeting of the supervisory committee held urgently in case of emergency.~~

~~**Article 205** Supervisory committee meetings shall be convened and presided by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to perform his/her duties, he/she shall appoint a supervisor to convene and preside the supervisory committee meeting on his/her behalf. If the chairman of the supervisory committee fails to perform his/her duties for no reason and has not appointed a specific person to exercise his/her duties on his/her behalf, a Supervisor may be jointly elected by more than half of the Supervisors to convene and preside the meeting.~~

~~Supervisory committee meetings shall be held in the presence of more than two-thirds of the supervisors. Resolutions made by the supervisory committee must be passed by more than half of all Supervisors and signed by the Supervisors present at the meeting.~~

~~When voting on the resolutions of the supervisory committee, one supervisor shall have one vote.~~

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

~~Supervisory committee meetings shall be attended by the supervisors in person. If a supervisor is unable to attend for any reason, he/she may delegate in writing to other supervisors to attend on his/her behalf, and the proxy form shall contain the name of the delegator, the name of the agent, the agency matters, the scope of the authorization and the validity period, and shall be signed or sealed by the delegator.~~

~~The Supervisor attending the meeting on behalf of the delegator shall exercise the Supervisor's rights within the scope of the authorization. A Supervisor who fails to attend a supervisory committee meeting and fails to appoint a proxy to attend the meeting shall be deemed to have waived his/her right to vote at such meeting.~~

~~**Article 206** Resolutions of the supervisory committee shall be voted by raising hands or by ballot. Each supervisor has one vote.~~

~~**Article 207** The supervisory committee meetings shall have minutes, which shall be signed by the supervisors present at the meeting and the person taking the minutes. Supervisors have the right to request that certain explanatory notes be made on the minutes regarding their speeches at the meeting. The files of the meetings of the supervisory committee, including the meeting notice and meeting materials, the meeting sign-in book, the voting ballots, the minutes of the meetings signed and confirmed by the participating supervisors, etc., shall be kept as the Company's files by a person specially designed by the chairman of the supervisory committee, who shall be responsible for keeping them for a period of not less than ten years.~~

CHAPTER 98 LABOR MANAGEMENT AND TRADE UNION ORGANIZATION

~~**Article 208**~~**192** The Company employs staff shall comply with the Labor Law of the People's Republic of China and other relevant laws and regulations in the PRC.

~~**Article 209**~~**193** The Company shall protect the legitimate rights and interests of its employees, sign labor contracts with them in accordance with the law, pay social insurance for them, strengthen safety protection and production safety, and take measures to improve the quality of its employees by providing vocational education and job training for them.

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Article ~~210~~194 Employees of the Company have the right to establish trade union organizations, carry out trade union activities and safeguard the lawful rights and interests of employees in accordance with the provisions of the Trade Union Law of the People's Republic of China. Trade unions may guide and assist employees in signing individual labor contracts with the Company, or sign collective labor contracts with the Company on behalf of the employees.

Article ~~211~~195 The Company shall provide conditions for the trade unions of the enterprise to carry out the activities, and shall allocate 2% of the total wages of the employees of the Company monthly to the trade union funds, which shall be used by the trade union of the Company in accordance with the relevant methods for the administration of the trade union funds formulated by the All-China Federation of Trade Unions.

Article ~~212~~196 The Company shall, in accordance with the provisions of the Constitution of the People's Republic of China and other laws in the PRC, practice democratic management through the employee representatives' general meeting or other legitimate forms.

Article ~~213~~197 The Company shall listen to the opinions of the trade union of the Company when studying the restructuring and major issues of operation and formulating important rules and regulations, and shall listen to the opinions and suggestions of the employees through the employee representatives' meeting or in other forms.

CHAPTER ~~109~~ FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article ~~214~~198 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council. If the listing rules of the stock exchange where the Company's shares are listed provide otherwise, such provisions shall be applied.

Article ~~215~~199 The Company shall adopt the debit-credit bookkeeping method for its accounting, with Renminbi as the local currency of the accounts.

Article ~~216~~200 The accounting year of the Company shall be based on the Gregorian calendar, with the period from 1 January to 31 December of each Gregorian calendar year being an accounting year.

Article ~~217~~201 The Company shall prepare an annual financial accounting report within two months after the end of each accounting year in accordance with the provisions of the national financial and taxation system, describing the Company's financial status, production and operation and the status of preservation and appreciation of the value of the assets, and shall be audited by an accounting firm in accordance with the law.

Article ~~218~~202 The Company shall prepare a financial accounting report at the end of each accounting year, which shall be audited by an accounting firm in accordance with the law. The financial accounting report of the Company shall be made available at the Company for inspection by the shareholders not later than 20 days before the annual general meeting.

Article ~~219~~203 The annual financial accounting report of the Company includes but not limited to the following:

- (I) the balance sheet;
- (II) the income statement;
- (III) the profit distribution statement;
- (IV) the cash flow statement;
- (V) notes to the accounting statements or statement of financial position.

Article ~~220~~204 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article ~~221~~205 The Company's profit after tax for the year shall be distributed in the following order:

- (I) to offset losses of the previous year;
- (II) to withdraw the statutory reserve;
- (III) to withdraw the discretionary reserve by resolution of the general meeting;
- (IV) to distribute profits to shareholders.

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall, when distributing the post-tax profit for the year, withdraw 10% of the profit to be included in the statutory reserves of the Company. The Company may not further withdraw the statutory reserves when its accumulative amount exceeds 50% of the registered capital of the Company. After the withdrawal of the statutory reserve, the decision on whether to withdraw the discretionary reserve is made by the general meeting.

When the statutory reserves of the Company fall short to offset the loss of prior years, the Company shall use the profit earned during the year to offset the loss before withdrawing the statutory reserves according to the previous paragraph and in accordance with the laws.

After withdrawing the statutory reserves out of the post-tax profit, the Company may, subject to the resolution of the general meeting, withdraw the discretionary reserve out of the post-tax profit.

The post-tax profit left after the loss recovery and withdrawal of the reserves by the Company shall be distributed according to the shareholding proportions of the shareholders, unless otherwise specified under the Articles of Association.

The board of directors of the joint-stock company shall formulate a profit distribution plan with reference to the following criteria in the light of cash flow, production and operation and project development, and submit it to the general meeting for approval and implementation.

- (I) if the gearing ratio of the joint-stock company is below 50%, cash distribution will be made annually in the proportion of not less than 60% of the distributable profit;
- (II) if the gearing ratio of the joint-stock company is at 50% to 70%, cash distribution will be made annually in the proportion of not less than 40% of the distributable profit;
- (III) if the gearing ratio of the joint-stock company is above 70%, cash distribution will be made annually in the proportion of not more than 30% of the distributable profit.

Profit distribution shall be made in accordance with the proportion of shares formed by the paid-in registered capital of each shareholder, except for those resolved by the annual general meeting of the Company (i.e., not subject to the above proportion).

If the Company distributes profits to shareholders in violation of laws and regulations, the shareholders shall return to the Company the profit distributed in violation of the regulations. If causes losses to the Company, shareholders and the responsible directors, ~~supervisors~~ and senior management members shall be liable for compensation.

The Company's shares held by the Company shall not participate in the profit distribution.

Article 222206 The reserves of the Company are used to offset the losses of the Company, expand production and operation or bolster registered capital of the Company. The discretionary reserve fund and statutory reserve fund shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with the regulations.

When the general meeting resolves to convert the reserve to additional registered capital, it shall be distributed in proportion to the shareholders' original capital contributions. However, when a statutory reserve is converted to additional registered capital, the amount of such reserve retained shall be no less than 25% of the registered capital of the Company prior to the conversion.

Article 223207 After a resolution on the profit distribution plan is made at the general meeting of the Company, the board of directors of the Company shall complete the distribution of the dividend (or shares) within six months after the holding of the general meeting.

Article 224208 The Company shall appoint one or more receiving agents in Hong Kong for the shareholders holding H shares, who shall be responsible for the receipt of dividends declared by the Company and other payables in respect of the H shares and shall hold such amounts on behalf of such shareholders pending payable to such holders.

Section 2 Internal Audit

Article 225209 The Company adopts the internal audit system, employs full-time audit personnel as needed, and conducts internal audit supervision over the corporate financial revenue and expenditure as well as economic activities in accordance with the relevant laws and regulations of the PRC.

Article 226210 The internal audit system and duties of audit personnel of the Company shall be subject to the approval of the board of directors. The person in charge of auditing shall be responsible to and report the work to the board of directors.

Section 3 Engagement of Accounting Firm

Article 227211 The Company shall appoint an independent accounting firm which is qualified under the Securities Law and the relevant regulations of the PRC to audit the financial statements, verify the net assets and provide other relevant consultancy services.

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The term of appointment of the accounting firm for the Company shall be from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of the Company. The appointment may be renewed.

Article ~~228~~212 The appointment or dismissal of an accounting firm by the Company shall be considered and resolved by the shareholders holding a majority of the voting rights of the Company, and the board of directors shall not appoint an accounting firm before the general meeting has made its decision.

Article ~~229~~213 The Company shall guarantee that it will provide the employed accounting firm(s) with authentic and complete accounting certificates, account books, financial accounting reports and other accounting materials without rejection, concealment or false information.

Article ~~230~~214 The audit fee of the accounting firm shall be considered and resolved by the shareholders holding a majority of the voting rights of the Company ~~or by an organisation independent of the Company's board of directors (e.g., the supervisory committee).~~

Article ~~231~~215 The removal or non-reappointment of an accounting firm by the Company shall be considered and resolved by the shareholders holding a majority of the voting rights of the Company ~~or by an organisation independent of the Company's board of directors (e.g., the supervisory committee).~~

Article ~~232~~216 20 days' prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the general meeting of the Company.

Where the accounting firm resigns, it shall make clear to the general meeting whether there is any impropriety on the part of the Company.

CHAPTER ~~41~~10 NOTICES

Article ~~233~~217 The Company's notices shall be given in the following ways:

- (I) by personal delivery;
- (II) by express delivery;
- (III) by postage;

(IV) by facsimile or email;

(V) by announcement;

(VI) by other means agreed upon by the Company or the recipient in advance or approved by the recipient after receipt of the notice;

(VII) by other means stipulated by laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed and these Articles of Association.

Article ~~234~~218 A notice sent by the Company in the form of an announcement shall be deemed to have been received by all relevant personnel once such announcement has been published.

Article ~~235~~219 Unless otherwise specified by these Articles of Association, the various forms of sending notices stipulated in the previous article shall apply to the notices on holding general meetings and meetings of the board of directors ~~and the supervisory committee~~.

Article ~~236~~220 If the notice of the Company is sent by personal, the recipient shall sign (or stamp) on the receipt of service and the signing date shall be the date of service; if the notice of the Company is sent by express delivery, the 4th business day after the date of delivery to the delivering party shall be the date of service; if the notice of the Company is sent by email, the second business day after the email reaches the recipient's information system shall be the date of service; if the notice of the Company is sent by facsimile, the second business day after the facsimile reaches the recipient's information system shall be the date of service; if the notice of the Company is made by announcement, the first publishing date of the announcement shall be the date of service.

Article ~~237~~221 If the listing rules of the stock exchange of the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, dispatch, announce or otherwise provide relevant documents of the Company in English version and Chinese version and the Company has made appropriate arrangements to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders as permitted by and in accordance with the applicable laws and regulations.

Article ~~238~~222 The accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 239223 Where announcements are to be sent to the holders of H Shares in accordance with the Articles of Association, relevant announcements shall, at the same time, be published in the designated newspaper, website and the Company's website in the manner prescribed by the Listing Rules.

**CHAPTER 1211 MERGER, DIVISION, CAPITAL INCREASE
AND CAPITAL REDUCTION**

Article 240224 The Company may undergo merger, division, increase or reduction of registered capital in compliance with the law.

Article 241225 The procedures of a merger or division of the Company are as follows:

- (I) the board of directors drafts a proposal for the merger or division;
- (II) the general meeting resolves in accordance with the provisions of the Articles of Association;
- (III) parties to the merger or division shall sign a merger or division agreement;
- (IV) the relevant approval procedures shall be completed in accordance with the law;
- (V) all matters in relation to merger or division including creditors' rights and indebtedness shall be handled;
- (VI) the dissolution registration, change or establishment registration shall be completed.

Article 242226 Merger of the Company may take the form of absorption and incorporation of a new company. Merger by absorption means that a company absorbing another company and the company being absorbed shall be dissolved. Merger by incorporation means that a merger of two or more companies through the establishment of a new company and the companies being consolidated shall be dissolved.

Article 243227 If the payment made by the Company for a merger does not exceed ten percent of its net assets, it may not require approval from the general meetings, except as otherwise provided in these Articles of Association.

If the Company merges in accordance with the provisions of the preceding paragraph without the from the general meetings, it should be approved by the board of directors.

Article 244228 In the event of a merger of the Company, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall give notice to its creditors within 10 days of the date of the resolution for merger and shall make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days of the date of such resolution. A creditor has the right within 30 days of receipt of notice or within 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.

Article 245229 Upon the merger of the Company, claims and debts of each of the merged parties shall be assumed by the company which survives or the newly established company after the merger.

Article 246230 When the Company is divided, its assets shall be split up accordingly. In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution to divide and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

Article 247231 Debts of the Company prior to division shall be jointly assumed by the companies which exist after the division, except provided otherwise in the written agreement between the Company and the creditors relating to the settlement of debt before the division.

Article 248232 Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in the newspapers recognised by the stock exchange(s) on which the Company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the rights, within 30 days after receipt of the notice or, within 45 days of the date of announcement if notice is not received, to demand the Company to repay its debts or to provide a guarantee for such debt.

The Company may reduce its registered capital by reducing the shares according to the proportion of shares held by the shareholders, or otherwise, by reducing the capital contribution of some shareholders, not all shareholders.

The registered capital of Company after such reduction shall not be lower than the statutory minimum amount of registered capital.

Article ~~249~~233 If the Company is still in a loss position after covering losses in accordance with the provisions of these Articles of Association or the Company Law, it may reduce the registered capital to cover the losses. If the registered capital is reduced to cover the losses, the Company shall not make any distribution to the shareholders, nor shall it exempt the shareholders from the obligations to make capital contributions or pay up the amounts of shares.

Where the registered capital is reduced to cover the losses, the provisions of the second paragraph of the preceding Article shall not apply, but it shall be announced in newspaper(s) or the National Enterprise Credit Information Publicity System within 30 days from the date on which the shareholders' general meeting made a resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs of this Article, it shall not distribute profits until the cumulative amount of the statutory reserve and the discretionary reserve reaches 50% of the registered capital of the Company.

Article ~~250~~234 If the registered capital is reduced in violation of the provisions of the laws, regulations and these Articles of Association, the shareholders shall return the relevant funds they have received, and the shareholders shall restore the capital contributions to the original state if their capital contributions are reduced or exempted; if losses are caused to the Company, the shareholders and directors, ~~supervisors~~, and senior management members who are held accountable for the losses shall be liable for compensation.

Article ~~251~~235 When the Company issues new shares to increase its registered capital, shareholders shall subscribe for new shares in accordance with the relevant provisions of the Company Law and relevant laws and regulations on the payment of subscription amounts in relation to the incorporation of joint stock limited companies.

Article ~~252~~236 The Company shall, in accordance with law, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

When there is increase or reduction in its registered capital, the Company shall apply for change in its registration with the company registration authority in accordance with the law.

CHAPTER ~~13~~12 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article ~~253~~237 The Company shall be dissolved upon the occurrence of the following events:

- (I) a resolution on dissolution is passed at a general meeting;
- (II) dissolution is necessary due to the merger or division;
- (III) the Company's business license is revoked or the Company is ordered to close or de-registered according to law;
- (IV) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of shareholders of the Company may apply to the People's Court to dissolve the Company;
- (V) if the term of operation expires and the general meeting does not decide to extend the term of operation, or if other reasons for dissolution stipulated in these Articles of Association occur.

In the event of occurrence of any event leading to the dissolution of the Company as stipulated in the preceding paragraph, such dissolution event shall be published on the National Enterprise Credit Information Publicity System within ten days upon its occurrence.

Article ~~254~~238 Where the Company is under the circumstance set forth in items (I) and (V) in the first paragraph of the preceding Article of these Articles of Association and has not yet distributed its property to its shareholders, the Company may continue its operation by means of amending these Articles of Association or the resolution made at the general meeting.

Any amendments to these Articles of Association according to the preceding paragraph or the resolution made at the general meeting shall be approved by more than two-thirds of the voting rights of the shareholders present at the general meeting.

Where the Company is dissolved in accordance with the provisions of items (I), (III), (IV) and (V) in the first paragraph of the preceding Article of these Articles of Association, the Company shall go into liquidation, and the directors shall be the Company's liquidation obligors. A liquidation committee shall be formed within 15 days after the occurrence of the event of dissolution to deal with matters of the liquidation. The liquidation committee shall comprise the

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

directors, unless these Articles of Association stipulate otherwise or the general meeting resolves to elect other person(s). If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

If the Company fails to establish a liquidation committee to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation committee, the interested parties can apply to the people's court for appointing relevant persons to establish the liquidation committee to carry out the liquidation.

Article 255239 After liquidating the properties of the Company and preparation of a balance sheet and an inventory of assets, if the liquidation committee finds the assets of the Company to be insufficient for the settlement of its debts, the liquidation committee shall apply to the People's Court for bankruptcy in accordance with the law. After application of bankruptcy of the Company accepted by the People's Court, the liquidation committee shall hand over matters in relation to liquidation of the Company to the designated bankruptcy administrator.

Article 256240 The liquidation committee shall exercise the following powers during the period of liquidation:

- (I) liquidating the properties of the Company, and preparing the balance sheets and inventory of assets separately;
- (II) informing creditors by a notice or public announcement;
- (III) disposing of and liquidating the ongoing businesses of the Company;
- (IV) settling the outstanding taxes and the taxes incurred from the process of liquidation;
- (V) settling credits and debts;
- (VI) disposing the surplus properties after settling the Company's debt;
- (VII) representing the Company in any civil proceedings.

Article 257241 The liquidation committee shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on the newspaper recognised by the stock exchange(s) on which the Company's shares are listed or the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive the notice, file their creditors' rights with the liquidation committee.

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation committee shall register the creditors' rights.

The liquidation committee may not settle any of the debts of any creditors during the period of filing creditors' rights.

Article ~~258~~242 After the liquidation committee has liquidated the assets of the Company and has prepared the balance sheets and inventory of assets, it shall prepare a plan of liquidation, and report it to the general meeting or the People's Court for confirmation.

The remaining assets after paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed in proportion to shareholding of the shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out any business operation that is not related to liquidation. The Company's assets shall not be distributed to shareholders before the settlement of debts in accordance with the preceding provision.

Article ~~259~~243 After the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same to a general meeting or the people's court for confirmation, and shall file the aforesaid documents with the company registration authority for the purpose of applying for the deregistration of the Company. An announcement of the termination of the Company shall be made.

Article ~~260~~244 The members of the liquidation committee shall perform their liquidation duties with loyalty and diligence.

If the members of the liquidation committee are negligent in performing their liquidation duties and cause losses to the Company, they shall be liable for compensation. The members of the liquidation committee shall be liable to compensate the creditors in respect of any loss caused by willful or material default.

Article ~~261~~245 If the Company is declared bankruptcy pursuant to law, bankruptcy liquidation shall be carried out in accordance with the law regarding enterprise bankruptcy.

CHAPTER ~~14~~13 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~262~~246 The Company may amend these Articles of Association in accordance with the requirements of laws, administrative regulations, the listing rules of the place where the Company's shares are listed, and these Articles of Association.

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~263~~247 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) upon revision of the Company Law or the relevant laws, administrative regulations and the listing rules of the place where the Company's shares are listed, any item contained in the Articles of Association contradict the stipulations of the revised laws, administrative regulations and the listing rules of the place where the Company's shares are listed;
- (II) the Company's situation has changed and is inconsistent with the items recorded in the Articles of Association;
- (III) the general meeting has decided on making amendments to the Articles of Association.

Article ~~264~~248 Where the amendments to the Articles of Association approved by the resolution of the general meeting shall be subject to the approval by competent authorities, such amendments shall be submitted to the competent authority for approval. Where the amendments involve matters in relation to company registration, the procedures for change in registration shall be completed.

Article ~~265~~249 The board of directors shall amend the Articles of Association pursuant to the resolution of the general meeting on the amendments to the Articles of Association and the review and approval opinion of competent authorities.

Article ~~266~~250 Where amendments to the Articles of Association should be disclosed as required by laws and regulations, an announcement shall be made pursuant to regulations.

CHAPTER ~~15~~14 SUPPLEMENTARY RULES**Article ~~267~~251 Definitions**

- (I) Controlling shareholder herein refers to the shareholders whose shares accounts for more than 50% of the Company's total share capital; the shareholders whose proportion of shares is less than 50%, while their entitlement to voting rights is sufficient to have a significant impact on the resolution of the general meeting.
- (II) De facto controller herein refers to the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment, agreement or other arrangement.
- (III) Connected relationship herein refers to the relationship between the controlling shareholder, de facto controller, directors, ~~supervisors~~ or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company's interests and the connected relationship defined by Hong Kong Listing Rules. However, enterprises owned by the State will not be regarded as having connected relationship only because they are owned by the State.

Article ~~268~~252 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article ~~269~~253 These Articles of Association are written in Chinese. In case of any inconsistency between any other language or different version of the Articles of Association and these Articles of Association, the latest Chinese version of the Articles of Association registered and filed with the administrative authority for Industry and Commerce shall prevail.

Article ~~270~~254 In these Articles of Association, the terms "at least", "within", "below" and "before" are inclusive terms, while the terms "more than half", "under", "beyond", "exceeding", "lower than", "less than", "not more than" and "more than" are exclusive terms.

Article ~~271~~255 The board of directors of the Company shall be responsible for the interpretation of these Articles of Association.

APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~272~~256 Any matters not provided in these Articles of Association shall be settled according to the actual situations of the Company in accordance with the laws, administrative regulations and relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed. If there is any conflict between these Articles of Association and the laws, administrative regulations, other relevant normative documents and listing rules of the stock exchange where the Company's shares are listed as promulgated from time to time, the latter shall prevail.

Article ~~273~~257 These Articles of Association shall take effect and be implemented from the date on which it is considered and approved by the general meeting of the Company. The original articles of association of the Company shall automatically become invalid.

Anhui Conch Material Technology Co., Ltd.

Rules of Procedures of the General Meeting

(December 20254)

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ANHUI CONCH MATERIAL TECHNOLOGY CO., LTD.

RULES OF PROCEDURES OF THE GENERAL MEETING

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the behavior of Anhui Conch Material Technology Co., Ltd. (the “**Company**”), and ensure that a general meeting exercises its powers by law, the Company formulates these rules of procedures in accordance with 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 “**Listing Rules**”) and the Articles of Association of Anhui Conch Material Technology Co., Ltd. ~~(applicable after the issuance of overseas listed foreign shares)~~ (the “**Articles of Association**”) in consideration of the Company’s conditions.

Article 2 These Rules shall apply to the general meeting of the Company and shall be binding on the Company, all shareholders, authorized proxies of shareholders, directors, ~~supervisors~~ and senior management of the Company and other relevant persons attending or present at the general meeting.

Article 3 The Company shall convene the general meetings in strict accordance with the relevant provisions of the laws, regulations, the Listing Rules, the Articles of Association and these Rules to ensure the shareholders can exercise their rights according to the law.

Article 4 The Board of Directors of the Company shall strictly comply with the Company Law and other relevant laws, regulations and regulatory documents, the Listing Rules as well as the provisions of the Articles of Association and these Rules regarding the convening of general meetings, and perform its duties with due diligence and shall organize the general meetings in a serious and timely manner.

Article 5 All the Directors of the Company shall be diligent and responsible to ensure the normal convening of a general meeting and lawful exercise of functions and powers.

Article 6 All the shareholders legally and effectively holding shares of the Company have the right to attend the general meeting in person or by proxies, and are legally entitled to various shareholders’ rights such as the right to information, right to speak, right of inquiry and right to vote. Shareholders and their proxies present at the general meeting shall abide by the rules of relevant regulations, the Articles of Association and these Rules of Procedures, keep order at the meeting consciously, and shall not infringe upon the legal rights and interests of other shareholders.

Article 7 The secretary of the board of directors is responsible for the implementation of all preparatory and organizational work for the convening of the general meeting.

Article 8 The board of directors should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them ~~and encourage their participation.~~

Article 9 The Company shall give sufficient notice to shareholders to convene a general meeting, and shall ensure that shareholders are familiar with the detailed procedures for voting by way of poll. At the same time, the Company shall arrange for shareholders' questions to be answered at the general meeting

CHAPTER 2 GENERAL PROVISIONS OF GENERAL MEETING

Article 10 The general meeting is the organ of authority of the Company. It shall exercise its authority within the scope of the provisions of the Company Law, the Listing Rules, the Articles of Association and these Rules, and shall not interfere with the shareholders' disposition of their own rights.

The matters to be considered and decided at a general meeting shall be determined pursuant to the Company Law, the Listing Rules, the Articles of Association and these Rules.

Article 11 The general meeting shall comprise all shareholders. When the Company holds a general meeting, distributes dividends, liquidates and engages in other acts requiring confirmation of shareholdings, the board of directors or the convener of the general meeting decides that a certain date is the share register date, and shareholders who registered on the share register date are the shareholders of the Company are entitled to relevant rights and interests. The register of shareholders is sufficient evidence to prove that shareholders are holding shares in the Company.

Article 12 The general meeting shall exercise the following functions and powers according to law:

- (I) to elect and replace directors ~~and supervisors~~ and to determine matters relating to the remuneration of the directors ~~and supervisors~~;
- (II) to consider and approve the reports of the board of directors;
- ~~(III) to consider and approve the reports of the supervisory committee;~~

~~(III)(IV)~~ to consider and approve the Company's profit distribution plans and loss recovery plans;

~~(IV)(V)~~ to resolve on the increase or reduction of the Company's registered capital;

~~(V)(VI)~~ to resolve on the issuance of corporate bonds or other securities and listing plans;

~~(VI)(VII)~~ to resolve on matters such as the merger, division, dissolution, liquidation or transformation of corporate form of the Company;

~~(VII)(VIII)~~ to amend the Articles of Association, and to approve the supplement rules of the Articles of Association, namely the Rules of Procedures of General Meetings, the Rules of Procedures of the Board of Directors ~~and the Rules of Procedures of the Supervisory Committee~~;

~~(VIII)(IX)~~ to resolve on the Company's appointment or removal of accounting firms, and the determination of remuneration for the accounting firm and methods of determination;

~~(IX)(X)~~ to consider matters relating to the purchase and sale of material assets by the Company within one year valued at more than 30% of the audited total assets of the Company as at the latest period;

~~(X)(XI)~~ to consider and approve external guarantees that require the approval by the general meeting under Article 14 of these Rules;

~~(XI)(XII)~~ to consider and approve matters relating to changes in the use of funds raised;

~~(XII)(XIII)~~ to consider equity incentive plans and employee stock ownership plans;

~~(XIII)(XIV)~~ to consider other matters which, in accordance with the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association, shall be approved by the general meeting.

The general meeting can authorise or entrust the board of directors to handle the matters authorised or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed are not violated, including but not limited to the following matters at the general meeting:

- (I) subject to the applicable laws, regulations and listing rules, to give a general mandate to the board of directors, subject to the approval of the general meeting by way of a special resolution to issue, allot and deal with additional H shares not exceeding 20% of the H Shares in issue as at the date of the general meeting (or such other lower proportions as required by the applicable laws, regulations and the Listing Rules) and authorize the board of directors to make corresponding amendments to the Articles of Association as it deems fit so as to reflect the new capital structure upon the allotment or issuance of shares;
- (II) to authorize the board of directors, within the cap amount of debt issuance, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instruments such as domestic short-term financial bonds, medium-term notes, corporate bonds, overseas USD bonds based on the needs for production, operation and capital expenditure as well as the market conditions, including but not limited to the determination of the amount, interest rate, term, target group and use of proceeds of the bonds being actually issued, as well as the preparation, signing and disclosure of all necessary documents thereof subject to the aforementioned limit.

Article 13 If, within any consecutive 12-month period, a single transaction or cumulative transactions (excluding providing guarantees, receiving cash assets as donations, or simply reducing the Company's obligations) reach any of the following thresholds, it shall be submitted to the shareholders' meeting for consideration:

- (I) the total assets involved in the transaction (if the total assets involved in the transaction have book value and assessed value, the higher will prevail) account for more than 50% of the Company's latest audited total assets;
- (II) the transaction amount (including assumed debts and expenses) of the transaction accounts for more than 50% of the Company's net assets as audited in the latest period, and the absolute amount exceeds RMB50 million
- (III) the profits arising from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;

- (IV) the relevant operating income of the subject matter of the transaction (e.g. equity) in the latest accounting year accounts for more than 50% of the audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB50 million;
- (V) the relevant net profit of the subject matter of the transaction (e.g. equity) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;

If the data involved in the indicator calculation above are negative, the absolute value shall be taken for the purpose of calculation.

Article 14 The following external guarantees given by the Company shall be considered and approved by the board of directors and submitted to the general meeting for consideration and approval:

- (I) any guarantee to be provided by the Company and its controlled subsidiaries after the total amount of external guarantees exceeds 50% of the audited net asset of the Company for the most recent period;
- (II) guarantees to be provided in favour of a guarantee recipient whose gearing ratio exceeds 70%;
- (III) guarantees with a single guaranteed amount in excess of 10% of the audited net asset of the Company for the most recent period;
- (IV) guarantees to be provided by the Company within one year with an amount more than 30% of the audited total assets of the Company for the most recent period when being aggregated with guarantees incurred in the preceding 12 consecutive months;
- (V) any guarantee to be provided after the total amount of external guarantee provided by the Company has exceeded 30% of the audited total assets for the most recent period;
- (VI) guarantees to be provided in favour of any shareholder, de facto controllers of the Company and their respective connected persons;
- (VII) other guarantees as stipulated in laws, administrative regulations, departmental rules, other normative documents, listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

When the general meeting considers a motion to provide guarantees for a shareholder, a de facto controller and his/her connected persons, such shareholder or shareholders at the disposal of such de facto controller shall not participate in such vote, which shall be passed by a majority of the voting rights held by other shareholders present at the general meeting. Directors, general managers and other senior management members who have violated the laws, administrative regulations or the provisions of the Articles of Association on the approval authority and deliberation procedures for external guarantees, and have caused losses to the Company, shall be liable to pay compensation, and the Company may initiate legal proceedings against them in accordance with the law.

Article 15 All connected transactions of the Company shall be submitted for approval by the general meeting of the Company after obtaining in advance the approval of the board of directors of the Company. Any shareholder who has a material interest in the transaction shall abstain from voting on the relevant resolution. The Hong Kong Stock Exchange may waive the requirement to convene a general meeting and instead accept shareholders' written approval, provided that the following conditions are met (shareholders refer to shareholders other than holders of treasury shares): if the listed issuer convened a general meeting to approve the transaction, no shareholder would be required to abstain from voting on such transaction; and the transaction has been approved by shareholders (in aggregate) holding more than 50% of the voting rights (excluding voting rights attached to treasury shares) or by closely connected shareholders. If the listed issuer discloses inside information to any shareholder privately in order to obtain written approval, the listed issuer must ensure that such shareholder is aware that he/she may not trade the relevant securities before such information is made public.

Article 16 If, for a connected transaction, all "size tests" percentage ratios (excluding the profit ratio) meet any one of the following conditions, such connected transaction may be exempt from the approval of the general meeting of the Company and may only be approved by the board of directors of the Company:

- (I) below 5%; or
- (II) the total amount for the transaction (if it is a financial assistance, such total amount includes any monetary benefits paid to the connected person or jointly held entity) is below HK\$10 million, and all percentage ratios are below 25%.

Article 17 Transactions between the Company and its subsidiaries with connected persons at the Company and subsidiary level conducted on normal commercial terms or on more favourable terms, and meeting the following conditions, may be exempt from the approval of the general meeting of the Company:

- (I) the board of directors of the Company has approved the transaction; and
- (II) the independent non-executive directors of the Company have confirmed that the terms of the transaction are fair and reasonable, the transaction is conducted on normal commercial terms or on more favourable terms, and is in the interests of the Company and its shareholders as a whole.

Article 18 Unless the Company is in a crisis or under other special circumstances, the Company shall not, without the approval by special resolutions at a general meeting, enter into any contract with any party other than the directors, ~~supervisors~~, general manager and other senior management members, pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 19 General meetings shall be divided into annual general meeting and extraordinary general meetings. The Company shall convene general meetings in strict accordance with the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association to ensure that shareholders are able to exercise their rights in accordance with the laws. Annual general meetings are held once every year and within 6 months from the end of the preceding accounting year. Extraordinary general meetings are held from time to time.

Article 20 The Company shall convene an extraordinary general meeting within 2 months after the occurrence of any one of the following circumstances:

- (I) where the number of directors falls short of the minimum number required by the Company Law or is no more than two-thirds of the number required by the Articles of Association;
- (II) where the unrecovered losses of the Company amount to one-third of its total paid up share capital;
- (III) where shareholder(s) individually or jointly holding 10% or more of the shares of the Company request(s) in writing;

(IV) where the board of directors considers it necessary;

(V) where the Audit Committee so request;

~~(V) where the supervisory committee so request;~~

~~(VIIVII)~~ where more than two independent directors (i.e. independent non-executive directors under the Listing Rules) so request;

~~(VIIIVIII)~~ other circumstances as stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

The number of shares held by a shareholder in sub-paragraph (III) above shall be based on the number of shares held on the date of written request by the shareholder.

Article 21 The venue of the general meeting of the Company shall be the domicile of the Company or other venues explicitly notified in the notice of the general meeting.

Article 22 A general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting and/or electronic means of communication. On the premise of ensuring that the general meeting is lawful, effective and permitted by the regulatory authorities, the Company may convene the general meeting through various other means and methods recognized or required by the securities regulatory authorities, including modern information technology means such as video and telephone, in order to facilitate shareholders' participation in the general meeting. Shareholders participating in the general meeting through the above means shall be deemed to be present. If a shareholder is a corporation, it may appoint a proxy to attend and vote at any general meeting of the Company, and if such corporation has appointed a proxy to attend any meeting, it shall be deemed to be present in person.

Article 23 The Company may, when convening a general meeting, engage a legal counsel to issue legal advice on the following issues:

(I) whether or not the procedures for convening and holding a general meeting comply with the requirements of the laws, administrative regulations, the Listing Rules and the Articles of Association;

(II) whether the qualifications of the attendants and the convener are lawful and valid;

(III) whether or not the voting procedures for and the voting results of the general meeting are lawful and valid;

(IV) issuance of the legal opinion on other relevant issues at the request of the Company.

Article 24 If the Company intends to urge shareholders to appoint the person designated by the Company or another person as a proxy to vote, or intends to urge shareholders to vote, it may only use information that has been previously published and, when cited, remains accurate and not misleading.

Article 25 The Company shall not exert pressure on shareholders to vote or abstain from voting at general meetings; if the Company urges shareholders to vote, it must encourage shareholders to consult their professional advisers.

CHAPTER 3 CONVENING OF GENERAL MEETING

Article 26 The board of directors shall convene the general meeting on time in accordance with the laws, regulations, rules, the Listing Rules, the Articles of Association and these Rules.

Article 27 General meetings shall be convened by the board of directors in accordance with the laws. Independent directors (i.e. independent non-executive directors under the Listing Rules) shall have the right to propose to the board of directors to convene an extraordinary general meeting. In respect of a proposal by an independent director to convene an extraordinary general meeting, the board of directors shall give a written reply on whether or not it agrees to hold such extraordinary general meeting within 10 days after receipt of the request, in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors; If the board of directors does not agree to convene such extraordinary general meeting, reasons shall be explained to the independent directors and the announcement shall be made.

Article 28 The Audit Committee~~supervisory committee~~ shall have the right to propose to the board of directors to convene an extraordinary general meeting, and shall propose to the board of directors in writing. The board of directors shall give a written reply on whether or not it agrees

to hold such extraordinary general meeting within 10 days after receipt of the request, in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors, and any changes to the original proposal contained in the notice shall be subject to the approval of the Audit Committee~~supervisory committee~~.

If the board of directors does not agree to convene such extraordinary general meeting, or fails to give a response in writing within ten days after receipt of the proposal, the board of directors shall be deemed to be unable to or have failed to perform its duty to convene the general meeting, and the Audit Committee~~supervisory committee~~ shall have the right to convene and preside over such meeting on its own.

Article 29 Shareholder(s) individually or jointly holding 10% or more of the shares of the Company shall have the right to request the board of directors to hold an extraordinary general meeting, and shall put forward such request to the board of directors in writing and state the resolution of the meeting. The board of directors shall give a written reply on whether or not it agrees to hold such extraordinary general meeting within 10 days after receipt of the request, in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.

If the board of directors does not agree to convene such meeting, or fails to give a written response within ten days after receipt of the request, the board of directors shall be deemed to be unable to or have failed to perform its duty to convene the general meeting, and shareholder(s) individually or jointly holding 10% or more of the shares of the Company for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.

~~shareholder(s) individually or jointly holding 10% or more of the shares of the Company shall have the right to propose to the supervisory committee to convene an extraordinary general meeting, and shall put forward such request to the supervisory committee in writing. The~~

~~supervisory committee shall, in accordance with laws, administrative regulations and the Articles of Association, make a decision and give a written response to the shareholders on whether or not an extraordinary general meeting should be held within ten days of receiving any such request.~~

~~If the supervisory committee agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after receipt of the request and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.~~

~~If the supervisory committee fails to issue a notice convening the general meeting by the prescribed period, the supervisory committee shall be deemed to refuse to convene and preside over such meeting, and shareholder(s) individually or jointly holding 10% or more of the shares of the Company for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.~~

Article 30 If the Audit Committee ~~supervisory committee~~ or shareholders decide(s) to convene a general meeting on its/their own, a written notice shall be submitted to the board of directors and filed with the relevant securities regulatory authority of the place where the Company is located and corresponding stock exchange in accordance with the applicable regulations.

Prior to the announcement of the resolution of a general meeting, the convening shareholder shall hold no less than 10% of the shares of the Company. The Audit C~~supervisory~~ committee or shareholders that convene the meeting shall, when circulating a notice of general meeting and making an announcement on the resolution of a general meeting, submit the relevant certification materials to the stock exchange.

Article 31 The board of directors and the secretary to the board of directors shall cooperate with respect to the general meeting convened by the Audit C~~supervisory~~ committee or the shareholders on their own. The board of directors shall provide the register of shareholders as of the shareholding record date. The register of shareholders obtained by the convener shall be only used to hold the general meeting, and not be used for any other purpose.

Article 32 Where a general meeting is convened by the Audit C~~supervisory~~ committee or the shareholders on their own, all necessary expenses arising therefrom shall be borne by the Company.

CHAPTER 4 PROPOSING MOTION AT AND NOTICE OF THE GENERAL MEETING

Article 33 The substance of the motion proposed shall fall within the terms of reference of the general meeting, with clear subjects for discussion and specific issues for resolution and in compliance with the relevant provisions of the laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed and the Article of Association. The motion shall be submitted in writing or delivered to the convener.

For any proposal at the general meeting to modify the matters covered in the resolution of the previous general meetings, the content of the proposal shall be complete and shall not include only such parts to be modified.

Proposals at a general meeting shall constitute specific proposals regarding matters to be discussed at a general meeting, and general meetings shall resolve on proposals of specific contents. Any proposal including unspecified "other business" shall not be considered as a proposal or put forward for voting at the general meeting.

Article 34 Whenever the Company convenes a general meeting, the board of directors, the Audit C~~Supervisory~~ committee and shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to propose motions to the Company.

Shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to submit an interim motion in writing to the board of directors 10 days prior to the date of the general meeting.

The board of directors shall issue a supplemental notice of the general meeting within two days after receiving the proposed motion announcing the contents of the interim motion. The supplemental notice shall contain the name of the shareholder submitting the interim motions, shareholding percentage and the contents of the interim motions. The contents of the interim motion shall fall within the terms of reference of the general meeting, with clear subjects for discussion and specific issues for resolution.

Save as provided above, the board of directors shall not amend motions stated in or add new motions to the notice of the general meeting after the same has been issued.

No voting or resolution shall be executed or adopted at the general meeting for motions that have not been stated in the notice of the general meeting or that do not comply with Article 33 of these Rules.

Article 35 In respect of transactions that require the approval of independent shareholders pursuant to the Listing Rules, or proposals for spin-offs that require the approval of the Company's shareholders in accordance with Paragraph 3(e) of Practice Note 15 of the Listing Rules, the Company shall comply with the following rules:

- (a) the Company shall establish an Independent Directors' Committee (all members of which shall be independent non-executive directors) to provide opinions to the shareholders on whether the terms of the relevant transaction or arrangement are fair and reasonable, and whether the relevant transaction or arrangement is in the overall interests of the Company and its shareholders; and after considering the advice of the independent financial adviser appointed pursuant to paragraph (b) below, provide opinions on how the shareholders should vote;
- (b) the Company shall appoint an independent financial adviser acceptable to the Stock Exchange to provide opinions to the Independent Directors' Committee and the shareholders on whether the terms of the relevant transaction or arrangement are fair and reasonable and whether such transaction or arrangement is in the overall interests of the Company and its shareholders, and to give opinions on how the shareholders should vote; and
- (c) no member of the Independent Directors' Committee shall be an independent non-executive director who has a material interest in the relevant transaction or arrangement. The Independent Directors' Committee may be composed of a single independent non-executive director, if all other independent non-executive directors have a material interest in the relevant transaction or arrangement. If all independent non-executive directors have a material interest in the relevant transaction or arrangement, no Independent Directors' Committee may be formed; in such case, the independent financial adviser shall only be required to provide opinions to the shareholders in the manner specified in paragraph (d) below.
- (d) in respect of transactions that require the approval of independent shareholders pursuant to the Listing Rules, or proposals for spin-offs that require the approval of the Company's shareholders in accordance with Paragraph 3(e) of Practice Note 15 of the Listing Rules, the circular to shareholders must contain at least the following information:
 - (i) where applicable, an independent letter from the Independent Directors' Committee, setting out its opinions provided to the shareholders on whether the terms of the relevant transaction or arrangement are fair and reasonable and

whether such transaction or arrangement is in the overall interests of the Company and its shareholders, as well as its opinions on how the shareholders should vote after considering the advice of the independent financial adviser; and

- (ii) an independent letter from the independent financial adviser, setting out its advice provided to the Independent Directors' Committee and the shareholders (or where applicable, to the shareholders only) on whether the terms of the relevant transaction or arrangement are fair and reasonable and whether such transaction or arrangement is in the overall interests of the Company and its shareholders, as well as its opinions on how the shareholders should vote. This letter must set out the reasons for the independent financial adviser's opinions, together with the key assumptions and considerations made in the process.
- (e) for the purposes of this Article, an independent shareholder means any shareholder other than the controlling shareholder of the Company and its associates; where the Company has no controlling shareholder, it means any shareholder other than the directors of the Company (excluding independent non-executive directors), senior management and their respective associates.

Article 36 The list of candidates for directors ~~and supervisors~~ shall be submitted to the general meeting for voting on an item-by-item basis by means of a proposal.

The methods and procedures for nominating candidates for directors ~~and supervisors~~ are as follows:

- (I) within the limit of the number of directors specified in the Articles of Association, the chairman of the board of directors shall put forward a list of director candidates in accordance with the number of directors to be elected and pursuant to the provisions of laws, regulations and the Articles of Association; upon approval of the list by a resolution of the board of directors, the board of directors shall submit the list to the general meeting for election and voting by means of a proposal;
- ~~(II) within the limit of the number of supervisors who are not employee representatives as specified in the Articles of Association, the chairman of the supervisory committee shall put forward a list of candidates for supervisors who are not employee representatives in accordance with the number of such supervisors to be elected; upon approval of the list by a resolution of the supervisory committee, the supervisory committee shall submit the list to the general meeting for election and voting by means of a proposal;~~

(IIHH) a shareholder or shareholders holding, in the aggregate, not less than 3% of the voting shares issued and outstanding of the Company may nominate candidates for directors to the board of directors of the Company ~~or candidates for supervisors who are not employee representatives to the supervisory committee~~, provided that the number and qualifications of the nominees comply with the provisions of laws and the Articles of Association and shall not exceed the number of positions to be elected. The board of directors ~~and the supervisory committee~~ shall submit such candidates put forward by the aforesaid shareholders to the general meeting for deliberation;

(IIIV) the nomination way and procedure for the independent directors shall be executed in accordance with the laws, regulations and the relevant requirements of rules;

The nominator shall, before nominating candidates for directors ~~or supervisors~~, get written undertakings of such candidates, confirm that they accept the nomination, and undertake that the particulars of such candidates for directors ~~or supervisors~~ disclosed publicly are true and complete, and such candidates will perform the duties properly after they are elected as directors ~~or supervisors~~. The board of directors shall provide the biographies and basic information of the candidates for directors ~~and supervisors~~ to the shareholders.

~~The employees' representatives who serve as members of the supervisory committee shall be elected by employees through employees' congress, employees' representative congress, or by other democratic means.~~

Article 37 The convener shall notify all the shareholders of an annual general meeting by announcement at least twenty-one days prior to the convening of the annual general meeting, and shall notify all the shareholders of an extraordinary general meeting by announcement at least fifteen days prior to the convening of the extraordinary general meeting.

The notice period mentioned in the preceding paragraph does not include the date on which the meeting is held, but includes the date on which the notice is issued.

Where laws, administrative regulations and the listing rules of the stock exchange in the place where the Company's shares are listed have any other provisions, such provisions shall prevail.

Article 38 Notices of general meeting convened by the Company may be delivered by hand, mail, fax, email, message, public announcement, as well as other means recognized by laws, regulations and normative documents.

Where a Company notice is delivered by hand, the recipient shall sign or affix a seal on the delivery receipt, and the date of receipt shall be deemed the date of service. Where a notice is delivered by mail, the third business day following the date the notice is delivered to the post office shall be deemed the date of service. Where a notice is delivered by means capable of tangibly expressing the contents thereof, such as fax, email or message, the date of delivery shall be deemed the service date; provided that the Company shall take reasonable measures to confirm whether the addressee has received the notice. Where a notice is delivered by public announcement, the date of the first publication shall be deemed the date of service.

Article 39 Notice of a general meeting shall meet the following requirements:

- (I) be made in writing;
- (II) specify the time, place, way and period of the meeting;
- (III) set out the matters and proposals submitted to the meeting for consideration;
- (IV) contain a clear statement that all shareholders are entitled to attend the general meeting and have the right to appoint proxies in writing to attend and vote on his/her behalf; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its director or attorney or person duly authorized. Such proxy need not be a shareholder of the Company;
- (V) designate the equity registration date of shareholders entitled to attend the general meeting;
- (VI) contain the name and contact information of the permanent contact person of the meeting;
- (VII) contain the time and procedures for voting by internet or other means (if any);
- (VIII) set out other requirements stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the shares of the Company are listed and the Articles of Association.

The notice and supplementary notice of the general meeting shall contain the information required by the Listing Rules and the Articles of Association and shall sufficiently and completely disclose the particulars of all proposals and all information and explanations necessary for shareholders to make a reasonable judgment on matters to be discussed. If independent directors

(i.e. the independent non-executive directors referred to under the Listing Rules) are required to give opinions about matters to be discussed, such independent directors' opinions and reasons shall be disclosed at the same time when giving the notice or the supplementary notice of the general meeting. If a general meeting is convened by other off-site means, the time for voting and the voting procedures of the other off-site means shall be clearly stated in the notice of the general meeting.

Article 40 A equity registration date shall be determined in the notice of the general meeting. The interval between the equity registration date and the meeting date shall be no more than seven business days. Once the equity registration date is confirmed, it shall not be changed.

Article 41 If matters relating to the election of directors ~~and supervisors~~ are proposed to be discussed at a general meeting, detailed information of the candidates for directors ~~and supervisors~~ shall be fully disclosed in the notice of the general meeting, which shall at least include the following:

- (I) personal information relating to their educational background, work experience and all other positions undertaken on a part-time basis etc.;
- (II) whether there is any related/connected relationship with the Company or its controlling shareholders or de facto controllers;
- (III) their shareholdings in the Company;
- (IV) whether or not they have been subject to any punishment by the CSRC or other relevant departments or to any sanction by any stock exchange;
- (V) information relating to candidates for directors ~~and supervisors~~ required to be disclosed under the Listing Rules.

In addition to the adoption of a cumulative voting system for the election of directors ~~and supervisors~~, motions relating to each of the candidates for directors ~~and supervisors~~ shall be proposed on an individual basis.

Article 42 Upon issuance of the notice of a general meeting, the general meeting shall neither be postponed nor cancelled without proper reasons. Motions listed in such notice shall not be revoked. In the event of postponement or cancellation, the convener shall announce and explain the reasons at least two working days before the original date of the meeting. If the general

meeting is postponed, the notice shall also state the date of the postponed meeting. Where there are other rules in respect of the signature matters in the listing rules of the stock exchange in the place where the Company's shares are listed, such rules shall prevail.

CHAPTER 5 HOLDING OF THE GENERAL MEETING

Article 43 The Company shall convene the general meeting at its registered address or other venues specified in the notice of the general meeting.

A venue shall be set for the general meeting, which may be held in the form of an on-site meeting or through electronic communication means. Meanwhile, the Company shall provide online voting or other convenient methods to facilitate shareholders' participation in the general meeting. Shareholders who participate in the general meeting through any of the aforementioned methods shall be deemed to have attended the meeting. If a shareholder is a company, it may appoint one representative to attend any general meeting of the Company and vote thereat; and if such company has appointed a representative to attend any meeting, such attendance shall be deemed as personal attendance.

Where the general meeting is held via online or other methods, the voting time and voting procedures for such other methods shall be clearly specified in the notice of the general meeting. The start time of online or other voting for the general meeting shall not be earlier than 3:00 p.m. on the day preceding the date of the on-site general meeting, nor later than 9:30 a.m. on the date of the on-site general meeting; and the end time thereof shall not be earlier than 3:00 p.m. on the date of the conclusion of the on-site general meeting. If the listing rules of the stock exchange where the Company's shares are listed have other provisions on the aforementioned matters, such provisions shall prevail.

Article 44 The board of directors of the Company together with other conveners thereof shall adopt necessary measures to maintain the normal order of the general meeting. Except for the shareholders (or their proxies) attending the meeting, directors, ~~supervisory~~, secretary of the Board, senior management and persons invited by the Board, the Company has the right to refuse the admission of other persons according to law. Measures shall also be adopted to stop any acts from interfering with the general meeting, creating quarrels and nuisance as well as infringing the lawful interests of the shareholders while a timely report of the same shall also be made to the relevant authority for investigation.

Article 45 All shareholders whose names appear in the register of shareholders on the equity registration date or their proxies shall be entitled to attend and vote at general meetings in accordance with the relevant laws, regulations, the listing rules of the stock exchange in the place where the Company's shares are listed, the Articles of Association and these Rules.

Article 46 A shareholder may attend the general meeting in person or appoint a proxy to attend and vote on his/her behalf. Any shareholder entitled to attend and vote at a general meeting have the right to appoint one or more persons (who may not be a shareholder) as his/her proxies to attend and vote on his/her behalf. A shareholder has the right to speak and vote at the general meeting, except where individual shareholders are required by the Listing Rules to abstain from voting on individual matters.

Shareholders or their proxies attending the general meeting shall strictly comply with the provisions of the Company Law, other relevant laws, regulations, normative documents, the Listing Rules, the Articles of Association as well as these Rules and shall take the initiative to maintain the order of the meeting and shall not infringe the legitimate rights and interests of other shareholders.

Article 47 Individual shareholders attending the meeting in person shall present their identity cards or other valid certificates or evidence of identity and stock account cards. If a proxy is appointed to attend the meeting, the proxy shall present his/her valid identity card and the proxy form issued by the shareholder and the aforementioned documents of the shareholder being represented.

Legal shareholders shall be represented at the meeting by the legal representative (if there is no legal representative, the person authorized by a resolution of the board of directors or other decision-making bodies) or the proxy entrusted by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her legal representative status. If the proxy attends the meeting, the proxy shall present his/her identity card, a written power of attorney duly issued by the legal representative of the legal entity and the aforementioned documents of the legal representative being represented.

The executive partner (appointed representative) or proxies appointed thereby shall attend the meeting on behalf of partnership shareholders. The executive partner (appointed representative) attending the meeting shall present his/her identity card and valid certificate evidencing his/her capacity as an executive partner (appointed representative); if a proxy is appointed to attend the meeting, such proxy shall present his/her identity card and a written power of attorney duly issued by the executive partner (appointed representative) of the partnership shareholders.

Article 48 Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her proxy so authorized in writing.

The proxy form issued by a shareholder to appoint a third party to attend the general meeting on his/her behalf shall specify the following contents:

- (I) the name of the proxy;
- (II) the number of shares of the appointer that the proxy represents;
- (III) whether or not having the right to vote;
- (IV) the respective instructions on voting in favour of, against or abstention from voting in respect of each matter on the agenda of the general meeting;
- (V) the issue date and valid term of the proxy form;
- (VI) the signature (or seal) of the appointer. In case the appointer is a corporate/partnership shareholder, the proxy form shall be affixed with the seal.

The proxy form shall specify whether or not the proxy may vote at his/her own discretion in the absence of any specific instruction from the shareholders.

Article 49 If the instrument appointing the voting proxy is signed by the attorney on behalf of the principal, the power of attorney or other authority must be notarized. The notarized power of attorney or other authority must be delivered to the registered address of the Company or such other place specified in the notice of the meeting together with the instrument appointing the voting proxy not less than 24 hours prior to convening of the meeting at which the relevant matters will be voted on, or 24 hours before the time designated for voting.

Where an appointer is a corporate/partnership, its legal representative/executive partner (appointed representative) or other persons authorized by the resolutions of the board of directors or other decision-making body shall be entitled to attend the general meeting of the Company as a representative of the appointer.

Article 50 If a shareholder is a recognized clearing house (or its proxy) as is defined under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), it may, as it sees fit, authorize one or more persons as its proxies to attend and vote at any general meeting or class meeting. However, if more than one person is authorized, the power of attorney shall specify the

number and class of the shares relating to each such proxy so authorized. A person so authorized may exercise the same rights and powers (including the right to speak and vote and, where a show of hands is allowed, the right to vote individually on a show of hands) on behalf of the recognized clearing house (or its proxy) as if he is an individual shareholder of the Company (without having to produce a shareholding certificate, a notarized authorization and/or further evidence of his duly authorized authority).

Article 51 If, before voting, the appointer has passed away, lost his/her/its ability to act, withdrawn the appointment, withdrawn the authorization to sign the proxy form, or transferred all his/her/its shares, the vote cast by the proxy in accordance with the proxy form shall remain valid so long as the Company has not received the written notice regarding such matters before the commencement of relevant meeting.

Article 52 The register of meeting attendees shall be prepared by the Company. The register of meeting attendees shall contain the names of participants (or entities), their identification numbers, domicile addresses, the number of shares held or represented with voting rights, and the names of the appointors (or entities).

Article 53 The convener and the attorney engaged by the Company (if any) shall jointly verify the legitimacy of the Company's shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authorities, and register the names of the shareholders together with the numbers of voting shares held. The registration of the meeting shall be closed until the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights.

Article 54 When a general meeting is held, all directors, ~~supervisors~~ and secretary to the board of directors of the Company shall attend the meeting, while the manager and other senior management shall attend the meeting as non-voting participants.

Article 55 The general meeting shall be convened and presided over by the chairman. When the chairman is unable or fails to perform his/her duties, the vice chairman (if there are two or more vice chairmen, the one elected by a majority of the directors shall preside) shall perform the said duties; when the vice chairman is unable or fails to perform his/her duties, a director jointly elected by a majority of the directors shall perform the said duties.

Article 56 Where a general meeting is convened by the ~~supervisory~~ audit committee on its own, the meeting shall be presided over by the ~~convener~~chairman of the ~~supervisory~~ Audit Ceommittee. If the ~~convener~~chairman of the Audit~~supervisory~~ Ceommittee is unable or fails to perform his/her duties, ~~the meeting shall be presided over by the vice chairman of the supervisory~~

~~committee. In the event that the vice chairman of the supervisory committee is unable or fails to perform his/her duties,~~ the meeting shall be presided over by a member of the Audit Committee~~supervisor~~ jointly elected by more than half of the ~~supervisors~~members of the Audit Committee.

Where a general meeting is convened by shareholders on their own, the meeting shall be presided over by a representative elected by the convening shareholders.

When a general meeting is held and the chairman of the meeting violates these Rules of Procedures in a way that makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights.

If the shareholders cannot elect the presider for any reason, the shareholder present and holding the largest number of shares with voting rights (including the proxy) shall serve as the chairman of the meeting.

Article 57 The chairman of the meeting may, if necessary, call upon the proposer to explain the proposal:

- (I) if the proposer is the board of directors, the chairman of the board of directors or other person delegated by the chairman of the board of directors shall give a description of the proposal;
- (II) if the proposer is the ~~supervisory committee~~ or a shareholder who individually or collectively holds more than 1% of the total number of voting shares of the Company, the proposer or his legal representative or a legally valid authorized proxy of the shareholder shall make a proposal statement.

Article 58 As presided over by the chairman of the general meeting, matters and proposals listed in the agenda shall be deliberated in sequence item by item. When necessary, relevant proposals may be discussed together. As for contents listed in the agenda of the meeting, the chairman of the meeting may adopt the methods of first reporting, centralized deliberation, and cumulative voting according to actual circumstances, or may use the method of reporting, deliberating and voting item by item for complicated matters. Reasonable time shall be given to each matter at the general meeting. Any votes of the shareholders at the general meeting must be taken by poll except where the chairman or presider, in good faith, decides to allow a solution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Procedural and administrative matters are those that are not on the agenda of the general meeting

or in any supplementary circular to shareholders; and relate to the chairman's or presider's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

Article 59 For each substantially separate issue at a general meeting, a separate resolution should be proposed by the presider or chairman of that meeting. The Company should avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the company should explain the reasons and material implications in the notice of meeting.

Article 60 The chairman of the board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend. If the chairman of the relevant committee fails to attend, the chairman of the board of directors shall should invite another member of the committee (or, if such member is not present, his duly appointed representative) to be available to answer questions at the annual general meeting. The chairman of the independent committee under the board of directors (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. The Company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

Article 61 The chairman of the meeting shall ensure that detailed procedures for voting by poll are explained to shareholders at the meeting and answer any questions from shareholders regarding voting by poll.

Article 62 At the annual general meeting, the board of directors~~and the supervisory committee~~ shall deliver their respective working reports for the previous year at the general meeting. Each of the independent directors (i.e. the independent non-executive directors referred to under the Listing Rules) shall also deliver their respective working reports.

Article 63 The directors,~~supervisors~~ and senior management members present at the general meeting shall provide responses or explanations with respect to any queries or suggestions raised by the shareholders, except for those involving the Company's trade secrets that cannot be disclosed at the general meeting.

Article 64 Shareholders requesting to speak at a general meeting shall obtain permission from the chairman of the general meeting and shall speak in the order in which they request to speak (or in the order of the number of shareholdings or proxy shareholdings held by the shareholders or their proxies if they request to speak at the same time).

When a shareholder requests to speak, he or she shall not interrupt the report of the meeting reporter or the speech of other shareholders. A shareholder speaking shall first report his or her name or the shareholder he or she represents and the number of shares held. The length and number of times a shareholder may speak shall be determined on a case-by-case basis by the chairman of the meeting.

Article 65 Minutes of general meetings shall be maintained by the secretary to the board of directors. The minutes of a meeting shall record the following:

- (I) the date and venue for convening the meeting, the meeting agenda and the name of the convener of the meeting;
- (II) the name of the chairman of the meeting as well as those of the directors, ~~supervisors~~, the manager and other senior management present at the meeting as voting and non-voting attendees;
- (III) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held and the proportion to the total number of shares of the Company;
- (IV) the description of the entire course of consideration of each proposal, the main points put forward by each speaker relating thereto, and the voting results;
- (V) details of queries and suggestions of the shareholders and the corresponding response or explanation in relation thereto;
- (VI) the names of the attorney (if any) and persons responsible for counting the votes and for supervising the counting process;
- (VII) other contents that should be recorded in the minutes as provided for in the Articles of Association.

Article 66 The convener shall ensure that the minutes are true, accurate and complete. The attending directors, ~~supervisors~~, secretary to the board of directors, the convener or its representative and the meeting chairman shall sign the minutes and ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes shall be kept together with the signature book of shareholders present in the meeting in person and the proxy form for proxy attendance, valid information on voting by internet and other means for a period of not less than ten years.

Article 67 The convener shall ensure that a general meeting is held on a continuous basis until a final resolution is adopted. If a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, requisite measures shall be adopted so as to promptly resume the general meeting or to directly terminate the then general meeting, and announcements and reports shall be made in a timely manner in accordance with the laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

CHAPTER 6 VOTING AT AND RESOLUTIONS OF THE GENERAL MEETING

Article 68 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of voting shares that he/she represents, and each share shall have one vote. When a poll is taken, the shareholders (including their proxies) who have the right to two or more votes need not cast all his/her votes in the same way.

Where significant matters affecting the interests of minority investors are considered in general meeting, the votes cast by minority investors shall be counted separately. The result of such separate vote-counting shall be disclosed promptly to the public.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by shareholders attending the general meeting.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted in how he votes (only for or against a particular resolution), in accordance with the requirements of the laws, regulations, the listing rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association, any vote cast by such shareholder or proxy thereof in contravention of the aforementioned requirements or restrictions shall not be counted towards the voting results.

Where any shareholder is required to abstain from voting or is restricted to cast only an affirmative or dissenting vote in relation to a particular resolution in accordance with the Listing Rules, any vote cast by such shareholder or proxy thereof in contravention of the relevant requirements or restrictions shall not be counted.

The board of directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or provisions of the CSRC may collect voting rights from other shareholders. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for collecting voting rights.

Article 69 Resolutions of the general meeting are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) attending the meeting.

Special resolutions of the general meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies) attending the meeting.

Article 70 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) work reports of the board of directors ~~and the supervisory committee~~;
- (II) plans for profit distribution and recovery of losses drafted by the board of directors;
- (III) appointment or removal of members of the board of directors ~~and the supervisory committee~~, and their remuneration and method of payment thereof;
- (IV) the Company's annual reports;
- (V) the engagement or dismissal of the accounting firm;
- (VI) any matters other than those required by the laws, administrative regulations, the regulatory rules in the place where the Company's shares are listed, the Articles of Association and these Rules to be approved by special resolutions.

Article 71 The following matters shall be resolved by way of special resolutions at a general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) separation, division, merger, dissolution and liquidation (including voluntary winding up) of the Company or a change in its corporate form;
- (III) amendment to the Articles of Association;
- (IV) purchase or disposal of material assets or provision of a guarantee to others by the Company within one year of a value exceeding 30% of the Company's latest audited total assets;
- (V) equity incentive plans;
- (VI) variation or abrogation of the rights of class shareholders;
- (VII) other matters prescribed by law, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed or the Articles of Association, and any other matters that, if resolved by way of an ordinary resolution of the general meeting, may have a material impact on the Company and shall be adopted by a special resolution.

Article 72 The chairman of the meeting shall announce whether the number of shareholders and proxies attending the meeting on site and the total number of shares holding voting rights meet the statutory requirements before voting, and the number of shareholders and proxies attending the meeting on site and the total number of shares holding voting rights shall be subject to the registration of the meeting.

Article 73 When considering matters relating to related transactions/connected transactions at the general meeting, the connected shareholders or any shareholders having a material interest in the transaction shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the resolution of the general meeting shall fully disclose the voting results of the non-connected shareholders/shareholders who have no material interest in the transaction.

Before the general meeting considers matters relating to related transactions or connected transactions, the Company shall determine the scope of connected shareholders or shareholders having a material interest in the transaction in accordance with the relevant laws and regulations of the state. When the general meeting considers matters relating to related transactions or connected transactions, the connected shareholders or shareholders having a material interest in the transaction (including authorized proxies) may attend the general meeting and may explain their views to the attending shareholders in accordance with the meeting procedures, but they shall abstain from voting when voting.

When resolutions of the general meeting considering matters of related transactions or connected transactions, connected shareholders or shareholders having a material interest in the transaction shall proactively recuse themselves and not participate in voting; if connected shareholders or shareholders having a material interest in the transaction do not proactively recuse themselves from voting, other shareholders attending the meeting have the right to request that the connected shareholders or shareholders having a material interest in the transaction recuse themselves from voting. After the connected shareholders or shareholders having a material interest in the transaction have recused themselves, other shareholders shall vote based on their voting rights, and pass the corresponding resolution in accordance with the provisions of these Rules; the recusal and voting procedures for connected shareholders or shareholders having a material interest in the transaction shall be announced by the chairperson presiding over the general meeting and recorded in the meeting minutes.

Resolutions made by the general meeting on matters of related transactions or connected transactions shall be deemed valid only when passed by more than half of the voting rights held by the non-connected shareholders or shareholders having no material interest in the transaction who are present at the general meeting. However, when such related transactions or connected transactions matter involves issues that require passage by special resolution, the resolution of the general meeting shall be deemed valid only when passed by more than two-thirds of the voting rights held by the non-connected shareholders or shareholders having no material interest in the transaction who are present at the general meeting.

Article 74 Persons who are required to abstain from voting in favor of resolutions at a general meeting pursuant to Rules 6.12(1), 6.13, 7.19(6)(a), 7.19(7), 7.19(8), 7.24(5)(a), 7.24(6), 7.24(7), 13.36(4)(a), 13.36(4)(b), 14.90(2), 14.91(1), 17.03C(1) and 17.04 of the Listing Rules may vote against the relevant resolution at the general meeting, provided that such voting intention must be disclosed in advance in the relevant listing document or circular to shareholders. Such persons may change their intention to either abstain from voting or vote against, but if the Company becomes aware of such change prior to the date of the relevant general meeting, the Company must immediately send a circular to shareholders or publish an announcement in

accordance with the requirements of Rule 2.07C of the Listing Rules to notify shareholders of such change and (if known) the reasons behind the change. If the date of sending the circular or publishing the announcement is less than 10 business days before the originally scheduled date of the general meeting, the chairman of the meeting must adjourn the meeting before considering the relevant resolution (or, if the Company's Articles of Association do not permit this, adjourn the meeting by way of a resolution), and the reconvened date must be at least 10 business days after the date of sending the circular or publishing the announcement.

Article 75 If a meeting is required to be adjourned by way of a resolution pursuant to Rules 13.40 or 13.73 of the Listing Rules, all shareholders may vote on such resolution. Shareholders originally required to abstain from voting on any resolution shall vote in favor of the resolution to adjourn the meeting.

Article 76 When voting on the election of directors ~~or supervisors~~ at the general meeting, the cumulative voting system may be implemented in accordance with the relevant laws and regulations, the provisions of the Articles of Association or a resolution of the general meeting. When voting on the election of more than two directors ~~or supervisors~~ at the same general meeting, the cumulative voting system shall be implemented.

The cumulative voting system referred to in the preceding paragraph represents that in the election of directors ~~or supervisors~~ at the 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 held by shareholders may be used collectively. The board of directors shall inform the shareholders of the biographical details and general information of the candidate directors ~~and supervisors~~.

The implementation rules of the cumulative voting system shall be as follows: when the cumulative voting system is adopted for the election of directors ~~or supervisors~~, each shareholder shall have one ballot. Such ballot shall set forth the number of shares held by such shareholder, the number of directors ~~or supervisors~~ to be elected, and the names of all candidates, and shall be sufficient to satisfy the functions of the cumulative voting system. Shareholders are free to allocate their voting rights among the candidates for directors ~~(or supervisors)~~, either by dividing their votes among several persons or by concentrating their votes on one person, and the number of votes cast for a single candidate for director ~~(or supervisor)~~ may be higher or lower than the number of voting shares held by them, and need not be an integral multiple of such number of shares, provided that the cumulative number of votes cast for all candidates for director ~~(or supervisor)~~ does not exceed the total number of effective voting rights held by them. After the

conclusion of the voting, the elected directors ~~(or supervisors)~~ shall be selected in descending order among the candidates who have received votes, based on the number of votes received by each of the candidates for director ~~(or supervisor)~~ and limited to the number of directors to be elected.

If the general meeting elects directors by cumulative voting, the voting of independent directors and non-independent directors shall be conducted separately.

Article 77 Except for the cumulative voting system, voting for all motions proposed to the general meeting shall be conducted one by one. If different motions have been proposed for the same matter, voting related thereto shall be conducted based on the chronological order of proposing the motions. Unless the general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no motion shall be set aside or rejected for voting at the general meeting.

Article 78 When considering a motion at the general meeting, no change shall be made thereto; otherwise, the relevant change shall be treated as a new motion that cannot be proceeded for voting at the then general meeting.

Article 79 When a vote is cast, it may be cast by only one of the following methods, in person, or by other voting means. If one vote is cast by more than one method, the first vote shall prevail.

Article 80 The voting at the general meeting shall be in open ballot.

Article 81 Shareholders present at a general meeting shall express one of the following opinions on a proposal submitted for voting: being in favour of, being against or abstaining from voting, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between the mainland China and Hong Kong stock markets, based on the actual holders' intentions.

Uncompleted paper ballots, wrongly completed paper ballots, paper ballots with illegible characters and uncast paper ballots shall be deemed as voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as "abstained".

Article 82 Before voting takes place on a proposal at a general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in or has a connected relationship with a matter to be considered, the relevant shareholder and its proxy(ies) shall not participate in the vote counting and scrutinizing.

When voting on a resolution at the general meeting, the attorney (if any) or the Share Registrar, representatives of shareholders ~~and supervisors~~ shall be jointly responsible for vote counting and scrutinizing and shall announce the voting results on the spot. The voting results in connection with the resolution shall be recorded in the minutes.

Shareholders of the Company or their proxies who vote via the internet or other means have the right to check their voting results in the corresponding voting system.

Article 83 The on-site general meeting shall not end earlier than the meeting conducted online or via other means. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, companies, vote counters, vote scrutineers, substantial shareholders, network service providers and other related parties involved in the on-site voting, online voting and other voting methods shall be under a confidentiality obligation relating to the details of the voting.

Article 84 In the event that the chairman of a meeting has any doubt towards the results of a resolution submitted for voting, it may arrange the counting of the votes cast; in the event that the chairman of the meeting has not counted the votes but shareholders or their proxies present at the meeting disagree with the results announced by the chairman, they shall have the right to request vote counting immediately after the voting results are announced. The chairman shall immediately arrange the counting of votes. The counting results shall be recorded into the minutes of the meeting.

Article 85 The Company shall maintain appropriate procedures for recording whether any person who is required to abstain from voting or who has indicated an intention to vote against a resolution in the listing document, circular or announcement, has indeed acted accordingly at the general meeting.

Article 86 The Company must publish an announcement on the results of the voting at the meeting via the Hong Kong Stock Exchange as soon as possible after the meeting and, in any event, at least 30 minutes before trading commences on the morning session or any pre-opening session of the business day after the meeting (whichever is earlier). The announcement on the results of the voting must include:

- (a) the number of shareholders and proxies present at the meeting;

- (b) the voting method;
- (c) the total number of shares held by persons who are entitled to attend and vote for or against the resolution at the meeting, and the proportion of such shares to the total number of the Company's shares with voting rights;
- (d) the total number of shares held by persons who are entitled to attend the meeting but who are required under Rule 13.40 of the Listing Rules to abstain from voting in favour of the resolution;
- (e) the total number of shares held by persons who are required under the Listing Rules to abstain from voting;
- (f) the total number of shares actually voted in favour of the resolution;
- (g) the total number of shares actually voted against the resolution;
- (h) the voting results of each proposal and detailed contents of resolutions approved.

The Company shall appoint its auditors, share registrar or external accountants who are qualified to serve as its auditors as scrutineer for the vote counting and state the identity of the scrutineer in the announcement. The Company must state in the announcement whether or not any parties that have stated their intention in the circular to vote against the relevant resolution or to abstain have done so at the general meeting.

The Company must state in the poll results announcement directors' attendance at the general meeting.

Article 87 In the event that a proposal is not passed at a general meeting, or a resolution passed at a previous general meeting is modified at this general meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

Article 88 Where the general meeting has passed the proposals for electing directors ~~and supervisors~~, unless otherwise expressly provided in the resolution of the general meeting, the newly elected directors ~~and supervisors~~ shall take office on the day when the resolution on election of such directors ~~and supervisors~~ is passed at the general meeting.

Article 89 Where a proposal on cash dividends, bonus shares or capital reserve capitalization is approved at the general meeting, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

Article 90 When a shareholder requests to inspect or obtain the minutes of a general meeting, he/she shall present evidence to prove the class and amount of shareholding in the Company in writing. The Company shall comply with the shareholder's request after verifying his identity.

Article 91 If a resolution passed at the general meeting violates relevant laws or administrative regulations, the shareholders shall have the right to submit a petition to the people's court to render the same as invalid.

If the procedures for convening, or the methods of voting at, a general meeting violate the laws, administrative regulations, the Listing Rules or these Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to submit a petition to the people's court to rescind such resolution within 60 days from the date on which such resolution is passed, except for the circumstances where the convening procedures and voting ways have only minor flaws and there's no substantial impact on resolutions.

Article 92 Shareholders who have not been notified to participate in the general meeting may file a petition with the people's court to revoke the resolution within 60 days from the date when they know or should know that the resolution is made at the general meeting; if they do not exercise the right to revoke within one year from the date of the resolution, the revoke right shall be extinguished.

Article 93 Resolutions of a general meeting or the board of directors of the Company shall not be established in any of the following circumstances:

- (I) a general meeting was not convened to make the resolution;
- (II) the resolution was not voted at a general meeting;
- (III) the number of attenders of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or the Articles of Association;
- (IV) the number of attenders in favour of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association.

Where the resolution of a general meeting is declared invalid, revoked or confirmed to be invalid by the people's court, the Company shall apply to the company registration authority for cancellation of the registration already made in accordance with the resolution, and the civil legal relationship between the Company and the bona fide counterparty formed in accordance with the resolution shall not be affected.

CHAPTER 7 SUPPLEMENTARY RULES

Article 94 Unless otherwise specified, the terms used in these Rules have the same meanings as those ascribed in the Articles of Association.

Article 95 In these Rules, the terms “at least”, “within”, and “before” are inclusive terms; the terms “exceeding”, “less than”, and “more than” are exclusive terms.

Article 96 Matters not covered by these Rules shall be handled in accordance with the requirements of the relevant national laws, regulations, regulatory documents, the Articles of Association and the Listing Rules. In the event of any conflict between these Rules and any laws, regulations, regulatory documents promulgated by the state in the future, or the amended Articles of Association and the requirements of the Listing Rules modified through legal procedures, the provisions of the relevant national laws, regulations, rules, regulatory documents and the Articles of Association, and the requirements of the Listing Rules shall prevail, and these Rules shall be amended promptly.

Article 97 The power to interpret these Rules rests with the board of directors of the Company.

Article 98 Amendments to these Rules of Procedures shall be proposed by the board of directors in the form of draft amendments, which shall be submitted to the general meeting for consideration and approval.

Article 99 These Rules shall become effective and be implemented after being considered and approved by~~Subject to consideration and approval at~~ the general meeting of the Company.

(End of text)

Anhui Conch Material Technology Co., Ltd.

Rules of Procedures of the Board of Directors

(December ~~2024~~2025)

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ANHUI CONCH MATERIAL TECHNOLOGY CO., LTD.**RULES OF PROCEDURES OF THE BOARD OF DIRECTORS****CHAPTER 1 GENERAL PROVISIONS**

Article 1 In order to improve the corporate governance structure of Anhui Conch Material Technology Co., Ltd. (the “**Company**”), regulate the discussion methods and decision-making procedures of the Company’s board of directors, promote the directors and the board of directors to effectively perform their duties, and enhance the level of standardized operation and scientific decision-making of the board of directors, these Rules are formulated in accordance with the provisions 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 “**Listing Rules**”) and other relevant laws, regulations, regulatory documents, and the Articles of Association of Anhui Conch Material Technology Co., Ltd. (the “**Articles of Association**”) in consideration of the Company’s conditions.

Article 2 The board of directors is a standing body for making business decisions and is accountable to the general meeting. The board of directors performs its duties in compliance with the provisions of the Company Law, the Listing Rules, the Articles of Association and other relevant laws, regulations and regulatory documents.

Article 3 The Company shall have a formal schedule of matters specifically reserved for approval by the board of directors. The Company shall provide clear guidance to management on which matters require prior approval by the board of directors before decisions can be made on behalf of the Company.

Article 4 The Company shall ensure that directors can participate in the board of directors’ deliberation process in a meaningful and effective manner. Directors shall be provided with appropriate and timely information, the form and content of which shall enable directors to make informed decisions and to fulfill their duties and responsibilities.

Article 5 The board of directors shall agree on procedures for directors to obtain independent professional advice, at the Company’s expense, as reasonably required under appropriate circumstances. The board of directors shall also resolve to arrange independent professional advice for directors to assist them in fulfilling their duties to the Company.

CHAPTER 2 DIRECTORS

Article 6 Directors of the Company shall be natural persons. A natural person who falls into any of the following circumstances shall not serve as director of the Company:

- (I) a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;
- (II) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or causing socialist market economy disorder and a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation or who has been deprived of his political rights and imposed a suspended sentence as a result of he/she having committed an offence and a period of 2 years has not elapsed since the completion of the term of the suspended sentence;
- (III) a person who is a director or factory manager or manager of a company or enterprise which has become insolvent and liquidated and who incurs personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (IV) a person who is a legal representative of a company or enterprise, the business licence of which is revoked and ordered to close down on the grounds of contravention of law, and who incur personal liability therefor, and a period of 3 years has not elapsed since the date of revocation of the business licence of that company or enterprise or that company or enterprise being ordered to close down;
- (V) a person who has been as a dishonest party by the People's Court due to with comparatively large debts that have fallen due but have not been settled;
- (VI) a person who is currently being prohibited from participating in securities market by the CSRC and who has been publicly determined by a stock exchange to be not suitable to act as a director of the Company, where the term has not yet expired;
- (VII) other matters stipulated by laws, administrative regulations, departmental rules or listing rules of the stock exchange(s) where the Company's shares are listed.

For any election and appointment of a Director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Where a Director falls into any of the aforesaid circumstances in his term of office, the Director shall be removed from office.

Article 7 Directors shall be elected or changed by the general meeting and serve a term of three years. Directors may be re-elected upon expiration of their term of office, unless otherwise stipulated by the relevant laws, regulations, the Articles of Association and listing rules of the stock exchange(s) where the Company's shares are listed. Directors can be removed by the general meeting before the term of office expires.

The chairman and the vice chairmen shall be directors of the Company and shall be elected or removed with the approval of more than half of all the directors.

Article 8 A director's term of service commences from the date he takes up the appointment, until the current term of service of Board of Directors ends. If a director's term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations, listing rules of the stock exchange(s) where the Company's shares are listed and the Articles of Association until the newly elected director's appointment comes into effect.

Article 9 The general meeting may, subject to the provisions of the relevant laws and regulations, remove any director (including executive directors) whose term of office has not expired by way of an ordinary resolution (but such removal does not affect the rights of such director to make any claim under any contract).

Article 10 The written notice about the intention to nominate candidates for directors or the candidates' willingness to accept the nomination shall be delivered to the Company no earlier than the date of delivery of notification of the general meeting and no later than seven days before the general meeting. The time limit for such nomination and acceptance of nomination shall not be shorter than seven days.

Article 11 The manager or other senior executives may concurrently serve as directors of the Company, provided that the total number of directors who concurrently serve as the manager or other senior executives shall not exceed half of the total directors of the Company. No employee representatives are to be appointed as directors on the board of directors.

Article 12 The procedures for appointing new directors should be formal, transparent and subject to due consideration, and the Company should establish an orderly succession plan for directors. All directors should be subject to re-election at regular intervals. The Company must explain the reasons for the resignation or removal of any director.

Article 13 Directors should disclose to the Company the number and nature of positions they hold in public companies or organizations and other significant commitments upon accepting their appointment, and any subsequent changes should be disclosed in a timely manner. Furthermore, the names of the public companies or organizations involved and an indication of the time commitment required for these positions should be disclosed. The board of directors shall determine the frequency of such disclosures.

Article 14 Directors should ensure they can devote sufficient time and attention to the affairs of the Company; otherwise, they should not accept the appointment.

Article 15 Each director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Article 16 The directors shall comply with the laws, administrative regulations, listing rules of the stock exchange(s) where the Company's shares are listed and the Articles of Association and shall faithfully perform their following duty of loyalty to the Company and shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their authority to obtain improper benefits:

- (I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;
- (II) not to misappropriate the money of the Company;
- (III) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (IV) not to violate the Articles of Association and lend the money of the Company to others or provide guarantee to others by charging the Company's assets without approval of the general meetings or the board of directors;
- (V) a director, the close relatives of the director, the enterprises directly or indirectly controlled by the director, and the connected persons with whom the director is otherwise connected, shall not directly or indirectly enter into a contract or transaction

with the Company in violation of the provisions of the Articles of Association or without the consent of the board of directors or the general meeting. The said person shall report at the general meeting on matters related to entering into the contract or transaction, which shall be approved by a resolution of the board of directors or the general meeting in accordance with the provisions of the Articles of Association;

(VI) not to take advantage of their positions to seek business opportunities for themselves or others that should belong to the Company except under one of the following circumstances: (1) they report to the board of directors or the general meeting, and obtain approval by a resolution of the board of directors or the general meeting in accordance with the provisions of the Articles of Association; (2) The Company cannot utilize the business opportunity under the provisions of laws, administrative regulations or the Articles of Association;

(VII) not to operate a business similar to the business of the Company for the benefit of themselves or others, without reporting to the board of directors or the general meeting and without obtaining approval by a resolution of the board of directors or the general meeting in accordance with the provisions of the Articles of Association;

(VIII) not to accept commissions in relation to transactions of the Company;

(IX) not to use their connected relationship to harm the interests of the Company;

(X) not to disclose the secrets of the Company without consent;

(XI) to be bound by other faithful obligations stipulated by the laws, administrative regulations, departmental rules, listing rules of the stock exchange(s) where the Company's shares are listed and the Articles of Association.

Any income derived by directors in violation of the provisions of this Article shall belong to the Company. Directors shall be liable for indemnifying the Company against any loss incurred.

Article 17 The directors shall comply with the laws, administrative regulations, listing rules of the stock exchange(s) where the Company's shares are listed and Articles of Association and shall diligently perform the following diligence obligations to the Company, and when performing their duties, they shall exercise the reasonable care that may be expected of a manager normally in performing his/her duties in the best interests of the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business operations of the Company comply with the state's laws, administrative regulations and economic policies and commercial activities of the Company will not exceed the scope of business specified in the business license;
- (II) to treat all shareholders impartially;
- (III) to review various business and financial reports of the Company diligently and understand the operation and management of the Company in a timely manner;
- (IV) to sign written confirmations to regular reports of the Company and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- ~~(V) to provide all relevant information and materials required by the supervisory committee and to accept the lawful supervision and rational suggestions of the supervisory committee on their performance of duties, and shall not intervene the performance of duties of the supervisory committee or supervisors;~~
- (VI) to perform other due diligence obligations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange(s) where the Company's shares are listed and the Articles of Association.

Article 18 Where a controlling shareholder or a de facto controller of the Company does not act as a director of the Company but actually handles the affairs of the Company, the provisions on the directors' duty of loyalty and duty of diligence shall apply thereto.

Article 19 Any director who fails to attend the meetings of the board of directors in person and has not entrusted other directors to attend the meeting on his/her behalf for two consecutive times shall be deemed as unable to perform his duties. The board of directors shall propose to the general meeting to remove such director.

Article 20 A director may resign before the expiry of his/her tenure. The resigning director shall submit to the board of directors a written resignation report. The board of directors shall disclose the relevant information within two days.

Article 21 If the board of directors of the Company falls below the statutory minimum due to the resignation of directors, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association before the re-elected directors take office. The resignation report of such director shall be effective only after the succeeding director has filled his vacancy.

Except the circumstances specified in the preceding paragraph, the resignation of a director shall be effective when the resignation report is served to the board of directors.

Subject to the relevant laws and regulations and regulatory rules in the PRC and the places where the Company is listed, if the board of directors appoints a new director to fill a casual vacancy on the board of directors or to add to the board of directors, the term of office of such appointed director shall end at the first annual general meeting after his/her acceptance of the appointment and he/she shall be eligible for election by the Shareholders for re-election at such annual general meeting.

Article 22 A director shall complete all of the handover procedures with the board of directors once his/her resignation becomes effective or his/her term of office expires. The fiduciary duties to the Company and the shareholders are not necessarily released within a term of 3 years after expiry of his/her term of office. The duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness depending on the duration between the act concerned and the termination and the specific circumstances and conditions under which the relationship between the director and the Company was terminated.

Article 23 In the absence of specification in the Articles of Association or legitimate authorization by the board of directors, no director shall act in his/her personal capacity on behalf of the Company or the board of directors. When a director acts in his/her personal capacity, but a third party may reasonably believe that the director is representing the Company or the board of directors, that director shall declare his/her stance and capacity in advance.

Article 24 If any director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said director shall be liable for compensation. Any controlling shareholder or de facto controller of the Company who instructs a director to engage in an act detrimental to the interests of the Company or its shareholders shall bear joint and several liability with such director.

Article 25 If a director of the Company, in the performance of his/her duties, causes damage to others, the Company shall be liable for compensation; and the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

CHAPTER 3 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

Article 26 The board of directors consists of 11 directors, including 4 independent directors (or independent non-executive directors), who are elected by the general meeting. Each director must be aware of his/her responsibilities as a director of the Company, as well as the way of operation, business activities and development of the Company. As the board of directors is by nature a one-piece body, non-executive directors should have the same fiduciary responsibilities and responsibility for acting with due care and skill as executive directors.

Article 27 The board of directors should have the appropriate skills, experience and diversity of views and perspectives as required to the Company's business, and should ensure that each director is able to devote sufficient time to and contribute to the Company in accordance with his/her role and responsibilities of the board of directors. The board of directors shall ensure that changes in its composition will not cause undue disruption. The board of directors should have a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board of directors that can effectively exercise independent judgment. Non-executive directors should have sufficient talent and number to enable their opinions to be influential.

Article 28 Newly appointed directors should receive a comprehensive, formal and tailored induction upon their appointment, and thereafter receive the necessary introduction and professional development to ensure that they have proper understanding of the operation and business of the Company, and have full knowledge of their responsibilities under the statutes and common law, the Listing Rules, legal and other regulatory requirements and under the Company's business and governance policies.

Article 29 The chairman shall ensure that all directors at the meetings of the board of directors are properly informed of current matters.

Article 30 The chairman shall be responsible for ensuring that the directors receive sufficient information in a timely manner, and such information must be accurate, clear, complete and reliable.

Article 31 One of the important roles of the chairman is to lead the board of directors. The chairman shall ensure that the board of directors functions effectively and fulfils its due responsibilities and discusses all important and appropriate matters in a timely manner. The chairman shall be primarily responsible for determining and approving the agenda for each meeting of the board of directors and, where appropriate, taking into account any matters proposed by other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated director or the secretary of the Company.

Article 32 The chairman should have the primary responsibility to ensure that good corporate governance practices and procedures are in place.

Article 33 The chairman should encourage all directors to devote themselves fully to the affairs of the board of directors and to lead by example, ensuring that the board of directors acts in the best interest of the Company. The chairman should encourage dissenting directors to voice their concerns, allow sufficient time for discussion on these matters, and ensure that decisions of the board of directors can fairly reflect the consensus of the board of directors.

Article 34 The chairman shall hold a meeting with the independent non-executive directors without the presence of other directors at least once a year.

Article 35 The chairman shall ensure that appropriate steps are taken to maintain effective communication with shareholders and ensure that shareholders' views are communicated to the board of directors as a whole.

Article 36 The chairman should promote a culture of open and active discussion, facilitate the effective contributions of directors (especially non-executive directors) to the board of directors and ensure that a constructive relationship is maintained between the executive directors and the non-executive directors.

Article 37 The Company shall have at least three independent directors (or independent non-executive directors). Except as otherwise provided in this chapter, the provisions of this section concerning the qualifications and duties of directors shall apply to independent directors. The board of directors of the Company shall include at least one-third independent directors, including at least one accounting professional who must possess financial professional qualifications or accounting or relevant financial management expertise as stipulated by the listing

rules of the place where the Company's shares are listed. Independent directors shall faithfully perform their duties and safeguard the interests of the Company, paying particular attention to the legitimate rights and interests of the public shareholders not to be jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

At any time if the number of independent directors fails to meet the minimum number required by the Articles of Association due to either the failure to meet the criteria of independence or other circumstances which may put such independent directors inappropriate to perform their duties, the Company shall appoint additional independent directors to meet the requirement.

The functions and powers and other relevant issues of the independent directors shall be subject to relevant provisions of the laws, administrative regulations, departmental rules and listing rules of the stock exchange of the place where the Company's shares are listed.

Article 38 The following conditions should be met for a person to serve as an independent non-executive director:

- (I) qualified to be a director of the Company in accordance with the laws, administrative regulations, the listing rules of the place of listing and other relevant regulations;
- (II) meet the requirements of the Listing Rules regarding the qualification of independent non-executive directors.

In the event that an independent non-executive director fails to meet the basic requirements to serve as an independent non-executive director or is otherwise unsuitable to perform the duties of an independent non-executive director, the independent non-executive director shall be replaced within three months after he or she fails to meet the relevant requirements.

Article 39 Independent non-executive directors and other non-executive directors, being members of the board of directors, have equal status with other directors, should regularly attend meetings of the board of directors and the committees of which they are also appointed as members, and should actively participate in the affairs of the meetings, and make contributions with their skills, professional knowledge and different backgrounds and qualifications. In general, they should also attend general meetings and have a full and impartial understanding of the views of the Company's shareholders. It is very important for non-executive directors to attend general meetings. Independent non-executive directors, who often serve as the chairman or member of the committees under the board of directors, are duty-bound to be accountable to shareholders and to

be present to respond to shareholders' questions and inquiries regarding their work. If a director is absent from the general meeting, he/she will not be able to have a comprehensive and impartial understanding of shareholders' opinions.

Article 40 Independent non-executive directors and other non-executive directors are required to contribute positively to the Company in formulating strategies and policies by providing independent, constructive and informed opinions.

Article 41 If an independent non-executive director serves more than 9 years, his/her further appointment should be subject to a separate resolution to be approved by shareholders. The documents to shareholders accompanying such resolution should state why the board of directors (or the Nomination Committee) believes the director is still considered as independent and should be re-elected including the factors considered, the process and the discussion of the board of directors (or the Nomination Committee) in arriving at such determination.

Article 42 Where all the independent non-executive directors of the board of directors of the Company have served more than nine years, the Company should:

- (I) disclose the length of tenure of each existing independent non-executive director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and
- (II) appoint a new independent non-executive director at the next annual general meeting.

Article 43 For independent directors who do not have the qualifications or capabilities of independent directors, failed to perform their duties independently or failed to protect the Company, shareholders who individually or collectively hold 3% or more of the Company's shares for more than 90 consecutive days may make a proposal to the board of directors of the Company to question or remove such independent directors. The board of directors of the Company shall promptly convene a special meeting to discuss the matter after receiving the relevant proposal of question or for removal and disclose the results of the discussion to all shareholders and all directors.

Article 44 The functions of non-executive directors shall include:

- (I) participating in the meetings of the board of directors to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;

- (II) taking the lead where potential conflicts of interests arise;
- (III) serving as a member of the Audit Committee, Remuneration Committee, Nomination Committee and other governance committees upon invitation;
- (IV) carefully checking whether the Company's performance has achieved the set corporate goals and objectives, and monitoring and reporting on the Company's performance.

Article 45 The board of directors shall have the following duties and powers:

- (I) responsible for convening general meetings and presenting reports thereto;
- (II) implementing the resolutions made at the general meetings;
- (III) determining the Company's business plans and investment plans;
- (IV) working out the Company's profit distribution plans and loss recovery plans;
- (V) working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of bonds or other securities and listing plans;
- (VI) formulating proposals for major acquisitions of the Company, purchase of shares of the Company, merger, split-up, dissolution and change of the Company nature;
- (VII) deciding on matters of the Company such as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, related/connected transactions and donations to others within the scope authorized by the general meeting;
- (VIII) deciding on the establishment of the Company's internal management departments;
- (IX) deciding on the appointment or dismissal of the general manager, the secretary to the board of directors and other senior management of the Company; deciding on the appointment or dismissal of senior management, such as deputy general manager and financial controller, as well as their remunerations and rewards and punishments according to the nomination of the general manager;
- (X) formulating the Company's basic management system;

- (XI) formulating the plan for modification of the Articles of Association;
- (XII) administering matters on information disclosures of the Company;
- (XIII) proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;
- (XIV) hearing the manager's work report and check the general manager's work;
- (XV) assessing and determining the nature and scope of risks that the Company is willing to assume in pursuit of its strategic objectives, and ensuring that the Company has put in place and maintained appropriate and effective risk management and internal control systems;
- (XVI) designing, implementing and monitoring the risk management and internal control systems, and the management should provide a confirmation to the board of directors on the effectiveness of these systems;
- (XVII) conducting a review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems at least annually and reporting to shareholders that it has done so in its Corporate Governance Report;
- (XVIII) ensuring that the resources, staff qualifications and experience in relation to the Company's accounting, internal audit, financial reporting and the Company's environmental, social and governance performance and reporting, and training courses received by the staff and related budgets are adequate;
- (XIX) deciding on other major matters and administrative affairs other than those specified in the laws, administrative regulations, departmental rules, the Articles of Association and listing rules of the stock exchange of the place where the Company's shares are listed to be decided by the general meeting and sign other important agreements;
- (XX) exercising other powers regulated in laws, administrative regulations, departmental rules, rules governing the place where the shares of the Company are listed or the Articles of Association or general meetings.

The board of directors shall exercise the above-mentioned functions and powers by convening a meeting of the board of directors and shall form a resolution of the board of directors before it can be implemented. Except as otherwise provided by laws, regulations, rules, the Listing Rules

and the Articles of Association, resolutions made by the board of directors must be passed by a majority of all directors, and matters exceeding the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

The above functions and powers exercised by the board of directors or any transaction or arrangement of the Company, which shall be considered at the general meeting according to the listing rules of the stock exchange where the shares of the Company are listed, shall be submitted to the general meeting for consideration.

Article 46 The annual review of the board of directors should include, in particular, the following:

- (I) changes in the nature and severity of material risks (including environmental, social and governance risks) since previous year's review, and the Company's abilities in response to changes in business and external environment;
- (II) the management continuously monitors the working scope and quality of the risk (including environmental, social and governance risks) and internal control systems, and where applicable, the internal audit function and the work of other assurance providers;
- (III) the detail level and frequency of communicating the control results to the board of directors (or its committees) to help the board of directors assess the Company's control and the effectiveness of risk management;
- (IV) occurrence of material failure in control or discovery of material control deficiency during the period, and the severity of unforeseen consequences or emergencies as a result, and the material effects of such consequences or conditions have, may have or will likely have in future on the financial performance or conditions of the Company; and
- (V) the effectiveness of the Company's procedures for financial reporting and compliance with the Listing Rules.

Article 47 The Company should disclose in the Corporate Governance Report in narrative form on how it has complied with the code provisions on risk management and internal control during the reporting period. Specifically, the content should include:

- (I) the process used to identify, evaluate and manage significant risks;

- (II) the main features of the risk management and internal control systems;
- (III) an acknowledgement by the board of directors that it is responsible for the risk management and internal systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss;
- (IV) the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects; and
- (V) the procedures and internal controls for the handling and dissemination of inside information.

Article 48 The board of directors may disclose in the Corporate Governance Report that it has obtained the management's confirmation on the effectiveness of the Company's risk management and internal control systems.

Article 49 The board of directors may disclose details of any material concerns in the Corporate Governance Report.

Article 50 The board of directors shall make a statement to the general meeting regarding the non-standard audit report issued by the certified public accountant on the Company's financial report.

Article 51 The board of directors shall determine the authority of foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management and connected transactions, and establish strict review and decision-making procedures; Major investment projects shall be evaluated by relevant experts and professionals and reported to the general meeting for approval.

Article 52 Unless otherwise provided by laws, regulations, rules, the Listing Rules, and the Articles of Association, any single transaction or cumulative transactions of the Company occurring over any consecutive twelve-month period (other than provision of guarantees, external investments, receipt of cash assets as gift, debts relief purely to reduce or exempt the obligations of the Company) which meet any of the following criteria, shall submit the matter to the general meeting for review:

- (I) the total assets involved in the transaction (based on the higher of book value or appraised value if both exist) account for more than 10% of the listed company's most recent audited total assets;
- (II) the transaction amount (including debts and costs assumed) accounts for more than 10% of the listed company's most recent audited net assets, and absolute amount exceeds RMB10 million;
- (III) the net profit of the subject of the transaction (such as equity) in the most recent fiscal year accounts for more than 10% of the audited net profit of the listed company in the most recent fiscal year, and the absolute amount exceeds RMB1 million.
- (IV) the relevant operation revenue of the transaction object (such as equity) in the latest accounting year accounts for over 10% of the listed Company's audited operation revenue for the most recent accounting year and the absolute amount exceeds RMB 10 million;
- (V) the transaction profits account for over 10% of the listed Company's audited net profit for the most recent accounting year and the absolute amount exceeds RMB 1 million.

If the data involved in the above index is negative, take the absolute value in the calculation.

If the criteria for the transaction matters agreed herein simultaneously meet the criteria for the decision-making authority of the general meeting, such transaction matters shall also be submitted to the general meeting for consideration and approval.

Article 53 All external investments and external guarantees undertaken by the Company shall be submitted to the board of directors for consideration and approval. If such external investments or external guarantee matters reach the threshold specified in the Articles of Association requiring consideration by the general meeting, they shall be submitted to the general meeting for review following approval by the board of directors.

For external guarantee matters falling within the purview of the board of directors, approval from at least two-thirds of all directors is required. The Company shall not provide external guarantees without the approval of the board of directors or the general meeting.

Article 54 All connected transactions of the Company shall be submitted to the general meeting for approval after obtaining prior approval from the board of directors. However, if each of the percentage ratios (excluding the profit ratio) under the applicable “size tests” for a connected transaction satisfies any one of the following conditions, such connected transaction may be exempt from the approval of the board of directors and the general meeting:

- (I) less than 0.1%;
- (II) transactions between the Company and connected persons at the level of wholly-owned subsidiaries, where all applicable percentage ratios are less than 1%; or
- (III) the total amount of such transaction (in case of financial assistance, such total amount shall include any pecuniary benefit paid to connected persons or jointly-held entities) is less than HK\$3 million, and all applicable percentage ratios are less than 5%.

Article 55 The board of directors of the Company should provide an explanation to the general meeting in respect of any qualified audit opinions issued by certified public accountant on the financial statements of the Company.

Article 56 The Board shall have a chairman and two vice-chairman. The chairman and vice chairman of the Board shall be elected by a simple majority of votes of all directors.

Article 57 The chairman of the board of directors shall exercise the following functions and powers:

- (I) to preside over the general meeting;
- (II) to convene and preside the board meeting;
- (III) to monitor and check the implementation of the resolutions of the board of directors;
- (IV) to exercise other functions and powers conferred by laws, regulations, regulatory documents, the listing rules of the stock exchanges on which the Company’s shares are listed and the Articles of Association and the board of directors.

Article 58 The vice chairman of the Company shall assist the chairman’s work, if the chairman is unable or fails to perform his/her duties, the vice chairman shall perform the duties on his/her behalf (where the Company has two or more vice chairmen, the duties shall be performed

by the vice chairman nominated and elected by more than half of all directors), if the vice chairman is unable or fails to perform his/her duties, such duties shall be performed by a director who is nominated and elected by more than half of the directors.

Article 59 The board of directors of the Company shall establish the audit committee, and establish the nomination committee and the remuneration committee as needed. Each special committee shall be accountable to the board of directors and perform the duties prescribed by the Articles of Association and the board of directors. Any proposals shall be submitted to the board of directors for consideration and approval. All members of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee, the remuneration committee shall be independent directors who also convene the meeting of such committees. The convenor of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the rules of procedures of each special committee and regulating the operation of the special committees.

Article 60 The Audit Committee shall be composed of more than three members. All of them shall be non-executive directors who shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgment. The members of the Audit Committee shall be appointed directly by the board of directors, with a majority of independent non-executive directors. The post of the chairman of the Audit Committee shall be held by an independent non-executive director who possesses financial professional qualifications or accounting or relevant financial management expertise as stipulated by the listing rules of the place where the Company's shares are listed.

Article 61 The Audit Committee is a standing committee under the board of directors, which shall exercise the functions and powers as defined in the Terms of Reference of the Audit Committee of the Board of Directors approved and effective by the board of directors, as well as the functions and powers of the board of supervisors as prescribed by the Company Law.~~The Audit Committee is a standing committee under the board of directors and is principally performing its monitoring function in the following areas:~~

- ~~(I) truthfulness of financial reports and procedures for financial reporting;~~
- ~~(II) effectiveness of risk management and internal control systems;~~
- ~~(III) ensuring that the Company's resources in accounting, internal audit and financial reporting functions, qualifications and experience of accounting and reporting personnel, and the training for relevant employees and budget for relevant expenditures are adequate;~~

- ~~(IV) reviewing the findings of internal investigations and responses from management in relation to any suspected dishonesty, non-compliances, or suspected violations of laws, rules and regulations;~~
- ~~(V) assessing whether the Company has any major internal control defaults or weaknesses;~~
- ~~(VI) ensuring the adequacy and effectiveness of the details and frequency of the monitoring results reported by relevant functional departments to the board of directors and its committees;~~
- ~~(VII) assessing the changes in the nature and extent of significant risks faced by the Company after the previous year and the Company's ability to respond to the changes in its businesses and external environment;~~
- ~~(VIII) performance of internal audit functional departments and personnel;~~
- ~~(IX) appointment of external auditors and assessment of their qualifications, independence and performance;~~
- ~~(X) periodic review and annual audit of the Company's financial reports; and~~
- ~~(XI) compliance with relevant accounting standards and requirements on financial information disclosures in laws and regulatory rules.~~

Article 62 The Nomination Committee consists of three or more directors, who shall be appointed directly by the board of directors, with a majority of independent non-executive directors. The post of the chairman of the Nomination Committee shall be held by an independent non-executive director/the chairman of the board of directors.

Article 63 — The Nomination Committee is principally performing its monitoring function in the following areas:

- ~~(I) assisting the board of directors in formulating the procedures and criteria for electing and appointing the directors of the Company and assessing their qualifications within its scope;~~
- ~~(II) screening and nominating candidates for directors and members of the committees under the board of directors for consideration at the general meeting with prior approval of the board of directors;~~

~~(III) ensuring the directors and members of the Committees always maintain sufficient skills, experience and knowledge to perform their duties; and~~

Article 63 ~~(IV) ensuring the continuous and effective performance of the board of directors on its corporate governance duties.~~ The Nomination Committee is a standing committee under the board of directors, which shall exercise the functions and powers as defined in the Terms of Reference of the Nomination Committee of the Board of Directors approved and effective by the board of directors.

Article 64 The Remuneration Committee consists of three or more directors, who shall be appointed directly by the board of directors, with a majority of independent non-executive directors. The post of the chairman of the Remuneration Committee shall be held by an independent non-executive director.

Article 65 ~~—The Remuneration Committee is a specialized working body under the board of directors and is principally responsible for researching the remuneration strategies and policies, performance appraisal and incentive mechanism and other matters regarding the remuneration of directors, supervisors and senior management, and making relevant recommendations to the Board. Upon the approval by the board of directors, they will be proposed for consideration at the general meeting.~~ The Remuneration Committee is a standing committee under the board of directors, which shall exercise the functions and powers as defined in the Terms of Reference of the Remuneration Committee of the Board of Directors approved and effective by the board of directors.

Article 66 The remuneration of the Company's directors, ~~supervisors~~ and senior management shall be determined on the basis of the Company's operation and general management after a comprehensive assessment on the performance of the business plan and the assigned work, the fulfillment of the job objectives, and the performance of personal duties and personal development.

The Remuneration Committee under the board of directors can make recommendations to the board of directors on the Company's policy and structure for directors', ~~supervisors'~~ and Senior Management's remuneration and on establishing a formal and transparent procedure for developing remuneration policy.

Article 67 The board of directors shall not make any resolution on the following matters without the approval of a majority of all members of the Audit Committee:

- (I) the engagement or dismissal of the accounting firm that undertakes the Company's audit, and the determination of its remuneration;

- (II) the appointment or dismissal of the person in charge of finance of the Company;
- (III) the disclosure of the financial accounting reports;
- (IV) other matters prescribed by the securities regulatory authorities under the State Council.

CHAPTER 4 CONVENING OF THE MEETINGS OF THE BOARD OF DIRECTORS

Article 68 The meetings of the board of directors are divided into regular meeting of the board of directors and extraordinary meeting of the board of directors. Meetings of the board of directors shall be held at least four times a year and shall be convened by the chairman of the board of directors.

Article 69 The Board of Directors shall make arrangements to ensure that all Directors are given an opportunity to include matters in the agenda for regular meeting of the board of directors.

Article 70 An extraordinary meeting of the board of directors may be convene and preside by the chairman of the board of directors within 10 days after receipt of the proposal, if it is:

- (I) jointly proposed by more than one-third of the directors;
- (II) proposed by the Audit Committee~~supervisory committee~~;
- (III) proposed by shareholders representing more than 10% of the voting rights;
- (IV) other circumstance as stipulated in the Articles of Association.

Article 71 Regular meetings shall be held by giving a written notice to all directors ~~and supervisors~~ 14 days before the meeting. Documents of meeting shall be delivered to all directors ~~and supervisors~~ three days before the meeting.

When the board of directors convenes an extraordinary meeting, the secretary of the board of directors shall submit a written notice of the meeting and the documents of the meeting to all directors~~and supervisors~~ 5 days before the convening of the meeting by hand, express mail, facsimile or electronic mail.

Article 72 When an extraordinary board meeting 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; and if unanimously agreed by all the directors, it may not be subject to the limitation of the time,

but the convener shall provide an explanation at the meeting and make corresponding records in the minutes of the meeting. Notice of a meeting shall be deemed to be served to any directors who attend the meeting without protesting against any lack of notice before or at its commencement.

Article 73 The agenda of a regular meeting of the board of directors and related documents of the meeting shall altogether be dispatched to all directors in time and be dispatched at least three days prior to the proposed date of the board meeting or meeting of the committee under the board proposed to be held (or within other agreed time). The aforesaid arrangements shall also apply to all other meetings of the Board where practicable.

Article 74 Management has an obligation to supply the Board and its committees with adequate information in a timely manner, to enable it to make informed decisions. The information supplied must be complete and reliable. To fulfill their duties properly, Directors may not in all circumstances, be able to rely purely on information provided voluntarily by management and they may need to make further enquiries. Where any Director requires more information than is volunteered by the management, that Director should make further enquiries where necessary. So, the Board and individual Directors should have separate and independent access to the Company's senior management.

Article 75 All directors shall have the right to inspect the documents and relevant materials of the board of directors. The form and content of such documents and relevant materials shall be sufficient to enable the Board to make informed decisions on matters placed before it. The Company must respond to the questions raised by directors as promptly and comprehensively as possible.

Article 76 Before issuing a notice to convene regular meeting of the board of director, the office of the Board shall solicit the views of all directors adequately to form an initial meeting proposal to be submitted to the chairman for preparation.

In preparing proposals, the chairman shall, if necessary, seek the views of the general manager and other senior management.

Article 77 The shareholders representing one-tenth or more of the voting rights and one-third or more of the directors and the ~~supervisory committee~~ Audit Committee may put forward a proposal to convene the extraordinary board meeting. The chairman of the board of directors shall convene and preside over the board meeting within ten days after receiving the proposal.

Article 78 If an extraordinary board meeting is to be held in accordance with the proposals in the preceding article, a written proposal signed (or sealed) by the proposer shall be submitted through the secretary of the Board or to the chairman directly. Such written proposal shall contain the following items:

- (I) the name of the proposer;
- (II) the reasons or the objective matters such proposal is based on;
- (III) the time or time limit, place and manner of the proposed meeting;
- (IV) the specific and detailed proposals;
- (V) the contact information of the proposer and the proposed date, etc.

The content of the proposal shall be the matters within the terms of reference of the Board as provided in the Articles of Association. Related materials should be submitted together with the proposal.

The secretary of the Board shall forward the written proposal and related materials to the chairman on the same date upon receipt. If the chairman believes that the proposal is not specific, detailed or related materials are not sufficient, the chairman may request the proposer's modification or supplement.

Article 79 The Board meetings shall be convened and presided over by the chairman. In the event that the chairman of the Board cannot or fails to perform his duties, the vice chairman of the Board shall preside on his behalf (if the Company has two or more vice chairpersons, the vice chairperson elected by the majority of the directors will perform his duties). In the event that the vice chairman of the Board cannot or fails to perform his duties, one director may be elected jointly by the majority of the directors to perform the duties of the chairman of the Board on his behalf.

Article 80 The written notice of a meeting of the board of directors shall specify:

- (I) the date, venue and duration of the meeting;
- (II) the form of convening the meeting;
- (III) matters (proposals) to be considered;

- (IV) the convener and presider of the meeting, proposer of the extraordinary meeting and his/her written proposal;
- (V) the meeting materials required for the directors to vote;
- (VI) the requirement for directors to attend in person or to appoint other directors to attend on their behalf;
- (VII) the contact of the meeting and his/her contact information;
- (VIII) the reasons for the meeting and the date of issuing the notice;
- (IX) relevant explanation for and the basis of convening the board meeting in the event that the meeting is not convened by the chairman.

The notice of the meeting of the board of directors shall be submitted to all directors ~~and supervisors~~ by hand, express mail, facsimile or electronic mail. The verbal meeting notice shall include at least the contents in items (I) and (II) above, together with a statement that an extraordinary meeting shall be convened as soon as possible to the urgency of the situation.

Article 81 After issuing the written notice of the regular meeting of the board of directors, if there is any need to change the time, venue or other matters of the meeting, or to add, change or cancel a meeting proposal, a written notice of such change should be issued 3 days prior to the date of the original meeting to explain the situation and the contents of the new proposal and related materials. If the notice is less than 3 days, the meeting shall be postponed accordingly or be convened as scheduled with the approval from all the participating directors.

After issuing the notice of an extraordinary meeting of the board of directors, if there is any need to change the time, place or other matters of the meeting or to add, change, cancel a meeting proposal, a prior written consent of all the participating directors shall be obtained and well documented.

Article 82 If the Board is expected to decide at a meeting to declare, recommend or pay a dividend, or is to pass an announcement at the meeting in respect of profits or losses for any annual, half-yearly or other period, the Company must issue an announcement in accordance with Rule 2.07C of the Listing Rules at least seven clear business days prior to the date on which such meeting is to be held.

~~Article 83~~ The quorum of the meetings of the board of directors shall only be held if more than half of the directors (directors who appointed other directors to attend the meeting shall be deemed as having attended the meeting).

~~Supervisors may attend the meeting of the board of directors. Audit Committee may attend the meeting of the board of directors.~~ If the general manager and the secretary to the Board do not concurrently serve as directors, they shall also be present at the meeting of the board of directors. If the chairman of the meeting considers it necessary, he/ she may notify other relevant persons to be present at the meeting.

~~Article 84~~Article 83 The directors shall attend the meeting of the board of directors in person; in the event that a director is unable to attend the meeting for any reason, he/she may carefully choose and appoint other directors in writing to attend the meeting on his/her behalf. The director who attends the meeting on behalf of another director shall exercise the right of the director within the scope of authorization. Where voting matters are involved, the principal shall expressly state in the proxy his/her opinion in favor of, against or abstaining from voting on each matter. A director shall not give or accept a proxy with no voting intention, a discretionary proxy, or a proxy with an unclear scope of authorization. If any director fails to attend the meeting of the board of directors or authorize a proxy to be present on his/her behalf, such director shall be deemed to have waived his/her voting rights at that meeting.

A director shall not be entrusted by more than two directors to attend a meeting of the board of directors on their behalf at a meeting. When considering related transactions, a non-related director shall not entrust a related director to attend the meeting.

~~Article 85~~ Article 84 If a director can not attend the meeting, he or she shall review the meeting materials in advance, form an explicit opinion, and appoint in writing another director to attend the meeting by proxy. The power of attorney shall indicate:

- (I) the names of the principal and the proxy;
- (II) the brief comments of the principal on each proposal;
- (III) the scope of the principal's authority and instructions on the intention to vote on the proposal;
- (IV) the effective period of the proxy;
- (V) the signature or seal of the principal and the date.

If another director is acted as a proxy and is entrusted to sign a written confirmation for periodic reports, special authorization shall be contained in the power of attorney.

The entrusted director shall submit the written power of attorney to the chairman of the meeting and state the entrusted attendance on the attendance book of the meeting.

~~Article 86~~ **Article 85** Attendance of a meeting of the Board by proxies shall be in compliance with the following principles:

- (I) in considering the connected transactions, connected directors shall not entrust connected directors to attend the meeting on their behalf and the unconnected directors shall not accept such entrustment;
- (II) directors shall not grant full authorization to and entrust other directors to attend the meeting without explaining their views and voting intention on the proposal and such other directors shall not accept such full authorization and unclear entrustment.
- (III) each director can only accept the entrustment of one director, and a director shall not entrust a director who has accepted the entrustment of other directors to attend on his/her behalf.

~~Article 87 — Any director who fails to attend board meetings in person and has not entrusted other directors to attend the meeting on his/her behalf for two consecutive times shall be deemed as unable to perform his duties. The board of directors shall propose to the general meeting to remove such director. (Repeat)~~

~~Article 88~~ **Article 86** The regular meetings and extraordinary meetings of the board of directors shall be conducted by way of on-site meetings or electronic communications. The meetings shall be conducted by way of telephone meetings or video meetings, on the premise that the directors can fully express their opinions. Proposals that need to be approved by way of resolutions of the board of directors but do not require intensive communication or discussion among the directors may be adopted by signing by directors.

If a meeting is not convened on site, the number of participating directors shall be calculated according to the directors on site as shown in the video, the directors expressing opinions at the teleconference, the valid votes actually received by facsimile or e-mail within the prescribed time limit, or the written confirmation letters of having attended the meeting as submitted by the directors afterward.

~~Article 89~~**Article 87** The chairman of the meeting shall advise the directors attending the meeting to express clear opinions on each proposal.

Unless the unanimous consent of all directors attending the meeting is obtained, the meeting of the board of directors shall not vote on proposals not included in the notice of the meeting. The directors who are entrusted by other directors to attend the meeting on their behalf shall not vote on proposals not included in the notice of the meeting on behalf of such other directors unless it is specified in the proxy.

~~Article 90~~**Article 88** The directors shall read relevant meeting materials carefully and express their opinions independently and prudently on the basis of knowing the circumstances well.

Before the meeting, directors may obtain decision-making information from the board office, meeting convener, general manager and other senior management, special committees, the accounting firm, the law firm, and other relevant parties. During the meeting, directors may also propose to the presiding officer that the attending representatives of the aforesaid personnel and institutions be invited to explain the relevant circumstances.

~~Article 91~~**Article 89** The functional departments of the Company are obliged to provide information and materials to the Board of Directors for decision-making. The functional departments and relevant personnel who provide information and materials shall be responsible for the truthfulness, accuracy and completeness of the information that comes from within the Company and can be described objectively. The reliability of information and materials from outside the Company shall be evaluated before they are provided to the Board of Directors for decision-making reference and explained to the Board of Directors.

CHAPTER 5 VOTING AT BOARD MEETINGS

~~Article 92~~**Article 90** Each director shall have one vote. A resolution adopted by the Board of Directors must be approved by a majority of all directors.

~~Article 93~~**Article 91** The voting for resolutions of the Board of Directors shall be registered voting.

The interim meeting of the Board of Directors may be conducted and resolutions made by written or correspondence voting and signed by the participating directors, on the premise that the directors are able to fully express their opinions.

~~Article 94~~Article 92 A director shall not exercise voting rights in respect of any resolution approving a contract or arrangement in which he/she or any of his/her close associates (as defined in the applicable Listing Rules in effect from time to time) has an interest (including resolutions involving enterprises or persons with a connected relationship). If a director has a connected relationship with the enterprise or individual involved in the matters resolved at a meeting of the Board of Directors, such director shall promptly submit a written report to the Board of Directors, and shall not act as a proxy for other directors to exercise voting rights, shall not be counted in the quorum of the relevant meeting, nor shall his/her votes be counted. Such a meeting of the Board of Directors may be convened if attended by a majority of directors without the aforementioned interests or connected relationships, and resolutions adopted at the meeting of the Board of Directors must be approved by a majority of such directors without the aforementioned interests or connected relationships. If the number of directors without the aforementioned interests or connected relationships attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the General Meeting of Shareholders for deliberation.

~~Article 95~~Article 93 After each proposal has been fully discussed, the presiding officer shall call for a vote of the directors present in due course.

The voting intention of the directors is divided into for, against or abstain. The directors attending the meeting shall choose one of the above intentions. If no choice is made or if more than two intentions are chosen at the same time, the presiding officer shall ask the Directors concerned to choose again. If he/she refuses to choose, he/she shall be deemed to have abstained from voting. Those who leave the meeting venue in the middle of the meeting and do not return without making a choice shall be deemed to have abstained from voting.

~~Article 96~~Article 94 In any of the following circumstances, the directors shall abstain from voting on the relevant proposals:

- (I) circumstances in which directors should recuse themselves as stipulated in laws, regulations, normative documents and Self-Regulatory Rules;
- (II) where the directors themselves consider that they shall abstain from voting;
- (III) where the Articles of Association provide that directors shall abstain from voting as a result of their connected relationship with the enterprises involved in the proposals.

If any director or any of his/her close associates has a material interest in any contract, arrangement or any other proposal, such director shall not vote on the board resolution to adopt such contract, arrangement or proposal. If a director has a connected relationship with the

enterprise or individual involved in the matters resolved at the board meeting, such director shall promptly submit a written report to the board of directors and shall not be counted in the quorum for attendance at that meeting, save for the following circumstances:

- (1) (a) providing any mortgage or indemnity guarantee to a director or any of his/her close associates in connection with: loans granted by the director or any of his/her close associates to the Company or any of its subsidiaries; or obligations incurred or assumed by the director or any of his/her close associates at the request of, or for the benefit of, the Company or any of its subsidiaries; or
- (b) the Company or any of its subsidiaries provides any mortgage or indemnity guarantee to a third party in respect of its debts or obligations, and in relation to such debts or obligations, the director or any of his/her close associates has assumed full or partial liability (whether individually or jointly) for such debts or obligations pursuant to a guarantee, indemnity guarantee or by providing a mortgage;
- (2) any proposal relating to an offer made by another person or the Company for the subscription or purchase of shares, bonds or other securities of the Company or any other company (established by the Company or in which the Company has an interest), where the director or any of his/her close associates has or will have an interest by participating in the underwriting or sub-underwriting of such offer;
- (3) any proposal or arrangement relating to the interests of employees of the Company or its subsidiaries, including:
 - (a) adopting, amending or implementing any employee share scheme, share award scheme or share option scheme from which any director or any of his/her close associates may benefit; or
 - (b) adopting, amending or implementing any pension fund scheme, retirement scheme, or death or disability benefit scheme relating to the directors of the Company or any of its subsidiaries, their close associates and employees, under which no director (or their close associates) is granted any preferential treatment or benefit not generally accorded to persons related to such scheme or fund; and

- (4) any contract or arrangement in which any director or any of his/her close associates has an interest, where such director or any of his/her close associates holds such interest only by virtue of their ownership of the Company's shares, bonds or other securities, on the same basis as other holders of the Company's shares, bonds or other securities.

In the event that directors abstain from voting, the relevant meeting of the Board of Directors may be convened if attended by a majority of directors without a connected relationship, and resolutions adopted at the meeting of the Board of Directors must be approved by a majority of such directors without a connected relationship. If the number of directors without a connected relationship attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the General Meeting of Shareholders for deliberation.

~~Article 97~~Article 95 The Board of Directors shall act strictly in accordance with the authority delegated by the General Meeting of Shareholders and the Articles of Association, and shall not form resolutions beyond its authority.

~~Article 98~~Article 96 Where the Board of Directors needs to adopt resolutions on matters such as the Company's profit distribution and capital reserve conversion into share capital but the certified public accountant has not yet issued a formal audit report, the meeting shall first adopt resolutions based on the draft audit report provided by the certified public accountant (where all financial data other than those related to profit distribution and capital reserve conversion into share capital have been confirmed). After the certified public accountant issues the formal audit report, the Board of Directors shall adopt resolutions on the relevant matters again.

~~Article 99~~Article 97 After the participating directors have completed voting, the Secretary to the Board of Directors shall promptly collect the directors' voting slips and conduct the count ~~under the supervision of one supervisor~~.

Where a meeting is held in person, the chairperson of the meeting shall announce the voting results on the spot; in other cases, the chairperson of the meeting shall require the Secretary to the Board of Directors to notify each director of the voting results on the next working day after the expiration of the specified voting time limit.

If a director casts a vote after the chairperson of the meeting announces the voting results or after the expiration of the specified voting time limit, such vote shall not be counted.

~~Article 100~~Article 98 If there is a conflict between different resolutions in terms of content and meaning, the resolution formed later in time shall prevail.

~~Article 101~~**Article 99** If a proposal is not adopted, the Board of Directors shall not deliberate on a proposal with the same content within one month, provided that no material changes have occurred to the relevant conditions and factors.

~~Article 102~~**Article 100** The Chairman of the Board shall supervise the implementation of the resolutions of the Board of Directors, inspect the progress of their execution, and report on the implementation status of the formed resolutions at subsequent meetings of the Board of Directors.

~~Article 103~~**Article 101** If a major shareholder or director has a conflict of interest that the Board of Directors deems material in respect of a matter to be considered by the Board, such matter shall be handled by convening a meeting of the Board of Directors (rather than by way of a written resolution). Independent non-executive directors who have no material interest in the transaction themselves or through any of their close associates shall attend the relevant meeting of the Board of Directors.

~~Article 104~~**Article 102** If a major shareholder or director has a conflict of interest that the Board of Directors deems material in respect of a matter to be considered by the Board, such matter shall be handled by convening a meeting of the Board of Directors (rather than by way of a written resolution). Independent non-executive directors who have no material interest in the transaction themselves or through any of their close associates shall attend the relevant meeting of the Board of Directors. Subject to compliance with the Company's constitutional documents and the laws and regulations of its place of incorporation, directors participating in the meeting via electronic means such as telephone or video conference may be counted as having attended the meeting of the Board of Directors in person.

~~Article 105~~**Article 103** Directors shall sign the resolutions of the Board of Directors and be liable for such resolutions. If a resolution of the Board of Directors violates any laws, administrative regulations, the Articles of Association, or resolutions of the General Meeting of Shareholders and causes serious losses to the Company, the directors who participated in the adoption of such resolution shall be liable for compensation to the Company. However, a director may be exempted from liability if it is proven that he/she expressed an objection during the voting and such objection was recorded in the meeting minutes.

CHAPTER 6 RECORDS AND RETENTION OF BOARD MEETING

~~Article 106~~**Article 104** The Board of Directors shall prepare meeting minutes of the decisions made on the matters discussed at the meeting. Directors attending the meeting, the Secretary to the Board of Directors, and the minute-taker shall sign the meeting minutes. Directors attending the meeting have the right to request that an explanatory record of their speeches at the

meeting be made in the minutes. If a director has different opinions on the meeting minutes or resolution records, he/she may provide a written explanation when signing. If necessary, a public statement may be issued. If a director neither signs to confirm in accordance with the foregoing provisions nor provides a written explanation or issues a public statement on his/her different opinions, he/she shall be deemed to fully agree with the content of the meeting minutes. After the conclusion of the Board meeting, the draft and final version of the meeting minutes shall be sent to all directors within a reasonable period in sequence: the draft is for directors to express their opinions, and the final version shall serve as the official record.

~~Article 107~~Article 105 The formally appointed company secretary shall keep the meeting minutes of the Board of Directors and its committees. If any director gives reasonable notice, the relevant meeting minutes shall be made available for inspection by such director at any reasonable time.

~~Article 108~~Article 106 The minutes of the Board of Directors' meeting shall include the following contents:

- (I) the session of the meeting, and the time, venue and format of its convening;
- (II) the issuance status of the meeting notice;
- (III) the convener and chairperson of the meeting;
- (IV) the names of the directors present and the names of the directors (proxies) appointed by others to attend the board meeting;
- (V) the agenda of the meeting;
- (VI) the proposals considered at the meeting, the key points and main opinions of each director on the relevant matters, and their voting intentions on the proposals;
- (VII) the manner of voting and the results of each resolution (the voting results shall contain the number of votes in for, against or abstain);
- (VIII) other matters that the attending directors deem should be recorded.

~~Article 109~~**Article 107** The participating directors shall confirm the minutes of the meeting and the minutes of resolution by signature on behalf of themselves and those directors who have entrusted them to attend the meeting as their representatives. The director may explain in writing when signing, for any dissenting opinion on the minutes of the meeting or the minutes of resolution.

In the event that the director neither confirms by signature according to the preceding paragraph nor explains his dissenting opinion in writing, he shall be regarded as being in full agreement with the contents of the minutes of the meeting and the minutes of resolution.

~~Article 110~~**Article 108** The archives of the meetings of the Board of Directors, including the notice of meetings and meeting materials, the sign-in book of the meetings, the power of attorney for directors to attend on their behalf, the votes, the minutes of the meetings signed and confirmed by the participating directors, and the resolutions of the meetings shall be kept as the archives of the Company by the secretary of the Board of Directors for a period of not less than ten years.

~~Article 111~~**Article 109** The announcement of resolutions of the Board of Directors shall be handled by the secretary of the Board of Directors in accordance with the relevant provisions of laws, regulations and the Listing Rules of the Stock Exchange. Prior to the disclosure of the resolution announcement, the participating directors and persons present at the meeting, record and service personnel, etc. shall be obliged to keep the content of the resolution confidential.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

~~Article 112~~**Article 110** Unless otherwise specified, the terms used in these Rules of Procedure shall have the same meanings as those in the Company's Articles of Association.

~~Article 113~~**Article 111** The terms "above", "within", "before" as mentioned in these Rules are inclusive, while "over", "less than", "more than" are exclusive.

~~Article 114~~**Article 112** Any matters not covered by these Rules shall be carried out in accordance with the relevant state laws, regulations, normative documents and the provisions of the Articles of Association and the requirements of the Listing Rules. If these Rules are in conflict with the laws, regulations, normative documents promulgated by the state in the future or the Articles of Association and the requirements of the Listing Rules amended by legal procedures, they shall be carried out in accordance with the relevant state laws, regulations, rules, normative documents and the provisions of the Articles of Association and the requirements of the Listing Rules, and shall be amended in a timely manner.

~~Article 115~~Article 113 These Rules shall be construed by the Board.

~~Article 116~~Article 114 These Rules shall take effect and be implemented as of the date on which the Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited, after being deliberated and approved by the Company's General Meeting of Shareholders.

(No text below)

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

ANHUI CONCH MATERIALS TECHNOLOGY CO., LTD.

CONNECTED TRANSACTIONS MANAGEMENT MEASURES

CHAPTER 1 GENERAL PROVISIONS

Article 1 These Measures are formulated to further standardize the management of connected transactions of Anhui Conch Materials Technology Co., Ltd. (hereinafter referred to as the “**Company**”) and its subsidiaries, improve the level of standardized operation of the Company, and protect the legitimate rights and interests of the Company and all shareholders. The formulation is in accordance with the provisions of the Company Law of the PRC, the Securities Law of the PRC, the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”), ~~the Provisional Measures for the Administration of Connected Transactions of Anhui Conch Group Co., Ltd., the Provisional Measures for the Administration of Connected Transactions of Anhui Conch Investment Co., Ltd.,~~ the Articles of Association of Anhui Conch Materials Technology Co., Ltd. (hereinafter referred to as the “**Articles of Association**”), and other relevant laws, regulations and normative documents.

Article 2 The management layer of the Company shall be responsible for organizing the implementation of connected transaction work, and all functional departments of the Company shall perform various management tasks related to connected transactions in accordance with their functional divisions. The Board of Directors and the General Meeting of Shareholders shall, in accordance with the provisions, review and approve major connected transactions, perform information disclosure obligations, and supervise the management layer to implement connected transactions in compliance with regulations.

Article 3 The Secretary to the Board of Directors’ Office of the Company (hereinafter referred to as the “**Secretary’s Office**”) shall, in accordance with relevant provisions, establish and improve the relevant systems for the management of connected transactions of the Company, guide, supervise and inspect all functional departments to standardize the management of connected transactions, and be responsible for organizing the submission of proposals on connected transactions to the Board of Directors and the General Meeting of Shareholders for approval.

Article 4 The Finance Department of the Company shall be mainly responsible for the daily monitoring of the review, countersignature, seal use and other links of connected transaction business contracts, and check the settlement and payment links of connected transactions to ensure that the payment of funds is strictly implemented in accordance with the contracts.

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

Article 5 Each professional management department of the Company shall be responsible for the daily management of connected transactions within the scope of its duties and the requirements of the Company, including the signing and execution of contracts; conduct preliminary review on the fairness and necessity of connected transactions, and submit them to the General Manager's Office Meeting of the Company for discussion and review.

CHAPTER 2 IDENTIFICATION OF CONNECTED PERSONS AND CONNECTED TRANSACTIONS

Article 6 Connected persons of the Company include connected legal persons and connected natural persons. The definitions of connected persons and connected transactions shall all refer to Chapter 14A of the Listing Rules.

Article 7 A person shall be a connected legal person and connected natural person of the Company if he/she falls under any of the following circumstances:

- (I) a voting person who has the right to exercise or control the exercise of 10% or more of the voting rights at the general meeting of the Company;
- (II) directors and senior executives of the Company;
- (III) a person who has served as a director of the Company or any of its subsidiaries in the past 12 months;
- ~~(IV) the supervisors of the Company or any of its subsidiaries; (IV) the supervisors of the Company's subsidiaries;~~
- ~~(VVVIV)~~ associates of the persons mentioned in the above three items (as defined in item (VIII) of this Article);
- ~~(VVVVIV)~~ connected subsidiaries, i.e., (1) a connected person at the Company level may individually or jointly exercise 10% or more of the voting rights at the general meeting of such subsidiary; this 10% threshold does not include any indirect interests held by such connected person in the subsidiary through the Company, or (2) any subsidiary of the non-wholly owned subsidiary mentioned in item (1) above;
- ~~(VVVVVV)~~ a person deemed to be connected by The Stock Exchange of Hong Kong Limited (hereinafter referred to as "SEHK");

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

(¶¶¶VII) Associates of connected persons refer to: If the connected person is a natural person, his/her associates include: his/her spouse; his/her own (or his/her spouse's) biological or adopted children or stepchildren under the age of 18; a trustee who acts as a trustee in any trust for which he/she or his/her immediate family members are beneficiaries (or, in the case of a discretionary trust, whom he/she knows to be the object of the discretionary trust) (this trust does not include an employee share scheme or occupational retirement scheme established for a wide range of participants, where the aggregate interests of the connected person in the scheme are less than 30%) (referred to as the “**Trustee**”); a 30% controlled company directly or indirectly held by himself/herself, his/her immediate family members and/or the Trustee (individually or jointly), or any subsidiary of such company; any joint venture partner of any joint venture in which he/she, his/her immediate family members and/or the Trustee jointly directly or indirectly hold 30% or more of the contributed capital or assets of the joint venture, or account for 30% or more of the profits or other income of the joint venture in accordance with the contract (or the amount required by Chinese law to trigger a mandatory general offer or establish legal or managerial control over the enterprise); any person with whom he/she cohabits as if married, or his/her children, stepchildren, parents, stepparents, brothers, sisters or stepsiblings (each referred to as a “**Family Member**”); a company directly or indirectly held by Family Members (individually or jointly) or by Family Members together with himself/herself, his/her immediate family members and/or the Trustee with a majority control (more than 50% of the voting rights or control over the composition of most of the members of the board of directors), or any subsidiary of such company. If the connected person is a company, its associates include: its subsidiaries or holding companies, or fellow subsidiaries of such holding company; a trustee who acts as a trustee in any trust for which the company is a beneficiary (or, in the case of a discretionary trust, whom it knows to be the object of the discretionary trust); a 30% controlled company directly or indirectly held by the company, its related companies and/or the Trustee (individually or jointly), or any subsidiary of such 30% controlled company; any joint venture partner of any joint venture in which the company, any of its subsidiaries, holding companies or fellow subsidiaries of the holding company and/or the Trustee jointly directly or indirectly hold 30% or more of the contributed capital or assets of the joint venture, or account for 30% or more of the profits or other income of the joint venture in accordance with the contract (or the amount required by Chinese law to trigger a mandatory general offer or establish legal or managerial control over the enterprise).

Article 8 Pursuant to the above definition of connected persons, the Secretary's Office shall, based on the Company's current actual situation, collect and consolidate connected transaction ~~monitoring~~ data from various business departments, compile quarterly briefings on the

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

operation of connected transactions, promptly report the progress of the Company's connected transactions to the Company's management and Board of Directors, and simultaneously feedback to each unit the problems arising in the implementation of their connected transactions and the rectification measures to be adopted as necessary; formulate and maintain an updated list of connected legal persons in accordance with Chapter 14A of the Listing Rules. Each relevant unit listed on the list of connected legal persons shall be obligated to inform the Secretary's Office of the relevant information of any newly invested subsidiaries to facilitate the Secretary's Office in updating the list.

When any relevant business department or subsidiary of the Company intends to enter into a transaction with a relevant party but is uncertain whether such party is a connected person, it may consult the Secretary's Office.

Article 9 Connected transactions of the Company refer to all types of connected transactions as stipulated in Chapter 14A of the Listing Rules, including both capital transactions and revenue transactions, regardless of whether such transactions are conducted in the ordinary course of the Company's business. Such transactions include the following categories: purchases or sales of assets by the Company or any of its subsidiaries (including deemed sale transactions); granting, accepting, exercising, transferring or terminating an option to purchase or sell assets or subscribe for securities by the Company or any of its subsidiaries; or the Company's decision not to exercise an option to purchase or sell assets or subscribe for securities; entering into or terminating finance leases, operating leases or subleases; providing compensation guarantees, or providing or accepting financial assistance (including granting credit, lending money, or providing compensation guarantees, guarantees or mortgages in respect of loans); entering into agreements or arrangements to establish any form of joint venture (such as partnerships or incorporated companies) or conduct any other form of joint venture arrangements; issuance of new securities by the Company or its subsidiaries (including underwriting or sub-underwriting securities offerings); providing, accepting or sharing services; or purchasing or supplying raw materials, semi-finished products and/or finished products.

CHAPTER 3 REPORTING OF CONNECTED PERSONS

Article 10 Directors of the Company and its subsidiaries (including any person who has served as a Director of the Company or its subsidiaries within any 12-month period), ~~supervisors~~, senior management personnel, shareholders holding 10% or more of the Company's shares, ultimate controllers and their acting in concert parties, connected subsidiaries, and any associates of any of the foregoing persons shall promptly inform the Company of the connected relationships existing between them and the Company.

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

Article 11 The audit committee of the Board of Directors of the Company shall confirm the list of connected persons of the Company and report to the Board of Directors in a timely manner.

Article 12 Connected companies must, upon agreeing the terms of a connected transaction, process such connected transaction in accordance with the Listing Rules in a timely manner (such as issuing the relevant announcements and seeking the approval of the issuer's independent shareholders in a timely manner).

Article 13 Connected companies must disclose the details of connected transactions conducted during the financial year in the annual report in accordance with the provisions of Chapter 14A of the Listing Rules (including continuing connected transactions under agreements signed in previous years):

- (I) the transaction date;
- (II) the parties to the connected transaction and a description of their connected relationship;
- (III) a brief description of the transaction and its purpose;
- (IV) the total consideration and terms;
- (V) the nature of the connected person's interest in the transaction; and
- (VI) for continuing connected transactions: the confirmation from the Company's independent non-executive directors on the matters set out in Rule 14A.55 of the Listing Rules; and statement from the Company's Board of Directors whether the auditors have confirmed the matters set out in Rule 14A.56 of the Listing Rules.

If the Company discloses, in its annual report, any information regarding related party transactions as described under the accounting standards adopted by the Company in preparing its financial statements, it must specifically clarify whether such transactions constitute connected transactions as referred to in this Chapter and whether the provisions of this Chapter have been complied with.

Article 14 The Company shall disclose the connected relationship between the connected persons and the Company on a run-off basis, stating:

- (I) full name and organization code (if any) of the controllers or stakeholders;

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

- (II) full name and organization code (if any) of the controlled parties or the invested parties;
- (III) the percentage of the total share capital of the controlled parties or invested parties held by the controllers or investors, etc.

CHAPTER 4 DISCLOSURE AND DECISION-MAKING PROCEDURES FOR CONNECTED TRANSACTIONS

Article 15 Connected transactions must first obtain shareholder approval at a general meeting of the listed issuer. Any shareholder with a material interest in the transaction shall abstain from voting on the relevant resolution. The Stock Exchange may exempt the listed issuer from the requirement to convene a general meeting and instead accept written shareholder approval, provided that the following conditions are met (for the purpose of this provision, “shareholders” exclude treasury shareholders): if the listed issuer were to convene a general meeting to approve the transaction, no shareholder would be required to abstain from voting on the transaction, and the transaction has been approved by shareholders (excluding treasury shareholders) holding in aggregate more than 50% of the voting rights (excluding voting rights attached to treasury shares) or by connected shareholders. If the listed issuer privately discloses inside information to any shareholder for the purpose of obtaining written approval, the listed issuer must ensure that such shareholder is aware that he/she shall not trade in the relevant securities prior to the public disclosure of such information.

Article 16 All connected transactions of the Company must first obtain the approval of the Company’s Board of Directors before being submitted to the Company’s general meeting for approval. However, if the percentage ratios of all “size tests” (excluding the profit ratio) for a particular connected transaction meet one of the following conditions, such connected transaction may be exempted from the approval of the Company’s general meeting and only require the approval of the Company’s Board of Directors:

- (I) below 5%; or
- (II) the total amount of the transaction (in the case of financial assistance, such total amount includes any monetary benefits paid to connected persons or jointly held entities) is below HK\$10 million, and all percentage ratios are below 25%.

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

Article 17 If the percentage ratios of all “size tests” (excluding the profit ratio) for a particular connected transaction meet one of the following conditions, such connected transaction may be exempted from the approval of both the Company’s Board of Directors and general meeting:

- (I) below 0.1%;
- (II) transactions between the Company and connected persons at the level of wholly-owned subsidiaries, with all percentage ratios below 1%; or
- (III) the total amount of the transaction (in the case of financial assistance, such total amount includes any monetary benefits paid to connected persons or jointly held entities) is below HK\$3 million, and all percentage ratios are below 5%.

Article 18 If a transaction between the Company and a connected person at the level of its subsidiaries is conducted on normal commercial terms or better terms and meets the following conditions, it may be exempted from the approval of the Company’s general meeting:

- (I) the transaction has been approved by the Company’s Board of Directors; and
- (II) the independent non-executive directors of the Company have confirmed that the terms of the transaction are fair and reasonable, the transaction is conducted on normal commercial terms or better terms, and it is in the interests of the Company and the shareholders as a whole.

Article 19 If a connected transaction requires shareholder approval, the listed issuer must establish an independent board committee and appoint an independent financial adviser.

Article 20 ~~All transaction counterparties~~ Relevant business departments or subsidiaries of the Company shall notify the Finance Department when proposing to enter into any transaction. The Finance Department shall verify against the list of connected persons to determine whether the transaction constitutes a connected person transaction. If the transaction is likely to be identified as a connected person transaction, the Finance Department shall notify ~~the Company Secretary~~ the Secretary to the Board’s Office to confirm whether disclosure is required and/or approval from the Shareholders’ General Meeting is necessary. If so, the Secretary to the Board’s Office ~~the Company Secretary~~ shall coordinate and arrange the processes for relevant compliance matters, including but not limited to coordinating the finalization of agreements, arranging the drafting and publication of announcements, circulars, etc. as required, engaging an independent financial advisor (if necessary) or other professional institutions, and convening or coordinating

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

the approval of the Board of Directors (including committees, if applicable) and/or the Shareholders' General Meeting. For any doubts or requests for assistance, the Secretary to the Board's Office ~~the Company Secretary~~ shall promptly consult the external professional company secretarial firm and/or legal advisors engaged by the Company.

Article 21 Prior to the negotiation of a transaction, the Secretary to the Board's Office ~~the Company Secretary~~ shall discuss the details of the connected transaction with lawyers (if necessary) and the Financial Controller ~~the Chief Financial Officer~~, and determine whether it is required to notify the Stock Exchange for disclosure, obtain the consent of independent shareholders, secure an independent financial advisor's opinion, or comply with other requirements under the Listing Rules (as applicable).

Article 22 Once the transaction is approved, the Secretary to the Board's Office ~~the Company Secretary~~ shall notify the relevant handler to execute the agreement in respect of the connected transaction.

Article 23 During the term of the connected transaction agreement/contract, if changes in production and operation or force majeure render it necessary to terminate or modify the relevant connected transaction agreement or contract, the relevant parties may terminate the agreement or amend and supplement the terms thereof. The supplementary or amended agreement shall take effect immediately depending on the specific circumstances, or take effect after being reviewed and confirmed by the Board of Directors/Shareholders' General Meeting (as applicable).

Article 24 When the Company enters into the following connected transactions, the amount of such connected transactions shall be calculated on the principle of aggregation over a consecutive twelve-month period:

- (I) transactions conducted with the same connected person;
- (II) transactions related to the same category of subject matter conducted with different connected persons.

The aforementioned "same connected person" includes legal persons, other organizations or natural persons directly or indirectly controlled by the same legal person, other organization or natural person as such connected person, or those having an equity control relationship with each other, as well as legal persons or other organizations where the same connected natural person serves as a director or senior management personnel.

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

Transactions for which the decision-making procedure of the Shareholders' General Meeting has been completed in accordance with the aggregation principle shall no longer be included in the scope of relevant aggregated calculations.

Article 25 When the Company's Board of Directors deliberates on matters relating to connected transactions, if a director has a connected relationship with the enterprise or individual involved in the matters resolved at the Board meeting, such director shall promptly submit a written report to the Board of Directors. The connected director shall abstain from voting and shall not act as a proxy for any other director in exercising voting rights. Such Board meeting may be convened only if a majority of non-connected directors are present, and the resolutions adopted at the Board meeting must be approved by a majority of the non-connected directors. If the number of non-connected directors present at the Board meeting is less than three, the Company shall submit the transaction to the Shareholders' General Meeting for deliberation.

For the purpose of the foregoing, a "connected director of the Company" refers to a director who falls under any of the following circumstances:

- (I) being the counterparty to the transaction;
- (II) being the direct or indirect controller of the counterparty;
- (III) holding a position at the counterparty, or at a legal person or other organization that can directly or indirectly control the counterparty, or at a legal person or other organization directly or indirectly controlled by the counterparty;
- (IV) being an immediate family member of the counterparty or its direct or indirect controller;
- (V) being an immediate family member of a director or senior management personnel of the counterparty or its direct or indirect controller;
- (VI) a director identified by the CSRC, The Stock Exchange or the Company as having a potential conflict of interest with the Company that may affect his/her independent business judgment.

Article 26 When the Company's Shareholders' General Meeting deliberates on matters relating to connected transactions, connected shareholders shall abstain from voting and shall not act as a proxy for any other shareholder in exercising voting rights.

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

For the purpose of the foregoing, a “connected shareholder of the Company” refers to a shareholder who falls under any of the following circumstances:

- (I) being the counterparty to the transaction;
- (II) being the direct or indirect controller of the counterparty;
- (III) being directly or indirectly controlled by the counterparty;
- (IV) being directly or indirectly controlled by the same legal person, other organization or natural person as the counterparty;
- (V) a shareholder whose voting rights are restricted or affected due to an outstanding equity transfer agreement or other agreement with the counterparty or its connected persons;
- (VI) a shareholder identified by the CSRC or The Stock Exchange as a party to whom the Company’s interests may be inclined.

CHAPTER 5 PRICING AND APPROVAL OF CONNECTED TRANSACTIONS

Article 27 The Company shall enter into a written agreement for any connected transaction, which shall specify the pricing policy for the connected transaction, including the calculation basis for the amounts payable and reflect arm’s length commercial terms. The term of the agreement must be fixed and reflect arm’s length commercial terms or better. The term of the agreement shall not exceed three contract years. In such cases where the term exceeds three years, the listed issuer must appoint an independent financial advisor to explain the necessity of the longer term and confirm that the term of the agreement is in line with the general market practice for such types of agreements in the industry. During the performance of the connected transaction, if there are material changes to the key terms of the agreement such as the transaction price, the Company shall recomplete the corresponding approval procedures based on the revised transaction amount.

Article 28 The Company shall formulate a pricing policy for each continuing connected transaction in accordance with the guidelines issued by The Stock Exchange from time to time (the current relevant guidelines: Chapter 3.9 of the Guidelines for New Listing Applicants¹).

¹ The current relevant guidelines: Chapter 3.9 of the Guidelines for New Listing Applicants (Continuing Connected Transactions)
https://cn-rules.hkex.com.hk/sites/default/files/net_file_store/3.9_Continuing_Connected_Transactions.pdf

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Article 29 ~~The Financial Controller~~ ~~The Chief Financial Officer~~ shall conduct spot checks or supervise the conduct of spot checks to verify whether the transactions under the relevant items comply with the original pricing policy, and shall submit a signed and confirmed detailed list of connected transactions to the Audit Committee within two months after the end of the financial year.

Article 30 Such contracts/agreements shall be reviewed by ~~the Chief Financial Officer~~ the Financial Controller and approved by the Board of Directors. After approval, whenever the approved continuing connected transaction occurs, all relevant data and documents must be submitted to the Finance Department for registration and to the Secretary to the Board's Office ~~the Company Secretary~~ for review to ensure that the connected transaction does not exceed the approved upper limit.

Article 31 In the course of the Company cooperating with the auditors in issuing the Company's audit report, the Company preparing its annual report, and prior to submitting the Company's annual results announcement to the Audit Committee, the Financial Controller ~~the Chief Financial Officer~~ shall simultaneously submit a continuing connected transaction supervision report to the Audit Committee, reporting whether the continuing connected transactions during the past financial year have exceeded the annual upper limit.

Article 32 The independent non-executive directors shall review such continuing connected transactions annually and confirm in the annual report whether such transactions are entered into in the ordinary and usual course of business of the listed issuer's group, conducted on arm's length commercial terms or better, and carried out in accordance with the terms of the relevant transaction agreements with fair and reasonable terms that are in the overall interests of the shareholders of the listed issuer.

Article 33 ~~The Chief Financial Officer~~ Financial Controller shall calculate the asset ratio, consideration ratio, profit ratio, revenue ratio and equity ratio semi-annually based on the financial statements of the Company's interim report and annual report. The results of such calculations shall be compiled into a relevant percentage ratio calculation statement, which shall be distributed to the directors, management and key personnel of the Finance Department.

Article 34 If there are any relevant transactions, ~~the Chief Financial Officer~~ the Financial Controller shall also calculate the relevant percentage ratio calculation statement from time to time to monitor whether such transactions require disclosure.

APPENDIX IV AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

Article 35 Prior to the execution of a material contract, the contract shall be reviewed by ~~the Company Secretary~~ the Secretary to the Board, ~~the Chief Financial Officer~~ the Financial Controller and/or the compliance consultant, as well as other relevant professionals, to determine whether it constitutes a notifiable transaction and/or a connected person transaction.

Article 36 Transactions requiring disclosure and the content of such disclosure shall be approved by the Board of Directors or its authorized persons. All announcements and circulars, if necessary, shall be reviewed by lawyers and/or compliance consultants, and finally subject to the final approval of the Board of Directors. The Board of Directors shall authorize ~~the Company Secretary~~ the Secretary to the Board's Office to handle and publish such announcements and circulars on the website of The Stock Exchange of Hong Kong Limited and the Company's official website. All documents generated in the process (including but not limited to material contracts, feasibility studies, due diligence reports and other relevant documents) as well as all related email communications must be retained by the Company's ~~Secretary~~ Secretary to the Board's Office.

Article 37 If the Company's Secretary to the Board of Directors has any doubts in the process of identifying and disclosing connected transactions, he/she may seek advice from lawyers, the external company secretarial team and/or compliance consultants.

Article 38 The Company must engage its auditors annually to report on continuing connected transactions. The auditors shall issue a letter to the Company's Board of Directors confirming whether they have noted anything that would lead them to conclude that the continuing connected transactions:

- (I) have not been approved by the Board of Directors of the listed issuer;
- (II) if the transactions involve the supply of goods or services by the listed issuer's group, have not been conducted in all material respects in accordance with the listed issuer's group's pricing policy;
- (III) have not been conducted in all material respects in accordance with the terms of the agreements governing such transactions; and
- (IV) have exceeded the upper limits.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 39 Where a connected transaction proposed to be disclosed by the Company falls under the category of state secrets, trade secrets, or other circumstances recognized by The Stock Exchange, and disclosing such transaction or performing the relevant obligations in accordance with these Measures may result in a violation of the national laws and regulations on confidentiality or cause serious damage to the Company's interests, the Company may apply to the Stock Exchange for an exemption from disclosing the transaction or performing the relevant obligations pursuant to these Measures.

Article 40 The Company's directors and senior management shall pay attention to whether the Company is subject to acts of misappropriation of funds or other encroachments on the Company's interests by the controlling shareholder and other connected parties through connected transactions. The independent directors of the Company shall review the fund transactions between the Company and the controlling shareholder as well as other connected parties at least once every quarter to ascertain whether the Company's funds, assets or other resources have been occupied or transferred by the controlling shareholder or other connected parties. If any abnormal circumstances are detected, the independent directors shall promptly request the Company's Board of Directors to take corresponding measures.

Article 41 These Measures shall be subject to revision and interpretation by the Company's Board of Directors. Any revisions to these Measures shall require the approval of the Company's Shareholders' General Meeting. Matters not covered herein shall be handled in accordance with the relevant provisions of national laws and regulations, normative documents issued by the China Securities Regulatory Commission, the Listing Rules, and the Articles of Association of Anhui Conch Materials Technology Co., Ltd.

Article 42 These Measures shall take effect and come into implementation upon being approved by the Company's Shareholders' General Meeting ~~and on the date on which the Company is listed on the Main Board of The Stock Exchange.~~

(End of main text)

1. 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.

2. DISCLOSURES OF INTERESTS

(i) Interests and Short Positions of Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

The Company

Name	Capacity/Nature of interest	Class of Shares	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the class of Shares in issue (%) ⁽¹⁾	Approximate percentage of shareholding in Shares in issue (%) ⁽¹⁾
Conch Tech Innovation ⁽²⁾	Beneficial owner	Domestic Shares	198,470,000 (L)	50.31	34.23
		H Shares	13,000,000 (L)	7.01	2.24
Conch Holdings ⁽²⁾	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24

APPENDIX V

GENERAL INFORMATION

Name	Capacity/Nature of interest	Class of Shares	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the class of Shares in issue (%) ⁽¹⁾	Approximate percentage of shareholding in Shares in issue (%) ⁽¹⁾
Anhui Provincial Investment Group Holding Co., Ltd. (安徽省投資集團控股有限公司) (“ Anhui Investment Group ”) ⁽²⁾	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
Wuhu Conch Venture Industrial Company Limited (蕪湖海創實業有限責任公司) (“ Wuhu Conch Venture ”) ⁽²⁾	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
China Conch Venture Holdings Limited (中國海螺創業控股有限公司) (“ Conch Venture ”) ⁽²⁾	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
Hubei Xintongling Equity Investment Co., Ltd. (湖北鑫統領股權投資有限公司) (“ Hubei Xintongling ”) ⁽³⁾	Beneficial owner	Domestic Shares	96,101,600 (L)	24.36	16.57
	Beneficial owner	H Shares	8,698,400 (L)	4.69	1.50
Mr. Ming Jinlong (明金龍) ⁽³⁾	Interest in controlled corporation	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest in controlled corporation	H Shares	8,698,400 (L)	4.69	1.50
Ms. Li Yang (李楊) ⁽⁴⁾	Interest of Spouse	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50

APPENDIX V

GENERAL INFORMATION

Name	Capacity/Nature of interest	Class of Shares	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the class of Shares in issue (%) ⁽¹⁾	Approximate percentage of shareholding in Shares in issue (%) ⁽¹⁾
Ms. Feng Li (馮莉) ⁽⁵⁾	Interest of Spouse	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Linyi Haihong New Material Technology Co., Ltd. (臨沂海宏新材料科技有限公司) (“Linyi Haihong”) ⁽⁶⁾	Beneficial owner	Domestic Shares	64,661,600 (L)	16.39	11.15
	Beneficial owner	H Shares	8,698,400 (L)	4.69	1.50
Ms. Han Lili (韓麗利) ⁽⁷⁾	Interest of Spouse	Domestic Shares	64,661,600 (L)	16.39	11.15
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Wuhu Artec Biotechnology Co., Ltd. (蕪湖阿泰克生物科技有限公司)	Beneficial owner	H Shares	17,675,000 (L)	9.53	3.05
Shenzhen Gaodeng Computer Technology Co., Ltd. (深圳高燈計算機科技有限公司)	Beneficial owner	H Shares	20,351,000 (L)	10.98	3.51
Anhui Shengchang Chemical Co., Ltd. (安徽盛昌化工有限公司)	Beneficial owner	H Shares	23,342,000 (L)	12.59	4.03
Gotion High-tech Co., Ltd. (國軒高科股份有限公司)	Beneficial owner	H Shares	17,543,000 (L)	9.46	3.03
SCGC Capital Holding Company Limited	Beneficial owner	H Shares	15,703,000 (L)	8.47	2.71

Notes:

- As at the Latest Practicable Date, the total number of issued Shares of the Company was 579,894,000 Shares, comprising 394,523,200 Domestic Shares and 185,370,800 H Shares. The letter (L) refers to long position in the Shares.

2. Conch Tech Innovation was wholly-owned by Conch Holdings, which was in turn held as to 51% by Anhui Investment Group and 49% by Wuhu Conch Venture, an independent third party. Anhui Investment Group was wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (安徽省人民政府國有資產監督管理委員會), while Wuhu Conch Venture was wholly-owned by Conch Venture (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 586)). By virtue of the SFO, Conch Holdings, Anhui Investment Group, Wuhu Conch Venture and Conch Venture are deemed to be interested in the Shares held by Conch Tech Innovation.
3. Hubei Xintongling was owned as to 60% by Mr. Feng Fangbo (馮方波), a non-executive Director, and 40% by Mr. Ming Jinlong. By virtue of the SFO, Mr. Feng Fangbo and Mr. Ming Jinlong are deemed to be interested in the Shares held by Hubei Xintongling.
4. Ms. Li Yang is the spouse of Mr. Feng Fangbo, a non-executive Director. By virtue of the SFO, Ms. Li Yang is deemed to be interested in the Shares in which Mr. Feng Fangbo is interested.
5. Ms. Feng Li is the spouse of Mr. Ming Jinlong. By virtue of the SFO, Ms. Feng Li is deemed to be interested in the Shares in which Mr. Ming Jinlong is interested.
6. Linyi Haihong was owned as to 88% by Mr. Zhao Hongyi (趙洪義), a non-executive Director, and 12% by Mr. Chen Jun (陳軍). By virtue of the SFO, Mr. Zhao Hongyi is deemed to be interested in the Shares held by Linyi Haihong.
7. Ms. Han Lili is the spouse of Mr. Zhao Hongyi, a non-executive Director. By virtue of the SFO, Ms. Han Lili is deemed to be interested in the Shares in which Mr. Zhao Hongyi is interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons, other than the Directors, Supervisors and the chief executive of the Company, who had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO.

(ii) Interests and Short Positions of Directors, Supervisors and Chief Executives in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors or chief executives of the Company in the shares, the underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Appendix C3 of the Listing Rules (the “**Model Code**”) were as follows:

The Company

Name	Position	Capacity/Nature of interest	Class of Shares	Number of Share held ⁽¹⁾	Approximate percentage of shareholding in the class of Shares in issue (%) ⁽¹⁾	Approximate percentage of shareholding in Shares in issue (%) ⁽¹⁾
Mr. Feng Fangbo ⁽²⁾	Non-executive Director	Interest in controlled corporations	Domestic Shares	96,101,600 (L)	24.36	16.57
		Interest in controlled corporations	H Shares	8,698,400 (L)	4.69	1.50
Mr. Zhao Hongyi ⁽³⁾	Non-executive Director	Interest in controlled corporations	Domestic Shares	64,661,600 (L)	16.39	11.15
		Interest in controlled corporations	H Shares	8,698,400 (L)	4.69	1.50

Notes:

1. As at the end of the Latest Practicable Date, the total number of issued Shares of the Company was 579,894,000 Shares, comprising 394,523,200 Domestic Shares and 185,370,800 H Shares. The letter (L) refers to long position in the Shares.
2. Hubei Xintongling was owned as to 60% by Mr. Feng Fangbo and 40% by Mr. Ming Jinlong. By virtue of the SFO, Mr. Feng Fangbo is deemed to be interested in the Shares held by Hubei Xintongling.
3. Linyi Haihong was owned as to 88% by Mr. Zhao Hongyi and 12% by Mr. Chen Jun. By virtue of the SFO, Mr. Zhao Hongyi is deemed to be interested in the Shares held by Linyi Haihong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' INTEREST IN ASSETS

Since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up, until the Latest Practicable Date, none of the Directors or proposed Directors and their respective associates had or had proposed to acquire or dispose or lease any interest, director indirect, in any assets to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACTS

As at the Latest Practicable Date, there were no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which is contained in this circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carryout Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn his written consent to the issue of the listing document with the expert's statement included in the form and context in which it is included.

As at the Latest Practicable Date, Gram Capital was not beneficially interested in the share capital in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Gram Capital was not interested, directly or indirectly, in any assets which had since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there were no material adverse changes in the financial or trading positions of the Company since 31 December 2024, the date to which the latest published audited financial statements of the Company were made up.

9. DOCUMENTS ON DISPLAY

Copy(ies) of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.conchmst.com) during the period of 14 days from the date of this circular:

- (a) the New Conch Cement Cement Admixtures Supply Agreement;
- (b) the New Conch Cement Concrete Admixtures Framework Agreement; and
- (c) the New Export Sales and Services Framework Agreement.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at No. 1-301, Zone G, Jiangbei New Area Construction Headquarters in Tongjiang Avenue, Wuhu, Anhui Province.
- (b) The joint company secretaries of the Company are Mr. Sun Huadong and Mr. Lee Leong Yin.
- (c) The principal place of business in Hong Kong is situated at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

11. LANGUAGE

In the event of inconsistency, the English text of this circular will prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Anhui Conch Material Technology Co., Ltd.

安徽海螺材料科技股份有限公司

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

(Stock Code: 2560)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of Anhui Conch Material Technology Co., Ltd. (“**Company**”) will be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the People's Republic of China, on Wednesday, 31 December 2025 at 10 a.m. for the following purposes. Unless the context otherwise requires, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 15 December 2025.

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments the following resolution as special resolutions:

1. **“THAT:**

- (a) the New Conch Cement Cement Admixtures Supply Agreement (as defined in the circular of the Company dated 15 December 2025) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; the annual cap of RMB700.0 million for the year ending 31 December 2026 be and is hereby approved; and the legal representative or any one director of the Company be and is hereby authorised to sign any documents, instruments, and agreements related to this resolution (including affixing the company seal), and to implement the transactions or matters contemplated under the New Conch Cement Cement Admixtures Supply Agreement;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the New Conch Cement Concrete Admixtures Framework Agreement (as defined in the circular of the Company dated 15 December 2025) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; the annual cap of RMB160.0 million for the year ending 31 December 2026 be and is hereby approved; and the legal representative or any one director of the Company be and is hereby authorised to sign any documents, instruments, and agreements related to this resolution (including affixing the company seal), and to implement the transactions or matters contemplated under the New Conch Cement Concrete Admixtures Framework Agreement;
- (c) the New Export Sales and Services Framework Agreement (as defined in the Circular as defined in the circular of the Company dated 15 December 2025) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; the annual cap of RMB90.0 million for the year ending 31 December 2026 be and is hereby approved; and the legal representative or any one director of the Company be and is hereby authorised to sign any documents, instruments, and agreements related to this resolution (including affixing the company seal), and to implement the transactions or matters contemplated under the New Export Sales and Services Framework Agreement; and

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass with or without amendments the following resolution as special resolutions:

2. **“THAT”**

- (a) The Supervisory Committee of the Company be and hereby abolished with immediate effect;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) “the existing articles of association of the Company be hereby amended as detailed in **Appendix I** of the circular of the Company dated 15 December 2025 and that the new articles of association of the Company produced at the meeting and initialed by the chairman of this meeting for the purposes of identification be and is hereby generally and unconditionally adopted in substitution for and to the exclusion to the existing articles of association of the Company with immediate effect, and that any of the legal representative or any directors or joint company secretaries of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said amendments.

- (c) the existing Rules of Procedures for Shareholders’ Meetings of the Company be hereby amended as detailed in **Appendix II** of the circular of the Company dated 15 December 2025 and that the Rules of Procedures for Shareholders’ Meetings of the Company produced at the meeting and initialed by the chairman of this meeting for the purposes of identification be and is hereby generally and unconditionally adopted in substitution for and to the exclusion to the existing Rules of Procedures for Shareholders’ Meetings of the Company with immediate effect, and that any of the legal representative or any directors or joint company secretaries of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said amendments:

- (d) the existing Rules of Procedures for Board Meetings of the Company be hereby amended as detailed in **Appendix III** of the circular of the Company dated 15 December 2025 and that the Rules of Procedures for Board Meetings of the Company produced at the meeting and initialed by the chairman of this meeting for the purposes of identification be and is hereby generally and unconditionally adopted in substitution for and to the exclusion to the existing Rules of Procedures for Board Meetings of the Company with immediate effect, and that any of the legal representative or any directors or joint company secretaries of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said amendments; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (e) the existing Administrative Measures for Connected Transactions of the Company be hereby amended as detailed in **Appendix IV** of the circular of the Company dated 15 December 2025 and that the Administrative Measures for Connected Transactions of the Company produced at the meeting and initialed by the chairman of this meeting for the purposes of identification be and is hereby generally and unconditionally adopted in substitution for and to the exclusion to the existing Administrative Measures for Connected Transactions of the Company with immediate effect, and that any of the legal representative or any directors or joint company secretaries of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said amendments.

By order of the Board

Anhui Conch Material Technology Co., Ltd.

Ding Feng

Chairman of the Board and Non-executive Director

Anhui Province, the PRC

15 December 2025

Notes:

1. CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025, both days inclusive, during which period no transfer of any Shares will be registered. To ascertain the Shareholders' entitlement to attend and vote at the EGM, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders) or the Company's Board office at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, the PRC (in respect of Domestic Shareholders), no later than 4:30 p.m. Tuesday, 23 December 2025 for registration. Shareholders whose names appear on the register of members of the Company on Wednesday, 31 December 2025 are entitled to attend and vote at the EGM.

Therefore, the record date for determining shareholders' eligibility to attend and vote at the EGM is Wednesday, 31 December 2025.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. APPOINTMENT OF PROXY

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on him/her behalf. A proxy need not be a Shareholder of the Company.

The proxy form shall be in writing and signed by the Shareholder or his/her attorney authorized in writing or, if the Shareholder is a corporate body, either executed under its common seal or signed by its legal representative or director or duly authorized attorney. If the proxy form is signed by the attorney of the Shareholder, the power of attorney or other authorization document authorizing the attorney to sign the proxy form must be notarized.

In order to be valid, the proxy form together with the power of attorney or other authorization document (if any) should be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders), or the Company's Board office, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Domestic Shareholders) not less than 24 hours before the scheduled time for holding of the EGM (i.e. before 10 a.m. on Tuesday, 30 December 2025) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM if you so wish at the time.

3. APPOINTED CONTACT PERSON FOR THE MEETING

Contact Address : No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China

Contact Person : Sun Huadong

Contact Telephone : (86) 18158816618

Contact Email : hlkgf_conch@163.com

4. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll.

5. OTHER MATTERS

Shareholders are advised to read the Circular which contains information concerning the resolution to be proposed in the EGM.

The EGM is expected to last for approximately half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses.

As at the date of this notice, the Board comprises Mr. Ding Feng as the Chairman of the Board and non-executive Director; Mr. Chen Feng and Mr. Bai Lin as executive Directors; Mr. Feng Fangbo, Mr. Zhao Hongyi, Mr. Jin Feng and Mr. Fan Haibin as non-executive Directors; and Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei as independent non-executive Directors.