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

If you have sold or transferred all your shares of Air China Limited, you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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中國國際航空股份有限公司 AIR CHINA LIMITED

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

(Stock Code: 00753)

- (1) CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION:
THE CNACG FRAMEWORK AGREEMENT**
- (2) CONTINUING CONNECTED TRANSACTION: THE NEW FRAMEWORK
AGREEMENT**
- (3) PROPOSED CHANGE OF AUDITORS**
- (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND THE ABOLISHMENT OF THE SUPERVISORY COMMITTEE**
- (5) PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES OF
SHAREHOLDERS' MEETINGS AND THE RULES AND PROCEDURES OF
MEETINGS OF THE BOARD**
- (6) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS
AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 31 of this circular.

A letter from the Independent Board Committee, containing its advice to the Independent Shareholders of the Company, is set out on pages 32 to 33 of this circular.

A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders of the Company, is set out on pages 34 to 48 of this circular.

A notice convening the AGM to be held at 10:00 a.m. on Tuesday, 24 June 2025 at The Conference Room C313, No. 30, Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, the PRC, is set out on pages 208 to 211 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

4 June 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
I. Introduction	5
II. Continuing Connected Transactions	6
III. Proposed Change of Auditors	23
IV. Proposed Amendments to the Articles of Association and the Abolishment of the Supervisory Committee	24
V. Proposed Amendments to the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board	25
VI. Details of Other Resolutions	25
VII. AGM	29
VIII. Recommendation	30
IX. Additional Information	30
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	32
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	34
APPENDIX I – GENERAL INFORMATION	49
APPENDIX II – 2024 WORK REPORT OF THE BOARD OF DIRECTORS	54
APPENDIX III – 2024 WORK REPORT OF THE SUPERVISORY COMMITTEE	59
APPENDIX IV – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	63
APPENDIX V – PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES OF SHAREHOLDERS' MEETINGS	164
APPENDIX VI – PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD	198
NOTICE OF ANNUAL GENERAL MEETING	208

DEFINITIONS

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

“2022 Circular”	the circular issued by the Company on 28 September 2022 to the Shareholders in respect of, among other things, the CNACG Transactions
“30%-controlled company(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“30%-controlled Corporations”	30%-controlled companies and their subsidiaries
“AGM”	the annual general meeting of the Company for the year ended 31 December 2024 to be held on Tuesday, 24 June 2025
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Cathay Pacific”	Cathay Pacific Airways Limited (國泰航空有限公司), a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange, the principal activity of which is the operation of scheduled airline services
“Cathay Pacific Group”	Cathay Pacific and its subsidiaries from time to time
“Cathay Transactions”	transactions between members of the Group on the one hand and members of Cathay Pacific Group and Cathay Pacific’s 30%-controlled Corporations (where applicable) on the other hand, as well as members of Cathay Pacific Group on the one hand and members of the Group and the Company’s 30%-controlled Corporations (where applicable) on the other hand arising from joint venture arrangements for the operation of passenger air transportation, code sharing arrangements, interline arrangements, aircraft leasing, frequent flyer programmes, the provision of airline catering, ground support and engineering services, inbound/outbound cargo handling services and other services agreed to be provided and other transactions agreed to be undertaken under the Framework Agreement or the New Framework Agreement, as applicable

DEFINITIONS

“CNACG”	China National Aviation Corporation (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CNAHC and a substantial shareholder of the Company, which directly holds approximately 11.18% of the Company’s issued share capital as at the Latest Practicable Date
“CNAHC”	China National Aviation Holding Corporation Limited, a PRC state-owned enterprise and the controlling shareholder of the Company, directly and through its wholly-owned subsidiary CNACG, holding approximately 53.71% of the issued share capital of the Company in aggregate as at the Latest Practicable Date
“CNACG Group”	CNACG, its subsidiaries and 30%-controlled companies (as defined under Hong Kong Listing Rules)
“CNACG Framework Agreement”	the framework agreement dated 30 October 2019 entered into between the Company and CNACG in respect of the CNACG Transactions
“CNACG Transactions”	the continuing connected transactions contemplated under the CNACG Framework Agreement between members of the Group on the one hand, and members of the CNACG Group on the other hand, but excluding the various services, such as airline catering service, housing rental, etc., that have been included or will be included in the continuing connected transaction framework agreements entered into between the Company and CNAHC
“Company” or “Air China”	Air China Limited, a company incorporated in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange as its primary listing venue and on the Official List of the UK Listing Authority as its secondary listing venue, and whose A Shares are listed on the Shanghai Stock Exchange. The Company is principally engaged in providing air passenger, air cargo and related services
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement dated 26 June 2008 between the Company and Cathay Pacific governing the execution, renewal and extension of the relevant agreements between members of the Group on the one hand and members of Cathay Pacific Group on the other hand
“Group” or “Air China Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange as primary listing venue and have been admitted into the Official List of the UK Listing Authority as secondary listing venue
“H Shareholder(s)”	holders of the H Shares
“IFRS Accounting Standards”	IFRS Accounting Standards as issued by the International Accounting Standards Board
“Independent Board Committee”	a board committee comprising Mr. Xu Niansha, Mr. He Yun, Ms. Winnie Tam Wan-chi and Mr. Gao Chunlei, all being the independent non-executive Directors, to advise the Independent Shareholders on the Non-exempt Transactions
“Independent Financial Adviser” or “BaoQiao Partners”	BaoQiao Partners Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders to advise on the Non-exempt Transactions
“Independent Shareholders”	In respect of the CNACG Transactions, the Shareholders of the Company other than CNAHC and its associate(s); in respect of the transactions contemplated under the New Framework Agreement, the Shareholders of the Company other than Cathay Pacific and its associate(s)
“Latest Practicable Date”	28 May 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“New Framework Agreement”	the new framework agreement dated 28 May 2025 between the Company and Cathay Pacific governing the execution, renewal and extension of the relevant agreements between members of the Group on the one hand and members of Cathay Pacific Group and Cathay Pacific’s 30%-controlled Corporations (where applicable) on the other hand, as well as members of Cathay Pacific Group on the one hand and members of the Group and the Company’s 30%-controlled Corporations (where applicable) on the other hand
“Non-exempt Transactions”	the finance and operating leases entered into by the Group as lessee under the CNACG Transactions, the highest applicable percentage ratio of the proposed annual cap in respect of the total value of right-of-use assets of which is, on an annual basis, higher than 5% but less than 25%
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shareholder(s)”	holder(s) of the shares of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

LETTER FROM THE BOARD



中國國際航空股份有限公司 AIR CHINA LIMITED

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

(Stock Code: 00753)

Directors:

Executive Directors:

Mr. Ma Chongxian (*Chairman*)
Mr. Wang Mingyuan

Non-Executive Directors:

Mr. Cui Xiaofeng
Mr. Patrick Healy

Employee Representative Director:

Mr. Xiao Peng

Independent Non-Executive Directors:

Mr. Xu Niansha
Mr. He Yun
Ms. Winnie Tam Wan-chi
Mr. Gao Chunlei

Registered Address:

1st Floor-9th Floor 101,
Building 1
30 Tianzhu Road
Shunyi District
Beijing, the PRC

Principal Place of Business in Hong Kong:

5th Floor, CNAC House
12 Tung Fai Road
Hong Kong International Airport
Hong Kong

4 June 2025

To the Shareholders

Dear Sir or Madam,

- (1) CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION: THE CNACG FRAMEWORK AGREEMENT**
- (2) CONTINUING CONNECTED TRANSACTION: THE NEW FRAMEWORK AGREEMENT**
- (3) PROPOSED CHANGE OF AUDITORS**
- (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE ABOLISHMENT OF THE SUPERVISORY COMMITTEE**
- (5) PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES OF SHAREHOLDERS' MEETINGS AND THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD**
- (6) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The AGM of the Company will be held at 10:00 a.m. on Tuesday, 24 June 2025.

LETTER FROM THE BOARD

The resolutions to be proposed at the AGM for the Shareholders' approval include: (1) the resolution on the 2024 work report of the Board; (2) the resolution on the 2024 work report of the Supervisory Committee; (3) the resolution on the financial reports for the year 2024; (4) the resolution on the profit distribution proposal for the year 2024; (5) the resolution on the unrecovered losses of the Company exceeding one-third of the total amount of its paid-up share capital; (6) the resolution on the renewal of the CNACG Framework Agreement between the Company and CNACG and the application for the annual transaction caps for 2026 to 2028; (7) the resolution on the entering into of the New Framework Agreement between the Company and Cathay Pacific and the application for the annual transaction caps for 2026 to 2028; (8) the resolution on the proposed change of auditors; (9) the resolution on the proposed amendments to the Articles of Association and the abolishment of the Supervisory Committee; (10) the resolution on the proposed amendments to the Rules and Procedures of Shareholders' Meetings; (11) the resolution on the proposed amendments to the Rules and Procedures of Meetings of the Board; and (12) the resolution on the grant of mandate to the Board of the Company to issue debt financing instruments.

The above resolutions no. (9) to no. (12) are special resolutions and the rest resolutions are ordinary resolutions.

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on voting in respect of the relevant resolutions at the AGM. For details of the above resolutions no. 1 to 5 and resolution no. 12, please refer to the section headed "VI. DETAILS OF OTHER RESOLUTIONS" in this circular. For details of the above resolutions no. 6 and 7, please refer to the section headed "II. CONTINUING CONNECTED TRANSACTIONS" in this circular. For details of the above resolution no. 8, please refer to the section headed "III. PROPOSED CHANGE OF AUDITORS" in this circular. For details of the above resolution no. 9, please refer to the section headed "IV. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE ABOLISHMENT OF THE SUPERVISORY COMMITTEE" in this circular. For details of the above resolutions no. 10 and no. 11, please refer to the section headed "V. PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES OF SHAREHOLDERS' MEETINGS AND THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD" in this circular.

II. CONTINUING CONNECTED TRANSACTIONS

1. The CNACG Transactions

Reference is made to the 2022 Circular in relation to, among other things, the CNACG Transactions. The current term of the CNACG Framework Agreement will expire on 31 December 2025. As the Company expects that the CNACG Transactions will continue to be conducted after 31 December 2025, on 28 May 2025, the Board resolved to renew the CNACG Framework Agreement for a term of three years commencing from 1 January 2026 to 31 December 2028, subject to Independent Shareholders' approval at the AGM.

(1) Parties and the Relationship between the Parties

The Company's principal business activity is air passenger, air cargo and airline-related services.

LETTER FROM THE BOARD

CNACG is a wholly-owned subsidiary of CNAHC, the controlling shareholder of the Company, and a substantial shareholder of the Company, directly holding approximately 11.18% of the Company's shares as at the Latest Practicable Date. CNACG is an investment holding company established in Hong Kong whose principal businesses include passenger terminal operation, cargo terminal operation, airport ground handling services, airline catering services, finance/operating lease, aircraft maintenance, property investment, logistics and other businesses conducted through its subsidiaries. As at the Latest Practicable Date, the State-owned Assets Supervision and Administration Commission of the State Council is the controlling shareholder and de facto controller of CNAHC. CNAHC primarily operates all the state-owned assets and state-owned equity interests invested by the State in CNAHC and its invested entities, aircraft leasing and aviation equipment and facilities maintenance businesses.

(2) Description of the CNACG Transactions

The CNACG Transactions contemplated under the CNACG Framework Agreement are as follows:

- **Finance and operating lease services:** the CNACG Group will provide finance and operating lease services in respect of, including but not limited to, aircraft, engines, simulators, aircraft-related materials, equipment and vehicles to the Group; the Group will provide finance and operating lease services in respect of, including but not limited to, equipment and vehicles to the CNACG Group.

Set out below are the differences between (i) engines, equipment and vehicle leasing services provided by the CNACG Group to the Group; and (ii) equipment and vehicle leasing services provided by the Group to the CNACG Group:

- o The CNACG Group leases engines, equipment and vehicles to the Group through its specialised leasing subsidiary. These leasing services, offered under either finance lease or operating lease arrangements, typically have leasing terms of one year or longer. The leased equipment primarily includes airborne media equipment, baggage handling equipment and vehicles; and
 - o The Group provides equipment and vehicle leasing services to the CNACG Group on a selective basis, primarily consisting of catering trolleys leases based on the needs of CNACG Group from time to time and typically involving a leasing term of one year or longer.
- **Ground support services and other services:** including but not limited to the following transactions conducted between any member of the Group on the one hand and any member of the CNACG Group on the other hand: ground support services, aircraft maintenance services, aircraft repair services, property investment and management services, ticket and tourism services, logistics

LETTER FROM THE BOARD

services, administrative management services, cleaning and washing services, resident security services, lounge supplies procurement services and aircraft material procurement services.

In particular, the services provided by the CNACG Group to the Group from time to time mainly include the ground support services, aircraft maintenance services, property investment and management services, ticket and tourism services, logistics services, administrative management services, cleaning and washing services and resident security services, while the services provided by the Group to the CNACG Group from time to time mainly include the aircraft repair services, lounge supplies procurement services and aircraft material procurement services.

(3) *Pricing Policies for the CNACG Transactions*

The consideration of any specific CNACG Transactions shall be agreed on arm's length negotiations between the Group and the CNACG Group and on normal commercial terms, which shall be determined in accordance with the pricing policies set forth below on a case-by-case basis.

- **Finance and operating lease services:** the final transaction price will be determined on arm's length negotiations between both parties with reference to the prices for the same type of lease services offered by independent third parties and after taking into account certain factors. Such factors include purchasing price of the leasing subject, interest rate and arrangement fees (if any) (for finance lease), rental fee (for operating lease), the lease terms, the feature of the leasing subject and the comparable market rental prices. The final transaction price should not be higher than the transaction prices offered by at least two independent third parties on the same conditions (for services received by the Group); or the final transaction price should not be lower than the transaction prices offered by the Group to the independent third parties on the same conditions (for services provided by the Group).

- **Ground support services and other services:**

The pricing policies for ground support services and other services provided to or by the Group are set forth below:

- (i) Follow the government pricing or guide price if it is available, including but not limited to the guidance from the Civil Aviation Administration of China (CAAC) and the International Air Transport Association regarding the prices for the ground support services and other terms, as well as the pricing standards for aeronautical information set by CAAC and the Air Traffic Management Bureau.

LETTER FROM THE BOARD

- (ii) If no government pricing or guide price is available, first by making reference to the market prices offered by at least two independent third parties on the market for the same type of services, and after considering certain factors, the final transaction price shall be determined through arm's length negotiations between the parties. Such factors include service standards, scope, business volume and specific need of parties. If the service recipient's service requirements change, the transaction price may be adjusted appropriately through negotiation between both parties, based on the extent of changes in relevant costs, service quality or other factors.
- (iii) If neither of the above cases is applicable, the price will be determined on the basis of cost plus reasonable profit. The costs are mainly based on the costs and expenses of the service provider, including human resource costs, facility, equipment and material costs. The reasonable profit margin will be determined mainly by reference to the historical average prices of similar products or services (where possible) of the relevant industry, and/or the profit margin of comparable products and services disclosed by other listed companies. The profit margin of the CNACG Group shall not exceed 10%. The final transaction prices shall be determined on terms that are no less favourable to the Group than those provided by independent third parties to the Group or by the CNACG Group to independent third parties (for services received by the Group), or no more favourable than those provided by the Group to independent third parties (for services provided by the Group). The Group may generally learn about the historical average prices of reasonable profit margins for similar products or services in the relevant industry by making its own enquiries at the official websites of other listed companies. Besides, prior to entering into individual CNACG Transactions, the Group may have access to the terms of similar comparable transactions entered into by the CNACG Group with independent third parties for reference in determining the transaction price. While making reference to the profit margins of comparable products and services disclosed by other listed companies, the Group will seek to obtain as much comparable data as practicable, typically referencing at least two listed companies' relevant data where practicable.

(4) *The Term of the CNACG Framework Agreement*

The renewal of the CNACG Framework Agreement is subject to the approval of Independent Shareholders at the AGM. If approval of the Independent Shareholders is obtained, the CNACG Framework Agreement will be renewed for a term of three years commencing from 1 January 2026 to 31 December 2028, and may be renewed automatically for successive terms of three years each, subject to the fulfilment of requirements under the Hong Kong Listing Rules/the Shanghai Listing Rules and the approval procedures required under the Hong Kong Listing Rules/the Shanghai Listing Rules. Before expiry of the term of the CNACG Framework Agreement, the Board will re-assess the terms and conditions of the CNACG Framework Agreement, and the Company will re-comply with the relevant rules

LETTER FROM THE BOARD

governing connected transactions under the Hong Kong Listing Rules/the Shanghai Listing Rules. During the term of the CNACG Framework Agreement, the agreement can be terminated upon the expiry on any 31 December by either party thereto by serving the other party a prior written notice of not less than three months.

(5) *Reasons for and Benefits of the CNACG Transactions*

Regarding the finance and operating lease services, by utilizing the leasing platform of the CNACG Group, the Group is able to secure equipment tailored to its specific needs, benefiting from lower financing costs, greater flexibility and reduced cash flow impact compared to direct purchases. This effectively supports the Group's production and operational needs. Simultaneously, the CNACG Group gains a stable revenue stream, creating a mutually beneficial and win-win relationship for both parties.

Regarding the ground support services and other services, the CNACG Group possesses extensive management experience and financial resources in airport ground services and logistics operations, which enables the CNACG Group to provide high-quality, efficient and convenient services to the Group, primarily covering ground operations in Hong Kong, as well as administrative support. The Group provides ground and other services to the CNACG Group, mainly focused on aviation materials procurement, albeit on a smaller scale. The collaboration between the CNACG Group and the Group ensures a mutually beneficial partnership, enhancing service quality and operational efficiency for both parties.

Overall, the transaction fosters a win-win relationship, with both parties leveraging their respective strengths to achieve cost efficiency, operational stability and mutual growth.

(6) *Historical Amounts and Existing Annual Caps*

The table below sets out (i) the annual caps of the Group for the three years ended/ending 31 December 2023, 2024 and 2025; and (ii) the actual historical amounts for each of the two years ended 31 December 2023 and 2024 and the estimated aggregate amounts payable for the year ending 31 December 2025:

LETTER FROM THE BOARD

Unit: RMB million

	Actual Historical Amounts		Estimated	Existing Annual Caps		
	For the year	For the year	For the year	For the year	For the year	For the year
	ended 31	ended 31	ending 31	ended 31	ended 31	ending 31
	December	December	December	December	December	December
	2023	2024	2025	2023	2024	2025
Total value of right-of-use assets in relation to the finance and operating leases entered into by the Group as lessee	808	1,948	7,466	14,000	16,500	17,500
Annual rental fee for operating leases not accounted for as right-of-use assets provided by CNACG Group	18	18	23	100	140	220
Amounts payable/paid to CNACG Group by the Group for ground support services and other services	423	440	405	750	800	850

Reasons for the lower utilization rate of the historical annual caps

For the years ended 31 December 2023 and 2024, the utilization rates were calculated by comparing the actual historical amounts against the respective existing annual caps during each period. Looking ahead to 2025, the estimated utilization rates are based on the estimated amounts for the year ending 31 December 2025 against the existing annual cap for 2025. Specifically, the utilization rates for total value of right-of-use assets in relation to finance and operating leases entered into by the Group as lessee were 6% in 2023 and 12% in 2024, with an estimated utilization rate of 43% for 2025. For the annual rental fee for operating leases not accounted for as right-of-use assets provided by the CNACG Group, the utilization rates were 18% in 2023 and 13% in 2024, with an estimated 10% utilization rate for 2025. Amounts payable/paid to the CNACG Group by the Group for ground support services and other services showed utilization rates of 56% in 2023 and 55% in 2024, with the 2025 estimation at 48% of the existing annual cap. The estimated amounts for the year ending 31 December 2025 is based on the Group's plan to introduce 47 aircraft during 2025, of which no more than 50% will be financed through finance lease arrangements with the CNACG Group.

The discrepancy between the actual and estimated expenditure on finance leases is mainly due to delivery uncertainties by aircraft manufacturers, resulting in delays and a lower-than-planned number of aircraft introduced through finance leases. Additionally, the proceeds raised from the Company's non-public issuance of shares in 2022 and 2024

LETTER FROM THE BOARD

were primarily used for direct aircraft purchases, which further reduced the number of aircraft introduced via finance leases. The relatively low utilization rate of the historical annual caps for ground support services and other services is primarily due to flight volumes in Hong Kong not yet recovering to pre-pandemic levels, resulting in lower-than-expected utilization rate of the transaction annual caps for ground support services and other related services.

(7) Proposed Annual Caps and Basis of Determination

The table below sets out the proposed annual caps for the relevant transactions of the Group below for each of the three years ending 31 December 2026, 2027 and 2028, respectively:

Unit: RMB million

	Proposed Annual Caps		
	For the year	For the year	For the year
	ending	ending	ending
	31 December	31 December	31 December
	2026	2027	2028
Total value of right-of-use assets in relation to the finance and operating leases entered into by the Group as lessee	14,800	19,500	17,500
Annual rental fee for operating leases not accounted for as right-of-use assets provided by CNACG Group	200	300	400
Amounts payable to CNACG Group by the Group for ground support services and other services	750	800	850

In arriving at the annual caps of the total value of right-of-use assets in relation to the finance and operating leases entered into by the Group as lessee above, the Company has considered the following factors:

- When estimating the total value of right-of-use assets in relation to aircraft under finance lease for the next three years, the Company has considered: (i) historical transaction amounts; (ii) the aircraft introduction plan of the Group and the assumption that 50% of aircraft to be introduced during 2026 to 2028 for which funding arrangements have not been finalised will be introduced through finance lease with the CNACG Group. The proposed annual cap for 2028 is lower than it for 2027 primarily because the proposed annual caps in respect of finance lease are derived based on the aircraft introduction plan of the Group. The aircraft introduction plan is driven by operational and strategic considerations which are formulated through comprehensive analysis of multiple operational factors including fleet composition optimisation, strategic market deployment and

LETTER FROM THE BOARD

planned capacity allocation. It is estimated that more aircraft will be introduced in 2027 than in 2028, leading to a lower proposed annual cap for 2028 compared to it for 2027; (iii) given the expected lease term of 10 to 12 years for each aircraft under finance lease, the calculation of aircraft finance lease interest uses the People's Bank of China's over-five-year RMB Loan Prime Rate (LPR) of 3.6% as of 30 April 2025; (iv) based on the information currently available to the Group, it is anticipated that the CNACG Group will not charge arrangement fees for finance leases in the coming three years, and accordingly the arrangement fees have not been included in the annual cap estimates.

- When estimating the total value of right-of-use assets under operating leases for aircraft, engines and ground equipment over the next three years, the Company has considered: (i) in respect of aircraft operating leases, the estimation is primarily based on the Group's aircraft induction and retirement plans, and assuming no more than 10 aircraft will be introduced through operating leases with the CNACG Group for each of the years from 2026 to 2028. The lease rentals will be determined mainly by reference to prevailing market rates or professional appraisals subject to arm's length negotiations between the parties; (ii) in respect of the operating leases of engines and ground equipment, the estimation takes into account the current lease arrangements, the operational status of the Group's engines, simulators and equipment, along with anticipated commercial demand for operating lease in the next three years. Specifically, the Group plans to lease annually from the CNACG Group (a) one to two used engines and (b) 23 ground equipment, with lease terms typically ranging from 1 to 12 years.
- An exchange rate of RMB7.3 : USD1.0 is adopted for the calculation of the proposed annual caps.
- A reasonable buffer of 5% is reserved to accommodate unforeseen circumstances, ensuring flexibility in the financial planning process.
- Based on the above, the Company expected that for the three years ending 31 December 2028, the total annual rental fee payable by the Group to CNACG Group throughout the lease term for aircraft, engines and ground equipment under finance lease and operating lease entered into will not exceed RMB15 billion, RMB20 billion and RMB18 billion, respectively. By adopting the incremental borrowing rate of the Company as the discount rate (ranging from 2.24% to 2.74%) to discount such estimated future total rental fee, the total value of the right-of-use assets under the finance leases and operating leases entered into by the Group as the lessee for the three years ending 31 December 2028 will not exceed RMB14.8 billion, RMB19.5 billion and RMB17 billion, respectively.

In arriving at the above annual caps of annual rental fee payable by the Group to the CNACG Group in relation to the operating leases not accounted for as right-of-use assets, the Company has considered, among other things, the following factors:

LETTER FROM THE BOARD

- The historical transaction amounts and the assumption that certain operating leases of ground equipment may have a lease term of less than one year.
- The operation status of the Group's engines and equipment and the Group's commercial demand for operating leases in the following three years. The Group's annual rental fees paid for the lease with the CNACG Group that were not accounted for as right-of-use assets in the past were mainly related to some sporadic and temporary leases of engines and equipment, with an annual rental fee of approximately RMB25 million. As mentioned above, the Group may lease between one to two engines and 23 ground equipment from the CNACG Group in each of the three years from 2026 to 2028, respectively. As the Group has not yet determined whether to adopt long-term leases of over one year (in which case the leased assets will be accounted for as right-of-use assets) or short-term leases for these engines and equipment, the Company has also set annual caps for the rental fees of operating leases not accounted for as right-of-use assets to ensure that the transaction amounts are subject to corresponding annual caps regardless of the lease method. The Group will determine the lease method based on its actual business needs, taking into account the respective rental quotations for long-term and short-term leases and the financial impact on the Group. Based on the above, the Company estimates that, for the three years ending 31 December 2028, the annual rental fee of operating leases for engines and equipment not accounted for as right-of-use assets will not exceed RMB101 million, RMB180 million and RMB259 million, respectively.
- On the basis of the above estimated transaction amount and accounting for potential foreign exchange fluctuations, a reasonable buffer of 5% has further been included by rounding to the nearest integer to accommodate the Group's operating needs from time to time.

In arriving at the above annual caps of amount payable by the Group to the CNACG Group for ground support services and other services provided by the CNACG Group, the Company has considered, among other things, the following factors:

- Since 2023, the ground support and other services transaction volume has experienced growth, with the actual transaction amount reaching RMB440 million in 2024. Such growth reflects the Group's increasing demand for the CNACG Group's ground support and other services.
- Looking ahead, the estimated transaction scale for 2026 to 2028 is estimated to range between RMB500 million and RMB800 million. Such estimation is assuming an average annual growth rate of 7%, which is reached with reference to the civil aviation industry's average annual growth rate outlined in the "14th Five-Year Plan". Additionally, factors such as rising labor costs have been taken into account to ensure a realistic and comprehensive forecast.

LETTER FROM THE BOARD

- To account for potential uncertainties or unforeseen circumstances, a reasonable buffer of 5% has been included in the proposed annual caps for the amount payable by the Group to the CNACG Group for ground support services and other services provided by the CNACG Group, which ensures flexibility and preparedness for any unexpected changes in service demand or operational requirements.

(8) *Internal Control Procedures*

The Group has adopted the following internal control procedures to ensure that the CNACG Transactions will be conducted on normal commercial terms, and in accordance with the CNACG Framework Agreement and the pricing policies of the Group:

- Before entering into individual CNACG Transactions, the Finance Department, the Legal Department, the Asset Management Department (which has a dedicated subdivision responsible for the management of connected transactions) and if applicable, certain other relevant departments of the Company will review the proposed terms for the individual CNACG Transactions and discuss with the relevant business department of the Group to ensure that such transactions are conducted on normal commercial terms and in compliance with the pricing policies of the Group before these relevant departments approve the finalized transaction agreements according to their authority within the Group.
- The Asset Management Department of the Company is responsible for overseeing the connected transactions of the Company. The Asset Management Department will monitor and collect detailed information on the CNACG Transactions on a regular basis, including but not limited to the implementation of pricing policies, term of agreement and actual transaction amount of each finance lease transaction, operating lease transaction and ground support services and other services to ensure that the transactions are conducted in accordance with the framework agreement. In addition, the Asset Management Department is responsible for monitoring and reviewing the balance amount of the annual cap for the CNACG Transactions on a monthly basis and if the annual cap for the CNACG Transactions is expected to be exceeded for a particular year, it will report to the management and take appropriate measures in accordance with the relevant requirements of the Hong Kong Listing Rules and/or the Shanghai Listing Rules.
- The Company's Internal Audit Department is responsible for performing annual assessment on the internal control procedures of the Group, including but not limited to the relevant information on the management of continuing connected transactions. In addition, the Internal Audit Department is responsible for compiling the annual internal control assessment report and submitting the report to the Board for examination and approval.

LETTER FROM THE BOARD

- The independent auditor of the Company and the independent non-executive Directors will conduct an annual review on the continuing connected transactions of the Group.

(9) Hong Kong Listing Rules Implications

CNACG is a connected person of the Company as defined under the Hong Kong Listing Rules, and accordingly the CNACG Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio of the proposed annual cap in respect of the total value of right-of-use assets relating to the finance and operating leases entered into by the Group as lessee under the CNACG Transactions is, on an annual basis, higher than 5% but less than 25%, these transactions are therefore subject to the announcement, annual review, circular (including advice of independent financial adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules and the requirements under Chapter 14 of the Hong Kong Listing Rules applicable to discloseable transactions.

In respect of the operating lease not accounted for as right-of-use assets provided by the CNACG Group, as the highest applicable percentage ratio in respect of the proposed annual caps of the rental fee payable by the Group is, on an annual basis, higher than 0.1% but less than 5%, these transactions are subject to the announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules but are exempt from the Independent Shareholders' approval requirement.

In respect of the ground support services and other services provided by CNACG Group, as the highest applicable percentage ratio in respect of the proposed annual caps of the amounts payable by the Group is, on an annual basis, higher than 0.1% but less than 5%, these transactions are subject to the announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules but are exempt from the Independent Shareholders' approval requirement.

In respect of the finance and operating lease services provided by the Group to CNACG Group, for each of the three years ending 31 December 2026, 2027 and 2028, the aggregate amounts payable to the Group is expected to fall below the de minimis threshold as stipulated under Rule 14A.76(1)(a) of the Hong Kong Listing Rules. Therefore, such transactions will be exempt from the announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In respect of the ground support services and other services provided by the Group to CNACG Group, for each of the three years ending 31 December 2026, 2027 and 2028, the aggregate amounts payable to the Group is expected to fall below the de minimis threshold as stipulated under Rule 14A.76(1)(a) of the Hong Kong Listing Rules. Therefore, such transactions will be exempt from the announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors) considers that the terms and conditions of the CNACG Transactions are fair and reasonable. Such continuing connected transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. The Board also considers that the annual caps for each of the three years ending 31 December 2026, 2027 and 2028 for the CNACG Transactions are fair and reasonable.

Mr. Ma Chongxian, Mr. Wang Mingyuan, Mr. Cui Xiaofeng and Mr. Xiao Peng, being the Directors of the Company also holding directorship in CNAHC, are considered to have material interests in the CNACG Transactions and therefore have abstained from voting in the relevant Board resolutions in respect of the CNACG Transactions. Save as disclosed above, none of the Directors have a material interest in the CNACG Transactions and hence no other Director is required to abstain from voting in the relevant Board resolutions.

(10) Shanghai Listing Rules Implications

As CNACG is controlled by CNAHC, the controlling shareholder of the Company, CNACG is considered as a related party of the Company according to the Shanghai Listing Rules. As a result, the transactions between the Group and CNACG Group constitute related party transactions under the Shanghai Listing Rules. According to the Shanghai Listing Rules, the transaction amounts of the proposed annual caps of the CNACG Transactions exceed 5% of the latest audited net assets of the Company, and therefore shall be disclosed in a timely manner and be submitted to the general meeting of the Company for consideration and approval by unrelated shareholders of the Company (i.e. the Independent Shareholders).

2. The Cathay Transactions

(1) Background and Particulars

Reference is made to the joint announcements dated 26 June 2008, 10 September 2010, 26 September 2013, 30 August 2016, 28 August 2019 and 30 August 2022 issued by the Company and Cathay Pacific in connection with the Framework Agreement entered into between the Company and Cathay Pacific on 26 June 2008. The Framework Agreement was renewed on 1 October 2022 for a term of three years from 1 January 2023 to 31 December 2025. As the parties expect that certain transactions contemplated under the Framework Agreement will continue after 31 December 2025, the Company and Cathay Pacific entered into the New Framework Agreement on 28 May 2025. The New Framework Agreement is conditional upon, among others, approval being given by the Independent Shareholders at the AGM. If such condition is satisfied, the New Framework Agreement will come into effect on 1 January 2026.

The Framework Agreement provided the framework governing the execution, renewal and extension of the relevant agreements between members of the Group on the one hand and members of Cathay Pacific Group on the other hand. Historically, transactions involving 30%-controlled Corporations of either the Company or Cathay Pacific were de minimis in value, and therefore were not included in the Framework Agreement. However, in light of the

LETTER FROM THE BOARD

evolving business development between the Group (including the Company's 30%-controlled Corporations) and Cathay Pacific Group (including Cathay Pacific's 30%-controlled Corporations), the volume of transactions are expected to grow substantially.

To accommodate such anticipated expansion and ensure efficient governance, the New Framework Agreement extends coverage to include each party's 30%-controlled Corporations. The expanded scope will facilitate seamless collaboration. By broadening the framework to cover these transactions, the New Framework Agreement enhances operational flexibility, improves management efficiency and supports the deepening partnership between the Company and Cathay Pacific.

As Cathay Pacific is a substantial shareholder and therefore a connected person of the Company, transactions between members of the Group on the one hand and members of Cathay Pacific Group and Cathay Pacific's 30%-controlled Corporations on the other hand constitute continuing connected transactions for the Company under Rule 14A.31 of the Hong Kong Listing Rules and are subject to reporting, annual review and announcement requirements under Chapter 14A of the Hong Kong Listing Rules.

The transactions contemplated under the New Framework Agreement include those arising from interline arrangements, code sharing arrangements, joint operating arrangements, aircraft leasing, frequent flyer programmes, the provision of airline catering, ground support and engineering services, inbound/outbound cargo handling services and other services agreed to be provided and other transactions agreed to be undertaken under the New Framework Agreement.

Except for the expanded scope under the New Framework Agreement and the corresponding changes in pricing policies thereunder, other material terms of the Framework Agreement remain unchanged.

The New Framework Agreement will be renewed automatically for successive periods of three years after the three years term ending on 31 December 2028, subject to each party's compliance with relevant requirements, including obtaining board and/or shareholders' approvals (if applicable), in accordance with applicable laws, rules and regulations (including the listing rules of the stock exchange(s) where the parties' shares are respectively listed). Either party may terminate the agreement by giving the other party notice of termination of not less than three months, expiring on any 31st December.

(2) Pricing terms and policies

The following table outlines the relevant pricing terms and policies for the respective transactions contemplated under the New Framework Agreement.

LETTER FROM THE BOARD

Transaction	Pricing Terms and Policies
Interline arrangements and codeshare arrangements	Revenue is apportioned between the parties in accordance with bilateral prorate agreements which follow the principles in the Multi-lateral Prorate Agreement of International Air Transport Association.
Joint operating arrangements	Revenue is apportioned between the parties having regard to the fleet capacity of both parties and the values of seats sold by each party.
Aircraft leasing	Rentals payable under aircraft leases are determined after negotiations at arm's length between the parties having regard to rentals payable under comparable leases by at least two unconnected parties for comparable aircraft and comparable periods and prevailing long term interest rates.
Frequent flyer programmes	Frequent flyers of either party can earn mileage credits by taking the other party's flights. Payments by each party to the other for mileage values are determined by the parties on an arm's length basis having regard to comparable mileage values payable by at least two unconnected airlines to the relevant party.
Airline catering	The parties determine the pricing of airline catering having regard to quotations provided by at least two unconnected caterers, taking due account of material and labour costs, quality, assurance of supply, safety and innovation of similar catering products (including changes in the foregoing matters).
Ground support and engineering services	The pricing of ground support and engineering services charged by one party to the other party is required to be no less favourable than that offered for comparable services of similar scope to at least two unconnected parties taking due account of the quality of services.
Inbound/outbound cargo handling services	The pricing of cargo handling services charged by one party to the other party is required to be no less favourable than that offered for comparable services of similar scope to at least two unconnected parties taking due account of the quality of services.

LETTER FROM THE BOARD

Transaction

Pricing Terms and Policies

Other products and services

The pricing of other products and services, including leasing premises and handling customs clearance, is determined having regard to relevant market information to ensure fairness and reasonableness and to ensure the offer is comparable to those offered by unrelated third parties. This includes soliciting at least two independent third-party quotations for comparable products in similar quantities and services of similar scope. Additionally, the costs incurred by the relevant party and the quality of products and services, including any changes in these factors, are taken into consideration.

The pricing terms and policies as set out above have been, and any variation of it will be, negotiated between Cathay Pacific and the Company at arm's length. If comparable market prices for the relevant products and services as described in the above are available, the parties agree to obtain, verify and compare quotations and terms from at least two independent parties to ensure the fairness and reasonableness of their terms.

(3) *The annual caps*

For the purpose of setting the annual caps in respect of the continuing connected transactions of the Company, the Cathay Transactions contemplated under the New Framework Agreement involve, among other things, transactions between the Group on the one hand and Cathay Pacific Group and Cathay Pacific's 30%-controlled Corporations on the other hand, which constitute continuing connected transactions for the Company under Rule 14A.31 of the Hong Kong Listing Rules.

The table below sets out the historical payments and the corresponding annual caps for the relevant continuing connected transactions of the Company contemplated under the New Framework Agreement.

LETTER FROM THE BOARD

	Historical amounts (HK\$ million)			Annual caps (HK\$ million)			
	Financial years ended			Financial years ending			
	31 December			31 December			
	2022	2023	2024	2025	2026	2027	2028
	(Note)						
The payments made by the Group to Cathay Pacific Group and/or Cathay Pacific's 30%-controlled Corporations	25	84	133	900	700	800	900
The payments received by the Group from Cathay Pacific Group and/or Cathay Pacific's 30%- controlled Corporations	36	174	365	900	800	900	1,000

*Notes: 1. Reference is made to the joint announcement made on 30 August 2022 issued by the Company and Cathay Pacific. The prescribed 2025 annual caps for (i) payments made by the Group to Cathay Pacific Group, and (ii) payments made by Cathay Pacific Group to the Group, in each case, **excluding** transactions involving Cathay Pacific's 30%-controlled Corporations is HK\$900 million respectively.*

2. For the avoidance of doubt, for transactions between the Group and Cathay Pacific's 30%-controlled Corporations, the actual transaction amount for the period between 1 January 2025 and 30 April 2025 was and the expected transaction amount for the year ending 31 December 2025 will be within the de minimis threshold under the Hong Kong Listing Rules.

The following key factors are considered in determining the above annual caps set for continuing connected transactions under the New Framework Agreement:

- (1) the historical transaction volume and the estimated transaction amounts for 2025;
- (2) the operational needs of both the Group and Cathay Pacific Group, including amongst other things, the projections of each party's fleet sizes, the delivery schedules of new aircraft, the anticipated annual growth in flights scheduled for Hong Kong;
- (3) the expanded scope under the New Framework Agreement to include Cathay Pacific's 30%-controlled Corporations, as well as the potential increase in number of subsidiaries of both parties over time; and

LETTER FROM THE BOARD

- (4) foreign exchange fluctuations and a buffer of 5% have been incorporated to account for potential unplanned increases in aircraft maintenance services and other unforeseen factors, allowing for sufficient flexibility to accommodate future developments.

(4) *Reasons for, and benefits of, entering into the New Framework Agreement*

The cooperation between the Group and Cathay Pacific Group is expected to continue to further the development of Beijing Capital International Airport and Hong Kong International Airport as gateways to and hubs for Mainland China and Hong Kong and will assist the Group and Cathay Pacific Group in their efforts to optimise the allocation of operating resources.

(5) *Hong Kong Listing Rules Implications*

Cathay Pacific, by virtue of its 15.09% shareholding in the Company, is a substantial shareholder and therefore a connected person of the Company under the Hong Kong Listing Rules.

As the highest of the applicable percentage ratios in respect of the annual caps applicable to each of the (i) payments made by the Group to Cathay Pacific Group and/or Cathay Pacific's 30%-controlled Corporations, and (ii) payments received by the Group from Cathay Pacific Group and/or Cathay Pacific's 30%-controlled Corporation is, on an annual basis, more than 0.1% but less than 5%, such transactions are subject to the announcement and annual review requirements but are exempt from the shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Directors, including the independent non-executive Directors, consider that the terms of the New Framework Agreement are fair and reasonable and that the New Framework Agreement is (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (ii) in the interests of the Company and its shareholders as a whole.

Mr. Ma Chongxian, Mr. Wang Mingyuan and Mr. Patrick Healy, being the Directors of the Company also holding directorship in Cathay Pacific, are considered to have material interests in the transactions contemplated under the New Framework Agreement and therefore have abstained from voting in the relevant Board resolution in respect of the continuing connected transactions. Save as disclosed above, none of the Directors have a material interest in the transactions contemplated under the New Framework Agreement and hence no other Director is required to abstain from voting in the relevant Board resolution.

(6) *Shanghai Listing Rules Implications*

As Cathay Pacific is a substantial shareholder of the Company, Cathay Pacific is considered as a related party of the Company according to Shanghai Listing Rules. As a result, the transactions between the Group and Cathay Pacific Group constitute related party transactions of the Company under the Shanghai Listing Rules. According to Shanghai Listing Rules, the transaction amounts of the proposed annual caps exceed 5% of the latest audited net

LETTER FROM THE BOARD

assets of the Company, and therefore shall be disclosed in a timely manner and be submitted to the general meeting of the Company for consideration and approval by unrelated shareholders of the Company (i.e. the Independent Shareholders).

Therefore, although the transactions contemplated under the New Framework Agreement are exempted from Independent Shareholders' approval under the Hong Kong Listing Rules, they are required to be approved by the Independent Shareholders under the Shanghai Listing Rules.

(7) *Internal controls*

In order to ensure that the continuing connected transactions between Cathay Pacific Group and the Group are being conducted in a fair and reasonable manner, the Company has adopted the following internal control procedures:

- (i) the Company conducts regular reviews to ensure that the transaction amounts of the continuing connected transactions are within the relevant annual caps;
- (ii) the Company's independent non-executive Directors will review the Group's continuing connected transactions on an annual basis as required under Rule 14A.55 of the Hong Kong Listing Rules and confirm in its annual report whether the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) the terms of the agreements governing the relevant transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole; and
- (iii) for compliance with Rule 14A.56 of the Hong Kong Listing Rules, the Company will also engage its external auditors to conduct an annual review of the respective continuing connected transactions of the Company to ensure that, among others, the transactions (a) have been approved by the Directors, (b) were, in all material respects, in accordance with the pricing policies of the Company (including, but not limited to, those set out in the section "Pricing Terms and Policies" in this circular) if the transactions involve the provision of goods or services by the Company, (c) were conducted, in all material respects, in accordance with the terms of the relevant agreements, and (d) have not exceeded the relevant annual caps.

III. PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 27 March 2025.

Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP (collectively, "**Deloitte**") have been providing audit services to the Company for eight consecutive years. In accordance with the relevant provisions of the Measures for the Administration of Selection and Engagement of Accounting Firms by State-owned Enterprises and Listed Companies (《國有企業、上市公司選聘會計師

LETTER FROM THE BOARD

事務所管理辦法》), following the procurement process and based on the results thereof, the Board has resolved on 27 March 2025, with the recommendation from the Audit and Risk Management Committee (the Supervision Committee) of the Board, to propose to appoint KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for 2025 and KPMG as the Company's international auditor for 2025 (the **"Proposed Appointment"**). The estimated annual audit fees for the year 2025 amount to RMB11.149 million, of which the fees for audit and review of financial reports amount to RMB10.149 million and the audit fees for internal control amount to RMB1.00 million, remaining basically unchanged from the previous year's annual audit fees of RMB11.242 million.

The Proposed Appointment is subject to the approval of the Shareholders at the AGM. Upon approval at the AGM, Deloitte will cease to be the auditors of the Company.

Deloitte has confirmed that there were no matters relating to their retirement as auditors of the Company that need to be brought to the attention of the Shareholders. The Company also confirmed that there was no disagreement between the Company and Deloitte regarding work arrangements, fees or opinions.

The Audit and Risk Management Committee (the Supervision Committee), having reviewed the credentials of KPMG and KPMG Huazhen LLP, including their basic information, personnel details, professional competence, investor protection capability, integrity status and independence, considers that they can meet the requirements for providing audit services to the Company, and the reasons for changing the auditors are sufficient and appropriate.

The Proposed Appointment will be put forward for approval by the Shareholders by way of an ordinary resolution at the AGM.

IV. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE ABOLISHMENT OF THE SUPERVISORY COMMITTEE

Reference is made to the announcement of the Company dated 28 May 2025 in relation to, among other things, the proposed amendments to the Articles of Association.

In accordance with provisions of the Company Law of the People's Republic of China (the **"Company Law"**), the Guidelines for the Articles of Association of Listed Companies, the Rules for Shareholders' Meetings of Listed Companies and other laws, regulations and normative documents and regulatory requirements, and in light of the actual operational and management needs of the Company, the Board resolved on 28 May 2025 to propose amendments to the Articles of Association, and to make corresponding amendments to the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board. Upon completion of the amendments to the Articles of Association, the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board, the Company will no longer maintain the Supervisory Committee and supervisor positions, with the Audit and Risk Management Committee (the Supervision Committee) under the Board exercising the functions and powers of the Supervisory Committee as stipulated under the Company Law. The Rules and Procedures of the Supervisory Committee will be repealed accordingly.

LETTER FROM THE BOARD

The main amendments include: (1) the abolishment of the Supervisory Committee and supervisor positions, with the Audit and Risk Management Committee (the Supervision Committee) excising the original functions and powers of the Supervisory Committee. The Rules and Procedures of the Supervisory Committee will be repealed accordingly; (2) adjustments of certain functions and powers of the shareholders' meeting and the Board; (3) addition of a new chapter on special committees of the Board to set forth the composition and authorities of the five existing special committees of the Board, and deletion of the chapter on the Supervisory Committee; (4) enhancement of shareholders' rights, which the eligibility threshold for submitting proposals to the shareholders' meeting of the Company is changed from shareholders holding, individually or collectively, 3% or more of the Company's shares to those holding, individually or collectively, 1% or more of the Company's shares; adjustments are made to the content and exercise methods of shareholders' rights to information, further strengthening protections for minority shareholders; and (5) updates or refinements to other provisions of the Articles of Association in accordance with the latest laws and regulations and normative documents.

The details of the proposed amendments to the Articles of Association is set out in Appendix IV to this circular.

The proposed amendments to the Articles of Association will be put forward for approval by the Shareholders by way of a special resolution at the AGM.

V. PROPOSED AMENDMENTS TO THE RULES AND PROCEDURES OF SHAREHOLDERS' MEETINGS AND THE RULES AND PROCEDURES OF MEETINGS OF THE BOARD

On 28 May 2025, the Board also resolved to propose to the Shareholders certain amendments to the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board, so as to, among other things, align with the proposed amendments to the Articles of Association.

The details of the proposed amendments to the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board are set out in Appendix V and Appendix VI to this circular, respectively.

The proposed amendments to the Rules and Procedures of Shareholders' Meetings and the Rules and Procedures of Meetings of the Board will be put forward for approval by the Shareholders by way of special resolutions at the AGM.

VI. DETAILS OF OTHER RESOLUTIONS

(I) Resolution on the 2024 work report of the Board

For the full text of the 2024 work report of the Board, please refer to Appendix II to this circular.

(II) Resolution on the 2024 work report of the Supervisory Committee

For the full text of the 2024 work report of the Supervisory Committee, please refer to Appendix III to this circular.

LETTER FROM THE BOARD

(III) Resolution on the financial reports for the year 2024

For the full text of the financial reports for the year 2024 prepared under the PRC Accounting Standards and the IFRS Accounting Standards, please refer to relevant disclosures made by the Company on the website of the Shanghai Stock Exchange and the HKEXnews website of the Hong Kong Stock Exchange, respectively.

(IV) Resolution on the profit distribution proposal for the year 2024

According to the audited financial statements of the Company prepared in accordance with the PRC Accounting Standards and the IFRS Accounting Standards, the Company recorded negative profits available for distribution to Shareholders in 2024. As considered and approved by the second meeting of the seventh session of the Board, the Company proposed not to make profit distribution for the year of 2024.

(V) Resolution on the unrecovered losses of the Company exceeding one-third of the total amount of its paid-up share capital

Pursuant to the relevant requirements of the Company Law and the Articles of Association, under circumstances that the amount of the unrecovered losses of the Company exceeds one-third of the total paid-up share capital, it shall be subject to consideration at the general meeting of the Shareholders.

According to the audit report issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the net loss attributable to shareholders of parent company of the Company in 2024 was RMB237 million. As of the end of 2024, the accumulated unrecovered losses of the Company was RMB30.744 billion and the share capital of the Company was RMB17.448 billion. The amount of the unrecovered losses of the Company exceeded one-third of the total paid-up share capital.

(VI) Resolution on the grant of general mandate to the Board to issue debt financing instruments

Given the general mandate to issue debt financing instruments granted by Shareholders at the last annual general meeting of the Company will lapse at the conclusion of the AGM, a special resolution will be proposed at the AGM to grant a general mandate to the Board to issue the debt financing instruments (the “**Debt Financing Instrument Issue Mandate**”).

In order to meet the Company’s production and operation needs, according to the 2025 financing plan of the Company, the Company shall issue the Debt Financing Instruments (as defined below) at appropriate time. To grasp the favourable opportunity in the market, improve flexibility and efficiency of financing, the application is now been submitted by the Board at the general meeting of Shareholders of the Company to obtain general and unconditional mandate from the general meeting, under which the Board shall determine to issue debt financing instruments in one or multiple tranches within the cap amount of bond issuance under the requirements of applicable laws (the “**Issuance**”). If the Board has resolved to issue debt financing instruments according to the authorisation obtained

LETTER FROM THE BOARD

at the general meeting(s), the authorisation in relation to the issuance of such debt financing instruments shall continue to be valid and extended to the term of authorisation of the Issuance accordingly. Particulars regarding the Issuance are as follows:

1. *Plan of the issuance*

The relevant debt financing instruments include, but not limited to, ultra-short-term commercial papers, short-term commercial papers, mid-term notes, corporate bonds, domestic targeted debt financing instruments, overseas debt financing instruments and overseas bonds/notes denominated in RMB or foreign currencies ("**Debt Financing Instruments**").

2. *Major Terms of the issuance*

- | | |
|--------------------------|---|
| (1) Issuer: | the Company and/or its controlled or wholly-owned subsidiary, and the specific issuer shall be determined by the Board according to the needs of issuance. |
| (2) Placing arrangement: | no preferential placement to the shareholders of the Company. |
| (3) Issue size: | subject to that the balance of the outstanding debt financing instruments of the Issuance shall be within the permissible size prescribed by the relevant laws and regulations and specified by regulatory authorities, and the specific issue size shall be determined by the Board according to the capital requirement and the market conditions. |
| (4) Term and type: | not more than 15 years for one single-term instrument or a portfolio of instruments with various terms, and the specific term composition and the issue size of instruments with various terms shall be determined by the Board according to the relevant regulations and market conditions. |
| (5) Use of proceeds: | the proceeds to be raised from the Issuance are intended to be applied towards uses such as meeting the demand of the Company's production and operations, adjusting its debt structure, replenishing its working capital and/or funding its project investments, and the specific use of proceeds shall be determined by the Board according to the capital requirement. |

LETTER FROM THE BOARD

- (6) Term of validity of the authorization: from the date of the passing of the resolution at the general meeting of the Company to the date of the annual general meeting of the Company for the year 2025.

If the Board (including its authorized person) has resolved to issue within the valid term of the mandate, it shall be deemed as an extension to the term of the mandate granted to the Board (including its authorized person) in respect of such issue on the general meeting, provided that there is no conflict between the mandate renewed by the Board (including its authorized person) on the general meeting after the expiry of the mandate and the mandate granted to the Board (including its authorized person) in respect of such issue.

3. *Authorization to the Board*

The Board proposed to the shareholders of the Company at the AGM to authorize the Board, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and other market conditions:

- (1) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the Issuance (including, but not limited to, the specific issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set put-back or redemption terms, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use approved by the Shareholders' meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the Issuance).
- (2) to carry out all necessary and ancillary actions and procedures relating to the Issuance (including, but not limited to, engaging underwriters, lawyers, auditors, rating agencies, financial advisers and other intermediary institutions, handling all approval, registration and filing procedures with the relevant regulatory authorities in connection with the Issuance on behalf of the Company, executing all necessary legal documents in connection with the Issuance, selecting bonds trustee manager for the Issuance, formulating rules for the bondholders' meeting and handling any other matters relating to the issuance and trading).
- (3) to approve and confirm any action or procedure relating to the Issuance as mentioned above already taken by the Company.

LETTER FROM THE BOARD

- (4) to make adjustments to the relevant matters such as the specific proposals for the Issuance in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at the general meeting of the Company, except where a new vote at a general meeting of the Company is required by relevant laws and regulations and the Articles of Association.
- (5) to determine and handle relevant matters relating to the listing of the issued Debt Financing Instruments upon the completion of the issuance.
- (6) in the case of issuance of corporate debt financing instruments, during the term of the corporate debt financing instruments, to determine not to distribute profits to the shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and interests as they fall due.
- (7) to approve, execute and dispatch any announcements or circulars relating to the Issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the shares of the Company are listed.

The Board also proposed to the shareholders at the AGM to authorize the Board to further delegate the authorizations set forth in paragraph (1) to (6) above to the president and/or the general accountant of the Company and to authorize the Board to further delegate the authorization set forth in paragraph (7) above to the secretary of the Board while obtaining the authorization at the AGM.

VII. AGM

The Company will convene the AGM at The Conference Room C313, No. 30, Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, the PRC at 10:00 a.m. on Tuesday, 24 June 2025 to consider and, if thought fit, approve, among other things, the aforesaid matters. Votes on the resolutions to be considered at the AGM shall be taken by way of poll. A form of proxy is also enclosed herein, and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.airchina.com.cn). The notice of AGM is reproduced in this circular.

In respect of the CNACG Transactions, pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder with a material interest in the CNACG Transactions is required to abstain from voting on the relevant resolutions at the AGM. As at the Latest Practicable Date, CNACG is a wholly-owned subsidiary of CNAHC. Therefore, CNAHC and CNACG are required to abstain from voting on the resolution in respect of the CNACG Transactions at the AGM. As at the Latest Practicable Date, CNAHC and CNACG, in aggregate, held 9,370,724,929 shares of the Company, representing approximately 53.71% of the issued share capital of the Company, controlled or were entitled to control over the voting right in respect of the shares held by them in the Company. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the resolution in respect of the CNACG Transactions or should be required to abstain from voting on the relevant resolution at the AGM.

LETTER FROM THE BOARD

In respect of the transactions contemplated under the New Framework Agreement, pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder with a material interest in such transactions is required to abstain from voting on the relevant resolution at the AGM. As at the Latest Practicable Date, Cathay Pacific is a substantial shareholder of the Company. Therefore, Cathay Pacific and its associates are required to abstain from voting on the resolution in respect of the transactions contemplated under the New Framework Agreement. As at the Latest Practicable Date, Cathay Pacific and its associates, in aggregate, held 2,633,725,455 shares of the Company, representing approximately 15.09% of the issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of the shares held by them in the Company. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the resolution in respect of the transactions contemplated under the New Framework Agreement or should be required to abstain from voting on the relevant resolution at the AGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as the above Shareholders, no Shareholder has a material interest in the resolutions set out in the notice of the AGM or should be required to abstain from voting on the relevant resolutions at the AGM.

The register of members of H shares will be closed from Thursday, 19 June 2025 to Tuesday, 24 June 2025 (both days inclusive), during which no transfer of H shares will be effected in order to determine the list of holders of H shares of the Company who will be entitled to attend and vote at the AGM. H Shareholders of the Company whose names appear on the H share register of members of the Company at the close of business on Wednesday, 18 June 2025 are entitled to attend the AGM after completing the registration procedures. In order to qualify for attendance at the AGM, all the transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on Wednesday, 18 June 2025.

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instruction printed thereon as soon as practicable but in any event not less than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish.

VIII. RECOMMENDATION

The Board considers that the matters to be proposed to the Shareholders for voting at the AGM are in the interests of the Company and its shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions at the AGM.

IX. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out in this circular which contains its recommendation to the Independent Shareholders as to the voting at the AGM regarding the Non-exempt Transactions.

LETTER FROM THE BOARD

Your attention is also drawn to the letter from the Independent Financial Adviser as set out in this circular, which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Transactions as well as the principal factors and reasons considered by it in concluding its advice.

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

By order of the Board
Air China Limited
Ma Chongxian
Chairman

Beijing, the PRC

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



中國國際航空股份有限公司 AIR CHINA LIMITED

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

(Stock Code: 00753)

Independent Board Committee:

Mr. Xu Niansha

Mr. He Yun

Ms. Winnie Tam Wan-chi

Mr. Gao Chunlei

4 June 2025

To the Independent Shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 4 June 2025 issued by the Company to its Shareholders (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

On 28 May 2025, the Board approved the renewal of the CNACG Framework Agreement in respect of the CNACG Transactions and the proposed annual caps of the transactions contemplated thereunder for the three years ending 31 December 2028 as set out in the Circular. The Non-exempt Transactions are subject to the announcement, annual review, circular (including advice of independent financial adviser) and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The terms and the reasons for the renewed CNACG Framework Agreement are summarised in the Letter from the Board of the Circular.

We have been appointed to form the Independent Board Committee to make a recommendation to the Independent Shareholders as to whether the Non-exempt Transactions are fair and reasonable and whether such transactions are in the interests of the Company and the Shareholders as a whole. BaoQiao Partners Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

As your Independent Board Committee, we have discussed with the management of the Company the reasons for the Non-exempt Transactions, their terms and the basis upon which the terms have been determined. We have also considered the key factors taken into account by the Independent Financial Adviser in arriving at its opinion regarding the above mentioned transactions and their proposed annual caps as set out in the Letter from the Independent Financial Adviser of the Circular, which we urge you to read carefully.

The Independent Board Committee, after taking into account, among other things, the advice of the Independent Financial Adviser, considers that the Non-exempt Transactions are conducted on normal commercial terms or on terms no less favourable than those available to independent third parties and are entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the proposed annual caps under those transactions are also fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the relevant ordinary resolution as set out in the notice of the AGM.

Yours faithfully,

Independent Board Committee

Mr. Xu Niansha	Mr. He Yun	Ms. Winnie Tam Wan-chi	Mr. Gao Chunlei
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from BaoQiao Partners Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of Non-exempt Transactions, which has been prepared for the purpose of inclusion in this circular.



BAOQIAO PARTNERS CAPITAL LIMITED

Room C01, 26/F, United Centre,
95 Queensway, Admiralty, Hong Kong

4 June 2025

*To the Independent Board Committee and the Independent Shareholders of
Air China Limited*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions relating to the finance and operating lease services entered into by the Group as lessee under the CNACG Transactions (the “**Non-exempt Transactions**”) under the CNACG Framework Agreement, details of which are set out in the Letter from the Board (“**Letter from the Board**”) contained in the circular (the “**Circular**”) issued by the Company to the Shareholders dated 4 June 2025. Terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As disclosed in the Letter from the Board, the current term of the CNACG Framework Agreement will expire on 31 December 2025. As the Company expects that the CNACG Transactions (which include the Non-exempt Transactions) will continue to be conducted after 31 December 2025, on 28 May 2025, the Board resolved to renew the CNACG Framework Agreement for a term of three years commencing from 1 January 2026 to 31 December 2028, subject to Independent Shareholders’ approval at the AGM.

As CNACG is a substantial shareholder of the Company and a wholly-owned subsidiary of CNAHC, the controlling shareholder of the Company, CNACG is a connected person of the Company as defined under the Chapter 14A of the Hong Kong Listing Rules, and accordingly the renewal of the CNACG Framework Agreement and the CNACG Transactions (which include the Non-exempt Transactions) contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the highest applicable percentage ratio in respect of the proposed annual caps of the Non-exempt Transactions provided by the CNACG Group under the CNACG Transactions is, on an annual basis, higher than 5% but less than 25%, these transactions are therefore subject to the announcement, annual review, circular (including advice of independent financial adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

OUR INDEPENDENCE

In the last two years, prior to the Latest Practicable Date, BaoQiao Partners was appointed as the independent financial adviser by the Company (i) to advise of the Board in respect of the opinion pursuant to Rule 14A.52 of Hong Kong Listing Rules, as set out in (a) the circular of the Company dated 3 May 2023; and (b) the announcement and circular of the Company dated 30 October 2024 and 18 November 2024 respectively; (ii) to advise the independent board committee and independent shareholders of the Company in respect of the disclosable transaction and continuing connected transactions of the Company and the proposed revision of annual cap and entering into financial service agreements, as set out in the circular of the Company dated 3 May 2023; (iii) to advise the independent board committee and the independent shareholders of the Company in respect of the connected transaction involving the proposed issuance of A Shares and H Shares to specific investor, as set out in the circular of the Company dated 9 January 2024; and (iv) to advise the independent board committee and independent shareholders of the Company in respect of the continuing connected transactions of the Group's passenger aircraft cargo businesses, as set out in the circular of the Company dated 18 November 2024.

As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Company, CNACG, and their respective associates that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. As such, we consider that we are independent pursuant to Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company (collectively, the **"Management"**). We have reviewed, among others, the annual reports of the Company for each of the years ended 31 December 2022 (**"FY2022"**) (the **"2022 Annual Report"**), 31 December 2023 (**"FY2023"**) (the **"2023 Annual Report"**) and 31 December 2024 (**"FY2024"**) (the **"2024 Annual Report"**), the CNACG Framework Agreement, certain corporate and financial information of the Group and the CNACG Group, and the information set out in the announcement of the Company dated 28 May 2025 in respect of the Non-exempt Transactions (the **"Announcement"**) and the Circular. We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive 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 representations made by the Management in the Circular and/or discussed with/

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

provided to us were reasonably made after due enquiries 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, the Management, which have been provided to us.

The Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Group. 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 in the Circular misleading.

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, financial condition and future prospects of the Company, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into the CNACG Framework Agreement. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the facts, information, representations and opinions made available to us, at the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with the Non-exempt Transactions under the CNACG Framework Agreement, and this letter, except for its inclusion in the Circular as required under the Hong Kong Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders with regard to the Non-exempt Transactions, we have taken into consideration the following factors and reasons:

1. Background Information of the Parties

Information on the Company and Group

The Company is incorporated in the People's Republic of China with limited liability, the shares of which have been listed on the Main Board of the Hong Kong Stock Exchange since 15 December 2004. The Group is principally engaged in the provision of airline and airline related services, including aircraft engineering services and airport ground handling services.

According to the 2024 Annual Report, the Group reported a revenue of approximately RMB166,698.88 million, representing a year-on-year increase of approximately 18.14% or RMB25,598.65 million which was mainly attributable to the increase in both the Group's air passenger revenue and air cargo and mail revenue for FY2024 by around 16.3% or RMB21,272.11 million and 78.01% or RMB3,249.11 million respectively as compared with that for FY2023. In line

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

with the increase in revenue, loss for the year attributable to equity shareholders of the Company decreased from approximately RMB1,038.41 million for FY2023 to loss of approximately RMB232.56 million for FY2024.

Based on the 2024 Annual Report, the Group introduced 36 aircraft and phased out 11 aircraft during FY2024. As at 31 December 2024, the Group operated a fleet of 930 aircraft in total with an average age of 9.90 years, of which an aggregate of 524 aircraft were acquired under finance and operating leases.

Information on CNACG

As disclosed in the Letter from the Board, CNACG is a substantial shareholder of the Company and a wholly-owned subsidiary of CNAHC, the controlling shareholder of the Company. CNACG is an investment holding company established in Hong Kong whose principal businesses include passenger terminal operation, cargo terminal operation, airport ground handling services, airline catering services, finance/operating lease, aircraft maintenance, property investment, logistics and other businesses conducted through its subsidiaries.

The CNACG Group has been providing a wide range of aircraft related services to the Group since 2008, including but not limited to, ground support services, aircraft repair and maintenance services, administrative management services as well as finance lease and operating lease services in respect of, among other things, aircrafts, engine, simulator, equipment and vehicles.

2. Overview of Aviation Industry

According to the press releases published by the International Air Transport Association (“**IATA**”) on 29 January 2025 and 30 January 2025, both air passenger traffic (measured in revenue passenger kilometers) and air cargo traffic (measured in cargo tonne-kilometers) showed strong performance in 2024. Globally, full year 2024 air passenger traffic rose 10.4% compared to 2023, which was 3.8% above the pre-pandemic (2019) level. In respect of air cargo traffic, global full-year demand in 2024 rose 11.3% compared to 2023. Both air passenger and cargo demand continue to grow in 2025. Based on the press releases published by IATA on 27 February 2025, the revenue passenger kilometers (RPKs) were up 10.0% compared to January 2024 and the cargo tonne-kilometers (CTKs) also rose by 3.2% compared to January 2024 level.

In addition, according to the financial outlook for the global airline industry in 2025 published by IATA on 10 December 2024, overall strengthening of profitability is expected in 2025 and both passenger numbers and cargo volumes are expected to increase by 6.7% and 5.8% respectively compared to 2024.

China also witnessed growth in demand for air transport in 2024. According to the 2024 Statistical Bulletin (the “**CAAC Bulletin**”) on Civil Transport Airport Operations published by the Civil Aviation Administration of China (“**CAAC**”), China’s full year air passenger traffic rose 15.9% versus 2023, and was 8% above the pre-pandemic (2019) level, of which domestic traffic rose 12.2% versus 2023 (12.2 % above the 2019 level), while international traffic has shown a recovery trend and rose 109.8% versus 2023 and was at 71.2% of 2019 level.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Reasons for and benefits of the Non-exempt Transactions

As advised by the Management and as disclosed in the Letter from the Board, we note that the Company has developed its cooperation relationship with CNACG since 2008. In light of the long-established cooperation relationship between the Company and the CNACG Group as well as the CNACG Group's proven track record in aircraft as well as equipment/machinery leasing business, the CNACG Group has a better understanding of the Group's business needs and communications between the Company and the CNACG Group tend to be smoother and for them to reach an agreement in the best interests of both parties.

In addition, considering certain subsidiaries of CNACG, as the lessor, are located in China's Free Trade Zones and qualified for certain industry-supportive policies, by utilising the leasing platform for finance leases services of the CNACG Group, the Group is able to secure aircraft/equipment tailored to its specific needs, benefiting from lower financing costs, greater flexibility, and reduced cash flow impact compared to direct purchases.

In addition to the anticipated industry-supportive grants provided under the abovementioned industry-supportive policies, we have been advised by the Management the Group can benefit from the lower effective interest rates by utilising aircraft finance lease under the CNACG Framework Agreement, when compared to secured loan arrangements with equivalent interest rates available over the same period. The Group is projected to save approximately USD10.46 million, USD14.84 million, and USD13.12 million in total financing costs for each year from 2026 to 2028, respectively. Simultaneously, the CNACG Group can also gain a stable revenue stream, creating a mutually beneficial and win-win relationship for both parties.

Furthermore, as advised by the Management, aviation equipment or machinery (collectively "Aviation Equipment") is usually lower in transaction value as compared to aircraft, and could be tailor-made in nature, and such equipment/machinery may not necessarily have a readily available second-hand market. As such, independent finance institutions do not necessarily offer operating leases for smaller value equipment or may not be willing to provide the financing options for such Aviation Equipment due to a limited market. We however understand from the Management that, other than servicing the specific needs of the Group, CNACG has independent third-party clients such as airports, for operating leases involving Aviation Equipment.

We also note in the 2023 Annual Report and 2024 Annual Report that around 56.80% and 56.34 % of the aircraft fleet of the Group were held under either finance lease or operating lease as at 31 December 2023 and 31 December 2024 respectively and as such, the renewal of the CNACG Framework Agreement, in particular, in relation to the finance and operating lease services of aircraft, equipment and machinery is considered in line with the Group's business financing strategy.

Given that (i) the CNACG Group has experience, expertise and have been providing leasing services to the Group for a long time, and (ii) not only that the renewal of the CNACG Framework Agreement will continue to enhance financing flexibility for the Group as discussed in the paragraphs above, most importantly, it will not obligate the Group to enter into any transactions with the CNACG Group, but will provide the Group with the flexibility to choose the CNACG Group for its finance/operating leasing services if the terms provided are at a market rate or better, we are of the view that the entering into of the Non-exempt Transactions pursuant to the renewal of the CNACG Framework Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Principal Terms of the Non-exempt Transactions under the CNACG Framework Agreement

Services	The CNACG Group will provide finance and operating lease services in respect of, including but not limited to, aircraft, engines, simulators, aircraft-related materials, equipment and vehicles to the Group.
Pricing	The final transaction price will be determined on arm's length negotiations between both parties with reference to the prices for the same type of lease services offered by independent third parties and after taking into account certain factors. Such factors include purchasing price of the leasing subject, interest rate and arrangement fees (if any) (for finance lease), rental fee (for operating lease), the lease terms, the feature of the leasing subject and the comparable market rental prices. The final transaction price should not be higher than the transaction prices offered by at least two independent third parties on the same conditions.

We have discussed with and understand from the Management that aircraft finance lease (“**Aircraft Finance Lease**”) transactions accounted for majority of the historical transactions value for the Non-exempt Transactions under the CNACG Framework Agreement and the Company would compare the terms, including pricing terms offered by independent third parties so as to ensure that the terms offered by the CNACG Group are fair and reasonable, no less favourable compared to independent third parties and on normal commercial terms.

As confirmed with the Management, there was no finance lease transaction for Aviation Equipment entered into between the CNACG Group and the Group during FY2023, FY2024 and up to the Latest Practicable Date. We have further discussed with and understand from the Management that before entering into any operating lease transactions for aircraft (“**Aircraft Operating Lease**”) and/or Aviation Equipment (“**Aviation Equipment Operating Lease**”), it would firstly research into the costs associated with direct purchase of the aircraft and/or Aviation Equipment it requires and compare against potential costs of lease associated with entering into an operating lease for the same aircraft and/or Aviation Equipment. After taking into consideration the commercial factors including business needs, should the Company decide to enter into an operating lease for the aircraft and/or Aviation Equipment, the Company would then either compare the terms offered by the CNACG Group with terms offered for that similar aircraft and/or Aviation Equipment already leased by the Company and/or request the CNACG Group, to the greatest extent possible, to provide terms offered by the CNACG Group for the same or similar aircraft and/or Aviation Equipment to its independent third-party clients, so as to ensure that the terms offered by the CNACG Group in relation to the aircraft and/or Aviation Equipment are fair and reasonable, no less favourable and on normal commercial terms.

There was no Aircraft Operating Lease transaction between the CNACG Group and the Group for FY2023, FY2024 and up to the Latest Practicable Date. Based on our discussion with the Management, in respect of Aircraft Operating Lease under the CNACG Framework Agreement, we understand from the Management that the rental fees are determined with reference to prevailing market rates or professional appraisals subject to arm's length negotiations between the parties, which will take into account commercial negotiation with relevant stakeholders and technical assessments of various factors, including but not limited to aircraft's configuration, maintenance status, and operational performance, etc. Based on our review of the continuing connected transaction circulars published by the peers of the Company, namely China Southern

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Airlines Company Limited (stock code: 1055.HK) (“CSA”) and China Eastern Airlines Corporation Limited (stock code: 670.HK) (“CEA”) (which we consider to be fair and representative as both airlines are state-owned and listed on the Hong Kong Stock Exchange) regarding Aircraft Operating Lease transactions in the past three years, we note that the circular published by CSA on 1 December 2022 (the “**2022 CSA Circular**”) and CEA on 26 December 2022 (the “**2022 CEA Circular**”) contained relevant disclosure on pricing basis of aircraft operating lease transactions and we further note that similar determination basis is adopted by both CSA and CEA in respect of Aircraft Operating Lease.

Interest Rate for Aircraft Finance Lease

Based on our understanding from the Management, interest rates used for Aircraft Finance Lease for, among others, aircraft, are usually determined with reference to loan market quoted interest rate (“**LPR**”) promulgated by the People’s Bank of China (“**PBOC**”) and that the period of Aircraft Finance Lease would normally exceed five years. We note the LPR promulgated by PBOC for period greater than five years is 3.50% as at the Latest Practicable Date, which is similar to the interest rate of 3.6% adopted by the Company for estimating the proposed annual caps for the three years ending 31 December 2028 for the Non-exempt Transactions.

Review of Sample Transactions Documents for Aircraft Finance Lease and Aviation Equipment Operating Lease between the CNACG Group and the Group under the CNACG Framework Agreement

We have obtained from the Company (i) the only two transactions of Aircraft Finance Lease transactions conducted between the Group and the independent third parties in years 2023 and 2024 (“**Sample Aircraft Finance Lease**”) and (ii) 1 sample of Aircraft Finance Lease transaction conducted in 2023 and 2 samples of Aircraft Finance Lease transactions conducted in 2024 out of the transaction list of the total 7 Aircraft Finance Lease transactions between the Group and the CNACG Group (“**Sample CNACG Aircraft Finance Lease**”) during the years 2023 and 2024 for comparison with the Aircraft Finance Lease transactions under the CNACG Framework Agreement. We consider the number of samples and the sampling period (i.e. 2023 and 2024) to be sufficient and are fair and representative from our perspective.

We note that the lease interest rates were all benchmarked against the LPR published by the PBOC +/- certain percentage and lease terms of 10 years, in particular, the Sample CNACG Aircraft Finance Lease transactions were with nil handling fee, which compared favourably to the terms of the Sample Aircraft Finance Lease. As such, we consider the terms of Aircraft Finance Lease offered by the CNACG Group under the CNACG Framework Agreement to be commercially reasonable and not deviating from those offered by independent third parties under the comparable market conditions.

There was only one transaction of Aviation Equipment Operating Lease conducted between the CNACG Group and the independent third party from 2023 to 2024 (“**Sample Aviation Equipment Operating Lease**”) and we have obtained the relevant transaction documents together with 1 sample of that similar equipment between the Group and the CNACG Group (“**Sample CNACG Aviation Equipment Operation Lease**”) during the years 2023 and 2024 for comparison with the Aviation Equipment Operating Lease transactions under the CNACG Framework Agreement. We note that the rental fee for Sample Aviation Equipment Operating Lease and the Sample CNACG Aviation

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Equipment Operating Lease of that similar equipment is settled on the same basis, which is quarterly basis and that the rental expenses for the similar equipment charged by the CNACG Group on the Group are lower than those charged on the independent third party.

Based on the above, we consider that the terms of the Non-exempt Transactions are no less favourable compared to independent third parties, and generally in line with the market and such arrangement with the CNACG Group is fair and reasonable.

5. Proposed Annual Caps

Set out below are the historical transaction figures of the Non-exempt Transactions under the CNACG Framework Agreement for FY2023, FY2024 and the expected transaction amount of the Non-exempt Transactions for the year ending 31 December 2025 (“**FY2025**”) estimated by the Company and the proposed annual caps for the three years ending 31 December 2026 (“**FY2026**”), 31 December 2027 (“**FY2027**”) and 31 December 2028 (“**FY2028**”) for the Non-exempt Transactions (“**Proposed Annual Cap(s)**”) to be contemplated under the CNACG Framework Agreement:

Historical transaction figures and Historical Annual Caps

	FY2023	FY2024	FY2025
	<i>(in millions of RMB)</i>		
In terms of total value of right-of-use assets in relation to the finance and operating leases entered into by the Group as lessee			
Historical transaction amounts	808	1,948	7,466 ^{Note 2}
Historical Annual Caps	14,000	16,500	17,500
Utilisation rate ^{Note 1}	5.8%	11.8%	42.7%

Notes:

1. The utilisation rate is calculated as the actual/expected transaction amount of Non-exempt Transactions divided by the Historical Annual Cap for the respective year.
2. The amount of RMB7,466 million represents the expected transaction amount for FY2025 estimated by the Company.

With respect to the utilisation rate of the historical annual caps (“**Historical Annual Caps**”) of the Non-exempt Transactions, we note that the actual amount of total value of right-of-use assets in relation to the finance and operating leases entered into by the Group as lessee amounted to approximately RMB808 million and RMB1,948 million for FY2023 and FY2024 respectively and the expected transaction amount for FY2025, which as advised by the Management, is estimated based on the Group’s plan to introduce 47 aircraft in 2025 with no more than 50% of the acquisition cost would be financed with the Aircraft Finance Lease with the CNACG Group, would be RMB7,466 million, representing a utilisation rate of approximately 5.8%, 11.8% and 42.7% (estimated) for FY2023, FY2024 and FY2025, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed and understand from the Management that the relatively lower utilisation rate for the Historical Annual Caps for FY2023, FY2024 and FY2025 (estimated) was principally due to the uncertainties in aircraft delivery by manufacturers, in particular, the production delay of B737 series from Boeing as advised by the Management, resulting in delays and a reduction in the number of aircraft acquired through finance lease compared to initial plans. Additionally, the proceeds raised from the Company's non-public issuance of shares in 2022 and 2024 ("**Shares Issuance Exercises**") were primarily used to purchase aircraft directly, which further reduced the number of aircraft introduced through finance leases. Based on our review of the Company announcements in relation to the Shares Issuance Exercises published on the website of the Hong Kong Stock Exchange, the Shares Issuance Exercises were completed on 17 January 2023, 7 February 2024 and 12 December 2024 respectively with aggregate gross proceeds of RMB23 billion, of which RMB15 billion were intended to apply for purchasing 39 aircraft.

Proposed Annual Caps

	FY2026	FY2027	FY2028
	<i>(in millions of RMB)</i>		
In terms of total value of right-of-use assets in relation to the finance and operating leases entered into by the Group as lessee	14,800	19,500	17,500

Basis for Determining the Proposed Annual Caps

As stated in the Letter from the Board, the Proposed Annual Caps for the three years ending 31 December 2028 for the Non-exempt Transactions are determined with reference to the following primary factors:

- (i) When estimating the total value of right-of-use assets in relation to the aircraft under finance lease in the following three years, the Company has considered the followings:
 - (a) historical transaction amounts;
 - (b) the aircraft introduction plan of the Group and the assumption that 50% of the aircraft to be introduced during the years from 2026 to 2028 for which funding arrangements have not been finalised will be introduced through finance lease with the CNACG Group; The proposed annual cap for 2028 is lower than it for 2027 primarily because the proposed annual caps are derived based on the aircraft introduction plan of the Group. The aircraft introduction plan is driven by operational and strategic considerations which are formulated through comprehensive analysis of multiple operational factors including fleet composition optimisation, strategic market deployment and planned capacity allocation. It is estimated that more aircraft will be introduced in 2027 than in 2028, leading to lower proposed annual cap for 2028 compared to it for 2027;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (c) given the expected lease term of 10 to 12 years for each aircraft under finance lease, the calculation of aircraft finance lease interest rate uses the People's Bank of China's over-five-year RMB Loan Prime Rate (LPR) of 3.6% as of 30 April 2025;
 - (d) based on the information currently available to the Group, it is anticipated that CNACG Group will not charge the Group arrangement fees for finance leases in the coming three years, and accordingly no arrangement fees have been included in the annual cap estimates.
- (ii) When estimating the total value of right-of-use assets under operating leases for aircraft, engines and ground equipment in the following three years, the Company has considered the followings:
 - (a) in respect of aircraft operating leases, the estimation is primarily based on the Group's aircraft induction and retirement plans, and assuming no more than 10 aircraft will be introduced through operating leases with the CNACG Group for each of the years from 2026 to 2028. The lease rentals will be determined mainly by reference to prevailing market rates or professional appraisals subject to arm's length negotiations between the parties;
 - (b) in respect of the operating leases of engines and ground equipment, the estimation takes into account the current lease arrangements, the operational status of the Group's engines, simulators and equipment, along with anticipated commercial demand for operating lease in the next three years. Specifically, the Group plans to lease annually from the CNACG Group one to two used engines and 23 ground equipment units, with lease terms typically ranging from 1 to 12 years.
- (iii) An exchange rate of RMB7.3: USD1.0 is adopted for the calculation of the proposed annual caps.
- (iv) A reasonable buffer of 5% is reserved to accommodate unforeseen circumstances, ensuring flexibility in the financial planning process.
- (v) Based on the above, the Company expected that for the three years ending 31 December 2028, the total annual rental fee payable by the Group to the CNACG Group throughout the lease term for aircraft, engines and ground equipment under finance lease and operating lease entered into will not exceed RMB15 billion, RMB20 billion and RMB18 billion, respectively. By adopting the incremental borrowing rate of the Company as the discount rate (ranging from 2.24% to 2.74%) to discount such estimated future total rental fee, the total value of the right-of-use assets under the finance leases and operating leases entered into by the Group as the lessee for the three years ending 31 December 2028 will not exceed RMB14.8 billion, RMB19.5 billion and RMB17 billion, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For our due diligence purpose, we have discussed with the Management and reviewed the basis adopted by the Company in determining the Proposed Annual Caps for the Non-exempt Transactions under the CNACG Framework Agreement as follows.

Aircraft Finance Lease and Aircraft Operating Lease

Based on our discussion with the Management and for reasons outlined above, the relatively lower utilisation rate for the Historical Annual Caps was principally due to uncertainties in aircraft delivery by manufacturers and the aircraft purchasing plan of the Company was mostly funded by the proceeds raised in the Shares Issuance Exercises.

In addition, based on our review of the annual reports of the Company, the Company has also been postponing/slowing its pace to acquire aircraft to update and/or replace its existing fleet and portfolio. Prior to FY2020, the Group has been acquiring on average, 56 aircraft per year, and phasing out, on average 20 aircraft per year. We also note that the average age of the Group's fleet prior to COVID-19 pandemic was approximately 6.48 years. However, for the years from 2020 to 2023, the average growth in total fleet dropped to 29 aircraft per year and phasing out only, on average 10 aircraft per year. We note that the Company has demonstrated its effort in acquiring aircraft in 2024 and the Group had acquired 36 aircraft as disclosed in the 2024 Annual Report. As such, we consider the Group's business and financing plans to enhance its financial flexibility with finance lease/operating lease options in order to update its existing portfolio of aircrafts and expand its fleet size are commercially justifiable, in particular, from a business perspective so that it would be able to remain competitive to its closest peers and to align with the growth prospects of the aviation industry as supported by the statistics published by IATA and CAAC as discussed in section headed "2. Overview of Aviation Industry" in this letter. As such, leaving a sufficient portion on buffer when determining the annual caps for the coming three financial years ending 31 December 2028 is not without basis.

We have discussed and understand from the Company that the Proposed Annual Caps for Non-exempt Transactions, are estimated based on the total value of right-of-use assets in relation to the finance and operating leases of aircraft, which is positively co-related to the growth in the Group's fleet of aircraft. We note that the Proposed Annual Cap for FY2028 is RMB17,500 million as compared to RMB19,500 million for FY2027. As disclosed in the Letter from the Board, we understand that the number of aircraft to be introduced in 2028 is expected to be lower than that for FY2027, we consider the lower Proposed Annual Cap for 2028 as compared to 2027 to be reasonable.

According to the 2024 Annual Report and based on the information provided by the Management, the Group was intended to introduce 47 aircraft, 44 aircraft, and 59 aircraft for 2025, 2026, and 2027 respectively, of which 50% of the total amount of the introduced aircraft for which funding arrangements have not been finalised would be acquired through finance lease arrangement with the CNACG Group. As such, the maximum aggregate principal amount of total value of right-of-use assets in relation to the Aircraft Finance Lease ("**Aircraft Finance Leases PV**") with the CNACG Group during 2026 to 2028, shall not exceed half of the aggregate consideration amounts for the total aircraft projected to be added using finance leases during the said year. We have reviewed

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Company's 2023 Annual Report and 2024 Annual Report and noted that the Group introduced 36 aircraft for 2024, and the number of fleet under finance lease increased by 12 aircraft from 2023 to 2024.

To assess whether the computation process adopted by the Company to account for half of the expected total amount of aircrafts scheduled to be introduced using finance lease as the relevant principal amount is a market norm, we have reviewed and also noted that the Company's peers, the other two state-owned airlines listed on the Hong Kong Stock Exchange, namely CSA and CEA in their respective continuing connected transaction circulars dated 1 December 2022 and 26 October 2022 also adopted a similar computation process of accounting for 60% and half of the expected total purchase price of total aircrafts scheduled to be introduced as the relevant principal amount respectively.

As mentioned in the letter from the Board, the aircraft introduced by way of operating lease with the CNACG Group will be no more than 10 aircraft for each year. Based on our discussion with the Management, the acquisition of new aircraft and the sales and leaseback arrangements for middle-aged to older-generation aircraft via operating lease is a common financing method in the aviation industry and aligns with the industry practices. We note from both 2022 CSA Circular and the annual results announcement of CEA for FY2024 that the Company's peers have adopted the operating lease arrangements for financing the acquisition of aircraft.

Discount Rate

Similar to previous financial years, pursuant to IFRS (International Financial Reporting Standards) 16, the finance leases entered into by the Company as the lessee will be recognised as right-of-use assets and discounted using the Company's incremental borrowing rate, and the result of such calculation is used to determine the annual caps relating to the Non-exempt Transactions. Therefore, the amounts of Aircraft Finance Leases PV and total value of right-of-use assets in relation to the operating lease of aircraft ("**Aircraft Operating Leases PV**") for each of the years 2026, 2027 and 2028 are derived based on the total value of right-of-use assets relating to the aircraft finance and operating leases expected to be entered into between the Company and the CNACG Group during 2026, 2027 and 2028 respectively. We have reviewed the computation inputs of the respective values for the right-of-use assets relating to the planned aircraft finance and operating leases and noted that it is calculated by discounting the estimated total financing amount required for new aircrafts (including interest with zero arrangement fees) to be introduced for the particular year by a discount rate of 2.74% (for leases with terms over 5 years) which is equivalent to the Company's prescribed internal incremental borrowing rate for loans/leases over five years. We have reviewed the 2024 Annual Report and noted that the interest rate for the Group's interest bearing bank loans and other borrowings ranged from 1.6% to 4.38% (median interest rate being 2.99%), and range of interest rates for corporate bonds repayable and short-term commercial papers is from 2.03% to 3.46% (median interest rate being 2.745%). Given the abovementioned ranges and medians of interest rates applicable to the Group's interest-bearing bank loans and other borrowings, and the fact that the internal rate being 2.74% is towards the high end of the median interest rates and in the middle range of the aforementioned quoted ranges, we would consider the Company's use of internal rate of 2.74% to be prudent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Aviation Equipment Operating Leases

We have discussed and understand from the Management that the anticipated total value of right-of-use assets in relation to the Aviation Equipment Operating Lease for each of the three years ending 31 December 2028 (“**Aviation Equipment Leases PV**”) represents the present value of engines and other aviation related equipment that are capable to be supplied by CNACG and in response to the Group’s estimated demand which is based on internal budgets and purchase schedules. As mentioned above, the Group plans to lease one to two used engines annually and 23 ground equipment units annually, from the CNACG Group during 2026 to 2028, with lease terms typically ranging from 1 to 12 years. The Group will only enter into lease agreements with members of the CNACG Group if terms offered by the CNACG Group are on normal commercial terms or better.

From the information provided that the lease period for engines normally ranges between 5 to 12 years and for other aviation equipment, the lease period ranges between 1 to 6 years. Similar to that of Aircraft Finance Leases PV and Aircraft Operating Leases PV, pursuant to IFRS 16, Aviation Equipment will be recognised as right-of-use assets and such right-of-use asset value is used to determine the annual cap for Non-exempt Transactions. The Aviation Equipment Leases PV are derived from the expected total value of right-of-use assets relating to the engines and other aviation equipment operating lease, which is computed by discounting the estimated total rental fee for Aviation Equipment introduced each year as discussed above, by the Company’s internal incremental borrowing rate. As advised by the Management, the prescribed internal incremental borrowing rate referred to for leases with a term longer than five years is 2.74%, and 2.24% for leases with a term of 5 years or below. Similar to the aforementioned with Aircraft Finance Lease PV and Aircraft Operating Leases PV, based on the information in the 2024 Annual Report, the interest rate for the Group’s interest bearing bank loans and other borrowings ranged from 1.6% to 4.38% (median interest rate being 2.99%), and range of interest rates for corporate bonds repayable and short-term commercial papers is from 2.03% to 3.46% (median interest rate being 2.745%). Given the abovementioned ranges and medians of interest rates applicable to the Group’s interest-bearing bank loans and other borrowings, and the fact that the internal rates, being 2.74% (for leases with term longer than 5 years) or 2.24% (for leases with term of 5 years or below) are both towards the high end of the median interest rates and in the middle range of the aforementioned quoted ranges, we would consider the Company’s use of internal rates of 2.74% and 2.24% to be prudent.

Buffer

We also note that the Management has included a buffer of approximately 5% in its estimated amounts for each of the annual caps for 2026, 2027, and 2028. We have discussed and understand that the aforementioned buffer is included to accommodate unforeseen circumstances. We consider the use of a buffer of approximately 5% to be commercially acceptable.

Based on the discussion above, we consider such estimates for (i) calculating the estimation for Aircraft Finance Lease PV, Aircraft Operating Leases PV and Aviation Equipment Leases PV for three years ending 31 December 2028; and (ii) the total value of the right-of-use assets under the finance leases and operating leases entered into by the Group as the lessee under the CNACG

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Framework Agreement of approximately RMB14.8 billion, RMB19.5 billion and RMB17 billion, respectively for the three years ending 31 December 2028, are fair and reasonable as far as the Company and Independent Shareholders are concerned.

6. Internal Control

The Company has also adopted the measures as set out under the section headed “Internal Control Procedures” of the Letter from the Board for monitoring the CNACG Transactions and to ensure that the CNACG Transactions (including the Non-exempt Transactions) will be conducted on normal commercial terms and in accordance with the CNACG Framework Agreement and the pricing policies of the Group.

Upon our enquiry, we note that the Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Hong Kong Listing Rules pursuant to which (i) the values of the CNACG Transactions (including the Non-exempt Transactions) must be restricted by the applicable annual caps for the period concerned under the CNACG Framework Agreement; (ii) the terms of the CNACG Transactions (including the Non-exempt 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 CNACG Transactions (including the Non-exempt Transactions) must be included in the Company’s subsequent published annual reports and financial accounts.

Furthermore, it is also required by the Hong Kong 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 CNACG Transactions (including the Non-exempt Transactions) (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the applicable annual caps. We have obtained from the Company and reviewed the letters issued by the Company’s external auditors in 2023 and 2024 and note that the auditors have confirmed that the internal control procedures implemented by the Company have been effective in all material aspects.

Given the above stipulated requirements for continuing connected transactions pursuant to the Hong Kong Listing Rules, we concur with the view of the Directors that the Company has internal control in place to monitor the CNACG Transactions (including the Non-exempt Transactions) and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the Non-exempt Transactions under the CNACG Framework Agreement are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

whole, and that the Proposed Annual Caps are also fair and reasonable. Accordingly, we recommend the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant ordinary resolution to be proposed at the AGM.

Yours faithfully,
For and on behalf of
BaoQiao Partners Capital Limited
Irene Poon
Executive Director

Ms. Irene Poon is a responsible officer registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for BaoQiao Partners Capital Limited and has over 20 years of experience in the accounting and corporate financial services industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Group. 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. DISCLOSURE OF INTERESTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notifiable to the Company and the Hong Kong Stock Exchange pursuant to the SFO, or were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notifiable to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, none of the Directors or Supervisors of the Company had any direct or indirect interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors of the Company was materially interested in any contract or arrangement which is significant in relation to the business of the Group and subsisting as at the Latest Practicable Date.

Mr. Patrick Healy, a non-executive Director, is concurrently the chairman and an executive director of Cathay Pacific. Cathay Pacific is a substantial shareholder of the Company, holding 2,633,725,455 H Shares of the Company (representing approximately 15.09% of the total issued shares of the Company) as at the Latest Practicable Date. Mr. Ma Chongxian and Mr. Wang Mingyuan, both are executive Directors, are concurrently non-executive directors of Cathay Pacific. Cathay Pacific competes or is likely to compete either directly or indirectly with some aspects of the business of the Company as it operates airline services to certain destinations, which are also served by the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or Supervisors of the Company and their respective close associates (as defined in the Hong Kong Listing Rules) had any competing interests which would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors were aware, the following persons (not being a Director or Supervisor or chief executive of the Company or their associate) had an interest or short position (if any) in the Shares or the underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

Name	Type of interests	Type and number of shares held	Approximate percentage of the total number of Shares in issue	Percentage of the total issued A Shares of the Company	Percentage of the total issued H Shares of the Company
CNAHC	Beneficial owner	7,421,462,701 (L) A Shares	42.53%	59.41%	–
CNAHC ⁽¹⁾	Equity attributable	1,332,482,920 (L) A Shares	7.64%	10.67%	–
CNAHC ⁽¹⁾	Equity attributable	616,779,308 (L) H Shares	3.54%	–	12.45%
CNACG	Beneficial owner	1,332,482,920 (L) A Shares	7.64%	10.67%	–
CNACG	Beneficial owner	616,779,308 (L) H Shares	3.54%	–	12.45%
Cathay Pacific	Beneficial owner	2,633,725,455 (L) H Shares	15.09%	–	53.15%
Swire Pacific Limited ⁽²⁾	Equity attributable	2,633,725,455 (L) H Shares	15.09%	–	53.15%
John Swire & Sons (H.K.) Limited ⁽²⁾	Equity attributable	2,633,725,455 (L) H Shares	15.09%	–	53.15%
John Swire & Sons Limited ⁽²⁾	Equity attributable	2,633,725,455 (L) H Shares	15.09%	–	53.15%

Notes:

- (1) By virtue of CNAHC's 100% interest in CNACG, CNAHC was deemed to be interested in the 1,332,482,920 A Shares and 616,779,308 H Shares directly held by CNACG.
- (2) By virtue of John Swire & Sons Limited's 100% interest in John Swire & Sons (H.K.) Limited and their approximately 63.05% equity interest and 70.13% voting rights in Swire Pacific Limited, and Swire Pacific Limited's approximately 44.98% interest in Cathay Pacific as at the Latest Practicable Date, John Swire & Sons Limited, John Swire & Sons (H.K.) Limited and Swire Pacific Limited were deemed to be interested in the 2,633,725,455 H Shares of the Company directly held by Cathay Pacific.
- (3) The letter "L" denotes a long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, no other persons (not being a Director or Supervisor or chief executive of the Company or their associate) had any interest or short position (if any) in the Shares or the underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO.

4. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' AND SUPERVISORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

The followings are the particulars of Directors' and Supervisors' employment with substantial Shareholders (holding interests or short positions in the shares and underlying shares of the Company required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO) as at the Latest Practicable Date:

Directors

Mr. Ma Chongxian, an executive Director, the chairman of the Board and the secretary of the Party Committee of the Company, serves as a director, the chairman, a member of the Party Leadership Group and the secretary of the Party Leadership Group of CNAHC. He is also the deputy chairman of the board of directors and a non-executive director of Cathay Pacific.

Mr. Wang Mingyuan, an executive Director, the vice chairman of the Board, the president and the deputy secretary of the Party Committee of the Company, serves as a director, the general manager, a member of the Party Leadership Group and the deputy secretary of the Party Leadership Group of CNAHC. He is also a non-executive director of Cathay Pacific.

Mr. Cui Xiaofeng, a non-executive Director of the Company, is a director, a member of the Party Leadership Group and the deputy secretary of the Party Leadership Group of CNAHC.

Mr. Patrick Healy, a non-executive Director of the Company, is the chairman of the board of directors and an executive director of Cathay Pacific, a director of Swire Pacific Limited, and a director of John Swire & Sons (H.K.) Limited.

Mr. Xiao Peng, the employee representative Director of the Company, serves as the chairman of the labour union and the employee representative director of CNAHC.

Supervisor

Ms. Lyu Yanfang, a Supervisor of the Company, serves as the general manager of the law department of CNAHC.

6. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there has been no material adverse change in the Group's financial or trading position since 31 December 2024, being the date to which the latest published audited financial statements of the Group have been made up.

7. LITIGATION

As at the Latest Practical Date, the Company was not involved in any significant litigation or arbitration and to the knowledge of the Company, there were no litigation or claims of material importance pending or threatened against any member of the Group.

8. EXPERT

The following is the qualification of the expert who has given its opinions or advices, which are contained in this circular:

Name	Qualification
BaoQiao Partners	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

- a. As at the Latest Practicable Date, BaoQiao Partners did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (the date to which the latest published audited financial statements of the Group were made up);
- b. As at the Latest Practicable Date, BaoQiao Partners was not beneficially interested in the share capital of any member of the Group and had no right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- c. BaoQiao Partners has given and has not withdrawn its written consent to the issue of this circular with inclusion of its opinion and the references to its name, logo and qualification included herein in the form and context in which they respectively appear. The letter and recommendation from BaoQiao Partners are given as of the date of this circular for incorporation herein.

9. MISCELLANEOUS

- a. The joint company secretaries of the Company are Mr. Xiao Feng and Mr. Huen Ho Yin. Mr. Huen Ho Yin is a practicing solicitor of the High Court of Hong Kong.

- b. The registered address of the Company is at 1st Floor – 9th Floor 101, Building 1, 30 Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, the PRC. The head office of the Company is at No. 30 Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, the PRC.
- c. The H Share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, the address of which is Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.airchina.com.cn) for a period of 14 days from the date of this circular:

- a. the CNACG Framework Agreement; and
- b. this circular.

2024 WORK REPORT OF THE BOARD OF AIR CHINA

In 2024, the Board of Air China adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and the Second and Third Plenary Sessions of the 20th CPC Central Committee as well as the resolutions and deployments of the CPC Central Committee and the State Council, conscientiously implemented the state-owned assets supervision and securities regulatory requirements, and continuously deepen the development of a scientific, rational and efficient Board, striving to promote the Company's high-quality development.

I. CONSCIENTIOUSLY IMPLEMENTED THE RESOLUTIONS AND DEPLOYMENTS OF THE CPC CENTRAL COMMITTEE AND THE STATE COUNCIL, AND RESOLUTELY FULFILLED THE ECONOMIC, POLITICAL AND SOCIAL RESPONSIBILITIES OF A CENTRAL ENTERPRISE. Firstly, fully embracing its responsibilities and missions as a national flag carrier and ensuring “Two Absolute Safeties (兩個絕對安全)”. The Company recorded a total of 2.95 million safe flight hours throughout the year, representing a year-on-year growth of 14%. Aircraft movements amounted to 1.13 million, representing a year-on-year increase of 10.1%, and 155 million passengers were transported, representing a year-on-year increase of 20.9%. Secondly, aligning closely with the national regional development strategy and contributing to the major-country diplomacy with Chinese Characteristics. The Board pushed ahead with the cooperation with local governments in the Beijing-Tianjin-Hebei, the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area and Chengdu-Chongqing, and steadily advanced the expansion of international routes. 63 “Belt and Road” related routes were operational across 28 countries, with flight volumes surpassing that of 2019. Thirdly, aligning with the strategy of domestically produced large aircrafts. 33 C909 aircraft operated normally. The Company approved the introduction of 100 C919 aircraft and became the launch customer for C919 aircraft. Fourthly, accelerating the cultivation of new quality productive forces. With a focus on three major R&D initiatives: domestic civil aircraft R&D/operations, intelligent flight operation control and air-ground connectivity for in-flight networks, the Board promotes the Company to facilitate the joint research on the core technologies and key areas of Beidou navigation. Fifthly, strengthening digitalization development. The Board approved “Top-Level Design Plan for Digitalisation Development” and established the Digital Transformation Office to drive the implementation of the comprehensive digitalization planning strategy and related projects. Sixthly, comprehensively promoting the deepening of reforms. The Board has completed 263 reform initiatives, achieving 71.5% of its three-year reform target. Seventhly, improving the modern corporate system with Chinese characteristics. The Company strictly ensured that preliminary research were carried out by the Party Committee for material operation and management matters. Among the 37 proposals considered and approved by the Board, 22 were undergone preliminary research and discussion by the Standing Committee of the Party Committee of the Company.

II. ACCELERATED THE ESTABLISHMENT OF A SCIENTIFIC, RATIONAL AND EFFICIENT BOARD TO LEAD AND SUPPORT THE HIGH-QUALITY DEVELOPMENT.

Firstly, improving the institutional development. The Articles of Association and the Checklist of Rights and Responsibilities for Material Matters (重大事項權責清單) were amended to clearly define the scope of rights and responsibilities. The “Four Yes-and-No” (四個是否) review requirements for preliminary deliberations were amended and refined, so as to reinforce the leading role of the Party in setting strategic direction, overseeing broader interests and ensuring implementation. **Secondly, implementing state-owned assets supervision and enhancing the quality of Board development.** The Board deepened its understanding of the guiding principles from the Conference on Advancing Board Development in Central Enterprises (中央企業董事會建設工作推進會), conducted research on and formulated the “Task List for Board Development” (董事會建設任務清單) and made deployment for implementing special initiatives to elevate board governance quality across all subsidiaries. **Thirdly, optimizing the operational mechanisms.** The Board formulated its work plan scientifically with arrangements for matters including the meetings of the Board and the special committees, investigations and research and trainings. The advance reporting mechanism was implemented, under which major matters including the introduction of 100 C919 aircraft were communicated and reported to external directors in advance. The supervision mechanisms were implemented to strengthen the supervision over the rectification of issues identified in central inspections and audits, and the feedback mechanism was implemented to improve the work arrangements in relation to the implementation of and response to the opinions and recommendations of directors. **Fourthly, strengthening communication and coordination.** Regulatory authorities were invited to attend the meetings of the Board to enhance work guidance. The communication between the Board and the Party Committee was strengthened through the establishment of a two-way communication and exchange mechanism, and the communication between the management and the Board was strengthened with all management team members regularly attending Board meetings, and the management regularly reporting to the Board on the implementation progress of resolutions, authorized matters and the opinions and recommendation of directors. **Fifthly, enhancing the development standards of the board of directors of subsidiaries.** The Board reinforced the foundation of the governance systems of the subsidiaries, promoted standardized operation of the boards of directors and strengthened the development of the team of directors with dedicated duties. **Sixthly, improving the quality of listed companies.** The Board was awarded the “Best Practice Case of Board of Directors of Listed Companies in 2024” by the China Association of Public Companies (中國上市公司協會) and was awarded an ‘A’ Grade in information disclosure by the Shanghai Stock Exchange for 11 consecutive years. The Company published its social responsibility (ESG) reports for 16 consecutive years, fully utilized its listing platform functions and completed the non-public issuance of A-shares and H-shares of RMB8 billion. The research on market capitalization management was advanced and a market capitalization management mechanism was established.

III. STRENGTHENED THE MAIN FUNCTION OF THE BOARD IN DECISION-MAKING ON OPERATION, AND GAVE FULL PLAY TO ITS ROLE IN FORMULATING STRATEGIES, DECISION-MAKING AND RISK PREVENTION.

- (I) The Board strengthened its strategic leadership and fulfilled its strategic functions. With a firm commitment to national priorities, the Board accurately identified the new positioning and mission of an air transportation enterprise within China’s civil aviation power-nation strategy and the new development paradigm. By leveraging the “dual pathways” and fulfilling the

“three roles”, it oversaw the entire process of strategy formulation, implementation, and evaluation, ensuring scientifically sound strategic goals to steer corporate reform and development. **Firstly, robust strategy implementation was advanced.** Focusing on building a world-class air transportation industry group, the Board convened a strategy-decoding conference to coordinate progress on the “eight critical campaigns”. Together with the members of the Party Committee and the senior management, the Board analyzed the current situation, benchmarked against the major requirements for strengthening core functions and competitiveness, identified gaps and deficiencies, and further solidified consensus to reinforce strategic leadership. The Board actively promoted the implementation of value creation initiative and aligned efforts with key tasks in the “14th Five-Year” Plan. **Secondly, strategic emerging industries expanded rapidly.** The Board formulated a development plan for strategic emerging industries and supporting policies, advanced the systematic digital transformation projects, and conducted a comprehensive review of the fundamental aspects across three key domains and mapped out growth directions, fostering a data-driven value creation mindset. It launched a range of pivotal long-term projects, such as full-fleet air-ground connectivity upgrades and digitalized dispatch systems. **Thirdly, groundwork for the 15th Five-Year Plan commenced.** The Board designed the planning framework for the 15th Five-Year Plan, outlined guiding principles and progress schedule, and coordinated preliminary research for Air China, Shenzhen Airlines, and Shandong Airlines. It initiated fleet planning studies to analyze market trends, aircraft performance, and fleet management, yielding preliminary proposals. Emphasis was placed on industry trend analysis and strategic research, ensuring alignment with national, industrial and regional plans to chart the course of development and reform for the next five years. **Fourthly, the strategic evaluation system was optimized.** Anchored in high-quality development and aligned with national and industrial strategies, the Board dynamically optimized the medium-to-long-term planning system to ensure corporate planning objectives and pathways remained congruent with regulatory requirements. Enhanced monitoring and tiered evaluations safeguarded operational decisions’ adherence to strategic plans and focus on the primary responsibilities and main business of the Company, mitigated strategic risks, and corrected implementation deviations promptly.

- (II) Strengthened rational decision-making and performed decision-making functions. The Board focused on the implementation of the Central Government’s policy directives, coordinated state-owned assets supervision and securities regulation, and promoted the implementation of major projects through scientific and rational decision-making. **Firstly, pre-meeting communication was enhanced.** Meeting-related documents were distributed in advance to facilitate external directors’ review, with their opinions actively solicited through pre-meeting consultations. For instance, during preliminary discussions and reporting on the introduction of 100 C919 aircraft, external directors provided critical inputs on debt ratio implications, economic feasibility, and legal risks, leading to refined feasibility reports and supplementary data that improved the Board’s decision efficiency and quality. **Secondly, in-depth and focused research was conducted.** Closely monitoring the Company’s strategies and the Board’s decisions, the Board conducted in-depth investigations and researches on the front line to best keep abreast with the prevailing conditions of the enterprise and the actual situation. In 2024, the external directors completed 4 field investigations in 2024 focusing on strategic synergies, digital transformation, marketing and sales, brand services and overseas risk management, producing 4 reports with 26 actionable recommendations on management and

development to provide important reference and support for evidence-based decisions and high-quality development. **Thirdly, the special committees provided efficient support.** Special committees conducted preliminary reviews of proposals prior to Board deliberations, with committee chairs reporting their recommendations during Board meetings. In 2024, the Board held nine meetings, considered and approved 37 resolutions, including the introduction and retirement of aircraft and major organizational adjustments, and received 20 special reports. The special committees of the Board held 23 meetings, studied and reviewed 36 resolutions, and received 27 reports. Among them, the Strategy and Investment Committee held seven meetings, the Audit and Risk Management Committee (the Supervision Committee) held seven meetings, the Remuneration and Appraisal Committee held three meetings, the Nomination Committee held three meetings, and the Aviation Safety Committee held three meetings, which robustly supported the Board's informed and efficient decision-making. **Fourthly, external directors fully utilized their expertise.** With diverse professional experiences and complementary skills, external directors focused on evaluating the "four key criteria", i.e. the legality and compliance of decisions, consistency with investors' and Shareholders' demands, alignment with corporate development strategy and comprehensive risk-reward balance, thereby ensuring independent judgment and decisions. **Fifthly, enhanced joint work group collaboration.** The chief accountant, chief legal counsel, secretary of the Board and responsible persons of business departments attended meetings on a regular basis, and regularly reported on production and operation, budget execution, risk compliance and corporate governance, so as to strengthen the cross-functional decision-making support.

- (III) Strengthened risk prevention and control and performed risk management responsibilities. The Board firmly implements the important instructions and directives of General Secretary Xi Jinping regarding the prevention and resolution of major risks, adheres to a bottom-line mindset, enhances risk awareness, and gives full play to the supervisory role of the Board, so as to effectively prevent and resolve the major risks of the enterprise. **Firstly, the Board built up a strong defense for safe operation.** The Board insists on the principle of "putting people and life first (人民至上、生命至上)", prioritizing the protection of people's lives and safety. It proactively examined the safety conditions, strengthened the supervision on safety operation, established a long-term effective mechanism for safety operation, and continuously improves safety management capabilities and safety standards. **Secondly, major business risks were prevented and resolved.** The Board conducted in-depth analysis of macroeconomic conditions, overall industry conditions and status of market competition, and identified the top five annual operational risks for the Company: aviation safety operations, fluctuations in operating performance, volatility in oil prices, exchange rates and interest rates, debt and foreign-related legal compliance. The Board provided guidance to formulate the corresponding prevention and control measures, and continuously tracked the risks to ensure a closed-loop management process. The Board conducted risk assessments for major decisions requiring comprehensive evaluation of all significant decisions, and continuously improved assessment quality. The Board also pays close attention to the inspection for foreign-related legal compliance risks. A regular mechanism has been established for identifying such risk, with focus on key areas such as material contracts, large fund management, bidding and procurement and data protection. Monthly checks are conducted for foreign-related legal compliance risks and existing risks are properly addressed. **Thirdly, improving the risk prevention and control system.** The Board provided guidance on the promotion of integrated

management of legal affairs, risk, internal control and compliance, formulated the Regulations on the Management of Legal Dispute Cases (《法律糾紛案件管理規定》), the Implementation Rules for Risk Assessment and Reporting (《風險評估及報告實施細則》), the Implementation Rules for Internal Controls (《內部控制實施細則》). It also scrutinized and approved the evaluation report of internal control and the internal control audit report, the work report on internal audit and the internal audit plan, and the report of financial company on the continuous assessment of risks. **Fourthly, the supervision of the Audit Committee was strengthened.** The Board emphasized the role of the Audit and Risk Management Committee (the Supervision Committee). In 2024, it promoted to improve mechanisms for risk management, internal control, compliance management, audit supervision and accountability for irregular business and investment activities. The Board reviewed and received 11 special reports during the year. **Fifthly, implementing rectifications based on central inspection and audit findings.** The Board focused on addressing issues identified during inspections and audits, received specialized reports, and pushed forward both immediate and long-term actions to rectify the issues at root.

In the process of continuously improving corporate governance, Air China has gradually cultivated a robust Board culture. All directors are faithful, diligent and responsible, exercising their rights and fulfilling their obligations in accordance with laws and regulations. The various governance entities provide effective support for each other and operate efficiently.

In 2025, the Board of Air China will further adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, conscientiously implement the decisions and deployments of the CPC Central Committee and the State Council, and carry out the requirements of state-owned assets supervision and securities regulation. Anchored in the strategic goal of building a world-class enterprise, the Board will complete the tasks and fulfilled the objectives of the “14th Five-Year” Plan with high quality, laying a solid foundation for a good start of the “15th Five-Year” Plan.

AIR CHINA LIMITED
2024 WORK REPORT OF THE SUPERVISORY COMMITTEE

In 2024, Air China adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and the Second and Third Plenary Sessions of the 20th CPC Central Committee, comprehensively implemented the “Two Consistencies (兩個一以貫之)” approach, and achieved positive results in several areas, including safe operation, maximizing operational efficiency, enhancing service quality, and deepening reforms. These efforts have laid a solid foundation for high-quality development and the establishment of a world-class aviation transportation industry group. The Supervisory Committee of the Company has consistently implemented the work requirements of state-owned assets regulation and securities regulation. Based on its functions and positioning, it faithfully and diligently fulfilled its responsibilities in strict accordance with the laws and regulations, including the Company Law and the Securities Law, as well as the relevant requirements provided in the Articles of Association and the Rules and Procedures of the Supervisory Committee. The Supervisory Committee independently exercised its powers in accordance with the law, overseeing and inspecting the Company’s finances, related party transactions, the establishment of the internal control system, the use of funds raised and the decision-making procedures of the Board and the General Meeting, as well as the performance of directors and senior management in carrying out their duties. In addition, the Supervisory Committee has actively safeguarded the interests of the Company and its shareholders and the legitimate rights and interests of employees. The work of the Supervisory Committee is hereby reported as follows:

I. PERFORM THE SUPERVISORY AND INSPECTION DUTIES OF THE SUPERVISORY COMMITTEE

- (1) Perform its duties according to laws and play the supervisory role. Firstly, the Supervisory Committee attended 4 general meetings of shareholders, 7 on-site meetings of the Board and important special meetings of the Company throughout the year to gain comprehensive insights into the Company’s production, operation and significant operational management matters. It focused on the supervision of meeting convening procedures and decision-making procedures. Secondly, the Supervisory Committee attended the Company’s annual work meeting, interim work meeting and employee representative meeting. The Supervisory Committee carefully reviewed the work report of the management and the duty performance reports of directors and senior management of the Company, timely monitoring their duty performance; based on the audit inspection and the assessment results of SASAC, the Supervisory Committee followed up on the implementation of SASAC’s assessment and corrective actions regarding the Board. Thirdly, the Supervisory Committee regularly supervised the implementation of Board resolutions and authorizations, keeping track of the implementation of decision-making matters and ensuring that the management exercised its powers strictly within the scope of the authorization and in accordance with the laws and regulations.
- (2) Effectively strengthen financial supervision. In view of its basic supervisory responsibilities, the Supervisory Committee reviewed the Company’s annual, interim and quarterly financial reports, and supervised the Company’s financial operations and the preparation, review and

disclosure procedures of the reports, to ensure that they truly, objectively and comprehensively reflect the Company's operational management and financial status, and that the information disclosed in the financial reports was true, accurate and complete.

- (3) Promote the development of the internal control system. The Supervisory Committee implemented the Company's requirements for legal compliance, quality improvement and efficiency enhancement, further strengthening the development of the Company's internal control system and the implementation of internal control assessment and rectification. While carefully reviewing the internal control implementation plan and assessment report, the Supervisory Committee supervised the internal control assessment and rectification, improved the internal control process framework, and continuously enhanced the internal control management standard of the Company in view of the weaknesses identified and the actual operation and management.
- (4) Strengthen supervision coordination. The Supervisory Committee put emphasis on enhancing the communication with the Audit and Risk Control Committee (Supervision Committee) and independent directors, constantly innovated the supervision mechanism and methods to achieve coordinated supervision and resource sharing. Adhering to preventing and eliminating major risks, the Supervisory Committee worked together with the Company's internal audit, compliance, discipline inspection and other supervisory departments to enhance the risk control and supervision system of pre-warning, in-process control and post-event accountability.

II. FOCUS ON LEGAL COMPLIANCE AND IMPROVE THE QUALITY OF DECISION-MAKING AND SUPERVISION

- (1) Perform the duties of supervisors. The Supervisory Committee strictly adhered to its role and responsibilities, faithfully and diligently performing its duties. Sticking to the principles of collective review, independent voting and individual accountability, it organized 5 meetings of the Supervisory Committee during the year, making decisions on and supervising 17 major issues, including the annual financial plan, investment plan, financial report, profit distribution proposals, management and use of raised funds, internal control assessment reports and internal control audit reports, as well as related party transactions.
- (2) Support the management to exercise their powers and perform their duties. The Supervisory Committee always expressed its opinions from the perspective of safeguarding the interests of the Company and its shareholders, as well as the legitimate rights and interests of employees. It supported the management to promote intensive management and control, synergistic development and refined management initiatives, facilitating the management to perform their duties in operation, implementation and management, promoting the Company's reform and upgrading initiatives and the implementation of the Company's major projects, and assisting the Company in developing into a world-class enterprise.
- (3) Enhance the ability to perform duties. Members of the Supervisory Committee actively participated in specialized training programs organized by the China Association for Public Companies and the Listed Companies Association of Beijing. These programs kept them abreast of the latest securities regulatory policies, the standardized operation of listed

companies and the practice of the Supervisory Committee, and strengthened their sense of responsibility for performance of duties in legal compliance, thereby enhancing their ability to perform duties and make decisions.

III. EXPRESS SPECIAL OPINIONS BASED ON THE INDEPENDENCE PRINCIPLE

- (1) Independent opinions on the lawful and compliant operation of the Company. During the reporting period, the Supervisory Committee attended important meetings of the Board and the Company, received special reports and fully exercised its inspection and supervision powers. The Supervisory Committee held that the Company operated in accordance with the Company Law and the Articles of Association, and that its decision-making procedures were legal and effective. No directors or senior management of the Company have been found to violate laws, regulations or the Company's Articles of Association, nor to harm the interests of the Company or the legitimate rights and interests of employees when performing their duties.
- (2) Independent opinions on the Company's financial status. During the reporting period, the Supervisory Committee reviewed the Company's annual report, interim report and quarterly reports for Q1 and Q3 (including financial reports). It concluded that the financial data contained in the above reports truly, accurately and completely reflected the Company's financial status and operating results, and concurred with the standard unqualified audit opinion issued by Deloitte Touche Tohmatsu on the financial reports.
- (3) Independent opinions on the Company's related party transactions. During the reporting period, the Supervisory Committee respectively reviewed the continuing connected transactions between the Company and CNAHC Group and its subsidiaries, and the continuing connected transactions between the Company and Air China Cargo Co., Ltd. It considered that the continuing connected transactions of the Company were normal business transactions, with fair and reasonable pricing and terms in compliance with business practices and the arm's length principle, and did not harm the interests of the Company or minority shareholders. Related directors and shareholders abstained from voting during the meetings of the Board meetings and the general meetings of shareholders according to review and consideration procedures in compliance with laws.
- (4) Review and independent opinions on the self-assessment report of internal control. During the reporting period, the Supervisory Committee reviewed the Company's internal control assessment report and internal control audit report, monitored and supervised the development of the Company's internal control system and internal control rectification. It considered that the Company's internal control mechanism was continuously improved and its risk control ability was continuously enhanced. The self-assessment report on the Company's internal control issued by the Board reflected the actual status of the Company's internal control in an objective and true manner.
- (5) Independent opinions on the deposit and actual use of the proceeds. During the reporting period, the Supervisory Committee reviewed the special report on the deposit and actual use of proceeds, as well as the special report and audit report issued by Deloitte Touche Tohmatsu. It

APPENDIX III 2024 WORK REPORT OF THE SUPERVISORY COMMITTEE

considered that the Company had utilized the proceeds in compliance with the laws and regulations, providing truthful, accurate and complete disclosures regarding the deposit and use of the proceeds, and there were no violations in the management and use of the proceeds.

We hereby submit this report.

Set out below are the details of the proposed amendments to the Articles of Association. The revisions have been underlined (if applicable) for the convenience of perusal.

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
Article 4 The Company's legal representative is the Chairman of the board of directors of the Company.	Article 4 The Company's legal representative is the Chairman of the board of directors of the Company. <u>The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.</u>
<p>Article 8 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, president, vice presidents and other senior officers; all of whom may, according to the Company's Articles of Association, assert their rights in respect of the affairs of the Company.</p> <p>A shareholder may take action against the Company pursuant to the Company's Articles of Association. The Company may take action against a shareholder, directors, supervisors, president, vice presidents and other senior officers of the Company pursuant to the Company's Articles of Association. A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, president, vice presidents and other senior officers of the Company pursuant to the Company's Articles of Association.</p> <p>The "other senior officers" referred to in these Articles of Association mean the board secretary, chief accountant, chief pilot, general legal counsel and other senior officers appointed by the board of directors of the Company.</p>	<p>Article 8 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, president, vice presidents and other senior officers; all of whom may, according to the Company's Articles of Association, assert their rights in respect of the affairs of the Company.</p> <p>A shareholder may take action against the Company pursuant to the Company's Articles of Association. The Company may take action against a shareholder, directors, supervisors, president, vice presidents and other <u>and</u> senior officers of the Company pursuant to the Company's Articles of Association. A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, president, vice presidents and other <u>and</u> senior officers of the Company pursuant to the Company's Articles of Association.</p> <p>The "other senior officers" referred to in these Articles of Association mean the <u>president, vice president, chief accountant,</u> board secretary, chief accountant, chief pilot, general legal counsel and other senior officers appointed by the board of directors of the Company.</p>
CHAPTER 3 SHARES AND REGISTERED CAPITAL	CHAPTER 3 SHARES AND REGISTERED CAPITAL
Article 14 There shall, at all times, be ordinary shares in the Company. Subject to the approval of the department authorized by the State Council, the	Article 14 <u>The Company's equity shall be represented in the form of shares.</u> There shall, at all times, be ordinary shares in the Company.

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
Company may, according to its requirements, create different classes of shares.	Subject to the approval of the department authorized by the State Council, the Company may, according to its requirements, create different classes of shares. <u>The issuance of the Company shares shall adhere to the principles of openness, fairness, and impartiality, and each share of the same class shall have equal rights. For shares of the same class issued in the same tranche, the issuance terms and price per share shall be identical; all subscribers shall pay the same consideration per share.</u>
Article 16 The Company may issue shares to Domestic Investors and Foreign Investors according to the laws, and shall file with the securities regulatory authority of the State Council according to the requirements.	Article 16 The Company may issue shares to Domestic Investors and Foreign Investors according to the laws, and shall <u>register or</u> file with the securities regulatory authority of the State Council according to the requirements.
Article 21 The registered capital of the Company is RMB17,448,421,000.	Article 21 The registered capital of the Company is RMB17,448,421,000. <u>The number of shares issued by the Company is 17,448,421,000 shares, all of which are ordinary shares.</u>
Article 22 The Company or the Company's subsidiaries (including the Company's affiliated enterprises) shall not provide any assistance in the form of donates, advances, guarantees, compensation or loans to persons who acquire or intend to acquire the shares of the Company.	<p>Article 22 The Company or the Company's subsidiaries (including the Company's affiliated enterprises) shall not provide any <u>financial</u> assistance in the form of donates, advances, guarantees, compensation or loans <u>or borrowings</u> to <u>other</u> persons who acquire or intend to acquire the shares of the Company <u>or its parent company, except for the implementation of the Company's employee share ownership plan.</u></p> <p><u>For the interests of the Company, upon a resolution of the shareholders' meeting, or a resolution of the board of directors in accordance with the Articles of Association or the authorization of the shareholders' meeting, the Company may provide financial assistance to other persons for the acquisition of the shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10 percent of the total issued share capital.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>Resolutions made by the board of directors shall be approved by more than two-thirds of all directors.</u>
CHAPTER 4 INCREASE, DECREASE AND REPURCHASE OF SHARES	CHAPTER 4 INCREASE, DECREASE AND REPURCHASE OF SHARES
<p>Article 23 The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Articles of Association.</p> <p>The Company may increase its capital in the following ways:</p> <p>(1) by public offering of shares;</p> <p>(2) by non-public offering of shares;</p> <p>(3) by issuing bonus shares to its existing shareholders;</p> <p>(4) by converting the common reserve into share capital;</p> <p>(5) by any other means which is prescribed by law and administrative regulations and approved by the securities regulatory authority of the State Council.</p>	<p>Article 23 The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Articles of Association.</p> <p>The Company may increase its capital in the following ways:</p> <p>(1) by public offering of shares <u>to unspecified targets;</u></p> <p>(2) by non-public offering of shares <u>to specified targets;</u></p> <p>(3) by issuing bonus shares to its existing shareholders;</p> <p>(4) by converting the common reserve into share capital;</p> <p>(5) by any other means which is prescribed by <u>laws, law and</u> administrative regulations and approved by the securities regulatory authority of the State Council <u>the CSRC.</u></p>
<p>Article 25 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.</p> <p>The Company shall notify its creditors within ten (10) days of the date of the Company's resolution for reduction of capital and shall publish an announcement in a newspaper within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within</p>	<p>Article 25 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.</p> <p>The Company shall notify its creditors within ten (10) days of the date of the Company's resolution for reduction of capital and shall publish an announcement in a newspaper <u>or on the National Enterprise Credit Information Publicity System</u> within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receipt of the notice from</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>forty-five (45) days of the date of announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.</p> <p>The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.</p>	<p>the Company or, in the case of a creditor who does not receive such notice, within forty-five (45) days of the date of announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.</p> <p><u>Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced in proportion to the shares held by the shareholders, unless otherwise provided by laws or the Articles of Association.</u> The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.</p>
<p>Article 27 The Company may acquire the shares of the Company by way of open and centralized trading, or by other means approved by the laws and regulations and the securities regulatory authority of the State Council.</p> <p>The repurchase of the shares of the Company arising from the circumstances provided under items (3), (5) and (6) of the first paragraph of Article 26 of these Articles of Association shall be carried out by way of open and centralized trading.</p>	<p>Article 27 The Company may acquire the shares of the Company by way of open and centralized trading, or by other means approved by the laws and regulations and the securities regulatory authority of the State Council <u>CSRC</u>.</p> <p>The repurchase of the shares of the Company arising from the circumstances provided under items (3), (5) and (6) of the first paragraph of Article 26 of these Articles of Association shall be carried out by way of open and centralized trading.</p>
CHAPTER 5 SHARE TRANSFER	CHAPTER 5 SHARE TRANSFER
<p>Article 29 Unless otherwise provided in laws, regulations and other regulatory documents, the shares of the Company shall be transferrable in accordance with laws without any lien attached.</p>	<p>Article 29 Unless otherwise provided in laws, regulations and other regulatory documents, the shares of the Company shall be transferrable in accordance with laws without any lien attached.</p>
<p>Article 30 The Company shall not accept any pledge being created over its own shares.</p>	<p>Article 30 The Company shall not accept any pledge being created over its own shares <u>as the subject matter of a pledge</u>.</p>
<p>Article 31 The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company's public offering of shares shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.</p>	<p>Article 31 The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company's public offering of shares shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>The directors, supervisors and senior officers of the Company shall report to the Company the shares of the Company held by him/her and the changes thereof. During the term of his/her office, the shares transferred by him/her each year shall not exceed 25% of the total shares of the Company that he/she holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange. The aforesaid persons shall not transfer the shares of the Company that he/she holds within half a year after leaving his/her office.</p>	<p>The directors, supervisors and senior officers of the Company shall report to the Company the shares of the Company held by him/her and the changes thereof. During the term of his/her office <u>as determined when he/she takes office</u>, the shares transferred by him/her each year shall not exceed 25% of the total shares of the Company that he/she holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange. The aforesaid persons shall not transfer the shares of the Company that he/she holds within half a year after leaving his/her office.</p>
<p>Article 32 Should a shareholder, director, supervisor or senior officer holding 5% or more of the Company's shares sells his/her shares in the Company or other securities of equity nature within six months from the date of purchase of the same, or repurchase the shares within six months from the date of selling the same, the profits derived from such activities shall be vested in the Company. The board of directors of the Company shall recover from the aforementioned parties the gains derived therefrom, except where a securities company holding 5% or more of the shares as a result of its purchase of remaining shares after sold under an underwriting obligation, and otherwise required by the securities regulatory authority of the State Council.</p> <p>Shares or other securities of equity nature held by directors, supervisors, senior officers and natural person shareholders referred to in the preceding paragraph include shares or other securities of equity nature held by their spouses, parents, children and under accounts of other persons.</p> <p>Should the Company's board of directors not comply with the provision set forth in the first paragraph of this Article and act accordingly, the shareholders shall have the right to request the</p>	<p>Article 32 Should a shareholder, director, supervisor or senior officer holding 5% or more of the Company's shares sells his/her shares in the Company or other securities of equity nature within six months from the date of purchase of the same, or repurchase the shares within six months from the date of selling the same, the profits derived from such activities shall be vested in the Company. The board of directors of the Company shall recover from the aforementioned parties the gains derived therefrom, except where a securities company holding 5% or more of the shares as a result of its purchase of remaining shares after sold under an underwriting obligation, and otherwise required by the securities regulatory authority of the State Council <u>CSRC</u>.</p> <p>Shares or other securities of equity nature held by directors, supervisors, senior officers and natural person shareholders referred to in the preceding paragraph include shares or other securities of equity nature held by their spouses, parents, children and under accounts of other persons.</p> <p>Should the Company's board of directors not comply with the provision set forth in the first paragraph of this Article and act accordingly, the shareholders shall have the right to request the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>board of directors to duly act in accordance with the same within 30 days. Should the Company's board of directors not act in accordance with the same within the aforementioned period, the shareholders shall have the right to initiate proceedings at a People's Court directly in his/her own name for the interests of the Company.</p> <p>Should the Company's board of directors not comply with the provision set out in the first paragraph of this Article and act accordingly, the responsible directors shall assume joint liabilities in accordance with the laws.</p>	<p>board of directors to duly act in accordance with the same within 30 days. Should the Company's board of directors not act in accordance with the same within the aforementioned period, the shareholders shall have the right to initiate proceedings at a People's Court directly in his/her own name for the interests of the Company.</p> <p>Should the Company's board of directors not comply with the provision set out in the first paragraph of this Article and act accordingly, the responsible directors shall assume joint liabilities in accordance with the laws.</p>
CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS	CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS
<p>Article 36 The Company shall keep a register of shareholders which shall contain the following particulars:</p> <p>(1) the name (title), address (residence) and the occupation or the nature of the occupation of each shareholder;</p> <p>(2) the class and quantity of shares held by each shareholder;</p> <p>(3) the amount paid-up on or agreed to be paid-up on the shares held by each shareholder;</p> <p>(4) the share certificate number(s) of the shares held by each shareholder;</p> <p>(5) the date on which each person was entered in the register as a shareholder;</p> <p>(6) the date on which any shareholder ceased to be a shareholder.</p>	<p>Article 36 The Company shall <u>keeps</u> a register of shareholders which shall contain the following particulars:</p> <p>(1) the name (title), address (residence) and the occupation or the nature of the occupation of each shareholder;</p> <p>(2) the class and quantity of shares held by each shareholder;</p> <p>(3) the amount paid up on or agreed to be paid up on the shares held by each shareholder;</p> <p>(4) the share certificate number(s) of the shares held by each shareholder;</p> <p>(5) the date on which each person was entered in the register as a shareholder;</p> <p>(6) the date on which any shareholder ceased to be a shareholder.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.	Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.
CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS	CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS
<p>Article 46 Holders of the ordinary shares of the Company shall enjoy the following rights:</p> <p>.....</p> <p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>(i) the right to obtain a copy of the Articles of Association, subject to payment of costs;</p> <p>(ii) the right to inspect, and copy after payment of a reasonable fee:</p> <p>(a) all parts of the register of shareholders;</p> <p>(b) report on the state of the Company's share capital;</p> <p>(c) minutes of shareholders' general meetings;</p> <p>(d) counterfoils of corporate bonds, resolutions of the board of directors, resolutions of the supervisory board, financial and accounting report;</p> <p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;</p> <p>(7) With respect to shareholders who vote against any resolution adopted at the shareholders' general</p>	<p>Article 46 Holders of the ordinary shares of the Company shall enjoy the following rights:</p> <p>.....</p> <p>(5) <u>the right to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the board of directors, and financial and accounting report, shareholders who meet the requirements may inspect the Company's accounting books and accounting vouchers;</u></p> <p>the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>(i) the right to obtain a copy of the Articles of Association, subject to payment of costs;</p> <p>(ii) the right to inspect, and copy after payment of a reasonable fee:</p> <p>(a) all parts of the register of shareholders;</p> <p>(b) report on the state of the Company's share capital;</p> <p>(c) minutes of shareholders' general meetings;</p> <p>(d) counterfoils of corporate bonds, resolutions of the board of directors, resolutions of the supervisory board, financial and accounting report;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>meeting on the merger or demerger of the Company, the right to request the Company to acquire their shares;</p> <p>(8) other rights conferred by laws, administrative regulations, departmental rules and regulations and the Articles of Association of the Company.</p>	<p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;</p> <p>(7) With respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to request the Company to acquire their shares;</p> <p>(8) other rights conferred by laws, administrative regulations, departmental rules and regulations and the Articles of Association of the Company.</p> <p>Where shareholders request for inspection <u>and duplication</u> of the relevant information or demand for materials as mentioned in the preceding paragraphs, <u>they shall comply with the requirements of laws and administrative regulations including the Company Law, and follow the procedural requirements of the Company.</u> they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.</p> <p><u>If shareholders who individually or aggregately hold more than 3 percent of the Company's shares for more than 180 consecutive days request to inspect the accounting books and accounting vouchers of the Company, they shall submit a written request to the Company stating the purpose. If the Company has reasonable grounds to believe that the shareholders' requests to inspect the accounting books and accounting vouchers are made for improper purposes and may impair the legitimate interests of the Company, it may reject the request for inspection.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding paragraphs, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.</p>	<p><u>Shareholders and the accounting firm, law firm, or other intermediaries retained by them shall comply with the provisions of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy and personal information when inspecting and duplicating the relevant material.</u></p>
<p>Article 47 If the content of a resolution of the shareholders' general meeting or the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the People's Court to render the same invalid.</p> <p>If the procedures for convening or the method of voting at a shareholders' general meeting or meeting of the board of directors violate the laws, administrative regulations or these Articles of Association, or the contents of a resolution violate these Articles of Association, the shareholders shall have the right to submit a petition to the People's Court to revoke the same within sixty (60) days from the date on which such resolution is passed.</p>	<p>Article 47 If the content of a resolution of the shareholders' general meeting or the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the People's Court to render the same invalid.</p> <p>If the procedures for convening or the method of voting at a shareholders' general meeting or meeting of the board of directors violate the laws, administrative regulations or these Articles of Association, or the contents of a resolution violate these Articles of Association, the shareholders shall have the right to submit a petition to the People's Court to revoke the same within sixty (60) days from the date on which such resolution is passed-, <u>unless there is only a slight defect in the procedure of convening or the method of voting at the shareholders' meeting or the meeting of the board of directors which has no substantive impact on the resolution.</u></p> <p><u>Where the board of directors, shareholders and other stakeholders have disputes over the validity of a resolution of a shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, the stakeholders shall execute the resolution of the shareholders' meeting. The Company, directors and senior officers shall perform their duties diligently to ensure the normal operation of the Company.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligation to disclose information in accordance with the laws, administrative regulations, and the requirements of the CSRC and the stock exchanges to fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.</u></p>
<p>Article 48 Any director or senior officer who, when performing their duties in the Company, violates the laws, administrative regulations, or the provisions contained in these Articles of Association resulting in causing losses to the Company, the shareholders individually or jointly holding 1% or more of the shares of the Company for 180 consecutive days or more shall have the right to request in writing the supervisory committee to initiate proceedings at a People's Court. Where the supervisory committee, when performing its duties in the Company, violates the laws, administrative regulations, or the provisions contained in these Articles of Association resulting in causing losses to the Company, the shareholders shall have the rights to request in writing to the board of directors to initiate proceedings at a People's Court.</p> <p>If the supervisory committee or the board of directors refuses to initiate proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such proceedings within thirty (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, the shareholders described in the preceding paragraph</p>	<p>Article 48 Any director or senior officer who, when performing their duties in the Company, violates the laws, administrative regulations, or the provisions contained in these Articles of Association resulting in causing losses to the Company, the shareholders individually or jointly holding 1% or more of the shares of the Company for 180 consecutive days or more shall have the right <u>pursuant to applicable laws, regulations and other normative documents</u> to request in writing the <u>relevant bodies</u> supervisory committee to initiate proceedings at a People's Court. Where the supervisory committee, when performing its duties in the Company, violates the laws, administrative regulations, or the provisions contained in these Articles of Association resulting in causing losses to the Company, the shareholders shall have the rights to request in writing to the board of directors to initiate proceedings at a People's Court.</p> <p>If the <u>relevant bodies</u> supervisory committee or the board of directors refuses to initiate proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such proceedings within thirty (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</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>shall have the right to initiate proceedings at a People's Court directly in their own names in the interest of the Company.</p> <p>If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders described in the first paragraph of this Article may initiate proceedings at a People's Court in accordance with the provisions of the preceding two paragraphs.</p>	<p>irreparable damage to the Company's interests, the shareholders described in the preceding paragraph shall have the right to initiate proceedings at a People's Court directly in their own names in the interest of the Company.</p> <p>If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders described in the first paragraph of this Article may initiate proceedings at a People's Court in accordance with the provisions of the preceding two paragraphs.</p>
<p>Article 50 The ordinary shareholders of the Company shall assume the following obligations:</p> <p>(1) to comply with the Articles of Association;</p> <p>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</p> <p>(3) unless otherwise provided for by the laws and regulations, not to withdraw their shares;</p> <p>(4) not to abuse the rights of the shareholders to impair the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the enjoyment of limited liabilities of the shareholders to impair the Company's creditors interest. Should the Company's shareholders abuse their shareholder's rights and cause losses to the Company or other shareholders, the said shareholders shall be liable for damages pursuant to the law. Should the Company's shareholders abuse the Company's independent legal person status and the enjoyment of limited liabilities of the</p>	<p>Article 50 The ordinary shareholders of the Company shall assume the following obligations:</p> <p>(1) to comply with the Articles of Association;</p> <p>(2) to pay subscription monies <u>price</u> according to the number of shares subscribed and the method of subscription;</p> <p>(3) unless otherwise provided for by the laws and regulations, not to withdraw their shares <u>capital</u>;</p> <p>(4) not to abuse the rights of the shareholders to impair the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the enjoyment of limited liabilities of the shareholders to impair the Company's creditors interest. Should the Company's shareholders abuse their shareholder's rights and cause losses to the Company or other shareholders, the said shareholders shall be liable for damages pursuant to the law. Should the Company's shareholders abuse the Company's independent legal person status and the enjoyment of limited liabilities of the shareholders to evade</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>shareholders to evade debt liabilities, resulting in materially impairing the interests of the Company's creditors, the said shareholders shall bear joint and several liabilities to the Company's debts;</p> <p>(5) other obligations imposed by laws, administrative regulations and the Articles of Association.</p> <p>Shareholders are not liable to make any further contribution to the share capital other than according to the terms which were agreed by the subscriber of the relevant shares at the time of subscription.</p>	<p>debt liabilities, resulting in materially impairing the interests of the Company's creditors, the said shareholders shall bear joint and several liabilities to the Company's debts;</p> <p>(5) other obligations imposed by laws, administrative regulations and the Articles of Association.</p> <p>Shareholders are not liable to make any further contribution to the share capital other than according to the terms which were agreed by the subscriber of the relevant shares at the time of subscription.</p>
	<p>Article 51 Should a shareholders holding 5% or more of the voting shares pledges any shares in his/her possession, he or she shall submit to the Company a written report on the day on which he/she pledges his/her shares.</p>
<p>Article 52 The controlling shareholders and the de facto controlling persons of the Company shall not make use of its connected relationship to impair the Company's interest. The abovementioned persons who violate such provisions and cause losses to the Company shall be liable for damages to the Company.</p> <p>The controlling shareholders and the de facto controlling persons of the Company shall have fiduciary duties to both the Company and its public shareholders. The controlling shareholders shall exercise its rights as a capital contributor in strict compliance with the law. The controlling shareholders shall neither impair the legal interests of the Company and the public shareholders through profit distribution, asset restructuring, external investment, use of funds, provision of guarantee by borrowing funds as well as other methods, nor shall they make use of its controlling position to impair the interest of the Company and the public shareholders.</p>	<p>Article 51 The controlling shareholders and the de facto controlling persons of the Company shall not make use of its connected relationship to impair the Company's interest. The abovementioned persons who violate such provisions and cause losses to the Company shall be liable for damages to the Company. <u>The controlling shareholders and de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, and the requirements of the CSRC and the stock exchanges to safeguard the interests of the Company.</u></p> <p>The controlling shareholders and the de facto controlling persons of the Company shall have fiduciary duties to both the Company and its public shareholders. The controlling shareholders shall exercise its rights as a capital contributor in strict compliance with the law. The controlling shareholders shall neither impair the legal interests of the Company and the public</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p>shareholders through profit distribution, asset restructuring, external investment, use of funds, provision of guarantee by borrowing funds as well as other methods, nor shall they make use of its controlling position to impair the interest of the Company and the public shareholders.</p> <p><u>The controlling shareholders and de facto controller of the Company shall comply with the following requirements:</u></p> <p><u>(1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their related relationship to prejudice the legitimate interests of the Company or other shareholders;</u></p> <p><u>(2) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;</u></p> <p><u>(3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;</u></p> <p><u>(4) not to appropriate the Company's funds in any way;</u></p> <p><u>(5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;</u></p> <p><u>(6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>(7) not to prejudice the legitimate interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;</u></p> <p><u>(8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;</u></p> <p><u>(9) to comply with laws, administrative regulations, and provisions of the CSRC, listing rules of securities and other requirements of the Articles of Association.</u></p> <p><u>Where a controlling shareholder or de facto controller of the Company instructs a director or senior officer to engage in an act that is detrimental to the interests of the Company or its shareholders, it shall bear joint and several liability with the director or senior officer.</u></p>
<p>Article 53 A “controlling shareholder” means a shareholder who holds shares representing 50% or more of the total share capital of the Company; or a shareholder having sufficient voting right in respect of the shares he/she holds to pose a significant influence on the resolutions of the shareholders’ general meetings despite holding less than 50% of the total share capital of the Company.</p>	<p>Article 52 A “controlling shareholder” means a shareholder who holds shares representing 50% or more of the total share capital of the Company; or a shareholder having sufficient voting right in respect of the shares he/she holds to pose a significant influence on the resolutions of the shareholders’ general meetings despite holding less than 50% of the total share capital of the Company.</p> <p><u>Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or effectively controls, he/she shall maintain control of the Company and the stability of its production and operation.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in laws, administrative regulations, the regulations of the CSRC and stock exchanges, as well as its undertakings in respect of restrictions on the transfer of shares.</u>
<p align="center">CHAPTER 8 SHAREHOLDERS’ GENERAL MEETINGS</p>	<p align="center">CHAPTER 8 SHAREHOLDERS’ GENERAL MEETINGS</p>
<p>Article 54 The shareholders’ general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with laws:</p> <p>(1) to decide on the Company’s operational policies and investment plans;</p> <p>(2) to elect and replace directors (excluding the employee representative director) and to decide on matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors appointed from personnel who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;</p> <p>(4) to examine and approve the board of directors’ reports;</p> <p>(5) to examine and approve the supervisory committee’s reports;</p> <p>(6) to examine and approve the Company’s proposed preliminary and final annual financial budgets;</p> <p>(7) to examine and approve the Company’s profit distribution plans and loss recovery plans;</p>	<p>Article 53 <u>The shareholders’ meeting of the Company is composed of all shareholders.</u> The shareholders’ general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with laws:</p> <p>(1) to decide on the Company’s operational policies and investment plans;</p> <p>(2) to elect and replace directors (excluding the employee representative director) and to decide on matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors appointed from personnel who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;</p> <p>(4) to examine and approve the board of directors’ reports;</p> <p>(5) to examine and approve the supervisory committee’s reports;</p> <p>(6) to examine and approve the Company’s proposed preliminary and final annual financial budgets;</p> <p>(7) to examine and approve the Company’s profit distribution plans and loss recovery plans;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(8) to decide on the increase or reduction of the Company's registered capital;</p> <p>(9) to decide on matters such as merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(10) to decide on the issue of debentures by the Company;</p> <p>(11) to decide on the appointment, dismissal and non-reappointment of the accountants of the Company;</p> <p>(12) to amend the Articles of Association;</p> <p>(13) to resolve the material purchase and sale of assets with a value in excess of 30% of the most recent audited total assets of the Company during the year;</p> <p>(14) to resolve issues relating to the provision of guarantee in favour of third parties that must be approved at the shareholders' general meeting in accordance with the laws, administrative regulations, other regulatory documents and Articles of Association;</p> <p>(15) to consider and approve the variation of use of proceeds;</p> <p>(16) to consider the shares incentive program and employee share ownership plan;</p> <p>(17) to decide on other matters which, according to laws, administrative regulations, other regulatory documents and the Articles of Association, need to be approved by shareholders in general meetings.</p>	<p>(8) to decide on the increase or reduction of the Company's registered capital;</p> <p><u>(5) to decide on the issue of bonds by the Company;</u></p> <p>(9) to decide on matters such as merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(10) to decide <u>amend</u> on the issue of debentures <u>by the Articles of Association of</u> the Company;</p> <p>(11) to decide on the appointment, <u>and</u> dismissal and non-reappointment of the accountants of the Company <u>which undertakes the audit work of the Company;</u></p> <p>(12) to amend <u>consider and approve external guarantee matters which should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, other regulatory documents and</u> the Articles of Association;</p> <p>(13) to resolve <u>consider</u> the material purchase and sale of assets with a value in excess of 30% <u>percent</u> of the most recent audited total assets of the Company during the year;</p> <p>(14) to resolve issues relating to the provision of guarantee in favour of third parties that must be approved at the shareholders' general meeting in accordance with the laws, administrative regulations, other regulatory documents and Articles of Association;</p> <p>(15) to consider and approve the variation of use of proceeds;</p> <p>(16) to consider the shares incentive program and employee share ownership plan;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	(173) to decide on other matters which, according to laws, administrative regulations, other regulatory documents and the Articles of Association, need to be approved by shareholders in general meetings the shareholders' meeting.
	<p><u>Article 54 The shareholders' meeting may authorize the board of directors to resolve on matters such as the issuance of Company's shares and bonds in accordance with laws, administrative regulations, departmental rules and listing rules of securities. If the shareholders' meeting authorizes the board of directors to decide on the issuance of new shares, the board resolution must be approved by more than two-thirds of all directors.</u></p> <p><u>If the board of directors decides to issue shares under the authorization which results in changes to the Company's registered capital or the number of issued shares, the corresponding amendments to the Company's Articles of Association do not need to be approved by the shareholders' meeting.</u></p>
<p>Article 55 Any matters in relation to the provision of guarantee in favour of third parties by the Company shall be approved by the board of directors. The following matters relating to the provision of guarantee shall be submitted to the shareholders' general meetings for examination and approval after the same have been considered by the board of directors:</p> <p>(1) Any guarantee to be provided by the Company and its controlling subsidiaries, with the total amount of the guarantee provided in favour of third parties that exceeds 50% of the most recent audited net assets;</p>	<p>Article 55 Any matters in relation to the provision of guarantee in favour of third parties by the Company shall be approved by the board of directors. The following matters relating to the provision of guarantee shall be submitted to the shareholders' general meetings for examination and approval after the same have been considered by the board of directors:</p> <p>(1) Any guarantee to be provided by the Company and its controlling subsidiaries, with the total amount of the guarantee provided in favour of third parties that exceeds 50% <u>percent</u> of the most recent audited net assets;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(2) any guarantee provided by the Company in favour of third parties with the total amount of the guarantee exceeds 30% of the most recent audited total assets;</p> <p>(3) any guarantee provided by the Company within one year with the amount of guarantee exceeds 30% of the most recent audited total assets;</p> <p>(4) guarantees to be provided in favour of an entity which is subject to a gearing ratio of over 70%;</p> <p>(5) any single guarantee with an amount which exceeds 10% of the most recent audited net asset value;</p> <p>(6) guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its affiliates;</p> <p>(7) matters relating to the provision of guarantee that need to be submitted to the shareholders' general meeting for examination and approval as required by other laws and regulations and the Articles of Association of the Company.</p> <p>If a director, president, vice president and other senior officer personnel commits any act in breach of the provisions governing the authority in respect of the examination and approval of, and the examination procedures in relation to, the provision of guarantee in favour of a third party under the laws, administrative regulations or the Articles of Association of the Company, which results in causing the Company to suffer from loss, such director, president, vice president and senior officer personnel shall be liable for indemnity and the Company may bring an action against the same in accordance with the law.</p>	<p>(2) any guarantee provided by the Company in favour of third parties with the total amount of the guarantee exceeds 30% <u>percent</u> of the most recent audited total assets;</p> <p>(3) any guarantee provided by the Company within one year with the amount of guarantee exceeds 30% <u>percent</u> of the most recent audited total assets;</p> <p>(4) guarantees to be provided in favour of an entity which is subject to a gearing ratio of over 70% <u>percent</u>;</p> <p>(5) any single guarantee with an amount which exceeds 10% <u>percent</u> of the most recent audited net asset value;</p> <p>(6) guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its affiliates;</p> <p>(7) matters relating to the provision of guarantee that need to be submitted to the shareholders' general meeting for examination and approval as required by other laws and regulations and the Articles of Association of the Company.</p> <p>If a director or, president, vice president and other senior officer personnel commits any act in breach of the provisions governing the authority in respect of the examination and approval of, and the examination procedures in relation to, the provision of guarantee in favour of a third party under the laws, administrative regulations or the Articles of Association of the Company, which results in causing the Company to suffer from loss, such director or, president, vice president and other senior officer personnel shall be liable for indemnity and the Company may bring an action against the same in accordance with the law.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Article 56 Matters which should be determined at a shareholders' general meeting as stipulated by the laws, administrative regulations and these Articles of Association must be considered at a shareholders' general meeting in order to protect the right of the Company's shareholders to make decision over such matters. When necessary or under reasonable circumstances, the shareholders' general meeting may authorize the board of directors to make a decision within its scope of authorization granted at a shareholders' general meeting on specific issues which are related to matters to be resolved but cannot be determined immediately at the shareholders' general meeting.</p> <p>With respect to granting authorization to the board of directors at the shareholders' general meeting, if a matter for authorization is the matter subject to an ordinary resolution, such authorization shall be adopted by more than half of the voting rights held by shareholders (including their agents) attending the shareholders' general meeting; if a matter for authorization is the matter subject to special resolution, such authorization shall be adopted by more than two-thirds (2/3) of the voting rights held by shareholders (including their agents) attending the shareholders' general meeting. The content of the scope of authorization shall be clear and specific.</p>	<p>Article 56 <u>Save as otherwise provided in the laws, administrative regulations, departmental rules and listing rules of securities, the duties and powers of the shareholders' meeting shall not be exercised by the board of directors or other institutions and individuals on its behalf by way of authorization.</u> Matters which should be determined at a shareholders' general meeting as stipulated by the laws, administrative regulations and these Articles of Association must be considered at a shareholders' general meeting in order to protect the right of the Company's shareholders to make decision over such matters. When necessary or under reasonable circumstances, the shareholders' general meeting may authorize the board of directors to make a decision within its scope of authorization granted at a shareholders' general meeting on specific issues which are related to matters to be resolved <u>at the shareholders' meeting</u> but cannot be determined immediately at the shareholders' general meeting.</p> <p>With respect to granting authorization to the board of directors at the shareholders' general meeting, if a matter for authorization is the matter subject to an ordinary resolution, such authorization shall be adopted by more than half of the voting rights held by shareholders (including their agents) attending the shareholders' general meeting; if a matter for authorization is the matter subject to special resolution, such authorization shall be adopted by more than two-thirds (2/3) of the voting rights held by shareholders (including their agents) attending the shareholders' general meeting. The content of the scope of authorization shall be clear and specific.</p>
<p>Article 57 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once every year and shall be held within 6 months from the end of the preceding financial year. Meeting</p>	<p>Article 57 Shareholders' general meetings are divided into annual <u>shareholders' general</u> meetings and extraordinary <u>shareholders' general</u> meetings. The annual <u>shareholders' general</u> meetings shall be convened once every year and shall be held within 6 months from the end of the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>venues shall be fixed for the shareholders' general meetings, and the shareholders' general meetings shall be convened in the on-site conference mode. The Company also provides the online voting manner for the convenience of shareholders in attending their general meetings.</p> <p>The Company may facilitate the shareholders participating in the shareholders' general meetings by providing other manners and means to participate in the shareholders' general meetings, provided that the legality and effectiveness of the shareholders' general meeting are ensured. Shareholders are deemed to be attending the shareholders' general meetings in the aforesaid manners and forms.</p> <p>The Company shall convene an extraordinary general meeting within 2 months of the occurrence of any one of the following events:</p> <p>(1) where the number of directors is less than the minimum number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</p> <p>(2) where the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;</p> <p>(3) where shareholders who separately or jointly holds more than 10% of the total Company's shares make such request in writing;</p> <p>(4) whenever the board of directors deems necessary or the supervisory committee so requests;</p> <p>(5) under other conditions as provided for by the laws, administrative regulations, departmental rules and regulations or the Articles of Association.</p>	<p>preceding financial year. Meeting venues shall be fixed for the shareholders' general meetings, and the shareholders' general meetings shall be convened in the on-site conference mode. The Company also provides the online voting manner <u>and/or other electronic communication options</u> for the convenience of shareholders in attending their general meetings.</p> <p>The Company may facilitate the shareholders participating in the shareholders' general meetings by providing other manners and means to participate in the shareholders' general meetings, provided that the legality and effectiveness of the shareholders' general meeting are ensured. Shareholders are deemed to be attending the shareholders' general meetings in the aforesaid manners and forms.</p> <p>The Company shall convene an extraordinary <u>shareholders' general</u> meeting within 2 months of the <u>date of</u> occurrence of any one of the following events:</p> <p>(1) where the number of directors is less than the minimum number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</p> <p>(2) where the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;</p> <p>(3) where shareholders who separately or jointly holds more than 10% <u>percent</u> of the total Company's shares make such request in writing;</p> <p>(4) whenever the board of directors deems necessary or the supervisory committee so requests;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>The shareholding mentioned in sub-paragraph (3) above shall be calculated from the date on which a shareholder submits his/her request in writing.</p>	<p><u>(5) when the audit and risk management committee (the supervision committee) proposes to convene such meeting;</u></p> <p>(56) under other conditions as provided for by the laws, administrative regulations, departmental rules and regulations or the Articles of Association.</p> <p>The shareholding mentioned in sub-paragraph (3) above shall be calculated from the date on which a shareholder submits his/her request in writing.</p>
<p>Article 58 The board of directors shall convene a shareholders' general meeting within the time limit as stipulated in Article 57 of these Articles of Association.</p> <p>The independent directors, the supervisory committee or shareholders who separately or jointly hold shares of the Company in excess of 10% shall have the right to propose to the board of directors and request for convening an extraordinary general meeting. The following procedures shall be adopted should the independent directors, the supervisory committee, shareholders who separately or jointly hold shares of the Company in excess of 10% propose to the board of directors and request for convening of an extraordinary general meeting:</p> <p>(1) Sign a copy, or several copies, of written request in the same form and substance, and request the board of directors to convene a meeting, with clearly stated topics for discussion at the meeting. Within 10 days of receiving the aforesaid written request, the board of directors shall reply in writing on whether or not they agree to convene the meeting.</p> <p>(2) Should the board of directors agree to convene the meeting, a notice for convening such meeting shall be issued within 5 days after the board of directors has passed the resolution. Prior approval</p>	<p>Article 58 The board of directors shall convene a shareholders' general meeting within the time limit as stipulated in Article 57 of these <u>by laws, regulations and the</u> Articles of Association.</p> <p><u>More than half of</u> the independent directors, the supervisory committee <u>audit and risk management committee (the supervision committee)</u> or shareholders who separately or jointly hold shares of the Company in excess of 10% percent shall have the right to propose to the board of directors and request for convening an extraordinary general meeting. The following procedures shall be adopted should the independent directors, the supervisory committee, <u>audit and risk management committee (the supervision committee)</u> and shareholders who separately or jointly hold shares of the Company in excess of 10% percent propose to the board of directors and request for convening of an extraordinary shareholders' general meeting:</p> <p>(1) Sign a copy, or several copies, of written request in the same form and substance, and request the board of directors to convene a meeting, with clearly stated topics for discussion at the meeting. Within 10 days of receiving the aforesaid written request, the board of directors shall reply in writing on whether or not they agree to convene the meeting.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>for making amendment to the original proposal contained in the notice shall be obtained from the original proposer.</p> <p>(3) Should the board of directors not agree to convene the meeting as proposed by the independent directors, it shall state its reasons and issue an announcement of the same.</p> <p>(4) Should the board of directors not agree to convene the meeting as proposed by the supervisory committee, or not provide any reply within 10 days upon receipt of the said request, the board of directors is deemed to be unable to perform or failed to perform its duties in respect of convening such meeting. The supervisory committee may convene and preside over the meeting by itself. The procedures for convening such meeting shall be identical to those employed by the board of directors for convening a meeting as far as practicable.</p> <p>(5) Should the board of directors not agree to convene the meeting as proposed by the shareholders, or not provide any reply within 10 days upon receipt of the said request, the shareholders shall propose to the supervisory committee in writing to convene the meeting.</p> <p>Should the supervisory committee agree to convene the meeting, it shall issue a notice for convening the meeting within 5 days upon receipt of the said request. Prior approval for making amendment to the original proposal contained in the notice shall be obtained from the original proposer.</p> <p>Should the supervisory committee not issue a notice for the meeting within the stipulated period, the supervisory committee shall be deemed to not convene and preside over such meeting and shareholders who separately or jointly hold 10% or more of the Company's shares for a</p>	<p>(2) Should the board of directors agree to convene the meeting, a notice for convening such meeting shall be issued within 5 days after the board of directors has passed the resolution. Prior approval for making amendment to the original proposal contained in the notice shall be obtained from the original proposer.</p> <p>(3) Should the board of directors not agree to convene the meeting as proposed by the independent directors, it shall state its reasons and issue an announcement of the same.</p> <p>(4) Should the board of directors not agree to convene the meeting as proposed by the supervisory committee <u>audit and risk management committee (the supervision committee)</u> or not provide any reply within 10 days upon receipt of the said request, the board of directors is deemed to be unable to perform or failed to perform its duties in respect of convening such meeting. The supervisory committee <u>audit and risk management committee (the supervision committee)</u> may convene and preside over the meeting by itself. The procedures for convening such meeting shall be identical to those employed by the board of directors for convening a meeting as far as practicable.</p> <p>(5) Should the board of directors not agree to convene the meeting as proposed by the shareholders, or not provide any reply within 10 days upon receipt of the said request, the shareholders shall propose to the supervisory committee <u>audit and risk management committee (the supervision committee)</u> in writing to convene the meeting.</p> <p>Should the supervisory committee <u>audit and risk management committee (the supervision committee)</u> agree to convene the meeting, it shall issue a notice for convening the meeting within 5</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>consecutive 90 days or more may convene and preside over the said meeting themselves (Prior to the announcement of the resolutions adopted at the meeting, the shares held by the convening shareholders shall not be less than 10% of the total number of shares). The procedures for convening such meeting shall be identical to those employed by the board of directors for convening a meeting as far as practicable.</p> <p>Should the supervisory committee or the shareholders convene and hold a meeting by itself/themselves pursuant to the preceding paragraphs, it/they shall inform the board of directors in writing, and file the same with the relevant competent departments in accordance with the applicable requirements. The board of directors and the secretary to the board of directors shall provide assistance in connection with the meeting. The board of directors shall provide the share register. The Company shall bear all reasonable costs incurred by the meeting.</p>	<p>days upon receipt of the said request. Prior approval for making amendment to the original proposal contained in the notice shall be obtained from the original proposer.</p> <p>Should the supervisory committee <u>audit and risk management committee (the supervision committee)</u> not issue a notice for the meeting within the stipulated period, the supervisory committee <u>audit and risk management committee (the supervision committee)</u> shall be deemed to not convene and preside over such meeting and shareholders who separately or jointly hold 10% <u>percent</u> or more of the Company's shares for a consecutive 90 days or more may convene and preside over the said meeting themselves (Prior to the announcement of the resolutions adopted at the meeting, the shares held by the convening shareholders shall not be less than 10% of the total number of shares). The procedures for convening such meeting shall be identical to those employed by the board of directors for convening a meeting as far as practicable.</p> <p>Should the supervisory committee <u>audit and risk management committee (the supervision committee)</u> or the shareholders convene and hold a meeting by itself/themselves pursuant to the preceding paragraphs, it/they shall inform the board of directors in writing, and file the same with the relevant <u>stock exchanges of the jurisdictions where the shares are listed</u> competent departments in accordance with the applicable requirements <u>listing rules of securities</u>. <u>The audit and risk management committee (the supervision committee) or the convening shareholders shall submit relevant evidence to the stock exchanges upon the issuance of the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting. Prior</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>to the announcement of the shareholders resolutions, the shareholding ratio of the convening shareholders shall not be less than 10 percent.</u></p> <p>The board of directors and the secretary to the board of directors shall provide assistance in connection with the meeting <u>shareholders' meeting convened by the audit and risk management committee (the supervision committee) or the convening shareholders on their own</u>. The board of directors shall provide the share register. The Company shall bear all reasonable costs incurred by the meeting.</p>
<p>Article 59 Where the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee and shareholders who separately or jointly hold 3% or more of the shares of the Company may submit proposals to the Company.</p> <p>Shareholders who hold, separately or jointly, more than 3% of the Company's shares can propose an extraordinary resolution in writing to the convenor 10 days prior to the shareholders' general meeting. Within 2 days after the receipt of the extraordinary resolution, the convenor shall issue a supplementary notice of the general meeting to announce the content of the extraordinary resolution. If it is otherwise provided for under the listing rules of the jurisdictions where the shares of the Company are listed, such requirements shall also be complied with.</p> <p>With the exception of conditions mentioned above, the convenor shall neither amend the proposals specified on the notice of the shareholders' general meeting, nor add any new proposals after the issuance of the notice of the shareholders' general meeting.</p>	<p>Article 59 Where the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee <u>audit and risk management committee (the supervision committee)</u> and shareholders who separately or jointly hold <u>1 percent</u> 3% or more of the shares of the Company may submit proposals to the Company.</p> <p>Shareholders who hold, separately or jointly, more than <u>1 percent</u> 3% of the Company's shares can propose an extraordinary resolution in writing to the convenor 10 days prior to the shareholders' general meeting. Within 2 days after the receipt of the extraordinary resolution, the convenor shall issue a supplementary notice of the <u>shareholders' general</u> meeting to announce the content of the extraordinary resolution, <u>and submit the same to the shareholders' meeting for consideration, unless the extraordinary resolution violates the laws, administrative regulations or provisions of the Articles of Association, or does not fall within the terms of reference of the shareholders' meeting.</u> If it is otherwise provided for under the listing rules <u>of securities</u> of the jurisdictions where the shares of the Company are listed, such requirements shall also be complied with.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	With the exception of conditions mentioned above, the convener shall neither amend the proposals specified on the notice of the shareholders' general meeting, nor add any new proposals after the issuance of the notice of the shareholders' general meeting.
<p>Article 60 Matters for discussion and determination at a shareholder's general meeting shall be determined in accordance with the Company Law and the Articles of Association. The shareholders' general meeting may determine any matter stipulated by the Articles of Association.</p> <p>Issues not specified in the notice as provided for in Article 57 and Article 59 of the Articles of Association or proposals which do not conform with the requirements contained in Article 61 of the Articles of Association shall not be voted and resolved at the shareholders' general meetings.</p>	<p>Article 60 Matters for discussion and determination at a shareholder's general meeting shall be determined in accordance with <u>the scope of authority of the shareholders' meeting as prescribed under the laws, administrative regulations and</u> the Company Law and the Articles of Association. The shareholders' general meeting may determine any matter stipulated by the Articles of Association.</p> <p>Issues not specified in the notice as provided for in Article 57 and Article 59 of the Articles of Association or proposals which do not conform with the requirements contained in Article 61 of the Articles of Association shall not be voted and resolved at the shareholders' general meetings.</p>
<p>Article 71 The authorization letter issued by shareholders to appoint other persons to attend the shareholders' general meeting shall clearly state the followings:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has the right to vote;</p> <p>(3) the respective instruction of voting "for", "against" or "abstain" for each resolution in the agenda of the shareholders' general meeting;</p> <p>(4) date of signing the proxy form and the effective period;</p>	<p>Article 71 The authorization letter issued by shareholders to appoint other persons to attend the shareholders' general meeting shall clearly state the followings:</p> <p>(1) the name of the proxy <u>the name of the principal and the class and number of the shares of the Company held by him/her;</u></p> <p>(2) whether the proxy has the right to vote <u>the name of the proxy;</u></p> <p>(3) the respective <u>specific</u> instruction of <u>the shareholder, including the directive to vote</u> voting "for", "against" or "abstain" for each resolution in the agenda of the shareholders' general meeting;</p> <p>(4) date of signing the proxy form and the effective period;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(5) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.</p> <p>Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, specifies whether the proxy may vote as he thinks fit.</p>	<p>(5) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.</p> <p>Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, specifies whether the proxy may vote as he thinks fit.</p>
<p>Article 72 If an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates showing his/her identity and the shareholding certificate. If an individual shareholder appoints a proxy to attend the shareholders' general meeting, such proxy shall present his/her own identification documents and the power of attorney signed by the appointor. Legal person shareholders shall be represented at the meeting by the legal representative or the proxy appointed 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 qualification as a legal representative. If the legal representative of a legal person shareholder appoints a proxy to attend the shareholders' general meeting, such proxy shall present his/her own identification documents and the power of attorney signed by the legal representative. If a person is authorized by resolution to attend the shareholders' general meeting upon resolutions at the board of directors of a legal person shareholder or other decision making authority, such person shall present his/her own identification documents and the written authorization issued upon resolution by the board of directors of the legal person shareholder or other decision making authority with the legal person seal affixed thereon. The letter of authorization shall specify its date of issue.</p>	<p>Article 72 If an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates showing his/her identity and the shareholding certificate. If an individual shareholder appoints a <u>A</u> proxy to attending <u>the</u> shareholders' general meeting, such proxy shall present his/her own identification documents and the <u>shareholder's</u> power of attorney signed by the appointor.</p> <p>Legal person shareholders shall be represented at the meeting by the legal representative or the proxy appointed 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 qualification as a legal representative. If the legal <u>The</u> representative of a legal person shareholder appoints a proxy to attending <u>the</u> shareholders' general meeting, such proxy shall present his/her own identification documents and the power of attorney <u>in written form signed-issued</u> by the legal representative <u>of the legal person shareholders in accordance with laws.</u> If a person is authorized by resolution to attend the shareholders' general meeting upon resolutions at the board of directors of a legal person shareholder or other decision making authority, such person shall present his/her own identification documents and the written authorization issued upon resolution by the board of directors of the legal person shareholder or other</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	decision making authority with the legal person seal affixed thereon. The letter of authorization shall specify its date of issue.
<p>Article 73 In the event that the Company's board of directors, independent directors, shareholders who have satisfied certain conditions (which are determined based on such standards as promulgated from time to time by the relevant competent authorities) or investor protection institutions established in accordance with laws and regulations publicly request the shareholders to entrust them to exercise the proposal rights, voting rights and other shareholders' rights on their behalf, the solicitor shall disclose the soliciting announcement and relevant soliciting documents in accordance with the laws and regulations, and the Company shall cooperate. Consideration or de facto consideration for soliciting the shareholders' rights publicly is prohibited. Any person who publicly solicits the shareholders of the Company to entrust him/her to exercise the proposal right, voting right and other shareholders' rights on their behalf shall also comply with other provisions stipulated by the relevant competent authorities and the stock exchanges on which the shares of the Company are listed and traded.</p>	<p>Article 73 In the event that the <u>The</u> Company's board of directors, independent directors, shareholders who have satisfied certain conditions (which are determined based on such standards as promulgated from time to time by the relevant competent authorities) <u>hold 1 percent or more of shares with voting rights</u> or investor protection institutions established in accordance with laws and regulations <u>may solicit voting rights from shareholders publicly. Information including the specific voting intention shall be fully disclosed to the shareholders from whom the voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</u> publicly request the shareholders to entrust them to exercise the proposal rights, voting rights and other shareholders' rights on their behalf, the solicitor shall disclose the soliciting announcement and relevant soliciting documents in accordance with the laws and regulations, and the Company shall cooperate. Consideration or de facto consideration for soliciting the shareholders' rights publicly is prohibited. Any person who publicly solicits the shareholders of the Company to entrust him/her to exercise the proposal right, voting right and other shareholders' rights on their behalf shall also comply with other provisions stipulated by the relevant competent authorities and the stock exchanges on which the shares of the Company are listed and traded.</p>
<p>Article 74 The Chairman of the board of directors shall preside over and chair every shareholders' general meeting. If the Chairman is unable to or does not perform his/her duties, the vice-chairman</p>	<p>Article 74 The Chairman of the board of directors shall preside over and chair every shareholders' general meeting. If the Chairman is unable to or does not perform his/her duties, the vice-chairman</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>of the board of directors shall preside over and chair the meeting. If the vice-chairman of the board of directors is unable to or does not perform his/her duties, a director jointly elected by more than half of the number of directors shall preside over and chair the meeting. If more than half of the number of directors are unable to elect a director to preside over and chair the meeting, then shareholders attending the meeting may elect one (1) person to act as the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>A shareholders' general meeting convened by the supervisory committee on their own shall be presided by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to or does not perform his/her duties, a supervisor jointly elected by more than half of the number of supervisors shall preside over the said meeting.</p> <p>Where the shareholders' general meeting is convened by the shareholders on their own, the convener shall elect a representative to preside over the meeting.</p> <p>When convening a shareholders' general meeting, should the chairman of the meeting violates the rules and procedures, resulting that the shareholders' general meeting becomes unable to proceed, a person may, subject to the consent of more than half of the number of shareholders with voting rights attending the meeting at the scene, be elected at the shareholders' general meeting to act as the chairman of the shareholders' general meeting such that the meeting may be continued.</p>	<p>of the board of directors shall preside over and chair the meeting. If the vice-chairman of the board of directors is unable to or does not perform his/her duties, a director jointly elected by more than half of the number of directors shall preside over and chair the meeting. If more than half of the number of directors are unable to elect a director to preside over and chair the meeting, then shareholders attending the meeting may elect one (1) person to act as the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>A shareholders' general meeting convened by the supervisory committee <u>audit and risk management committee (the supervision committee)</u> on their own shall be presided by the chairman convener of the supervisory committee <u>audit and risk management committee (the supervision committee)</u>. If the chairman convener of the supervisory committee <u>audit and risk management committee (the supervision committee)</u> is unable to or does not perform his/her duties, a supervisor <u>member of the audit and risk management committee (the supervision committee)</u> jointly elected by more than half of the number of supervisors <u>members of the audit and risk management committee (the supervision committee)</u> shall preside over the said meeting.</p> <p>Where the shareholders' general meeting is convened by the shareholders on their own, the convener shall elect a representative to preside over the meeting.</p> <p>When convening a shareholders' general meeting, should the chairman of the meeting violates the rules and procedures, resulting that the shareholders' general meeting becomes unable to</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p>proceed, a person may, subject to the consent of more than half of the number of shareholders with voting rights attending the meeting at the scene, be elected at the shareholders' general meeting to act as the chairman of the shareholders' general meeting such that the meeting may be continued.</p>
<p>Article 77 The convener shall ensure that the shareholders' general meeting is held continuously until a final resolution is formed. If the shareholders' general meeting is suspended or no resolution can be made due to force majeure and other special reasons, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to terminate this shareholders' general meeting directly, and an announcement shall be made promptly. At the same time, the convener shall report to the local office of securities regulatory authority of the State Council and the stock exchange in the locality of the Company.</p>	<p>Article 77 The convener shall ensure that the shareholders' general meeting is held continuously until a final resolution is formed. If the shareholders' general meeting is suspended or no resolution can be made due to force majeure and other special reasons, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to terminate this shareholders' general meeting directly, and an announcement shall be made promptly. At the same time, the convener shall report to the local office of securities regulatory authority of the State Council <u>the CSRC</u> and the stock exchange in the locality of the Company.</p>
<p>Article 79 A shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the number of voting shares which he represents. Except otherwise provided for election of directors in Article 101 and election of supervisors in Article 143 of these Articles of Association in connection with the adoption of the cumulative voting system, each share shall have one (1) vote. The shares held by the Company itself shall not be attached with voting rights. Those shares shall not be counted as the total number of voting shares held by shareholders attending the shareholders' general meetings.</p> <p>Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be disclosed to the public in a timely manner.</p>	<p>Article 79 A shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the number of voting shares which he represents. Except otherwise provided for <u>the</u> election of directors in <u>laws, administrative regulations and the Article 101 and election of supervisors in Article 143 of these</u> Articles of Association in connection with the adoption of the cumulative voting system, each share shall have one (1) vote. The shares held by the Company itself shall not be attached with voting rights. Those shares shall not be counted as the total number of voting shares held by shareholders attending the shareholders' general meetings.</p> <p>Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be disclosed to the public in a timely manner.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>The shares held by the Company itself shall have no voting rights and shall not be counted towards the total number of voting shares attending the shareholders' meeting.</u></p> <p><u>If a shareholder buys voting shares of the Company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, such shares in excess of the prescribed proportion are not entitled to exercise voting rights for a period of thirty-six (36) months after the purchase, and shall not be counted towards the total number of voting shares attending the shareholders' meeting.</u></p>
<p>Article 81 Unless the Company is in a crisis or other special circumstances, it shall not, without approval by a special resolution at a shareholders' general meeting, enter into a contract to handover all or material business management of the Company to a person other than a director, supervisor, president, vice president and other senior officer.</p>	<p>Article 81 Unless the Company is in a crisis or other special circumstances, it shall not, without approval by a special resolution at a shareholders' general meeting, enter into a contract to handover all or material business management of the Company to a person other than a director, supervisor, president, vice president and other or senior officer.</p>
<p>Article 85 Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder is related to the matter to be considered, the relevant shareholder and his/her proxy shall not participate in the vote counting and scrutinizing.</p> <p>When voting takes place on a proposal at a shareholders' general meeting, lawyers, 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 of resolutions shall be recorded in the minutes.</p>	<p>Article 85 Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder is related to the matter to be considered, the relevant shareholder and his/her proxy shall not participate in the vote counting and scrutinizing.</p> <p>When voting takes place on a proposal at a shareholders' general meeting, lawyers, <u>and</u> 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 of resolutions shall be recorded in the minutes.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>The shareholders of the Company or their proxies who cast votes by online voting or other means shall be entitled to check their respective voting results through corresponding voting systems.</p>	<p>The shareholders of the Company or their proxies who cast votes by online voting or other means shall be entitled to check their respective voting results through corresponding voting systems.</p>
<p>Article 87 A shareholder attending the shareholders' general meeting shall express its opinion of "for", "against" or "abstain" on the proposal submitted for voting.</p> <p>Where a shareholder is, under the applicable listing rules as amended from time to time, required to abstain from voting on any particular resolution or to vote only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p>Votes that are not filled in, incorrectly filled in, or not legible, or votes that are not cast are considered to be abstention by the voter, and the result of the vote on the number of shares held by such voter shall be counted as "abstained".</p>	<p>Article 87 A shareholder attending the shareholders' general meeting shall express its opinion of "for", "against" or "abstain" on the proposal submitted for voting, <u>except that securities registration and settlement institutions, being the nominal holders of shares that can be traded through the mutual stock market access between the Mainland and Hong Kong, may make declarations according to the intention of actual holders.</u></p> <p>Where a shareholder is, under the applicable listing rules as amended from time to time, required to abstain from voting on any particular resolution or to vote only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p>Votes that are not filled in, incorrectly filled in, or not legible, or votes that are not cast are considered to be abstention by the voter, and the result of the vote on the number of shares held by such voter shall be counted as "abstained".</p>
<p>Article 88 Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.</p>	<p>Article 88 Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.</p>
<p>Article 89 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the board of directors and the supervisory committee;</p>	<p>Article 88 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the board of directors and the supervisory committee;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(2) profit distribution plans and loss recovery plans formulated by the board of directors;</p> <p>(3) election or removal of members of the board of directors and members of the supervisory committee, their remuneration and manner of payment;</p> <p>(4) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;</p> <p>(5) the appointment, removal or non-reappointment of an accounting firm;</p> <p>(6) matters other than those which are required by the laws and administrative regulations or by the Company's Articles of Association to be adopted by special resolution.</p>	<p>(2) profit distribution plans and loss recovery plans formulated by the board of directors;</p> <p>(3) election or removal of members of the board of directors and members of the supervisory committee, their remuneration and manner of payment;</p> <p>(4) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;</p> <p>(5) the appointment, removal or non-reappointment of an accounting firm;</p> <p>(6) matters other than those which are required by the laws and administrative regulations or by the Company's Articles of Association to be adopted by special resolution.</p>
<p>Article 90 The following matters shall be resolved by a special resolution at a shareholders' general meeting:</p> <p>(1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of debentures of the Company;</p> <p>(3) the demerger, spin-off, merger, dissolution and liquidation or change of the form of the Company;</p> <p>(4) amendment of the Articles of Association;</p> <p>(5) the material purchase or sale of assets or the provision of guarantee by the Company during the year that is in excess of 30% of the most recent audited total assets value of the Company;</p> <p>(6) the shares incentive program;</p> <p>(7) any other matter as provided for by the laws,</p>	<p>Article 89 The following matters shall be resolved by a special resolution at a shareholders' general meeting:</p> <p>(1) the increase or reduction in <u>share-registered</u> capital and the issue of shares of any class, warrants and other similar securities of the Company;</p> <p>(2) the issue of debentures of the Company;</p> <p>(3) the demerger, spin-off, merger, dissolution and liquidation or change of the form of the Company;</p> <p>(4) amendment of the Articles of Association;</p> <p>(5) the material purchase or sale of assets or the provision of guarantee by the Company during the year that is in excess of 30% <u>percent</u> of the most recent audited total assets value of the Company;</p> <p>(6) the shares incentive program;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>administrative regulations or the Articles of Association, and as considered by the shareholders at a shareholders' general meeting, and resolved by way of an ordinary resolution, which is of a nature which may have a material impact on the Company and should be adopted by special resolution.</p>	<p>(76) any other matter as provided for by the laws, administrative regulations or the Articles of Association, and as considered determined by the shareholders at a shareholders' general meeting, and resolved by way of an ordinary resolution, which is to of a nature which may have a material impact on the Company and should be adopted by special resolution.</p>
<p>Article 93 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is attending in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.</p>	<p>Article 92 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he/<u>she</u> may have the votes counted organize a vote count. If the chairman of the meeting has not counted the votes, any shareholder who is attending in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.</p>
<p>Article 94 If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the minute book.</p> <p>The convenor shall ensure that the particulars included in the record of the meeting are true, accurate and complete. The Company secretary shall make the record of the shareholders' general meeting, which shall be signed by the person presiding the meeting (chairman of the meeting), directors, supervisors, board secretary and convenor attending the meeting or their representatives.</p> <p>Resolutions adopted by a shareholders' general meeting shall be included in the record of the meeting. The record of the meeting shall be in Chinese. Such record, shareholders' attendance lists and proxy forms shall be kept at the Company's place of residence for a period of not less than 10 years.</p>	<p>Article 93 If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the minute book.</p> <p>The convenor shall ensure that the particulars included in the record of the meeting are true, accurate and complete. The Company secretary shall make the record of the shareholders' general meeting, which shall be signed by t The directors, secretary to the board, convenor or their representatives and the chairman of the meeting person presiding who have attended or observed the meeting (chairman of the meeting), directors, supervisors, board secretary and convenor attending the meeting or their representatives shall sign the record of the meeting.</p> <p>Resolutions adopted by a shareholders' general meeting shall be included in the record of the meeting. The record of the meeting shall be in</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	Chinese. Such record, <u>shall be kept together with the shareholders' attendance lists of shareholders attending the meeting, and proxy forms as well as valid information on the results of voting online or by other means (if any)</u> shall be kept at the Company's place of residence for a period of not less than 10 years.
<p>Article 95 Copies of the minutes of proceedings of any shareholders' meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests for a copy of such minutes from the Company, the Company shall send a copy of such minutes to him within seven (7) days after receipt of reasonable fees therefor.</p>	<p>Article 94 <u>For any resolutions on the distribution of cash or share dividends or conversion of capital reserve into share capital adopted at the shareholders' meeting, the specific proposal shall be implemented by the Company within two (2) months after the conclusion of the shareholders' meeting.</u> Copies of the minutes of proceedings of any shareholders' meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests for a copy of such minutes from the Company, the Company shall send a copy of such minutes to him within seven (7) days after receipt of reasonable fees therefor.</p>
CHAPTER 9 THE PARTY COMMITTEE	CHAPTER 9 THE PARTY COMMITTEE
<p>Article 96 According to the requirements of the Constitution of the Communist Party of China and subject to the approval by upper Party organization, the Company shall establish the Chinese Communist Party Committee of Air China Limited. The Party Committee is comprised of one secretary and several other members, and shall establish the Commission for Discipline Inspection of the Party in accordance with the requirements.</p>	<p>Article 95 According to the requirements of the Constitution of the Communist Party of China and subject to the approval by upper Party organization, the Company shall establish the Chinese Communist Party Committee of Air China Limited. The Party Committee is comprised of one secretary and several other members, <u>and, The Company shall establish the discipline inspection and supervision bodies</u> the Commission for Discipline Inspection of the Party in accordance with the requirements.</p>
<p>Article 97 The Party Committee of the Company shall play a leading role, set the right direction, keep in mind the big picture, ensure the implementation of Party policies and principles, discuss and decide on major issues of the Company in accordance with the regulations. Decisions</p>	<p>Article 96 The Party Committee of the Company shall play a leading role, set the right direction, keep in mind the big picture, ensure the implementation of Party policies and principles, discuss and decide on major issues of the Company in accordance with the regulations. <u>The list of</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>relating to major operation and management matters shall be made in accordance with relevant regulations by the board of directors or the management after the pre-study and discussion by the Party Committee. The main duties of the Party Committee are as follows:</p> <p>(1) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics, educate and guide all Party members to closely align with the Party Central Committee with Comrade Xi Jinping at its core in terms of political stance, direction, principles and path;</p> <p>(2) to thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, study and propagate the Party's theory, thoroughly implement the Party's line, principles and policies, supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organization at a higher level in the Company;</p> <p>(3) to investigate and discuss major issues relating to the operation and management of the Company and support the board of directors and the management in exercising their powers and performing their duties in accordance with the laws;</p> <p>(4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and enhance the building of the leadership team, the cadre team and the talent team of the Company;</p> <p>(5) to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support the internal discipline inspection</p>	<p><u>major operation and management matters shall be established in accordance with relevant regulations.</u> Decisions relating to major operation and management matters shall be made in accordance with <u>the functions and powers and the required procedures of relevant regulations</u> by the board of directors or the management after the pre-study and discussion by the Party Committee. The main duties of the Party Committee are as follows:</p> <p>(1) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics, educate and guide all Party members to closely align with the Party Central Committee with Comrade Xi Jinping at its core in terms of political stance, direction, principles and path;</p> <p>(2) to thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, study and propagate the Party's theory, thoroughly implement the Party's line, principles and policies, supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organization at a higher level in the Company;</p> <p>(3) to investigate and discuss major issues relating to the operation and management of the Company and support the <u>shareholders' meeting,</u> board of directors and the management in exercising their powers and performing their duties in accordance with the laws;</p> <p>(4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and enhance the building of the leadership team, the cadre team and the talent team of the Company;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>committee to discharge its supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self- governance exercised fully and with right into the grassroots level;</p> <p>(6) to strengthen the building of primary- level Party organizations and of its contingent of Party members, unite and lead employees to devote themselves into the reform and development of the Company;</p> <p>(7) to lead the Company’s ideological and political work, the spirit and civilization progress, the United Front work and lead the mass organizations such as the Labour Union, the Communist Youth League and the Women’s Organization of the Company.</p>	<p>(5) to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support the internal discipline inspection committee to discharge its supervisory and disciplining responsibilities<u>support and cooperate with the work of the discipline inspection and supervision bodies</u> as well as exercise strict administrative discipline and political rules and promote Party self-governance exercised fully and with right into the grassroots level;</p> <p>(6) to strengthen the building of primary- level Party organizations and of its contingent of Party members, unite and lead employees to devote themselves into the reform and development of the Company;</p> <p>(7) to lead the Company’s ideological and political work, the spirit and civilization progress, the United Front work and lead the mass organizations such as the Labour Union, the Communist Youth League and the Women’s Organization of the Company;</p> <p><u>(8) to discuss and decide on other material matters within the scope of duties of the Party Committee.</u></p>
CHAPTER 10 BOARD OF DIRECTORS	CHAPTER 10 BOARD OF DIRECTORS
<p>Article 99 The Company shall have a board of directors. The board of directors shall consist of 7 to 13 directors, at least half of which shall be outside directors (those who do not assume any position within the Company), and of which at least 1/3 of the overall directors shall be independent directors. At least one independent director shall have appropriate professional qualification, or expertise in accounting or related financial management; the board of directors shall have one (1) employee representative director.</p>	<p>Article 98 The Company shall have a board of directors. The board of directors shall consist of 7 to 13 directors, at least half of which shall be outside directors (those who do not assume any position within the Company), and of which at least 1/3 of the overall directors shall be independent directors. At least one independent director shall have appropriate professional qualification <u>prescribed by the securities regulatory authority and the listing rules of securities</u>, or expertise in accounting or related financial management; the board of directors shall have one (1) employee representative director.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>The board of directors shall have one (1) Chairman and one (1) Deputy Chairman.</p> <p>An independent director refers to a director who does not hold any position other than a director in the Company and has no direct or indirect interest relationship with the Company, its substantial shareholders and actual controllers, or any other relationship that may affect his independent and objective judgment.</p>	<p>The board of directors shall have one (1) Chairman and one (1) Deputy Chairman.</p> <p>An independent director refers to a director who does not hold any position other than a director in the Company and has no direct or indirect interest relationship with the Company, its substantial shareholders and actual de facto controllers, or any other relationship that may affect his independent and objective judgment.</p>
<p>Article 100 Directors (excluding the employee representative director) shall be elected or replaced at the shareholders' general meeting and the employee representative director shall be elected or dismissed by the employee representative meeting each for a term of 3 years (starting from the election date to the date on which a new board of directors is elected at a shareholders' general meeting). At the expiry of a director's term, the term is renewable upon re-election, provided that the term of reappointment of an independent director shall not be more than 6 years.</p>	<p>Article 99 Directors (excluding the employee representative director) shall be elected or replaced at the shareholders' general meeting and the employee representative director shall be elected or dismissed by the employee representative meeting each for a term of 3 years (starting from the election date to the date on which a new board of directors is elected at a shareholders' general meeting). At the expiry of a director's term, the term is renewable upon re-election, provided that the term of reappointment of an independent director shall not be more than 6 years.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>If the term of office of a director expires but re-election is not made promptly, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.</p>	<p>If the term of office of a director expires but re-election is not made promptly, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.</p>
<p>The list of candidates for the director (excluding the employee representative director) shall be submitted in form of a motion to a shareholders' general meeting for consideration. Candidates other than those for independent directors and the employee representative director shall be nominated by the board of directors, supervisory committee or shareholder(s) holding, alone or together, more than three percent (3%) of the total amount of voting shares in the Company and elected at the shareholders' general meeting.</p>	<p>The list of candidates for the director (excluding the employee representative director) shall be submitted in form of a motion to a shareholders' general meeting for consideration. Candidates other than those for independent directors and the employee representative <u>for</u> director shall be nominated by the board of directors, supervisory committee or shareholder(s) holding, alone or together, more than three <u>one</u> percent (3 <u>1</u>%) of the total amount of voting shares in the Company and elected at the shareholders' general meeting.</p>
<p>A written notice of the intention to propose a person for election as a director (excluding the employee representative director) and a notice in writing by that person indicating his acceptance of such election shall have been given to the Company seven (7) days before the date of such shareholders' general meeting. The shortest notice period for such written notice shall be 7 days.</p>	<p>A written notice of the intention to propose a person for election as a director (excluding the employee representative director) and a notice in writing by that person indicating his acceptance of such election shall have been given to the Company seven (7) days before the date of such shareholders' general meeting. The shortest notice period for such written notice shall be 7 days.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>The outside directors shall have sufficient time and necessary knowledge and ability to perform its duties. When an outside director performs his duties, the Company must provide necessary information and independent directors may directly report to the shareholders' meeting, the authority in charge of securities of the State Council and other relevant departments thereon.</p> <p>If a director is a natural person, he or she may not be required to hold shares in the Company.</p>	<p>The outside directors shall have sufficient time and necessary knowledge and ability to perform its duties. When an outside director performs his duties, the Company must provide necessary information and independent directors may directly report to the shareholders' meeting, the authority in charge of securities of the State Council <u>CSRC</u> and other relevant departments thereon.</p> <p>If a director is a natural person, he or she may not be required to hold shares in the Company.</p>
<p>Article 101 The following procedures shall be carried out prior to the election of the non-independent directors:</p> <p>(1) The nominator of a candidate for the non-independent directors shall seek the consent of such candidate prior to nomination and shall have a full understanding towards the profession, education, job position, detailed working experience and all other positions held concurrently as well as preparing written materials containing the said information to the Company. Candidates shall undertake to the Company in writing that they have agreed to accept the nomination and that all disclosed information relating to them are true and complete and shall guarantee that they will conscientiously perform the director's responsibilities after being elected.</p> <p>(2) If the nomination of a candidate for the non-independent directors is taken place before the board meeting of the Company was convened and if the applicable laws, regulations, other regulatory documents and/or the relevant regulatory authorities of the jurisdictions where the shares are listed and the listing rules contain relevant provisions, the written materials concerning the nominee set out in sub-paragraph (1) of this Article shall be publicly announced together with the resolutions of the board meeting in accordance with such provisions.</p>	<p>Article 100 The following procedures shall be carried out prior to the election of the non-independent directors:</p> <p>(1) The nominator of a candidate for the non-independent directors shall seek the consent of such candidate prior to nomination and shall have a full understanding towards the profession, education, job position, detailed working experience and all other positions held concurrently as well as preparing written materials containing the said information to the Company. Candidates shall undertake to the Company in writing that they have agreed to accept the nomination and that all disclosed information relating to them are true and complete and shall guarantee that they will conscientiously perform the director's responsibilities after being elected.</p> <p>(2) If the nomination of a candidate for the non-independent directors is taken place before the board meeting of the Company was convened and if the applicable laws, regulations, other regulatory documents and/or the relevant regulatory authorities of the jurisdictions where the shares are listed and the listing rules <u>of securities</u> contain relevant provisions, the written materials concerning the nominee set out in sub-paragraph (1) of this Article shall be publicly announced together with the resolutions of the board meeting in accordance with such provisions.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(3) If a shareholder holding, alone or together, more than three percent (3%) of the total voting shares of the Company proposes an ex tempore motion on the election of non-independent directors (excluding the employee representative director) at the shareholders' general meeting of the Company, the written notice specifying the intention to propose a person for election as a director and the willingness of the nominee to accept nomination together with the written materials and undertakings containing such particulars of the nominee as set out in subparagraph (1) of this Article shall be despatched to the Company within ten (10) days prior to the shareholders' general meeting. Such notice shall commence no earlier than the day after the despatch of the notice of the meeting for election of directors and end no later than seven (7) days prior to the date of such meeting.</p>	<p>(3) If a shareholder holding, alone or together, more than three<u>one</u> percent (3<u>1</u>%) of the total voting shares of the Company proposes an ex tempore motion on the election of non-independent directors (excluding the employee representative director) at the shareholders' general meeting of the Company, the written notice specifying the intention to propose a person for election as a director and the willingness of the nominee to accept nomination together with the written materials and undertakings containing such particulars of the nominee as set out in subparagraph (1) of this Article shall be despatched to the Company within ten (10) days prior to the shareholders' general meeting. Such notice shall commence no earlier than the day after the despatch of the notice of the meeting for election of directors and end no later than seven (7) days prior to the date of such meeting.</p>
<p>Article 102 At a shareholders' general meeting, the cumulative voting system shall be adopted for voting on the motions for election of directors (excluding the employee representative director). In other words, when electing two or more directors at a shareholders' general meeting, the number of voting rights carried by each of the shares held by a voting shareholder is the same as the number of directors to be elected such that a shareholder may exercise the voting rights in a way to concentrate all his votes on a particular candidate or to spread his votes on several candidates.</p>	<p>Article 101 At a shareholders' general meeting, the cumulative voting system shall be adopted for voting on the motions for election of directors (excluding the employee representative director). In other words, when electing two or more directors at a shareholders' general meeting, the number of voting rights carried by each of the shares held by a voting shareholder is the same as the number of directors to be elected such that a shareholder may exercise the voting rights in a way to concentrate all his votes on a particular candidate or to spread his votes on several candidates.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Article 105 The board of directors is responsible to the shareholders' general meeting for formulating strategies, making decisions and preventing risks and shall exercise the following duties and powers in accordance with statutory procedures and the Articles of Association:</p> <p>(1) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders in general meetings;</p> <p>(2) to implement the resolutions passed by the shareholders in general meetings;</p> <p>(3) to determine the Company's business plans and investment proposals;</p> <p>(4) to formulate the Company's preliminary and final annual financial budgets;</p> <p>(5) to formulate the Company's profit distribution proposal and loss recovery proposal;</p> <p>(6) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures;</p> <p>(7) to draw up the Company's proposals for the merger, division, dissolution or change of the form of the Company;</p> <p>(8) to decide on other issues relating to the provision of guarantee in favor of a third party other than those must be approved at a shareholders' general meeting pursuant to the laws, regulations, other regulatory documents and these Articles of Association;</p>	<p>Article 104 The board of directors is responsible to the shareholders' general meeting for <u>undertakes the functions of</u> formulating strategies, making decisions and preventing risks and shall exercise the following duties and powers in accordance with statutory procedures and the Articles of Association:</p> <p>(1) to be responsible for the convening of <u>convene</u> the shareholders' general meeting and to report on its work to the shareholders' in general meetings;</p> <p>(2) to implement the resolutions passed by the shareholders' in general meetings;</p> <p><u>(3) to determine the development strategy and planning of the Company;</u></p> <p>(34) to determine the Company's business plans and investment proposals;</p> <p>(45) to formulate <u>determine</u> the Company's preliminary and final annual financial budgets;</p> <p>(56) to formulate the Company's profit distribution proposal and loss recovery proposal;</p> <p>(67) to formulate proposals for the increase or reduction of the Company's registered capital and, for, the issuance <u>and listing</u> of the Company's debentures <u>or other securities</u>;</p> <p>(78) to draw up the Company's proposals for the <u>major acquisitions of the Company, acquisition of the shares of the Company or</u> merger, division, dissolution or and change of the form of the Company;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(9) to decide on the external investments, purchase and sale of assets, creation of mortgage over assets, entrusted asset management, connected transactions, external donations and other matters within the scope of authorization conferred by the shareholders' general meeting;</p> <p>(10) to decide on the Company's internal management structure;</p> <p>(11) to appoint or dismiss the president of the Company, secretary to the board of directors, conduct appraisal on their performance and determine remunerations; and to appoint or dismiss, with reference to the nomination by the president, the vice presidents, chief accountant, chief pilot, general legal counsel and other senior officers, conduct appraisal on their performance and determine remunerations;</p> <p>(12) to formulate the basic management structure of the Company;</p>	<p>(89) to decide on other issues relating to the provision of guarantee in favor of a third party other than those must be approved at a shareholders' general meeting pursuant to the laws, regulations, other regulatory documents and these Articles of Association;</p> <p>(910) to decide on the external investments, purchase and sale of assets, creation of mortgage over assets, entrusted asset management, connected transactions, external donations and other matters within the scope of authorization conferred by the shareholders' general meeting;</p> <p>(101) to decide on the Company's internal management structure <u>and the establishment and cancellation of major branches and subsidiaries;</u></p> <p>(142) to <u>decide on the appointment or dismissal of appoint or dismiss</u> the president of the Company, secretary to the board of directors <u>and other senior officers</u>, conduct appraisal on their performance and determine remunerations, <u>rewards and punishments;</u> and to appoint or dismiss, with reference to the nomination by the president, the vice presidents, chief accountant, chief pilot, general legal counsel and other senior officers, conduct appraisal on their performance and determine remunerations, <u>rewards and punishments;</u></p> <p>(123) to formulate the basic management structure of the Company;</p> <p>(134) to manage matters relating to the disclosure of information by the Company;</p> <p><u>(15) to decide on major accounting policies and plans of change in accounting estimates of the Company;</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(13) to manage matters relating to the disclosure of information by the Company;</p> <p>(14) to make recommendations to the shareholders' general meetings on the appointment or change of the accounting firm which performs the audit work for the Company;</p> <p>(15) to hear from the Company's president reports on work performed and to inspect the work of the president;</p> <p>(16) to formulate proposals for any amendment of the Company's Articles of Association;</p> <p>(17) to determine the risk management system, the internal control system and the legal compliance management system of the Company, and monitor the relevant systems and their implementation;</p> <p>(18) to guide, inspect and assess the internal audit works and approve the annual audit plan and important audit reports pursuant to laws;</p> <p>(19) to promote the development of corporate governance and supervise the legality of the operation of the management;</p> <p>(20) to exercise any other powers stipulated by laws, regulations, other regulatory documents and these Articles of Association and conferred by the shareholders in general meetings.</p> <p>Resolutions by the board of directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors (amongst which resolution on matters referred to in sub-paragraph (8) shall require the affirmative vote of more than two-thirds of the directors attending the board meeting) with the exception of resolutions on matters referred to in subparagraphs (6), (7) and (16) which shall require</p>	<p>(146) to make recommendations to the shareholders' general meetings on the appointment or change of the accounting firm which performs the audit work for the Company;</p> <p>(157) to hear from the Company's president reports on work performed and to inspect the work of the president;</p> <p>(168) to formulate proposals for any amendment of the Company's Articles of Association;</p> <p><u>(19) to decide on proposals for major income distribution of the Company, determine the major matters in relation to employee income distribution;</u></p> <p>(1720) to <u>establish and improve the internal supervision, management and risk control system, enhance internal compliance management,</u> determine the risk management system, the internal control system, <u>the accountability system for non-compliance operation and investment</u> and the legal compliance management system of the Company, and monitor <u>and evaluate the risk management, internal control and legal compliance management systems of the Company</u> relevant systems and their <u>effective</u> implementation <u>as a whole</u>;</p> <p>(1821) to guide, inspect and assess the internal audit works <u>of the Company,</u> and <u>review and</u> approve the annual audit plan and important audit reports pursuant to laws;</p> <p><u>(22) to consider the plans for addressing the Company's major litigation, arbitration and other legal affairs;</u></p> <p>(19) to promote the development of corporate governance and supervise the legality of the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>the affirmative vote of more than two-thirds of all the directors.</p> <p>If any director is connected with the enterprises that are involved in the matters to be resolved by the board meetings, he shall not exercise his voting rights for such matters, nor shall he exercise voting rights on behalf of other directors. Such board meetings shall be convened by a majority of the directors attending thereat who are not connected. Resolutions made by the board meetings shall be passed by a majority of the directors that are not connected. The aforementioned matters that must be passed by two-thirds or more of the directors shall be passed by votes of two-thirds or more of the directors that are not connected. If the number of non-connected directors attending the board meetings falls short of three, such matters shall be submitted to the shareholders' general meeting of the Company for approval.</p> <p>Resolutions made by the board of directors on the Company's connected transactions shall come into effect only after they are signed by the independent directors.</p>	<p>operation of the management;</p> <p>(203) to exercise any other powers stipulated by laws, regulations, other regulatory documents and these Articles of Association and conferred by the shareholders' in general meetings.</p> <p><u>Saved as otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions by the board of directors on the matters referred to in the preceding paragraphs shall be passed by the affirmative vote of more than half of all of the directors with the exception of resolutions to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of corporate bonds, and the resolutions to formulate the plans for merger, division and dissolution of the Company and to formulate the proposals for the amendment to the Articles of Association, which shall require the affirmative vote of at least two-thirds of all of the directors for adoption.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p>Resolutions by the board of directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors (amongst which resolution on matters referred to in sub paragraph (8) shall require the affirmative vote of more than two thirds of the directors attending the board meeting) with the exception of resolutions on matters referred to in subparagraphs (6), (7) and (16) which shall require the affirmative vote of more than two thirds of all the directors.</p> <p>If any director is connected with the enterprises <u>or individuals</u> that are involved in the matters to be resolved by the board meetings, he/<u>she shall promptly report in writing to the board of directors. The director who has a related relationship</u> shall not exercise his voting rights for such matters, nor shall he exercise voting rights on behalf of other directors. Such board meetings shall be convened by a majority of the directors attending thereat who are not connected. Resolutions made by the board meetings shall be passed by a majority of the directors that are not connected. The aforementioned matters that must be passed by two-thirds or more of the directors shall be passed by votes of two-thirds or more of the directors that are not connected. If the number of non-connected directors attending the board meetings falls short of three, such matters shall be submitted to the shareholders' general meeting of the Company for approval.</p> <p>Resolutions made by the board of directors on the Company's connected transactions shall come into effect only after they are signed by the independent directors.</p>
<p>Article 108 Unless otherwise provided for in the laws, regulations, other regulatory documents and/or the relevant requirements of regulatory authorities of the jurisdictions where the shares are listed and the listing rules, the board of</p>	<p>Article 107 Unless otherwise provided for in the laws, regulations, other regulatory documents and/or the relevant requirements of regulatory authorities of the jurisdictions where the shares are listed and the listing rules <u>of securities</u>, the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>directors shall, within the scope of authority as conferred by the shareholders' general meeting, have the right to decide on an investment (including risk investment) or acquisition project. For any major investment or acquisition project which is beyond the limits of authority of the board of directors to examine and approve thereof, the board of directors shall organize the relevant experts and professionals to conduct an evaluation thereof and report the same to the shareholders' general meeting for approval.</p>	<p>board of directors shall, within the scope of authority as conferred by the shareholders' general meeting, have the right to decide on an investment (including risk investment) or acquisition project. For any major investment or acquisition project which is beyond the limits of authority of the board of directors to examine and approve thereof, the board of directors shall organize the relevant experts and professionals to conduct an evaluation thereof and report the same to the shareholders' general meeting for approval.</p>
<p>Article 109 The board of directors may establish the strategy and investment committee, the audit and risk management committee (the supervision committee), the nomination committee, the remuneration and appraisal committee, the aviation safety committee and other special committees. The members' composition, duties and responsibilities, and procedures of each special committee of the board of directors are specifically determined according to the terms of reference of each special committee, which are drawn up by the board of directors.</p>	<p>Article 109 The board of directors may establish the strategy and investment committee, the audit and risk management committee (the supervision committee), the nomination committee, the remuneration and appraisal committee, the aviation safety committee and other special committees. The members' composition, duties and responsibilities, and procedures of each special committee of the board of directors are specifically determined according to the terms of reference of each special committee, which are drawn up by the board of directors.</p>
<p>Article 110 The Chairman of the board of directors shall exercise the following powers:</p> <p>(1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;</p> <p>(2) to check on the implementation of resolutions passed by the board of directors at directors' meetings;</p> <p>(3) to sign the securities certificates issued by the Company;</p>	<p>Article 108 The Chairman of the board of directors shall exercise the following powers:</p> <p>(1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;</p> <p><u>(2) to convey the spirit of the Central Committee and state-owned assets supervision policies to the board of directors, and to inform the board of the tasks requiring the board's advancement and implementation as well as the issues requiring rectification as identified in relevant supervision and inspection;</u></p> <p><u>(23)</u> to <u>oversee and</u> check on the implementation of resolutions passed by the board of directors at directors' meetings;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(4) to sign important documents of the board of directors and other documents that shall be signed by the legal representative of the Company;</p> <p>(5) to exercise the authorities of legal representative;</p> <p>(6) to receive reports on operation and management and study related issues;</p> <p>(7) to manage the internal audit of the Company as the primary responsible person for internal audit work;</p> <p>(8) in the event of emergency due to force majeure or major crisis that makes it impossible to convene a board meeting in a timely manner, to exercise special disposal powers within the authority of the board of directors in accordance with laws and regulations and in the interests of the Company, and to report to the board of directors after exercising such power so as to ratify the same in accordance with the procedures;</p> <p>(9) to exercise other powers conferred by the board of directors.</p> <p>The vice chairman of the board of directors shall assist the chairman of the board of directors with his/her duties. Should the chairman of the board of directors be unable to perform or fail to perform his/her duties, the vice chairman of the board of directors shall perform the said duties. Should the vice chairman of the board of directors be unable to perform or fail to perform his/her duties, a director jointly elected by more than half of the number of Directors shall perform the said duties.</p>	<p>(3) to sign the securities certificates issued by the Company;</p> <p>(4) to sign important documents of the board of directors and other documents that shall be signed by the legal representative of the Company;</p> <p>(5) to exercise the authorities of legal representative;</p> <p>(6) to receive reports on operation and management and study related issues;</p> <p>(7) to manage the internal audit of the Company as the primary responsible person for internal audit work;</p> <p>(8) in the event of emergency due to force majeure or major crisis that makes it impossible to convene a board meeting in a timely manner, to exercise special disposal powers within the authority of the board of directors in accordance with laws and regulations and in the interests of the Company, and to report to the board of directors after exercising such power so as to ratify the same in accordance with the procedures;</p> <p>(9) to exercise other powers <u>prescribed by the state-owned assets supervision and administration authority of the State Council, the CSRC and the stock exchanges or those</u> conferred by the board of directors.</p> <p>The vice chairman of the board of directors shall assist the chairman of the board of directors with his/her duties. Should the chairman of the board of directors be unable to perform or fail to perform his/her duties, the vice chairman of the board of directors shall perform the said duties. Should the vice chairman of the board of directors be unable</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	to perform or fail to perform his/her duties, a director jointly elected by more than half of the number of Directors shall perform the said duties.
<p>Article 114 A board of directors meeting shall only be convened if a majority of the number of the board members are attending (including any directors appointed pursuant to Article 115 of these Articles of Association to attend the meeting as the representatives of other directors). Each director has one vote. Any resolution requires the affirmative votes of more than half of all the board of directors in order to be passed.</p>	<p>Article 112 A board of directors meeting shall only be convened if a majority of the number of the board members are attending (including any directors appointed pursuant to Article 1153 of these Articles of Association to attend the meeting as the representatives of other directors). Each director has one vote. Any resolution requires the affirmative votes of more than half of all the board of directors in order to be passed, <u>unless otherwise specified in Article 104.</u></p>
<p>Article 120 A director may resign prior to the expiration of his term of office. If a director resigns from his office, he shall submit a written report of his resignation to the board of directors. Independent directors shall provide an explanation on the circumstances which are relevant to his resignation and which in his opinion are necessary to bring to the attention of the shareholders and creditors of the Company.</p> <p>If the resignation of a director will result in the board of directors of the Company having less than the statutory minimum number of directors, then such director's report of resignation shall only become effective after a new independent director has been appointed to fill the vacancy so caused by his resignation. The Company shall convene an ad hoc meeting or employee representative meeting as soon as possible to elect a director to fill up the vacancy arising from the resignation of the director. Before a decision is made at the shareholders' general meeting or the employee representative meeting regarding the election of the director, the functions and powers of the resigning director and the remaining board of director shall be restricted to a reasonable extent.</p> <p>If the resignation of an independent director will</p>	<p>Article 118 A director may resign prior to the expiration of his term of office. If a director resigns from his office, he shall submit a written report of his resignation to the board of directors, <u>which will be effective from the date of receipt of the resignation report by the Company. The board of directors shall disclose such matter within two (2) days.</u> Independent directors shall provide an explanation on the circumstances which are relevant to his resignation and which in his opinion are necessary to bring to the attention of the shareholders and creditors of the Company.</p> <p>If the resignation of a director will result in the <u>number of board of directors</u> of the Company having less than <u>falling below</u> the statutory minimum number of directors, then such director <u>shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association before a new director is elected to take office's</u> report of resignation shall only become effective after a new independent director has been appointed to fill the vacancy so caused by his resignation. The Company shall convene an ad hoc meeting or employee representative meeting as soon as possible to elect a director to fill up the vacancy arising</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>result in the board of directors of the Company or its special committees having less than the minimum required proportion of independent directors as required by the relevant laws and regulations or the Articles of Association or result in lack of accounting professionals among the independent directors, then such independent director's report of resignation shall only become effective after a new independent director has been appointed to fill the vacancy so caused by his resignation.</p> <p>Other than conditions aforementioned, the resignation of director shall be effective upon the delivery of its resignation report to the board of directors.</p>	<p>from the resignation of the director. Before a decision is made at the shareholders' general meeting or the employee representative meeting regarding the election of the director, the functions and powers of the resigning director and the remaining board of director shall be restricted to a reasonable extent.</p> <p>If the resignation of an independent director will result in the board of directors of the Company or its <u>the</u> special committees having less than the minimum required proportion of independent directors as required by the relevant laws, and <u>administrative</u> regulations, <u>other regulatory documents</u>, or the Articles of Association <u>or relevant rules of the special committees</u> or result in lack of accounting professionals among the independent directors, then such independent director's report of resignation shall only become effective after a new independent director has been appointed to fill the vacancy so caused by his resignation <u>shall continue to fulfil the relevant duties.</u></p> <p>Other than conditions aforementioned, the resignation of director shall be effective upon the delivery of its resignation report to the board of directors.</p>
CHAPTER 11 INDEPENDENT DIRECTORS	CHAPTER 11 INDEPENDENT DIRECTORS
<p>Article 121 Candidates for the independent directors shall be nominated by the board of directors, supervisory committee or shareholder(s) holding, whether alone or together, one percent (1%) or more of the total amount of voting shares in the Company and elected at shareholders' general meeting. The investor protection institution established according to laws may publicly request the shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</p>	<p>Article 119 Candidates for the independent directors shall be nominated by the board of directors, supervisory committee <u>audit and risk management committee (the supervision committee)</u> or shareholder(s) holding, whether alone or together, one percent (1% <u>percent</u>) or more of the total amount of voting shares in the Company and elected at shareholders' general meeting. The investor protection institution established according to laws may publicly request the shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(1) The nominator of a candidate for the independent directors shall seek the consent of such candidate prior to nomination and shall have a full understanding towards the profession, education, job position, detailed working experience and all other positions held concurrently, and whether there is any gross dishonesty or other adverse records as well as preparing written materials containing the said information to the Company. Candidates shall undertake to the Company in writing that they have agreed to accept the nomination and that all disclosed information relating to them are true and complete and shall guarantee that they will conscientiously perform the director's responsibilities when elected.</p> <p>(2) The nominator shall provide his opinion in connection with the qualification and independency of such nominees for acting as an independent director. If the applicable laws, regulations, other regulatory documents and/or the relevant listing rules contain the relevant provisions, the nominee shall make a public statement in accordance with such provisions that there does not exist any relationship between himself and the Company which may influence his independent objective judgement.</p> <p>(3) If the nomination of a candidate for the independent directors is taken place before the board meeting of the Company is convened and if the applicable laws, regulations, other regulatory documents and/or the relevant listing rules contain the relevant provisions, the written materials concerning the nominee set out in subparagraphs (1) and (2) of this Article shall be publicly announced together with the resolutions of the board meeting in accordance with such provisions.</p>	<p>(1) The nominator of a candidate for the independent directors shall seek the consent of such candidate prior to nomination and shall have a full understanding towards the profession, education, job position, detailed working experience and all other positions held concurrently, and whether there is any gross dishonesty or other adverse records as well as preparing written materials containing the said information to the Company. Candidates shall undertake to the Company in writing that they have agreed to accept the nomination and that all disclosed information relating to them are true and complete and shall guarantee that they will conscientiously perform the director's responsibilities when elected.</p> <p>(2) The nominator shall provide his opinion in connection with the qualification and independency of such nominees for acting as an independent director. If the applicable laws, regulations, other regulatory documents and/or the relevant listing rules <u>of securities</u> contain the relevant provisions, the nominee shall make a public statement in accordance with such provisions that there does not exist any relationship between himself and the Company which may influence his independent objective judgement.</p> <p>(3) If the nomination of a candidate for the independent directors is taken place before the board meeting of the Company is convened and if the applicable laws, regulations, other regulatory documents and/or the relevant listing rules <u>of securities</u> contain the relevant provisions, the written materials concerning the nominee set out in subparagraphs (1) and (2) of this Article shall be publicly announced together with the resolutions of the board meeting in accordance with such provisions.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(4) If a shareholder holding, alone or together, more than 3% of the voting right of the Company or the supervisory committee proposes an ex tempore motion on the election of non-independent directors, the written notice specifying the intention to propose a person for election as a director and the willingness of the nominee to accept nomination together with the written materials and undertakings containing such particulars of the nominee as set out in subparagraphs (1) and (2) of this Article shall be despatched to the Company within ten (10) days prior to the shareholders' general meeting.</p> <p>(5) Before a general meeting of shareholders is convened to elect independent directors, if the applicable laws, regulations, other regulatory documents and/or the relevant listing rules contain the relevant provisions, the Company shall in accordance with such provisions submit relevant materials regarding all nominees to the authority in charge of securities of the State Council and/or its local residence office and the stock exchanges on which the Company's shares are listed. If the board of directors of the Company objects to the qualifications of the nominees, a written opinion of the board of directors in connection therewith shall also be submitted at the same time. If the authority in charge of securities of the State Council has an objection to a nominee, such nominee shall not qualify to be a candidate for election as an independent director. When convening a shareholders' general meeting to elect independent directors, the board of directors of the Company shall explain whether or not the authority in charge of securities of the State Council had any objection to any of the candidates for independent directors.</p>	<p>(4) If a shareholder holding, alone or together, more than 3% <u>1 percent</u> of the voting right of the Company or the supervisory committee <u>audit and risk management committee (the supervision committee)</u> proposes an ex tempore motion <u>at the shareholders' meeting</u> on the election of non-independent directors, the written notice specifying the intention to propose a person for election as a director and the willingness of the nominee to accept nomination together with the written materials and undertakings containing such particulars of the nominee as set out in subparagraphs (1) and (2) of this Article shall be despatched to the Company within ten (10) days prior to the shareholders' general meeting.</p> <p>(5) Before a shareholders' general <u>shareholders'</u> meeting of shareholders is convened to elect independent directors, if the applicable laws, regulations, other regulatory documents and/or the relevant <u>of securities</u> listing rules contain the relevant provisions, the Company shall in accordance with such provisions submit relevant materials regarding all nominees to the authority in charge of securities of the State Council and/or its local residence office and the stock exchanges on which the Company's securities are <u>is</u> listed. If the board of directors of the Company objects to the qualifications of the nominees, a written opinion of the board of directors in connection therewith shall also be submitted at the same time. If the authority in charge of securities of the State Council <u>stock exchanges on which the securities of the Company are listed</u> has an objection to a nominee, such nominee shall not qualify to be a candidate for election as an independent director. When convening a shareholders' general meeting to elect independent directors, the board of directors of the Company shall explain whether or not the authority in charge of securities of the State Council had <u>there is</u> any objection to any of the candidates for independent directors.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>Article 120</u> <u>In accordance with the requirements of the laws, administrative regulations, regulations of the CSRC, the stock exchanges and the Articles of Association, independent directors shall diligently perform their duties, play the roles in decision-making, supervise checks and balances, and provide professional advice to the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.</u></p>
<p>Article 122 A person acting as an independent director shall fulfil the following basic requirements:</p> <p>(1) he or she shall possess the qualifications to act as the director of the Company in accordance with the relevant requirements of laws, regulations and other regulatory documents;</p> <p>(2) he or she conforms with independence required by the relevant laws, regulations, other regulatory documents and the listing rules;</p> <p>(3) he or she possesses the basic knowledge of operation of a listed company and is familiar with relevant laws and administrative regulations as well as rules and regulations (including but not limited to the accounting principles);</p> <p>(4) he or she shall have not less than 5 years of experience in law, accounting, economics or other working experience necessary for performing duties of an independent director;</p> <p>(5) he or she shall have good character traits and shall not have any gross dishonesty or other adverse records;</p>	<p>Article 121 A person acting as an independent director shall fulfil the following basic requirements:</p> <p>(1) he or she shall possess the qualifications to act as the director of the Company a listed company in accordance with the relevant requirements of relevant requirements of laws, regulations and other regulatory documents relevant requirements;</p> <p>(2) he or she conforms with independence required by the relevant laws, regulations, other regulatory documents and the listing rules relevant requirements and the Articles of Association;</p> <p>(3) he or she possesses the basic knowledge of operation of a listed company and is familiar with relevant laws, and administrative regulations as well as and rules and regulations (including but not limited to the accounting principles);</p> <p>(4) he or she shall have not less than 5 years of experience in law, accounting, economics or other working experience necessary for performing duties of an independent director;</p> <p>(5) he or she shall have good character traits and shall not have any gross dishonesty or other adverse records;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
(6) he or she shall fulfil other conditions as provided for in these Articles of Association.	(6) he or she shall fulfil other conditions as provided for in these <u>prescribed by the laws, administrative regulations, securities regulatory authority in the place where the Company is listed, the stock exchanges where the securities of the Company are listed and the</u> Articles of Association.
<p>Article 123 Independent directors shall have independence. Unless otherwise required by the relevant laws, regulations, other regulatory documents and/or the relevant listing rules, none of the following persons shall act as independent directors:</p> <p>(1) persons working in the Company or its subsidiaries, as well as their direct family members or major social relations (in which direct family members refer to their spouses, parents and children etc.; and major social relations refer to siblings, parents-in-law, sons or daughters-in-law, spouses of their siblings and siblings of their spouses etc.);</p> <p>(2) natural person shareholders as well as their direct family members who directly or indirectly hold not less than one percent (1%) of the issued shares of the Company or who are ranked as the top ten shareholders of the Company;</p> <p>(3) persons as well as their direct family members who work in entities which are such shareholders of the Company directly or indirectly holding not less than five percent (5%) of the shares of the Company in issue or which are ranked as the top five shareholders of the Company;</p> <p>(4) persons as well as their direct family members who work in the subsidiary of the Company's controlling shareholder and actual controller;</p> <p>(5) persons who have material business transactions with the Company and its controlling</p>	<p>Article 122 Independent directors shall have independence. Unless otherwise required by the relevant laws, regulations, other regulatory documents and/or the relevant listing rules <u>of securities</u>, none of the following persons shall act as independent directors:</p> <p>(1) persons working in the Company or its subsidiaries, as well as their direct family members or major social relations (in which direct family members refer to their spouses, parents and, children etc.; and major social relations refer to siblings, parents in law, sons or daughters in law, spouses of their siblings and siblings of their spouses etc.);</p> <p>(2) natural person shareholders as well as their <u>spouses, parents and children</u> direct family members who directly or indirectly hold not less than one percent (1%) of the issued shares of the Company or who are ranked as the top ten shareholders of the Company;</p> <p>(3) persons as well as their direct family members <u>spouses, parents and children</u> who work in entities which are such shareholders of the Company directly or indirectly holding not less than five percent (5%) of the shares of the Company in issue or which are ranked as the top five shareholders of the Company;</p> <p>(4) persons as well as their <u>spouses, parents and children</u> direct family members who work in the subsidiary of the Company's controlling shareholder and actual <u>de facto</u> controller;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>shareholders, actual controllers or their respective subsidiaries, or persons who hold positions in such entities and their controlling shareholders or actual controllers that have material business transactions with the same;</p> <p>(6) persons who provide financial, legal, consulting, recommendation and other services for the Company, its controlling shareholders, actual controllers or their respective subsidiaries, including but not limited to all personnel of the project team, reviewers at all levels, personnel signing the report, partners, directors, senior officers and principal responsible persons of the intermediary institutions providing services;</p> <p>(7) persons who have satisfied the conditions stated in sub-paragraph (1) to sub-paragraph (6) in the last 12 months;</p> <p>(8) persons who are determined by the authority in charge of securities to be unqualified to act as independent directors.</p> <p>The subsidiaries of the controlling shareholders and actual controllers of the Company mentioned in preceding subparagraphs (4) to (6) do not include the enterprises controlled by the same state-owned assets management institution as the Company and not forming a connected relationship with the Company according to relevant regulations.</p> <p>Independent directors shall conduct self-examination on their independence every year and submit the self-examination results to the board of directors. The board of directors shall evaluate the independence of the independent directors in office and issue special opinions every year, which shall be disclosed together with the annual report.</p>	<p>(5) persons who have material business transactions with the Company and its controlling shareholders, actual <u>de facto</u> controllers or their respective subsidiaries, or persons who hold positions in such entities and their controlling shareholders or actual <u>de facto</u> controllers that have material business transactions with the same;</p> <p>(6) persons who provide financial, legal, consulting, recommendation and other services for the Company, its controlling shareholders, actual <u>de facto</u> controllers or their respective subsidiaries, including but not limited to all personnel of the project team, reviewers at all levels, personnel signing the report, partners, directors, senior officers and principal responsible persons of the intermediary institutions providing services;</p> <p>(7) persons who have satisfied the conditions stated in sub-paragraph (1) to sub-paragraph (6) in the last 12 months;</p> <p>(8) <u>other</u> persons who are determined by the authority in charge of securities to be unqualified to act as independent directors <u>without independence as stipulated by laws, administrative regulations, the CSRC, stock exchanges and these Articles of Association.</u></p> <p>The subsidiaries of the controlling shareholders and actual <u>de facto</u> controllers of the Company mentioned in preceding subparagraphs (4) to (6) do not include the enterprises controlled by the same state-owned assets management institution as the Company and not forming a connected relationship with the Company according to relevant regulations.</p> <p>Independent directors shall conduct self-examination on their independence every year and submit the self-examination results to the board of</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	directors. The board of directors shall evaluate the independence of the independent directors in office and issue special opinions every year, which shall be disclosed together with the annual report.
<p>Article 125 Independent directors shall perform the following duties:</p> <p>(1) to participate in the decision-making of the board of directors and express clear opinions on the matters discussed;</p> <p>(2) to supervise the potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior officers in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies, so as to ensure that the decisions of the board of directors are in line with the overall interests of the Company and protect the legitimate rights and interests of minority shareholders;</p> <p>(3) to provide professional and objective suggestions on the operation and development of the Company, and promote the improvement of the decision-making level of the board of directors;</p> <p>(4) other duties as stipulated by laws, regulations and the Articles of Association.</p>	<p>Article 124 Independent directors, <u>as members of the board of directors,</u> shall <u>have the duty of loyalty and diligence to the Company and all shareholders to prudently</u> perform the following duties:</p> <p>(1) to participate in the decision-making of the board of directors and express clear opinions on the matters discussed;</p> <p>(2) to supervise the potential material conflicts of interest between the Company and its controlling shareholders, actual <u>de facto</u> controllers, directors and senior officers in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies, so as to ensure that the decisions of the board of directors are in line with the overall interests of the Company and protect the legitimate rights and interests of minority shareholders;</p> <p>(3) to provide professional and objective suggestions on the operation and development of the Company, and promote the improvement of the decision-making level of the board of directors;</p> <p>(4) other duties as stipulated by laws, regulations and the Articles of Association.</p>
<p>Article 126 Apart from such powers as conferred on a director under the Company Law and other relevant laws, regulations, other regulatory documents and the Articles of Association, an independent director shall also have the following special functions and powers:</p> <p>(1) to independently engage an intermediary to audit, consult on or verify specific matters of the Company;</p>	<p>Article 125 Apart from such powers as conferred on a director under the Company Law and other relevant laws, regulations, other regulatory documents and the Articles of Association, an independent director shall also have <u>exercise</u> the following special functions and powers:</p> <p>(1) to independently engage an intermediary to audit, consult on or verify specific matters of the Company;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(2) to propose to the board of directors to convene an extraordinary general meeting;</p> <p>(3) to propose to convene a board meeting;</p> <p>(4) to publicly solicit shareholders' rights from shareholders according to laws;</p> <p>(5) to express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;</p> <p>(6) other functions and powers as stipulated by laws, regulations and the Articles of Association.</p> <p>An independent director shall obtain the consent from more than half of all independent directors in the case of exercising his/her functions as described in preceding sub-paragraphs (1) to (3).</p> <p>If an independent director exercises the functions and powers as described in the sub-paragraph (1) of this Article, the Company shall timely disclose the same. If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and reasons.</p>	<p>(2) to propose to the board of directors to convene an extraordinary general<u>shareholders'</u> meeting;</p> <p>(3) to propose to convene a board meeting;</p> <p>(4) to publicly solicit shareholders' rights from shareholders according to laws;</p> <p>(5) to express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;</p> <p>(6) other functions and powers as stipulated by laws, <u>administrative</u> regulations, <u>the CSRC</u> and <u>these</u> Articles of Association.</p> <p>An independent director shall obtain the consent from more than half of all independent directors in the case of exercising his/her functions as described in preceding sub-paragraphs (1) to (3).</p> <p>If an independent director exercises the functions and powers as described in the sub-paragraph (1) of this Article, the Company shall timely disclose the same. If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and reasons.</p>
<p>Article 127 The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all independent directors:</p> <p>(1) connected transactions that should be disclosed;</p> <p>(2) changes in or waivers of commitments by the Company and related parties;</p> <p>(3) the decisions made and measures taken by the board of directors of the acquired company in connection with the acquisition;</p>	<p>Article 126 The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all independent directors:</p> <p>(1) connected transactions that should be disclosed;</p> <p>(2) <u>plans on</u> changes in or waivers of commitments by the Company and related parties;</p> <p>(3) the decisions made and measures taken by the board of directors of the acquired company in connection with the acquisition <u>of the Company</u>;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
(4) other matters as stipulated by laws, regulations and the Articles of Association.	(4) other matters as stipulated by laws, <u>administrative</u> regulations, <u>the CSRC</u> and these Articles of Association.
<p>Article 128 The independent directors shall hold special meetings on a regular or irregular basis, and the matters as described in sub-paragraphs (1) to (3) of paragraph 1 of Article 126 and Article 127 of these Articles of Association shall be considered at special meetings of independent directors.</p> <p>The special meeting of independent directors may study and discuss other matters of the Company as required.</p> <p>The special meeting of independent directors shall be convened and presided over by an independent director jointly recommended by more than half of the independent directors; if the convener does not perform his duties or is unable to perform his duties, two or more independent directors may convene the meeting and elect a representative to preside over the meeting on their own.</p> <p>The Company shall provide convenience and support for the convening of special meetings of independent directors.</p>	<p>Article 127 <u>The Company shall establish a mechanism of special meetings attended by all independent directors. Matters such as related transactions to be considered by the board of directors shall be approved in advance by a special meeting of independent directors.</u> The independent directors shall hold special meetings on a regular or irregular basis, and the matters as described in sub-paragraphs (1) to (3) of paragraph 1 of Article 126⁵ and Article 127⁶ of these Articles of Association shall be considered at special meetings of independent directors.</p> <p>The special meeting of independent directors may study and discuss other matters of the Company as required.</p> <p>The special meeting of independent directors shall be convened and presided over by an independent director jointly recommended by more than half of the independent directors; if the convener does not perform his duties or is unable to perform his duties, two or more independent directors may convene the meeting and elect a representative to preside over the meeting on their own.</p> <p><u>The minutes of the special meeting of independent directors shall be prepared in accordance with the regulations, and the opinions of independent directors shall be recorded in the minutes of the meeting. The independent directors shall sign to confirm the minutes of the meeting.</u></p> <p>The Company shall provide convenience and support for the convening of special meetings of independent directors.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>CHAPTER 12: SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS</u>
	<u>Article 129 The board of directors of the Company shall establish the audit and risk management committee (the supervision committee), the strategy and investment committee, the nomination committee, the remuneration and appraisal committee, the aviation safety committee and other special committees, which shall perform their duties in accordance with these Articles of Association and the authorization of the board of directors. The resolutions of the special committees shall be submitted to the board of directors for deliberation and decision. The working rules of the special committees shall be formulated by the board of directors.</u>
	<u>Article 130 The audit and risk management committee (the supervision committee) shall be composed of three to five members, who shall be directors who do not hold senior officer positions in the Company, of whom more than half shall be independent directors, with accounting professionals among the independent directors serving as the convenor; the strategy and investment committee shall be composed of three to seven directors, with the chairman of the board of directors or his/her designated committee member serving as the convenor; the nomination committee shall be composed of three to seven directors, of whom a majority shall be independent directors, with the chairman of the board of directors serving as the convenor; the remuneration and appraisal committee shall be composed of three to seven directors, of whom a majority shall be independent directors, with the independent directors serving as the convenor; and the aviation safety committee shall be</u>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>composed of three members, with the convenor being elected by the members of the aviation safety committee.</u>
	<u>Article 131 The audit and risk management committee (the supervision committee) under the board of directors shall exercise the powers and functions of the supervisory committee as stipulated in the Company Law.</u>
	<p><u>Article 132 The audit and risk management committee (the supervision committee) shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control. The following matters shall be submitted to the board of directors for deliberation with the approval of more than half of all members of the audit and risk management committee (the supervision committee):</u></p> <p><u>(1) disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports;</u></p> <p><u>(2) appointment or dismissal of an accounting firm that undertakes the audit business of the Company;</u></p> <p><u>(3) appointment or dismissal of the Company's financial controller;</u></p> <p><u>(4) changes in accounting policies, accounting estimates or corrections of major accounting errors due to reasons other than changes in accounting standards;</u></p> <p><u>(5) other matters stipulated by laws, administrative regulations, provisions of the CSRC and these Articles of Association.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>Article 133 The audit and risk management committee (the supervision committee) shall hold meetings at least once a quarter. Extraordinary meetings may be convened at the proposals of two or more members or when the convener considers it necessary. Meetings of the audit and risk management committee (the supervision committee) shall be held with the presence of more than two thirds of the members.</u></p> <p><u>Resolutions of the audit and risk management committee (the supervision committee) shall be passed by more than half of the members of the audit and risk management committee (the supervision committee).</u></p> <p><u>Each person shall have one vote for a resolution of the audit and risk management committee (the supervision committee).</u></p> <p><u>The audit and risk management committee (the supervision committee) shall prepare the minutes of the meeting with respect of resolutions in accordance with the regulations, and the minutes shall be signed by the members of the audit and risk management committee (the supervision committee) attending the meeting.</u></p>
	<p><u>Article 134 The strategy and investment committee shall be responsible for studying and supervising the Company's long-term development strategy, major investment and financing decisions and environmental, social and governance work, etc., and making recommendations to the board of directors on the following matters:</u></p> <p><u>(1) conducting studies and making recommendations on the Company's long-term development strategic planning;</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>(2) conducting studies and making recommendations on the Company's annual investment plan;</u></p> <p><u>(3) conducting studies and making recommendations on plans for major investment and financing projects subject to the approval of the board of directors;</u></p> <p><u>(4) formulating the Company's environmental, social and governance structure, objectives, management approach and strategy;</u></p> <p><u>(5) conducting supervision and inspection of the implementation of matters within the scope of the proposed authority;</u></p> <p><u>(6) other matters authorized by laws, administrative regulations, provisions of the CSRC, these Articles of Association and the board of directors.</u></p>
	<p><u>Article 135 The nomination committee shall be responsible for formulating criteria and procedures for the selection of directors and senior officers, selecting and reviewing candidates for directors and senior officers and their qualifications, and making recommendations to the board of directors on the following matters:</u></p> <p><u>(1) nomination or appointment or dismissal of directors;</u></p> <p><u>(2) appointment or dismissal of senior officers;</u></p> <p><u>(3) other matters authorized by laws, administrative regulations, provisions of the CSRC, these Articles of Association and the board of directors.</u></p> <p><u>If the board of directors does not adopt or does not fully adopt the recommendations of the</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>nomination committee, it shall record the opinions of the nomination committee and the specific reasons for their non-adoption in the resolution of the board of directors and disclose the same.</u>
	<p><u>Article 136 The remuneration and appraisal committee shall be responsible for formulating the appraisal standards for directors and senior officers, conducting appraisal, formulating and reviewing the remuneration determination mechanisms, decision-making processes, payment and payment cessation and recovery arrangements, and other remuneration policies and plans for directors and senior officers, and making recommendations to the board of directors on the following matters:</u></p> <p><u>(1) the remuneration of directors and senior officers;</u></p> <p><u>(2) the formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;</u></p> <p><u>(3) the arrangement of stock ownership plans for directors and senior officers in the event of a proposed spin-off of a subsidiary;</u></p> <p><u>(4) other matters authorized by laws, administrative regulations, provisions of the CSRC, these Articles of Association and the board of directors.</u></p> <p><u>If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinions of the remuneration and appraisal committee and the specific reasons for their non-adoption in the resolution of the board of directors and disclose the same.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>Article 137 The aviation safety committee shall be responsible for supervising the management of aviation safety of the Company, providing support to the board of directors in making decisions on aviation safety, and making recommendations to the board of directors on the following matters:</u></p> <p><u>(1) analysis of the Company's security situation;</u></p> <p><u>(2) major problems in the Company's aviation safety work;</u></p> <p><u>(3) other matters authorized by the board of directors of the Company.</u></p>
	<p><u>Article 138 Where the relevant competent department of the State Council makes other provisions regarding special committees, such provisions shall prevail.</u></p>
CHAPTER 12: SECRETARY OF THE BOARD OF DIRECTORS	CHAPTER 12 3 : SECRETARY OF THE BOARD OF DIRECTORS
<p>Article 130 The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company.</p> <p>The board of directors shall establish a secretariat of the board of directors.</p>	<p>Article 139 The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company <u>and be present at the shareholders' meetings, the board of directors' meetings, the president's office meetings and other important decision-making meetings of the Company as well as the special committee meetings of the board of directors. When the party committee studies and discusses major operation and management matters, the secretary of the board of directors shall attend.</u></p> <p>The board of directors shall establish <u>the office of the board of directors as the administrative organization of the board of directors,—a secretariat of the board of directors which shall be headed by the secretary of the board of directors.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Article 131 The secretary of the Company's 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.</p> <p>The main tasks and duties of the secretary of the board of directors include:</p> <p>.....</p> <p>(10) other duties as stipulated by laws, regulations, other regulatory documents (including the listing rules) and the Articles of Association.</p>	<p>Article 140 The secretary of the Company's 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.</p> <p>The main tasks and duties of the secretary of the board of directors include:</p> <p>.....</p> <p>(10) other duties as stipulated by laws, regulations, other regulatory documents (including the listing rules <u>of securities</u>) and the Articles of Association.</p>
CHAPTER 13: PRESIDENT	CHAPTER 134: PRESIDENT SENIOR OFFICERS
<p>Article 136 The president shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors;</p> <p>(2) to organize the implementation of the Company's annual business plan and investment proposal;</p> <p>(3) subject to applicable laws and these Articles of Association, to decide on transactions, which are related to the Company's main business, and the value of which shall not exceed certain amount, or certain proportion of the Company's latest audited net assets (the said amount and proportion to be determined by the shareholders' meeting);</p> <p>(4) to sign contracts and agreements on behalf of the Company in accordance with the authorization granted by the board of directors or the legal representative;</p>	<p>Article 145 The president shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors;</p> <p>(2) to organize the implementation of the Company's annual business plan and investment proposal;</p> <p>(3) subject to applicable laws and these Articles of Association, to decide on transactions, which are related to the Company's main business, and the value of which shall not exceed certain amount, or certain proportion of the Company's latest audited net assets (the said amount and proportion to be determined by the shareholders' meeting);</p> <p>(4) to sign contracts and agreements on behalf of the Company in accordance with the authorization granted by the board of directors or the legal representative;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(5) to draft plans for the establishment of the Company's internal management structure, and where necessary, make plans for general institutional adjustment;</p> <p>(6) to draft the Company's basic management system;</p> <p>(7) to formulate basic rules and regulations for the Company;</p> <p>(8) to propose the appointment or dismissal of the vice presidents, chief accountant, chief pilot and general legal counsel of the Company;</p> <p>(9) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;</p> <p>(10) to propose to convene an extraordinary meeting of the board of directors;</p> <p>(11) other powers conferred by the Articles of Association and the board of directors.</p>	<p>(5) to draft plans for the establishment of the Company's internal management structure, and where necessary, make plans for general institutional adjustment;</p> <p>(6) to draft the Company's basic management system;</p> <p>(7) to formulate basic<u>specific</u> rules and regulations for the Company;</p> <p>(8) to propose <u>to the board of directors</u> the appointment or dismissal of the vice presidents, chief accountant, chief pilot and general legal counsel of the Company;</p> <p>(9) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;</p> <p>(10) to propose to convene an extraordinary meeting of the board of directors;</p> <p>(11) other powers conferred by the Articles of Association and<u>or</u> the board of directors.</p>
	<p><u>Article 146 The president shall formulate the president's working rules and submit the same to the board of directors for approval before implementation.</u></p> <p><u>The president's working rules shall include the following:</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>(1) the conditions and procedures for the convening of the president's meeting and the persons participating in it;</u></p> <p><u>(2) the use of funds and assets of the Company, the authority to sign major contracts, and the reporting system to the board of directors;</u></p> <p><u>(3) other matters deemed necessary by the board of directors.</u></p>
<p>Article 137 The president shall attend meetings of the board of directors. The president who is not a director shall not have the right to vote at board meetings.</p>	<p>Article 147 The president shall attend meetings of the board of directors. <u>If the matters deliberated by the board of directors involve legal issues, the general legal counsel shall attend and give legal opinions.</u> The president who is not a director shall not have the right to vote at board meetings.</p>
	<p>Article 148 <u>If the senior officers, in performing their duties for the Company, cause damage to others, the Company shall bear the liability for compensation; the senior officers shall also bear the liability for compensation if there is any willfulness or gross negligence on their part. Senior officers who violate laws, administrative regulations, departmental rules or the provisions of these Articles of Association in the course of performing their duties for the Company and cause damage to the Company shall be liable for compensation.</u></p>
<p>Article 138 In performing their duties and powers, the president, vice presidents, chief accountant, chief pilot, general legal counsel and other senior officers shall act honestly and diligently in accordance with laws, regulations, other regulatory documents and the Articles of Association.</p>	<p>Article 149 <u>Senior officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior officers of the Company who fail to perform their duties faithfully or violate their obligations of good faith and cause damage to the interests of the Company and public shareholders shall be liable for compensation in accordance with laws.</u></p> <p>In performing their duties and powers, the president, vice presidents, chief accountant, chief pilot, general legal counsel and other senior</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	officers shall act honestly and diligently in accordance with laws, regulations, other regulatory documents and the Articles of Association.
CHAPTER 14: SUPERVISORY COMMITTEE	CHAPTER 14: SUPERVISORY COMMITTEE
<p>Article 139 The Company shall have a supervisory committee. The supervisory committee is a permanent supervisory body of the Company responsible for supervising the board of directors and its members, the president, vice presidents, chief financial officer and other senior officers of the Company to prevent them from abusing their powers and infringing the legal rights and interests of the shareholders, the Company and its employees.</p>	<p>Article 139 The Company shall have a supervisory committee. The supervisory committee is a permanent supervisory body of the Company responsible for supervising the board of directors and its members, the president, vice presidents, chief financial officer and other senior officers of the Company to prevent them from abusing their powers and infringing the legal rights and interests of the shareholders, the Company and its employees.</p>
<p>Article 140 The supervisory committee shall compose of five (5) supervisors. The number of outside supervisor (hereinafter meaning supervisors who do not hold office in the Company) shall account for one half or more of the total number of supervisory committee members. The number of supervisors representing employees shall not be less than one-third (1/3) of the total number of supervisors. The supervisory committee shall have one (1) chairman who shall be elected by more than half of the number of supervisors. Each supervisor shall serve for a term of 3 years, which term is renewable upon reelection and re-appointment.</p> <p>The chairman of the supervisory committee shall organise the implementation of the duties of the supervisory committee.</p>	<p>Article 140 The supervisory committee shall compose of five (5) supervisors. The number of outside supervisor (hereinafter meaning supervisors who do not hold office in the Company) shall account for one half or more of the total number of supervisory committee members. The number of supervisors representing employees shall not be less than one third (1/3) of the total number of supervisors. The supervisory committee shall have one (1) chairman who shall be elected by more than half of the number of supervisors. Each supervisor shall serve for a term of 3 years, which term is renewable upon reelection and re-appointment.</p> <p>The chairman of the supervisory committee shall organise the implementation of the duties of the supervisory committee.</p>
<p>Article 141 The supervisory committee shall include three (3) supervisors who shall represent the shareholders (all of whom are outside supervisors) and two (2) supervisors who shall represent the employees. Supervisors who represent the shareholders shall be elected or removed by the shareholders in general meetings,</p>	<p>Article 141 The supervisory committee shall include three (3) supervisors who shall represent the shareholders (all of whom are outside supervisors) and two (2) supervisors who shall represent the employees. Supervisors who represent the shareholders shall be elected or removed by the shareholders in general meetings, and the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>and the supervisor who represents employees shall be elected or removed by the employees democratically.</p> <p>Where necessary, the supervisory committee may establish an office responsible for the day-to-day work of the supervisory committee.</p>	<p>supervisor who represents employees shall be elected or removed by the employees democratically.</p> <p>Where necessary, the supervisory committee may establish an office responsible for the day to day work of the supervisory committee.</p>
<p>Article 142 The list of candidates for supervisors representing shareholders shall be proposed in form of a motion to the shareholders' general meeting for resolution. Candidates for supervisors representing employees shall be nominated by the board of directors, supervisory committee or by shareholder(s) holding, alone or together, more than three percent (3%) of the total amount of voting shares in the Company and shall be elected or removed at the shareholders' general meeting.</p>	<p>Article 142 The list of candidates for supervisors representing shareholders shall be proposed in form of a motion to the shareholders' general meeting for resolution. Candidates for supervisors representing employees shall be nominated by the board of directors, supervisory committee or by shareholder(s) holding, alone or together, more than three percent (3%) of the total amount of voting shares in the Company and shall be elected or removed at the shareholders' general meeting.</p>
<p>Article 143 The cumulative voting method shall be adopted for voting the resolution to elect supervisors (excluding supervisors acted by staff representatives) at the shareholders' general meeting of the Company. Namely, for the election of more than two supervisors at the shareholders' general meeting, each share held by the shareholders participating in the voting shall carry the voting right equal to the total number of supervisors to be elected. The shareholders can either cast all the votes to elect one person or cast the votes to elect several persons.</p>	<p>Article 143 The cumulative voting method shall be adopted for voting the resolution to elect supervisors (excluding supervisors acted by staff representatives) at the shareholders' general meeting of the Company. Namely, for the election of more than two supervisors at the shareholders' general meeting, each share held by the shareholders participating in the voting shall carry the voting right equal to the total number of supervisors to be elected. The shareholders can either cast all the votes to elect one person or cast the votes to elect several persons.</p>
<p>Article 144 The directors, president, vice presidents and other senior officer of the Company shall not act concurrently as supervisors.</p>	<p>Article 144 The directors, president, vice presidents and other senior officer of the Company shall not act concurrently as supervisors.</p>
<p>Article 145 The board of supervisors' meetings shall be convened at least once every 6 months. The chairman of the board of supervisors shall convene and chair the said meetings. Should the chairman of the board of supervisors be unable to perform his/her duties or fail to perform his/her duties, a supervisor jointly elected by more than half of the number of supervisors shall convene</p>	<p>Article 145 The board of supervisors' meetings shall be convened at least once every 6 months. The chairman of the board of supervisors shall convene and chair the said meetings. Should the chairman of the board of supervisors be unable to perform his/her duties or fail to perform his/her duties, a supervisor jointly elected by more than half of the number of supervisors shall convene</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>and chair the board of supervisors' meeting. A notice of the board of supervisors' meetings shall be delivered to all supervisors in writing 10 days prior to the convening of the said meeting. The notice of meeting shall incorporate the following information:</p> <p>(1) The date, venue and duration of the meeting;</p> <p>(2) The reason for convening the meeting and the topics for discussion thereat;</p> <p>(3) The date on which the notice is issued.</p>	<p>and chair the board of supervisors' meeting. A notice of the board of supervisors' meetings shall be delivered to all supervisors in writing 10 days prior to the convening of the said meeting. The notice of meeting shall incorporate the following information:</p> <p>(1) The date, venue and duration of the meeting;</p> <p>(2) The reason for convening the meeting and the topics for discussion thereat;</p> <p>(3) The date on which the notice is issued.</p>
<p>Article 146 If, at the time when the term of office of a supervisor expires, the election of a new supervisor is not held in time, and if a supervisor resigns during his/her term of office and causes the number of members of the supervisory committee fall below those required by law, the incumbent supervisor shall continue to perform his/her supervisor's responsibilities in accordance with the relevant laws, administrative regulations and these Articles of Association until the newly elected supervisor take his/her office.</p>	<p>Article 146 If, at the time when the term of office of a supervisor expires, the election of a new supervisor is not held in time, and if a supervisor resigns during his/her term of office and causes the number of members of the supervisory committee fall below those required by law, the incumbent supervisor shall continue to perform his/her supervisor's responsibilities in accordance with the relevant laws, administrative regulations and these Articles of Association until the newly elected supervisor take his/her office.</p>
<p>Article 147 The supervisory committee shall be accountable to the shareholders in a general meeting and shall exercise the following functions and powers in accordance with law:</p> <p>(1) to review the Company's financial position situation, to examine the Company's reports prepared by the board of directors on a regular basis and to prepare written opinion after the same have been examined;</p> <p>(2) to monitor the performance directors, president, vice presidents, financial controller and other senior officers of their duties to ensure that they do not act in contravention of any law, regulation or the Articles of Association, and to recommend the dismissal of any directors and senior officer</p>	<p>Article 147 The supervisory committee shall be accountable to the shareholders in a general meeting and shall exercise the following functions and powers in accordance with law:</p> <p>(1) to review the Company's financial position situation, to examine the Company's reports prepared by the board of directors on a regular basis and to prepare written opinion after the same have been examined;</p> <p>(2) to monitor the performance directors, president, vice presidents, financial controller and other senior officers of their duties to ensure that they do not act in contravention of any law, regulation or the Articles of Association, and to recommend the dismissal of any directors and senior officer</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>personnel who has violated the laws, administrative regulations, the Articles of Association or the resolutions passed at the shareholders' general meetings;</p> <p>(3) to demand any director, president, vice president, financial controller or any other senior officer who acts in a manner which is harmful to the Company's interest to rectify such behaviour;</p> <p>(4) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings and to authorize, in the Company's name, publicly certified accountants and practising auditors to assist in the re-examination of such information should any doubt arise in respect thereof;</p> <p>(5) to propose to a motion at the shareholder's annual general meeting;</p> <p>(6) to propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meetings when the board of directors fails to do so;</p> <p>(7) to propose to convene an extraordinary meeting of the board of directors;</p> <p>(8) to represent the Company in negotiations with, or in bringing actions against, a director or senior officer;</p> <p>(9) other functions and powers specified in laws, administrative regulations and in these Articles of Association as well as those as conferred by the shareholders' general meeting.</p> <p>The supervisory committee may make recommendations on the appointment of</p>	<p>personnel who has violated the laws, administrative regulations, the Articles of Association or the resolutions passed at the shareholders' general meetings;</p> <p>(3) to demand any director, president, vice president, financial controller or any other senior officer who acts in a manner which is harmful to the Company's interest to rectify such behaviour;</p> <p>(4) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings and to authorize, in the Company's name, publicly certified accountants and practising auditors to assist in the re examination of such information should any doubt arise in respect thereof;</p> <p>(5) to propose to a motion at the shareholder's annual general meeting;</p> <p>(6) to propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meetings when the board of directors fails to do so;</p> <p>(7) to propose to convene an extraordinary meeting of the board of directors;</p> <p>(8) to represent the Company in negotiations with, or in bringing actions against, a director or senior officer;</p> <p>(9) other functions and powers specified in laws, administrative regulations and in these Articles of Association as well as those as conferred by the shareholders' general meeting.</p> <p>The supervisory committee may make recommendations on the appointment of</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>accounting firm by the Company, may appoint another accounting firm in the name of the Company when necessary to examine financial affairs of the Company independently, and may directly report relevant information to the authorities in charge of securities of the State Council and other relevant authorities.</p> <p>Outside supervisors shall report independently to the shareholders' meeting on whether the senior officers perform their duties honestly and diligently.</p> <p>Supervisors may attend meetings of the board of directors as observers, and to interrogate or give suggestion to the resolutions at the board of directors.</p>	<p>accounting firm by the Company, may appoint another accounting firm in the name of the Company when necessary to examine financial affairs of the Company independently, and may directly report relevant information to the authorities in charge of securities of the State Council and other relevant authorities.</p> <p>Outside supervisors shall report independently to the shareholders' meeting on whether the senior officers perform their duties honestly and diligently.</p> <p>Supervisors may attend meetings of the board of directors as observers, and to interrogate or give suggestion to the resolutions at the board of directors.</p>
<p>Article 148 Supervisors may require the directors, the president, vice president and other senior officer personnel to the Board and internal and external auditing personnel to attend meetings of the supervisory committee and to answer matters of concerns of the supervisory committee.</p>	<p>Article 148 Supervisors may require the directors, the president, vice president and other senior officer personnel to the Board and internal and external auditing personnel to attend meetings of the supervisory committee and to answer matters of concerns of the supervisory committee.</p>
<p>Article 149 Resolutions of the supervisory committee shall be passed by more than half of the number of supervisors.</p>	<p>Article 149 Resolutions of the supervisory committee shall be passed by more than half of the number of supervisors.</p>
<p>Article 150 The supervisory committee shall take minutes of the resolutions at the meetings. Supervisors who attend the meeting and the person taking the minutes shall sign the minutes. The supervisors attending the supervisory committee meeting shall have the right to request to have the descriptive information on their speech given thereat to be recorded in the minutes. Minutes of the supervisory committee meeting shall be treated as important file and kept properly for a period of at least 10 years.</p>	<p>Article 150 The supervisory committee shall take minutes of the resolutions at the meetings. Supervisors who attend the meeting and the person taking the minutes shall sign the minutes. The supervisors attending the supervisory committee meeting shall have the right to request to have the descriptive information on their speech given thereat to be recorded in the minutes. Minutes of the supervisory committee meeting shall be treated as important file and kept properly for a period of at least 10 years.</p>
<p>Article 151 All reasonable fees incurred in respect of the employment of professionals (such as, lawyers, certified public accountants or practising</p>	<p>Article 151 All reasonable fees incurred in respect of the employment of professionals (such as, lawyers, certified public accountants or practising</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
auditors) which are required by the supervisory committee in the exercise of its functions and powers shall be borne by the Company.	auditors) which are required by the supervisory committee in the exercise of its functions and powers shall be borne by the Company.
Article 152 A supervisor shall carry out his duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.	Article 152 A supervisor shall carry out his duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.
CHAPTER 15: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, PRESIDENT, VICE PRESIDENTS AND OTHER SENIOR OFFICERS OF THE COMPANY	CHAPTER 15: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, PRESIDENT, VICE PRESIDENTS AND OTHER SENIOR OFFICERS OF THE COMPANY
<p>Article 153 A person may not serve as a director, supervisor, president, vice presidents or any other senior officers of the Company if any of the following circumstances apply:</p> <p>(1) a person who does not have or who has limited capacity for civil conduct;</p> <p>(2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or other crimes which disrupt the social economic order, where less than 5 years have elapsed since the sentence was served, or a person who has been deprived of his political rights and not more than 5 years have elapsed since the sentence was served;</p> <p>(3) a person who is a former director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation and who was personally liable for the winding up of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;</p> <p>(4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of law and</p>	<p>Article 150 A person may not serve as a director, supervisor, president, vice presidents or any other <u>or</u> senior officers of the Company if any of the following circumstances apply:</p> <p>(1) a person who does not have or who has limited capacity for civil conduct;</p> <p>(2) a person who has been sentenced for corruption, bribery, infringement of property or misappropriation of property or other crimes which <u>disruption of</u> the social economic order, where less than 5 years have elapsed since the sentence was served, or a person who has been deprived of his political rights and not more than 5 years have elapsed since the sentence was served, <u>or, in the case of a probation, less than 2 years have elapsed since the date of expiry of the period of probation;</u></p> <p>(3) a person who is a former director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation and who was personally liable for the winding up of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>who are personally liable therefor, where less than 3 years have elapsed since the date of the revocation of the business licence;</p> <p>(5) a person who has a relatively large amount of debts which have become overdue;</p> <p>(6) a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p>(7) a person who, according to laws, administrative regulations or departmental rules, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years have elapsed since the date of such conviction;</p> <p>(10) a person who has been confirmed by the authority in charge of securities of the State Council as being prohibited from participating in the market or have not been released from such prohibition;</p> <p>(11) other contents as provided for by the laws, administrative regulations or departmental rules.</p> <p>If any of the above circumstances occurs on the part of a director during his term of office, the board of directors shall, starting from the date on which they are aware thereof, forthwith cease the performance of duties by the relevant director and propose to remove such director at the shareholders' general meeting. If any of the above circumstances occurs on the part of the president during his term of office, the board of directors shall, starting from the date on which</p>	<p>(4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked <u>or which has been ordered to be closed</u> due to violation of law and who are personally liable therefor, where less than 3 years have elapsed since the date of the revocation of the business licence <u>or the ordering of being closed;</u></p> <p>(5) a person who has <u>been listed as a dishonest debtor by the People's Court due to</u> a relatively large amount of debts which have become overdue;</p> <p>(6) <u>a person who has been subject to measures imposed by the CSRC in relation to the ban on the entry into the securities market for a period of time that has not expired;</u> a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p><u>(7) a person who has been publicly recognized by the stock exchange as unsuitable to serve as a director, senior officers, etc. of a listed company for a period of time that has not expired;</u></p> <p>(7) (8) a person who, according to laws, administrative regulations or departmental rules, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years have elapsed since the date of such conviction;</p> <p>(10) a person who has been confirmed by the authority in charge of securities of the State Council as being prohibited from participating in the market or have not been released from such prohibition;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>they are aware thereof, forthwith cease the performance of duties by the relevant president and convene a board meeting to dismiss such president. If any of the above circumstances occurs on the part of a supervisor during his term of office, the supervisory committee shall, starting from the date on which it is aware thereof, forthwith cease the performance of duties by the relevant supervisor and propose to remove such supervisor at the shareholders' general meeting or the employee representatives' meeting.</p>	<p>(149) other contents as provided for by the laws, administrative regulations or departmental rules.</p> <p><u>If a director is elected or appointed in violation of the provision of this Article, such election, appointment or employment shall be null and void.</u> If any of the above circumstances occurs on the part of a director during his term of office, the board of directors shall, starting from the date on which they are aware thereof, forthwith cease the performance of duties by the relevant director and propose to remove such director <u>from his post</u> at the shareholders' general meeting. If any of the above circumstances occurs on the part of the president <u>a senior officer</u> during his term of office, the board of directors shall, starting from the date on which they are aware thereof, forthwith cease the performance of duties by the relevant president <u>senior officer</u> and convene a board meeting to dismiss such president <u>senior officer</u>. If any of the above circumstances occurs on the part of a supervisor during his term of office, the supervisory committee shall, starting from the date on which it is aware thereof, forthwith cease the performance of duties by the relevant supervisor and propose to remove such supervisor at the shareholders' general meeting or the employee representatives' meeting.</p>
<p>Article 155 The directors of the Company shall comply with the laws, administrative regulations and these Articles of Association, and shall have the following loyalty obligations to the Company:</p>	<p>Article 152 The directors of the Company shall comply with the laws, administrative regulations and these Articles of Association, and <u>bear fiduciary duties to the Company, take measures to avoid any possible conflict of interests with the Company and may not abuse their authority to seek illicit benefits.</u></p> <p><u>The directors</u> shall have the following loyalty obligations to the Company:</p> <p>(1) not to take advantage of his authority to accept bribes or other illegal income, and not to misappropriate the property of the Company;</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(1) not to take advantage of his authority to accept bribes or other illegal income, and not to misappropriate the property of the Company;</p> <p>(2) not to misappropriate the funds of the Company;</p> <p>(3) not to open an account in his own name or in the name of any other individual to deposit the assets or funds of the Company;</p> <p>(4) not to lend the Company's funds to others or provide guarantees for others with the Company's property in violation of the provisions of these Articles of Association and without the consent of the shareholders' general meetings or the board of directors;</p> <p>(5) not to enter into contracts or conduct transactions with the Company in violation of the provisions of these Articles of Association or without the consent of the shareholders' general meeting;</p> <p>(6) without the consent of the shareholders' general meeting, not to take advantage of his authority to seek for himself or others business opportunities that should belong to the Company, or to engage in business of the same kind as that of the Company for himself or others;</p> <p>(7) not to accept commissions from transactions with the Company for his own benefit;</p> <p>(8) not to disclose the secrets of the Company without authorization;</p> <p>(9) not to damage the interests of the Company by taking advantage of its connected relationship;</p>	<p>(2) not to, misappropriate the funds of the Company;</p> <p>(32) not to open an account in his own name or in the name of any other individual to deposit the assets or funds of the Company;</p> <p>(43) not to lend the Company's funds to others <u>abuse their authority to accept any bribe</u> or provide guarantees for others with the Company's property in violation of the provisions of these Articles of Association and without the consent of the shareholders' general meetings or the board of directors <u>other illicit income;</u></p> <p>(54) not to enter into contracts or conduct transactions with the Company <u>without reporting to the Board or the shareholders' meeting or approval of resolutions of the Board or shareholders' meeting directly or indirectly in violation of pursuant to</u> the provisions of these Articles of Association or without the consent of the shareholders' general meeting;</p> <p>(65) without the consent of the shareholders' general meeting, not to take advantage of his authority to seek for himself or others business opportunities that should belong to the Company, <u>except where they reported to the Board or the shareholders' meeting and received approval of shareholders' meeting resolutions or such business opportunities can not be exploited by the Company according to laws, regulations or these Articles of Association;</u></p> <p>(6) not to engage in business of the same kind as that of the Company for himself or others <u>without reporting to the Board or the shareholders' meeting and obtaining approval by a resolution of the shareholders' meeting;</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(10) other loyalty obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The income obtained by a director in violation of the provisions of this Article shall belong to the Company; If any loss is caused to the Company, he/she shall be liable for compensation.</p>	<p>(7) not to accept commissions from <u>others'</u> transactions with the Company for his own benefit;</p> <p>(8) not to disclose the secrets of the Company without authorization;</p> <p>(9) not to damage the interests of the Company by taking advantage of its connected relationship;</p> <p>(10) other loyalty obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The income obtained by a director in violation of the provisions of this Article shall belong to the Company; If any loss is caused to the Company, he/she shall be liable for compensation.</p> <p><u>The provisions in subparagraph (4) of the second paragraph of this Article shall apply to contracts or transactions entered into by close relatives of directors or the senior officer, enterprises directly or indirectly controlled by directors or senior officer personnel or their close relatives, and associates with whom directors or senior officer personnel have other related relationships.</u></p>
<p>Article 156 Directors shall abide by laws, administrative regulations and these Articles of Association, and shall have the following diligence obligations to the Company:</p> <p>(1) to exercise the rights granted by the Company cautiously, conscientiously and diligently to ensure that the business activities of the Company comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business license;</p>	<p>Article 153 Directors shall abide by laws, administrative regulations and these Articles of Association, and <u>owe a duty of diligence to the Company, and shall perform their duties with the reasonable care that a person in a governance role would ordinarily exercise for the Company's best interests.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(2) to treat all shareholders fairly;</p> <p>(3) to keep abreast of the business operation and management status of the Company;</p> <p>(4) to sign a written confirmation opinion on the periodic report of the Company. Ensure that the information disclosed by the Company is true, accurate and complete;</p> <p>(5) to provide the board of supervisors with relevant information and materials truthfully, and not to hinder the board of supervisors or supervisors from exercising their powers;</p> <p>(6) other diligence obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</p>	<p><u>Directors</u> shall have the following diligence obligations to the Company:</p> <p>(1) to exercise the rights granted by the Company cautiously, conscientiously and diligently to ensure that the business activities of the Company comply with the requirements of national laws, administrative regulations and various national economic policies, and that the business activities do not exceed the business scope specified in the business license;</p> <p>(2) to treat all shareholders fairly;</p> <p>(3) to keep abreast of the business operation and management status of the Company;</p> <p>(4) to sign a written confirmation opinion on the periodic report of the Company. Ensure that the information disclosed by the Company is true, accurate and complete;</p> <p>(5) to provide the board of supervisors<u>audit and risk management committee (supervision committee)</u> with relevant information and materials truthfully, and not to hinder the board of supervisors or supervisors<u>audit and risk management committee (supervision committee)</u> from exercising their powers;</p> <p>(6) other diligence obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.</p>
<p>Article 159 Supervisors shall abide by laws, administrative regulations and these Articles of Association, and shall have the obligations of loyalty and diligence to the Company. Supervisors shall neither accept bribes or other illegal income by taking advantage of their authority, nor shall they misappropriate the property of the Company.</p>	<p>Article 159 Supervisors shall abide by laws, administrative regulations and these Articles of Association, and shall have the obligations of loyalty and diligence to the Company. Supervisors shall neither accept bribes or other illegal income by taking advantage of their authority, nor shall they misappropriate the property of the Company.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Article 160 All directors, supervisors and the secretary of the board of directors of the Company shall attend the shareholders' general meeting when the meeting is convened, and president, vice president and other senior officer personnel shall attend the same as non-voting attendees and provide response and explanations to the interrogations and suggestion raised by the shareholders.</p> <p>Directors, supervisors, presidents, vice presidents and other senior officer personnel shall inform the supervisory committee of the relevant status and provide the same with the relevant information in accordance with the facts and shall not preclude the supervisory committee from exercising its functions and powers.</p>	<p>Article 156 All directors, supervisors and the secretary of the board of directors of the Company shall attend the shareholders' general meeting w<u>When thea shareholders'</u> meeting is convened, and president, vice president and other senior officer personnel shall attend the same as non-voting attendees and provide response and explanations to the interrogations and suggestion raised by the shareholders. <u>where the shareholders' meeting requires directors, senior officer personnel to attend the meeting, the directors and senior officer personnel shall attend the meeting and answer the inquiries of shareholders.</u></p> <p>Directors, supervisors, presidents, vice presidents and other senior officer personnel shall inform the supervisory committee of the relevant status and provide the same with the relevant information in accordance with the facts and shall not preclude the supervisory committee from exercising its functions and powers.</p>
<p>Article 161 If a director, supervisor, president and vice president and other senior officer of the Company resigns or his or her term of office expires, his or her fiduciary duty owed to the Company and shareholders may not be necessarily discharged before his or her report of resignation takes effect or within a reasonable period thereafter and within a reasonable period after the expiry of his or her terms of office while his or her duty to keep confidential of the trade secrets of the Company shall remain effective after the expiry of his or her term of office until such secrets enter into the public domain. The survival of other duties shall be determined in accordance with the principles of fairness as well as taking into consideration the time interval between the occurrence of the event concern and the timing of his or her departure together with the</p>	<p>Article 157 <u>The Company has established a management system for directors' and senior officers' resignations, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters.</u></p> <p>If <u>the resignation of</u> a director, supervisor, president and vice president and other <u>or senior officer</u> of the Company resigns <u>takes effect</u> or his or her term of office expires, <u>he or she shall complete all handover procedures to the board of directors,</u> his or her fiduciary duty owed to the Company and shareholders may not be necessarily discharged before his or her report of resignation takes effect or within a reasonable period thereafter and within a reasonable period after the expiry of his or her terms of office while his or her duty to keep confidential of the trade secrets of the Company shall remain effective after the expiry</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>circumstances and conditions under which the said person terminates his or her relationship with the Company.</p>	<p>of his or her term of office until such secrets enter into the public domain <u>do not automatically terminate upon the expiration of his or her term of office, and shall remain effective for a reasonable period determined by the Company at the time of his or her resignation or the expiry of his or her term of office.</u> Responsibilities that a director shall assume due to the performance of his duties during his term of office shall not be exempted or terminated due to his separation from the Company. The survival of other <u>a director's fiduciary</u> duties shall be determined in accordance with the principles of fairness as well as taking into consideration the time interval between the occurrence of the event concern and the timing of his or her departure together with the circumstances and conditions under which the said person terminates his or her relationship with the Company.</p>
<p>Article 162 Any director, supervisor, president, vice president and other senior officer personnel who, when performing their duties in the Company, violates the laws, administrative regulations, departmental rules and regulations or the provisions contained in the Articles of Association resulting in causing losses to the Company shall be liable for indemnifying the Company. Any director, supervisor, president, vice president or other senior officer whose term of office has not been expired shall be liable for compensation of any losses incurred by the Company due to his or her absence from duty without permission.</p>	<p>Article 158 Any director, supervisor, president, vice president and other senior officer personnel who, when performing their duties in the Company, violates the laws, administrative regulations, departmental rules and regulations or the provisions contained in the Articles of Association resulting in causing losses to the Company shall be liable for indemnifying the Company. Any director, supervisor, president, vice president or other senior officer whose term of office has not been expired shall be liable for compensation of any losses incurred by the Company due to his or her absence from duty without permission.</p>
<p>Article 164 Subject to the approval by the shareholders' general meeting, the Company may take out liability insurance for any director, supervisor, president, vice president and any other senior officer of the Company, except for those liability resulting from the violation of laws, regulations, other regulatory documents and the</p>	<p>Article 160 Subject to the approval by the shareholders' general meeting <u>shareholders' meeting</u>, the Company may take out liability insurance for any director, supervisor, president, vice president and any other <u>and</u> senior officer of the Company, except for those liability resulting from the violation of laws, regulations, other</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
Articles of Association by such director, supervisor, president, vice president and other senior officer of the Company.	regulatory documents and the Articles of Association by such director, supervisor, president, vice president and other <u>and</u> senior officer of the Company.
CHAPTER 16: FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT	CHAPTER 16: FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT
Article 165 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.	Article 161 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by <u>provisions of the finance regulatory department of the State Council</u> relevant authorities of the state .
Article 167 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare. Such reports must be audited and reviewed.	Article 163 The board of directors of the Company shall place before the shareholders at every annual shareholders' general meeting such financial reports which the relevant laws, administrative regulations, <u>rules and other</u> and directives promulgated by competent regional and central governmental authorities require the Company to prepare. Such reports must be audited and reviewed.
<p>Article 168 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.</p> <p>The Company shall send to each holder of Overseas-Listed Foreign Shares by prepaid mail at the address registered in the register of shareholders the said reports not later than twenty-one (21) days before the date of every annual general meeting of the shareholders.</p> <p>Provided that the laws and regulations and the relevant listing rules of the jurisdictions where the shares of the Company are listed are complied with, the abovementioned report may also be</p>	<p>Article 164 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general <u>shareholders'</u> meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.</p> <p>The Company shall send to each holder of Overseas-Listed Foreign Shares by prepaid mail at the address registered in the register of shareholders the said reports not later than twenty-one (21) days before the date of every annual general <u>shareholders'</u> meeting of the shareholders.</p> <p>Provided that the laws and regulations and the relevant listing rules <u>of securities</u> of the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
issued or provided to the holders of Overseas- Listed Foreign Shares by other means as specified in Article 212 herein.	jurisdictions where the shares of the Company are listed are complied with, the abovementioned report may also be issued or provided to the holders of Overseas- Listed Foreign Shares by other means as specified in Article 212 5 herein.
<p>Article 175 Capital surplus fund includes the following items:</p> <p>(1) premium on shares issued at a premium price;</p> <p>(2) any other income designated for the capital surplus fund by the regulations of the finance regulatory department of the State Council.</p>	<p>Article 175 Capital surplus fund includes the following items:</p> <p>(1) premium on shares issued at a premium price;</p> <p>(2) any other income designated for the capital surplus fund by the regulations of the finance regulatory department of the State Council.</p>
<p>Article 176 The common reserve funds (including the statutory common reserve fund, discretionary common reserve funds and capital surplus fund) of the Company shall be applied for making up for losses, expanding the Company's production and operation or capitalisation; provided that the capital surplus fund shall not be used for covering the loss of the Company.</p> <p>When capitalising the statutory common reserve fund, the balance of such fund shall not be less than 25% of the registered capital prior to capitalisation.</p>	<p>Article 171 The common reserve funds (including the statutory common reserve fund, discretionary common reserve funds and capital surplus fund) of the Company shall be applied for making up for losses, expanding the Company's production and operation or <u>converting into increased registered capital.</u> capitalisation; provided that the capital surplus fund shall not be used for covering the loss of the Company.</p> <p>When capitalising the statutory common reserve fund <u>is converted into increased registered capital.</u> the balance of such fund shall not be less than 25%percent of the registered capital prior to capitalisation.</p>
<p>Article 177 After making up for the losses and making contributions to the common reserve fund, any remaining profits shall be distributed to the shareholders in proportion to their respective shareholders.</p> <p>The Company shall not allocate dividends or carry out other allocations in the form of bonuses before it has compensated for its losses and made allocations to the statutory common reserve fund. No shares of the Company held by the Company shall participate in these allocations.</p>	<p>Article 172 After making up for the losses and making contributions to the common reserve fund, any remaining profits shall be distributed to the shareholders in proportion to their respective shareholders.</p> <p>The Company shall not allocate dividends or carry out other allocations in the form of bonuses before it has compensated for its losses and made allocations to the statutory common reserve fund. No shares of the Company held by the Company shall participate in these allocations.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Dividends paid by the Company shall not carry any interest except where the Company has failed to pay the dividends to the shareholders on the date on which such dividends become payable.</p> <p>Any amount paid up in advance of calls on a share shall carry interest, but shall not entitle the holder of the share to receive, by way of advance payment, the dividend declared and distributed thereafter.</p>	<p><u>If the shareholders' meeting distributes profit to shareholders in violation of the Company Law, the shareholders shall return such distributed profits to the Company; if losses are caused to the Company, shareholders and directors and senior officers held accountable shall be liable for damages.</u></p> <p>Dividends paid by the Company shall not carry any interest except where the Company has failed to pay the dividends to the shareholders on the date on which such dividends become payable.</p> <p>Any amount paid up in advance of calls on a share shall carry interest, but shall not entitle the holder of the share to receive, by way of advance payment, the dividend declared and distributed thereafter.</p>
<p>Article 179 Specific dividends distribution policy of the Company:</p> <p>(1) The form of dividends distribution:</p> <p>The Company may distribute dividends in cash, shares or a combination of cash and shares or other methods permitted by the laws, administrative regulations, departmental rules and the regulatory rules of the jurisdictions in which the shares of the Company are listed.</p> <p>The board of directors of the Company shall have comprehensive consideration of the factors, including its industry characteristics, development stage, operation mode, profitability level and whether there is any significant expenditure payment arrangement, make the differentiated cash bonus policy according to the procedures prescribed by the Articles of Association, and identify the proportion of the cash bonus in the profit distribution in the current year, with proportion in compliance with the relevant</p>	<p>Article 174 Specific dividends distribution policy of the Company:</p> <p>(1) The form of dividends distribution:</p> <p>The Company may distribute dividends in cash, shares or a combination of cash and shares or other methods permitted by the laws, administrative regulations, departmental rules and the regulatory rules of the jurisdictions in which the shares of the Company are listed.</p> <p>The board of directors of the Company shall have comprehensive consideration of the factors, including its industry characteristics, development stage, operation mode, profitability level and whether there is any significant expenditure payment arrangement, make the differentiated cash bonus policy according to the procedures prescribed by the Articles of Association, and identify the proportion of the cash bonus in the profit distribution in the current year, with proportion in compliance with the relevant</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>stipulations of laws, administrative regulations, normative documentation and stock exchanges.</p> <p>(2) Specific conditions, proportions and intervals for distributing cash dividends by the Company:</p> <p>Save as special circumstances, the dividends shall be distributed in cash by the Company provided that the distributable profits (i.e. the balance of profit after tax, after making up for the losses and making contributions to the common reserve fund in accordance with the provisions of these Articles of Association as well as deducting otherwise approved by the relevant national departments) realized for the current year in the financial statement of the parent company prepared in accordance with applicable domestic and overseas accounting standards and regulations are positive, and the cash dividends to be distributed each year shall not be less than 15% of the applicable distributable profits.</p> <p>The applicable distributable profits shall be the lower of the distributable profits in the financial statements of the parent company prepared by the Company in accordance with applicable domestic and overseas accounting standards and regulations.</p> <p>Special circumstances refer to the circumstances under which the board of directors considers that cash dividend distribution may influence the Company's continuing operation and long-term development.</p> <p>When the aforesaid conditions of cash distribution are met, cash dividends shall be distributed once a year. The board of directors of the Company can propose an interim dividend distribution according to the Company's status of profitability and capital needs.</p>	<p>stipulations of laws, administrative regulations, normative documentation and stock exchanges.</p> <p>(2) Specific conditions, proportions and intervals for distributing cash dividends by the Company:</p> <p>Save as special circumstances, the dividends shall be distributed in cash by the Company provided that the distributable profits (i.e. the balance of profit after tax, after making up for the losses and making contributions to the common reserve fund in accordance with the provisions of these Articles of Association as well as deducting otherwise approved by the relevant national departments) realized for the current year in the financial statement of the parent company prepared in accordance with applicable domestic and overseas accounting standards and regulations are positive, and the cash dividends to be distributed each year shall not be less than 15%—percent of the applicable distributable profits.</p> <p>The applicable distributable profits shall be the lower of the distributable profits in the financial statements of the parent company prepared by the Company in accordance with applicable domestic and overseas accounting standards and regulations.</p> <p>Special circumstances refer to the circumstances under which the board of directors considers that cash dividend distribution may influence the Company's continuing operation and long-term development.</p> <p>When the aforesaid conditions of cash distribution are met, cash dividends shall be distributed once a year. The board of directors of the Company can propose <u>an interim dividend distribution, the annual shareholders' meeting to consider and approve the conditions of the distribution of interim cash dividend, the proportional limits, and the upper amount limits and etc. for the</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(3) Specific conditions under which the Company may issue shares in lieu of dividends:</p> <p>Where the Company is in a sound operating condition, and the board of directors considers that the Company's stock price does not reflect the Company's scale of capital, and issuing shares in lieu of dividends will be in the interests of all shareholders of the Company as a whole, a proposal for the issuance of shares in lieu of dividends may be proposed upon fulfillment of the above conditions concerning cash dividends.</p>	<p><u>subsequent year</u> according to the Company's status of profitability and capital needs-, and the board of directors shall formulate a specific interim dividend plan based on the resolution of the annual shareholders' meeting, and distribute interim cash dividend, provided that the conditions for profit distribution are met. The interim dividend distribution of the Company shall not exceed the net profit attributable to shareholders of the listed company for the corresponding period.</p> <p>(3) Specific conditions under which the Company may issue shares in lieu of dividends:</p> <p>Where the Company is in a sound operating condition, and the board of directors considers that the Company's stock price does not reflect the Company's scale of capital, and issuing shares in lieu of dividends will be in the interests of all shareholders of the Company as a whole, a proposal for the issuance of shares in lieu of dividends may be proposed upon fulfillment of the above conditions concerning cash dividends.</p>
<p>Article 180 Alteration of the Company's dividend distribution policy:</p> <p>In the event of war, natural disasters and other incidents of force majeure, or changes to the Company's external operating environment resulting in material impact on its production and operation, or considerably significant changes to the Company's own operating conditions, the Company may adjust its profit distribution policy.</p> <p>The board of directors shall formulate a written report concerning the adjustment of the Company's profit distribution policy upon a special discussion with detailed verification and reasons provided. Such written report, along with the opinions expressed by the independent directors, shall be submitted to the shareholders' general meeting for</p>	<p>Article 175 Alteration of the Company's dividend distribution policy:</p> <p>In the event of war, natural disasters and other incidents of force majeure, or changes to the Company's external operating environment resulting in material impact on its production and operation, or considerably significant changes to the Company's own operating conditions, the Company may adjust its profit distribution policy.</p> <p>The board of directors shall formulate a written report concerning the adjustment of the Company's profit distribution policy upon a special discussion with detailed verification and reasons provided. Such written report, along with the opinions expressed by the independent directors, shall be submitted to the shareholders' general meeting for</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>approval by way of a special resolution. In considering the changes to the profit distribution policy, the Company may actively communicate and exchange ideas with the Shareholders, in particular the non-substantial and minority Shareholders, through various channels (such as providing online voting and inviting non-substantial and minority Shareholders to participate in the meeting), duly listen to the opinions and demands of non-substantial and minority Shareholders and provide prompt responses to their questions.</p>	<p>approval by way of a special resolution. In considering the changes to the profit distribution policy, the Company may actively communicate and exchange ideas with the Shareholders, in particular the non-substantial and minority Shareholders, through various channels (such as providing online voting and inviting non-substantial and minority Shareholders to participate in the meeting), duly listen to the opinions and demands of non-substantial and minority Shareholders and provide prompt responses to their questions.</p>
<p>Article 181 Procedures for considering and approving the dividend distribution proposal of the Company:</p> <p>(1) The dividends distribution plan of the Company shall be drawn up by the management of the Company and submitted to the board of directors and the supervisory committee of the Company for consideration. The board of directors shall thoroughly discuss the rationality of the dividends distribution plan and the independent Directors shall explicitly express their opinions. A special resolution formulated by the board of directors shall be submitted to the shareholders' general meeting for consideration. The board of directors will also fully listen to the opinions of minority Shareholders.</p> <p>(2) When formulating specific plan for distribution of cash dividends by the Company, the board of directors shall study and identify with caution the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the distribution of cash dividends, etc. Independent Directors shall explicitly express their opinions thereon. Independent Directors may collect opinions from minority shareholders for putting forward a profit distribution proposal which</p>	<p>Article 176 Procedures for considering and approving the dividend distribution proposal of the Company:</p> <p>(1) The dividends distribution plan of the Company shall be drawn up by the management of the Company and submitted to the board of directors and the supervisory committee <u>audit and risk management committee (the supervision committee) and the board of directors</u> of the Company for consideration. The board of directors shall thoroughly discuss the rationality of the dividends distribution plan and the independent Directors shall explicitly express their opinions. A <u>formulate a</u> special resolution formulated by the board of directors shall be <u>and then</u> submitted it to the shareholders' general meeting for consideration. The board of directors will also fully listen to the opinions of minority Shareholders.</p> <p>(2) When formulating specific plan for distribution of cash dividends by the Company, the board of directors shall study and identify with caution the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the distribution of cash dividends, etc. Independent Directors shall explicitly express</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>can be directly submitted to the board of directors for consideration.</p> <p>(3) Where the Company does not distribute cash dividends under the special circumstances as prescribed in the foregoing Article 179, the board of directors shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return. Such explanation, along with the opinions expressed by the independent directors, shall be submitted to the shareholders' general meeting for consideration and be disclosed on the designated media of the Company.</p> <p>Subject to Article 56 and subparagraph (20) of the first paragraph of Article 105 of these Articles of Association, the board of directors may decide to distribute interim or special dividends.</p>	<p>their opinions thereon. Independent Directors may collect opinions from minority shareholders for putting forward a profit distribution proposal which can be directly submitted to the board of directors for consideration.</p> <p><u>If independent directors believe that the specific plan for distribution of cash dividends may harm the interests of the Company or minority shareholders, they have the right to express an independent opinion. If the Board does not adopt or only partially adopts the opinions of independent directors, the independent directors' opinions and the specific reasons for not adopting them shall be included in the Board resolution and be disclosed.</u></p> <p>(3) Where the Company does not distribute <u>needs to adjust or amend the</u> cash dividends <u>policy as determined in these Articles of Association</u> under the special circumstances as prescribed in the foregoing Article 1794, the board of directors shall <u>conduct a detailed verification of the specific reasons for the adjustment or amendment</u> explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return. <u>The board of directors shall then follow the corresponding decision-making procedures, and the adjustment or amendment shall be approved by at least two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.</u> Such explanation, along with the opinions expressed by the independent directors, shall be submitted to the shareholders' general meeting for consideration and be disclosed on the designated media of the Company.</p> <p>Subject to Article 56 and subparagraph (20) of the first paragraph of Article 105 of these Articles of Association, the board of directors may decide to distribute interim or special dividends. <u>Before the</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>specific plan for distribution of cash dividends is considered at the shareholders' meeting, the Company shall communicate with the shareholders, especially the minority shareholders, through various channels, such that the opinions and requests of the minority shareholders can be fully heard, and their concerns can be responded in a timely manner.</u>
<p>Article 182 After the resolution of profit distribution has been adopted by the shareholders at a general meeting, the board of directors of the Company is required to complete the distribution of dividends (or shares) within 2 months following the meeting.</p> <p>In case of the Shareholders' illegal occupation of company funds, the Company shall deduct the cash dividends distributed to such Shareholders, in order to repay the Shareholders' funds occupied.</p>	<p>Article 177 After the resolution of profit distribution has been adopted by the shareholders at a general shareholders' meeting, <u>or after</u> the board of directors of the Company <u>has determined a specific plan for the next year's interim dividend based on the conditions and caps approved by the annual shareholders' meeting, the board of directors of the Company</u> is required to complete the distribution of dividends (or shares) within 2 months following the meeting.</p> <p>In case of the Shareholders' illegal occupation of company funds, the Company shall deduct the cash dividends distributed to such Shareholders, in order to repay the Shareholders' funds occupied.</p>
<p>Article 187 The Company shall establish an internal audit system by employing professional auditing personnel, who shall conduct internal audit and supervision on the income and expenses and economic activities of the Company.</p>	<p>Article 182 The Company shall establish an internal audit system by employing professional auditing personnel, who shall conduct internal audit and supervision on the income and expenses and economic activities of the Company. <u>which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work. The internal audit system of the Company shall be implemented upon approval by the board of directors.</u></p>
	<p>Article 183 <u>The internal audit department of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>Article 185 The internal audit department is accountable to the board of directors. The internal audit department shall be subject to the supervision and guidance of the audit and risk management committee (the supervision committee) in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit department shall immediately and directly report to the audit and risk management committee (the supervision committee) upon discovering any relevant major issues or leads.</u></p>
	<p><u>Article 186 The internal audit department shall be responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report and related information issued by the internal audit department and reviewed by the audit and risk management committee (the supervision committee).</u></p>
	<p><u>Article 187 When the audit and risk management committee (the supervision committee) communicates with external audit units such as accounting firms and national audit agencies, the internal audit department shall proactively cooperate with them and provide necessary support and collaboration. The audit and risk management committee (the supervision committee) shall participate in the appraisal of the person in charge of the internal audit.</u></p>
<p>CHAPTER 17: APPOINTMENT OF ACCOUNTANCY FIRM</p>	<p>CHAPTER 17: APPOINTMENT OF ACCOUNTANCY FIRM</p>
<p>Article 189 The Company shall engage accountants' firms that complies with the requirements of the Securities Law and the listing rules of the jurisdictions where the shares of the Company are listed, to perform the tasks of</p>	<p>Article 188 The Company shall engage accountants' firms that complies with the requirements of the Securities Law and the listing rules <u>of securities</u> of the jurisdictions where the shares of the Company are listed, to perform the</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
auditing accounting statements, verifying the net assets and other relevant consulting services.	tasks of auditing accounting statements, verifying the net assets and other relevant consulting services.
<p>Article 190 The accounting firm appointed by the Company shall hold office for 1 year from the conclusion of the annual general meeting of shareholders at which they were appointed until the conclusion of the next annual general meeting of shareholders. The appointment thereof may be renewed at expiry.</p>	<p>Article 190 The accounting firm appointed by the Company shall hold office for 1 year from the conclusion of the annual general meeting of shareholders at which they were appointed until the conclusion of the next annual general meeting of shareholders. The appointment thereof and may be renewed at expiry.</p>
<p>Article 191 The accounting firm appointed by the Company shall enjoy the following rights:</p> <p>(1) a right to review to the books, records and vouchers of the Company at any time, the right to require the directors, president, vice presidents and other senior officers of the Company to supply relevant information and explanations;</p> <p>(2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;</p> <p>(3) a right to attend and speak at any shareholders' general meeting in relation to matters concerning its role as the Company's accounting firm.</p>	<p>Article 191 The accounting firm appointed by the Company shall enjoy the following rights:</p> <p>(1) a right to review to the books, records and vouchers of the Company at any time, the right to require the directors, president, vice presidents and other senior officers of the Company to supply relevant information and explanations;</p> <p>(2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;</p> <p>(3) a right to attend and speak at any shareholders' general meeting in relation to matters concerning its role as the Company's accounting firm.</p>
<p>Article 192 If there is a vacancy in the position of accountant of the Company, the board of directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting.</p> <p>Article 193 The shareholders in a general meeting shall have the power to remove the Company's accounting firm by ordinary resolution before the expiration of its term of office.</p>	<p><u>Article 189</u> <u>The appointment or removal of an accounting firm by the Company shall be decided by an ordinary resolution of the shareholders' meeting. The board of directors shall not appoint an accounting firm before the decision is made at the shareholders' meeting.</u></p> <p>Article 192 If there is a vacancy in the position of accountant of the Company, the board of directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	Article 193 The shareholders in a general meeting shall have the power to remove the Company's accounting firm by ordinary resolution before the expiration of its term of office.
	<u>Article 190 The Company undertakes to provide true and complete accounting vouchers, account books, financial accounting reports and other accounting information to the appointed accounting firm, and shall not refuse to provide, conceal or provide any false information.</u>
Article 194 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by way of an ordinary resolution by the shareholders in a general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.	Article 191 The remuneration of audit fees payable to an accounting firm or the manner in which such firm is to be remunerated shall be determined by way of an ordinary resolution by the shareholders in a general shareholders' meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.
CHAPTER 18: MERGER AND DEMERGER OF THE COMPANY	CHAPTER 18: MERGER AND DEMERGER OF THE COMPANY
<p>Article 197 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's merger resolution and shall publish a public notice in a newspaper within thirty (30) days of the date of the Company's merger resolution.</p> <p>A creditor has the right, within thirty (30) days upon receipt of the notice, or for those who have not received the notice, within forty-five (45) days from the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.</p>	<p>Article 194 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p><u>Article 195 Where the price paid by the Company for a merger does not exceed ten percent of the Company's net assets, the merger may be effected without a resolution of the general meeting, unless otherwise provided for in these Articles of Association. Where the Company merges pursuant to the aforesaid provision without a resolution of the general meeting, it shall be resolved by the board of directors.</u></p> <p><u>Article 196</u> In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p>	<p>merger resolution and shall publish a public notice in a newspaper <u>or on the National Enterprise Credit Information Publicity System</u> within thirty (30) days of the date of the Company's merger resolution.</p> <p>A creditor has the right, within thirty (30) days upon receipt of the notice, or for those who have not received the notice, within forty-five (45) days from the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.</p> <p>Article 197 Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p>
<p>Article 198 Where there is a demerger of the Company, its assets shall be divided up accordingly.</p> <p>In the event of demerger of the Company, the parties to such demerger shall execute a demerger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's division resolution and shall publish a public notice in a newspaper at least three (3) times within thirty (30) days of the date of the Company's demerger resolution.</p> <p>Debts of the Company prior to demerger shall be assumed by the companies which exist after the division on a joint and several basis except to the extent that prior to demerger, the Company has otherwise reached a written agreement with its creditors in respect of the settlement of debts.</p>	<p>Article 198 Where there is a demerger of the Company, its assets shall be divided up accordingly.</p> <p>In the event of demerger of the Company, the parties to such demerger shall execute a demerger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's division resolution and shall publish a public notice in a newspaper <u>or on the National Enterprise Credit Information Publicity System</u> at least three (3) times within thirty (30) days of the date of the Company's demerger resolution.</p> <p>Article 199 Debts of the Company prior to demerger shall be assumed by the companies which exist after the division on a joint and several basis except to the extent that prior to demerger, the Company has otherwise reached a written agreement with its creditors in respect of the settlement of debts.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
CHAPTER 19: DISSOLUTION AND LIQUIDATION	CHAPTER 19: DISSOLUTION AND LIQUIDATION
<p>Article 200 The Company shall be dissolved upon the following reasons:</p> <p>(1) the term of operation of the Company prescribed in these Articles of Association has expired, or other causes for dissolution as stipulated in these Articles of Association occur;</p> <p>(2) a resolution for dissolution is passed by shareholders at a general meeting;</p> <p>(3) dissolution is necessary due to a merger or demerger of the Company;</p> <p>(4) the company has its business licence revoked, or is ordered to close up or to have its business cancelled in accordance with the law; or</p> <p>(5) If a company has encountered serious difficulties in its operations and management and the company's continued existence may materially harm the interests of the shareholders, and if the same fails to be resolved by any other means, shareholders holding ten percent or more of the aggregate voting rights of the Company may request a People's Court to dissolve the Company.</p>	<p>Article 201 The Company shall be dissolved upon the following reasons:</p> <p>(1) the term of operation of the Company prescribed in these Articles of Association has expired, or other causes for dissolution as stipulated in these Articles of Association occur;</p> <p>(2) a resolution for dissolution is passed by shareholders at a general shareholders' meeting;</p> <p>(3) dissolution is necessary due to a merger or demerger of the Company;</p> <p>(4) the company has its business licence revoked, or is ordered to close up or to have its business cancelled in accordance with the law; or</p> <p>(5) If a company has encountered serious difficulties in its operations and management and the company's continued existence may materially harm the interests of the shareholders, and if the same fails to be resolved by any other means, shareholders holding ten percent or more of the aggregate voting rights of the Company may request a People's Court to dissolve the Company.</p> <p><u>The Company shall, within ten (10) days of the occurrence of any of the reasons for dissolution as stipulated in the preceding paragraph, make public such reason for dissolution through the National Enterprise Credit Information Publicity System.</u></p>
<p>Article 201 Under the circumstances described in sub-paragraph (1) of Article 200 in these Articles of Association, the Company may continue to exist through amendment of these Articles of Association.</p>	<p>Article 202 Under the circumstances described in sub-paragraphs (1) and (2) of Article 2001 in these Articles of Association <u>and no asset has been distributed to the shareholders</u>, the Company may continue to exist through amendment of these</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Amendment of these Articles of Association in accordance with the above paragraph shall be passed by no less than two-thirds of the voting rights held by the shareholders attending the general meeting.</p>	<p>Articles of Association <u>or by a resolution of the shareholders' meeting.</u></p> <p>Amendment of these Articles of Association <u>or a resolution made at a shareholders' meeting</u> in accordance with the above paragraph shall be passed by no less than two-thirds of the voting rights held by the shareholders attending the general <u>shareholders'</u> meeting.</p>
<p>Article 202 A liquidation committee shall be set up within fifteen (15) days commencing from the date on which the events being the grounds for dissolution occurred, in order to start liquidation process where the Company is dissolved pursuant to sub-paragraphs (1), (2), (4) and (5) of Article 200 in these Articles of Association. The members of the liquidation committee shall be composed of persons decided by directors or decided at shareholders' general meeting. If the Company fails to set up the liquidation committee within the time limit, the creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee and carry out liquidation.</p>	<p>Article 203 A liquidation committee shall be set up within fifteen (15) days commencing from the date on which the events being the grounds for dissolution occurred, in order to start liquidation process where the Company is dissolved pursuant to sub-paragraphs (1), (2), (4) and (5) of Article 200 <u>201</u> in these Articles of Association. <u>The directors are the Company's liquidators and shall establish a liquidation committee to carry out liquidation within fifteen (15) days after the occurrence of the cause for dissolution.</u> The members of the liquidation committee shall be composed of persons decided by directors, except where otherwise provided by these Articles of Association or resolved at a shareholders' meeting to appoint others or decided at shareholders' general meeting. If the Company fails to set up the liquidation committee within the time limit, the creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee and carry out liquidation.</p> <p><u>If the liquidators fail to fulfill the liquidation obligations in a timely manner and causes losses to the Company or creditors, they shall be liable for compensation.</u></p>
<p>Article 203 The liquidation committee shall, within ten (10) days of its establishment, send notices to creditors and shall, within sixty (60) days of its establishment, publish a public announcement in a newspaper. Creditors should,</p>	<p>Article 204 The liquidation committee shall, within ten (10) days of its establishment, send notices to creditors and shall, within sixty (60) days of its establishment, publish a public announcement in a newspaper <u>or on the National Enterprise Credit</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>within thirty (30) days upon receipt of the notice, or for those who have not received the notice, within forty-five (45) days from the date of the public announcement, declare their claims to the liquidation committee.</p> <p>When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.</p> <p>The liquidation committee shall not make repayment to creditors during the claims declaration period.</p>	<p><u>Information Publicity System.</u> Creditors should, within thirty (30) days upon receipt of the notice, or for those who have not received the notice, within forty-five (45) days from the date of the public announcement, declare their claims to the liquidation committee.</p> <p>When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.</p> <p>The liquidation committee shall not make repayment to creditors during the claims declaration period.</p>
<p>Article 205 After it has sorted out the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general meeting or to the relevant governing authority for confirmation.</p> <p>After the payment of liquidation expenses with priority, the Company's assets shall be distributed in accordance with the following sequence: (i) salaries; (ii) social insurance premiums and statutory compensation payments; (iii) outstanding taxes; (iv) bank loans, and company bonds and other debts of the Company.</p> <p>Any surplus assets of the Company remaining after payment referred to in the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held in the following sequence:</p> <p>(1) In the case of preferential shares, distribution shall be made to holders of such preferential shares according to the par value thereof; if the surplus assets are not sufficient to repay the amount of preferential shares in full, the distribution shall be</p>	<p>Article 206 After it has sorted out the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general meeting or to the relevant governing authority <u>People's Court</u> for confirmation.</p> <p>After the payment of liquidation expenses with priority, the Company's assets shall be distributed in accordance with the following sequence: (i) salaries; (ii) social insurance premiums and statutory compensation payments; (iii) outstanding taxes; (iv) bank loans, and company bonds and other debts of the Company, <u>the remaining assets of the Company.</u> Any surplus assets of the Company remaining after payment referred to in the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held in the following sequence: <u>their shareholding.</u></p> <p>(1) In the case of preferential shares, distribution shall be made to holders of such preferential shares according to the par value thereof; if the surplus assets are not sufficient to repay the amount of</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>made to holders of such shares in proportion to their respective shareholdings.</p> <p>(2) In the case of ordinary shares, distribution shall be made to holders of such shares in proportion to their respective shareholdings.</p> <p>During the liquidation period, the Company shall not commence any business activities that are not related to liquidation.</p>	<p>preferential shares in full, the distribution shall be made to holders of such shares in proportion to their respective shareholdings. (2) In the case of ordinary shares, distribution shall be made to holders of such shares in proportion to their respective shareholdings. <u>The Company's assets shall not be distributed to shareholders before repayments are made in accordance with the requirements under the preceding paragraph.</u> During the liquidation period, the Company <u>survives and</u> shall not commence any business activities that are not related to liquidation.</p>
<p>Article 206 If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of insolvency.</p> <p>After a Company is declared insolvent by a ruling of the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the People's Court.</p>	<p>Article 207 If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of insolvency <u>bankruptcy and liquidation in accordance with laws.</u></p> <p>After a Company is declared insolvent by a ruling of the People's Court <u>accepts the bankruptcy application,</u> the liquidation committee shall transfer all matters arising from the liquidation to the <u>bankruptcy administrator designated by the People's Court.</u></p>
<p>Article 207 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the relevant governing authority for confirmation and to the companies registration authority to apply for cancellation of registration and announce the termination of the Company.</p>	<p>Article 208 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the relevant governing authority <u>People's Court</u> for confirmation and to the companies registration authority to apply for cancellation of registration and announce the termination of the Company.</p>
	<p><u>Article 209 Members of the liquidation committee shall perform their liquidation obligation and bear duties of loyalty and diligence. If any member of the liquidation</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<u>committee is negligent in performing its liquidation duties and causes losses to the Company, or causes losses to the creditors due to intentional misconduct or gross negligence, he/she shall be liable for compensation</u>
	<u>Article 210 Where it is declared bankrupt by law, the Company shall implement bankruptcy and liquidation in accordance with the law on corporate bankruptcy.</u>
CHAPTER 20: PROCEDURES FOR AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION	CHAPTER 20: PROCEDURES FOR AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION
Article 208 The Company may amend its Articles of Association in accordance with the requirements of laws, regulations, other regulatory documents and the Articles of Association.	Article 208 The Company may amend its Articles of Association in accordance with the requirements of laws, regulations, other regulatory documents and the Articles of Association.
Article 209 The amendment to the Articles of Association shall be handled in accordance with the following procedures: (1) The board of directors shall adopt a resolution therefor in accordance with these Articles of Association and formulate the proposal for the amendment of the Articles of Association; or the shareholders shall propose the proposal for the amendment of the Articles of Association; (2) The shareholders shall be notified of the amendment proposal and a shareholders' general meeting shall be convened to reach a resolution; (3) Content of the amendment to the Articles of Association shall be adopted by special resolutions.	Article 209 The amendment to the Articles of Association shall be handled in accordance with the following procedures: (1) The board of directors shall adopt a resolution therefor in accordance with these Articles of Association and formulate the proposal for the amendment of the Articles of Association; or the shareholders shall propose the proposal for the amendment of the Articles of Association; (2) The shareholders shall be notified of the amendment proposal and a shareholders' general meeting shall be convened to reach a resolution; (3) Content of the amendment to the Articles of Association shall be adopted by special resolutions.
Article 210 The Company shall amend these Articles of Association under any of the following circumstances: (1) following the amendments to the Company Law or other relevant laws or administrative regulations, the matters provided for in these	Article 211 The Company shall <u>will</u> amend these Articles of Association under any of the following circumstances: (1) following the amendments to the Company Law or other relevant laws or administrative regulations, the matters provided for in these Articles of

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Articles of Association conflict with the requirements of the amended laws or administrative regulations;</p> <p>(2) following the change in the state of the Company's affairs, its conditions become inconsistent with matters provided for in these Articles of Association;</p> <p>(3) following a resolution passed at a shareholders' general meeting, it is determined to amend the Articles of Association.</p>	<p>Association conflict with the requirements of the amended laws or administrative regulations;</p> <p>(2) following the change in the state of the Company's affairs, its conditions become inconsistent with matters provided for in these Articles of Association;</p> <p>(3) following a resolution passed at a shareholders' general meeting, it is determined to amend the Articles of Association.</p>
<p>Article 211 Where amendments of the Articles of Association involve the registered particulars of the Company, procedures for alteration of registration shall be handled in accordance with the law. Matters on amendment to the Articles of Association shall be publicly disclosed if so required by laws, regulations and the listing rules and regulatory authorities of the jurisdictions where the shares of the Company are listed.</p>	<p>Article 212 <u>Any amendment to the Articles of Association approved by a resolution of the shareholders' meeting subject to review and approval by the competent authorities shall be submitted to the competent authorities for approval.</u> Where amendments of the Articles of Association involve the registered particulars of the Company, procedures for alteration of registration shall be handled in accordance with the law.</p>
	<p>Article 213 <u>The board of directors shall make amendments to these Articles of Association in accordance with the resolution of the shareholders' meeting on the amendments to the Articles of Association and the review comments from the relevant competent authorities.</u></p>
	<p>Article 214 Matters on amendment to the Articles of Association shall be publicly disclosed if so required by laws, regulations and the listing rules <u>of securities</u>, and regulatory authorities of the jurisdictions where the shares of the Company are listed.</p>
<p>CHAPTER 21: NOTICES AND PUBLIC ANNOUNCEMENTS</p>	<p>CHAPTER 21: NOTICES AND PUBLIC ANNOUNCEMENTS</p>
<p>Article 212 The Company's notices (for the purpose of this chapter, the term "Notice" shall include the notice of any meetings, corporate communications or other written materials issued</p>	<p>Article 215 The Company's notices (for the purpose of this chapter, the term "Notice" shall include the notice of any meetings, corporate communications or other written materials issued</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>by the Company to its shareholders) may be delivered by the following means: (1) by designated person; (2) by mail; (3) by way of public announcement; (4) by other means as recognised by the securities regulatory authority and stock exchanges in the jurisdictions where the shares of the Company are listed or by other means as provided in Articles of Association.</p> <p>The Company's notices delivered by way of public announcement shall be published in the newspapers designated by the securities regulatory authority and stock exchanges of the jurisdictions where the shares of the Company are listed (if any) and/or in other designated media (including websites).</p> <p>As for the methods in which the corporate communications are provided and/or distributed by the Company to holders of Overseas-Listed Foreign Shares as required by Hong Kong Listing Rules, the corporate communications may, subject to compliance with the laws and regulations and the relevant listing rules of the jurisdictions where the shares of the Company are listed, also be sent or provided by the Company to the holders of Overseas-Listed Foreign Shares by any electronic means or by publishing such corporate communications on the Company's website, instead of sending such corporate communications by personal delivery or by prepaid postage mail to the holders of Overseas-Listed Foreign Shares.</p> <p>...</p>	<p>by the Company to its shareholders) may be delivered by the following means: (1) by designated person; (2) by mail; (3) by way of public announcement; (4) by other means as recognised by the securities regulatory authority and stock exchanges in the jurisdictions where the shares of the Company are listed or by other means as provided in Articles of Association.</p> <p>The Company's notices delivered by way of public announcement shall be published in the newspapers designated by the securities regulatory authority and stock exchanges of the jurisdictions where the shares of the Company are listed (if any) and/or in other designated media (including websites).</p> <p>As for the methods in which the corporate communications are provided and/or distributed by the Company to holders of Overseas-Listed Foreign Shares as required by Hong Kong Listing Rules, the corporate communications may, subject to compliance with the laws and regulations and the relevant listing rules <u>of securities</u> of the jurisdictions where the shares of the Company are listed, also be sent or provided by the Company to the holders of Overseas-Listed Foreign Shares by any electronic means or by publishing such corporate communications on the Company's website <u>and the designated website of the Stock Exchange</u>, instead of sending such corporate communications by personal delivery or by prepaid postage mail to the holders of Overseas-Listed Foreign Shares.</p> <p>...</p>
<p>Article 213 If the notice of the Company is given in person, the recipient shall sign (or seal) on the return receipt and the date of signing the return receipt by the recipient shall be deemed to be the date of delivery.</p>	<p>Article 216 If the notice of the Company is given in person, the recipient shall sign (or seal) on the return receipt and the date of signing the return receipt by the recipient shall be deemed to be the date of delivery.</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>If a notice of the Company is made by public announcement, the date of service shall be the date on which the first announcement is published. If the corporate communication is made or provided at the Company's website to holders of Overseas-Listed Foreign Shares, such corporate communication shall be deemed to be made and served at the later of: (1) the date on which a notice notifying that the corporate communication has already been published on the Company's website is issued to holders of Overseas-Listed Foreign Shares pursuant to the Hong Kong Listing Rules; or (2) the date on which the corporate communication is first published on the Company's website (in the event that corporate communication is published on the website subsequent to the issuance of the said notice).</p>	<p>If a notice of the Company is made by public announcement, the date of service shall be the date on which the first announcement is published. If the corporate communication is made or provided at the Company's website <u>and the designated website of the Stock Exchange</u> to holders of Overseas-Listed Foreign Shares, such corporate communication shall be deemed to be made and served <u>on the date it is first published on the websites</u> at the later of: (1) the date on which a notice notifying that the corporate communication has already been published on the Company's website is issued to holders of Overseas-Listed Foreign Shares pursuant to the Hong Kong Listing Rules; or (2) the date on which the corporate communication is first published on the Company's website (in the event that corporate communication is published on the website subsequent to the issuance of the said notice). <u>The corporate communication shall be deemed to have been received at the time it is sent by way of e-mail as recorded by the computer.</u></p>
	<p><u>Article 218 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 or the resolutions made at the meeting.</u></p>
CHAPTER 22: SUPPLEMENTARY	CHAPTER 22: SUPPLEMENTARY
	<p><u>Article 219 Definitions:</u></p> <p><u>(1) A "controlling shareholder" means a shareholder who holds shares representing over 50 percent of the total share capital of the joint stock company; or a shareholder having sufficient voting right in respect of the shares he/she holds to pose a significant influence on the resolutions of the general meetings despite not holding over 50 percent of the total share capital of the Company.</u></p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>(2) A “de facto controller” means a natural person, legal person or other organisation able to actually control the acts of the Company through an investment, agreement or other arrangement.</u></p> <p><u>(3) “Related relationship” means the relationship between the controlling shareholders, de facto controller, directors and senior officer personnel of the Company and the enterprises under their direct or indirect control, as well as other relationships that may lead to the transfer of the Company’s interests. However, there is no related relationship between state-controlled enterprises only because they are under the common control of the state.</u></p> <p><u>(4) “CSRC” means the China Securities Regulatory Commission.</u></p> <p><u>(5) A “stock exchange” means any of the stock exchanges on which the Company’s shares are listed, which means the Shanghai Stock Exchange and/or the Stock Exchange, as the context may require.</u></p> <p><u>(6) The “listing rules of securities” means, according to the context, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange currently in force issued by the Shanghai Stock Exchange and/or the Hong Kong Listing Rules, and the relevant provisions of the Shanghai Stock Exchange and/or the relevant provisions of the Stock Exchange.</u></p>
<p>Article 216 The matters not covered in these Articles of Association shall be dealt with in accordance with relevant laws, administrative regulations, rules and the listing rules and the securities regulatory requirements of the jurisdictions where the shares of the Company</p>	<p>Article 221 The matters not covered in these Articles of Association shall be dealt with in accordance with relevant laws, administrative regulations, rules and the listing rules <u>of securities</u> and the securities regulatory requirements of the jurisdictions where the shares</p>

Existing Articles of the Articles of Association	Amended Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>are listed, in conjunction with the actual circumstances of the Company. In the event that these Articles of Association is in conflict with the newly promulgated relevant laws, administrative regulations, rules or the listing rules and the securities regulatory requirements of the jurisdictions where the shares of the Company are listed, such newly promulgated laws, administrative regulations, rules or the listing rules and the securities regulatory requirements of the jurisdictions where the shares of the Company are listed shall prevail.</p>	<p>of the Company are listed, in conjunction with the actual circumstances of the Company. In the event that these Articles of Association is in conflict with the newly promulgated relevant laws, administrative regulations, rules orand the listing rules of securities and the securities regulatory requirements of the jurisdictions where the shares of the Company are listed, such newly promulgated laws, administrative regulations, rules orand the listing rules of securities and the securities regulatory requirements of the jurisdictions where the shares of the Company are listed shall prevail.</p>
<p>Article 218 The board of directors of the Company shall be responsible for the interpretation of these Articles of Association, and the shareholders in general meeting shall have the right to amend the Articles of Association.</p>	<p>Article 223 The board of directors of the Company shall be responsible for the interpretation of these Articles of Association, and the shareholders in general meeting shall have the right to amend the Articles of Association. <u>The board of directors may, in accordance with the provisions of these Articles of Association, develops detailed rules for implementation, which shall not violate the provisions hereof.</u></p>
<p>Article 220 For the purpose of these Articles of Association, the terms “not less than”, “within”, “not more than” are all inclusive terms and the terms “more than half”, “less than”, “exceed”, “beyond”, “below” and “above” are exclusive terms.</p>	<p>Article 225 For the purpose of these Articles of Association, the terms “not less than”; and “within”; “not more than” are all inclusive terms and the terms “more than half”, “less than”, “exceed” “more than”; “beyond”; “below” and “above” are exclusive terms.</p>

Notes:

1. Save as the table above, all references to “shareholders’ meetings” in the Chinese version of the Articles of Association have been revised from “股東大會” to “股東會” in accordance with the Company Law of the People’s Republic of China (Revised in 2023) (the “**Company Law**”).
2. Save as the table above, in accordance with Article 121 of the Company Law, the Company abolishes the Supervisory Committee and Supervisors and the Audit and Risk Management Committee (the Supervision Committee) shall exercise the duties and powers of the Supervisory Committee as stipulated in the Company Law. Therefore, the expressions in relation to “Supervisory Committee” and “Supervisors” have been deleted in the Articles of Association, or have been revised to the “Audit and Risk Management Committee (the Supervision Committee)”.
3. Save as the table above, if the serial numbering of the articles is changed due to the addition, deletion or re-arrangement of certain articles, the serial numbering of the articles of the Articles of Association as so amended shall be changed accordingly, including those referred to in cross references.
4. The Articles of Association have been prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Set out below are the details of the proposed amendments to the Rules and Procedures of Shareholders' Meetings and revisions have been underlined (if applicable) for the convenience of perusal.

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
<p>Article 2 These Rules apply to the general meetings of the Company and shall be binding on the Company, shareholders, authorized proxies of the shareholders attending the meeting, and directors, supervisors and other relevant personnel attending the meeting.</p>	<p>Article 2 These Rules apply to the <u>convening, proposal, notification and holding of shareholders'</u> general meetings of the Company and shall be binding on the Company, shareholders, authorized proxies of the shareholders attending the <u>shareholders'</u> meeting, and directors, supervisors <u>senior management</u> and other relevant personnel attending the <u>shareholders'</u> meeting.</p>
<p>Article 3 Meeting venues will be fixed for the shareholders' general meetings, and the shareholders' general meetings shall be convened in the on-site conference mode. The Company shall also provide convenience for the shareholders attending general meetings by the provision of the online voting.</p> <p>On condition that the general meeting shall be held legally and validly, the Company may set up other means and ways to attend the general meeting to facilitate the shareholders to participate in the meeting. Shareholders are deemed to be attending the shareholders' general meetings through the aforesaid means.</p>	<p>Article 3 Meeting venues will be fixed for the shareholders' general meetings, and the shareholders' general meetings shall be convened in the on-site conference mode. The Company shall also provide convenience for the shareholders attending general meetings by the provision of the online voting <u>and/or other electronic communication options</u>.</p> <p>On condition that the general meeting shall be held legally and validly, the Company may set up other means and ways to attend the general meeting to facilitate the shareholders to participate in the meeting. Shareholders are deemed to be attending the shareholders' general meetings through the aforesaid means.</p>
<p>Article 4 The board of the Company shall strictly comply with the provisions of the relevant laws and regulations and the Articles of Association regarding the convening of general meetings when organizing the general meetings. The directors of the Company shall not obstruct the lawful exercise of powers by a general meeting.</p>	<p>Article 4 The board of the Company shall strictly comply with the provisions of the relevant laws and regulations and the Articles of Association regarding the convening of general <u>shareholders'</u> meetings when organizing the general <u>shareholders'</u> meetings <u>to ensure shareholders can exercise their rights in accordance with laws. The board of directors of the Company shall diligently fulfil its duties and convene shareholders' meetings in a serious and timely manner.</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p>The directors of the Company shall not obstruct the lawful exercise of powers by a general meeting. <u>All directors of the Company shall be diligent and responsible to ensure that shareholders' meetings are convened in the normal course and their powers are exercised in accordance with laws.</u></p>
CHAPTER 2 SYSTEM OF SHAREHOLDERS' GENERAL MEETINGS	CHAPTER 2 SYSTEM OF SHAREHOLDERS' GENERAL MEETINGS
<p>Article 9 The shareholders' general meeting is classified into the annual general meeting (hereinafter referred to as "AGM") and extraordinary general meeting.</p> <p>All shareholders are entitled to attend the AGMs and extraordinary general meetings.</p>	<p>Article 9 The shareholders' general meeting is classified into the annual general <u>shareholders'</u> meeting (hereinafter <u>or</u> referred to as "AGM") and extraordinary general <u>shareholders'</u> meeting.</p> <p>All shareholders are entitled to attend the AGMs and extraordinary general <u>shareholders'</u> meetings.</p>
<p>Article 10 AGMs shall be convened by the board once every year and held within six months from the end of the previous financial year. In the event that the Company is unable to convene an AGM within the period of time mentioned above, the Company shall report and explain the reasons to the relevant local office of the securities regulatory authority of the State Council at the place where the Company is located and the stock exchange(s) on which its shares are listed for trading and make a public announcement.</p> <p>Article 11 The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstance:</p> <p>(1) the number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required under the Articles of Association;</p> <p>(2) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;</p>	<p>Article 10 AGMs shall be convened by the board once every year and held within six months from the end of the previous financial year. In the event that the Company is unable to convene an AGM within the period of time mentioned above, the Company shall report and explain the reasons to the relevant local office of the securities regulatory authority of the State Council at the place where the Company is located and the stock exchange(s) on which its shares are listed for trading and make a public announcement.</p> <p>Article 11 The Company shall convene an extraordinary general <u>shareholders'</u> meeting within two months from the date of occurrence of any of the following circumstance:</p> <p>(1) the number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required under the Articles of Association;</p> <p>(2) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(3) shareholder(s) individually or collectively holding 10% or more of the Company's shares request(s) in writing the convening of an extraordinary general meeting;</p> <p>(4) it is deemed necessary by the board of directors;</p> <p>(5) it is proposed by the supervisory committee;</p> <p>(6) any other circumstance so specified in laws, administrative regulations, departmental rules or the Articles of Association.</p> <p>The amount(s) of shareholding mentioned in (3) above is calculated as on the day when the shareholder(s) in question make(s) the request(s) in writing.</p> <p>In any event of (1), (2), (3) or (5) of this Article and if the board of directors fails to convene an extraordinary general meeting within the specified period, shareholder(s) who fulfill(s) the requirement or the supervisory committee may convene an extraordinary general meeting in accordance with the Articles of Association and provisions hereof.</p>	<p>(3) shareholder(s) individually or collectively holding 10% or more of the Company's shares request(s) in writing the convening of an extraordinary general <u>shareholders'</u> meeting;</p> <p>(4) it is deemed necessary by the board of directors;</p> <p>(5) it is proposed by the supervisory committee <u>audit and risk management committee (the supervision committee)</u>;</p> <p>(6) any other circumstance so specified in laws, administrative regulations, departmental rules or the Articles of Association.</p> <p>The amount(s) of shareholding mentioned in (3) above is calculated as on the day when the shareholder(s) in question make(s) the request(s) in writing.</p> <p>In any event of (1), (2), (3) or (5) of this Article and if the board of directors fails to convene an extraordinary general <u>shareholders'</u> meeting within the specified period, shareholder(s) who fulfill(s) the requirement or the supervisory committee <u>audit and risk management committee (the supervision committee)</u> may convene an extraordinary general <u>shareholders'</u> meeting in accordance with the Articles of Association and provisions hereof.</p>
	<p><u>Article 11 If the Company fails to hold its annual shareholders' meeting within six months from the end of the previous financial year, or cannot convene an extraordinary shareholders' meeting when required under Article 10 of these Rules and Procedures, it must report to the local branch of the CSRC and the stock exchanges where its securities are listed. The Company must also provide an explanation and issue a public announcement.</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Article 12 The Company's board of directors, independent directors, shareholders who have satisfied certain conditions (which are determined based on such standards as promulgated from time to time by the relevant competent authorities) or investor protection agencies established in accordance with laws and regulations may publicly request the shareholders to entrust them to exercise the proposal rights, voting rights and other shareholders' rights on their behalf. The solicitor shall disclose the soliciting announcement and relevant soliciting documents in accordance with the laws and regulations, and the Company shall cooperate. Consideration or de facto consideration for soliciting the shareholders' rights publicly is prohibited. Any person who publicly solicits the shareholders of the Company to entrust him/her to exercise the proposal right, voting right and other shareholders' rights on their behalf shall also comply with other provisions stipulated by the relevant competent authorities and the stock exchanges on which the shares of the Company are listed and traded.</p>	<p>Delete this article and incorporate it in article below</p> <p>Article 12 The Company's board of directors, independent directors, shareholders who have satisfied certain conditions (which are determined based on such standards as promulgated from time to time by the relevant competent authorities) or investor protection agencies established in accordance with laws and regulations may publicly request the shareholders to entrust them to exercise the proposal rights, voting rights and other shareholders' rights on their behalf. The solicitor shall disclose the soliciting announcement and relevant soliciting documents in accordance with the laws and regulations, and the Company shall cooperate. Consideration or de facto consideration for soliciting the shareholders' rights publicly is prohibited. Any person who publicly solicits the shareholders of the Company to entrust him/her to exercise the proposal right, voting right and other shareholders' rights on their behalf shall also comply with other provisions stipulated by the relevant competent authorities and the stock exchanges on which the shares of the Company are listed and traded.</p>
<p>Article 14 When convening the shareholders' general meeting, the Company shall engage a lawyer to issue legal opinion and publish an announcement on the following issues:</p> <p>(1) whether the convening of the shareholders' general meeting comply with the requirements of laws, administrative regulations, etc, and the requirements of the Articles of Association;</p> <p>(2) whether the eligibility of the attendees and the convener are legal and valid;</p> <p>(3) whether the voting procedures and results of the shareholders' general meeting are legal and valid;</p>	<p>Article 13 When convening the shareholders' general meeting, the Company shall engage a lawyer to issue legal opinion and publish an announcement on the following issues:</p> <p>(1) whether the convening of the shareholders' general meeting comply with the requirements of laws, administrative regulations, etc, and the requirements of the Articles of Association <u>and these Rules and Procedures</u>;</p> <p>(2) whether the eligibility of the attendees and the convener are legal and valid;</p> <p>(3) whether the voting procedures and results of the shareholders' general meeting are legal and valid;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
(4) legal opinion on other matters upon request by the Company.	(4) legal opinion on other matters upon request by the Company.
CHAPTER 3 FUNCTIONS AND POWERS OF THE SHAREHOLDERS' GENERAL MEETING	CHAPTER 3 FUNCTIONS AND POWERS OF THE SHAREHOLDERS' GENERAL MEETING
<p>Article 15 The powers exercisable by a general meeting are as follows:</p> <p>(1) to take a decision on the Company's business policy and investment plans;</p> <p>(2) to elect and replace directors (excluding the employee representative director) and to decide on matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors who are not employee representatives and to decide on matters relating to the remuneration of supervisors;</p> <p>(4) to examine and approve the reports of the board of directors;</p> <p>(5) to examine and approve the reports of the supervisory committee;</p> <p>(6) to examine and approve the Company's proposed annual budgets and final accounts;</p> <p>(7) to examine and approve the Company's profit distribution proposals and loss recovery proposals;</p> <p>(8) to resolve on the proposals for the increase or reduction of the Company's registered capital;</p> <p>(9) to resolve on the proposals for merger, division, dissolution, and liquidation, change of the corporate form and other matters of the Company;</p> <p>(10) to resolve on the proposal for issue of the Company's debt securities;</p>	<p>Article 14 The powers exercisable by a general shareholders' meeting are as follows:</p> <p>(1) to take a decision on the Company's business policy and investment plans;</p> <p>(2) to elect and replace directors (excluding the employee representative director) and to decide on matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors who are not employee representatives and to decide on matters relating to the remuneration of supervisors;</p> <p>(4) to examine and approve the reports of the board of directors;</p> <p>(5) to examine and approve the reports of the supervisory committee;</p> <p>(6) to examine and approve the Company's proposed annual budgets and final accounts;</p> <p>(7) to examine and approve the Company's profit distribution proposals and loss recovery proposals;</p> <p>(8) to resolve on the proposals for the increase or reduction of the Company's registered capital;</p> <p>(9) to resolve on the proposals for merger, division, dissolution, and liquidation, change of the corporate form and other matters of the Company;</p> <p>(10) to resolve on the proposal for issue of the Company's debt securities;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(11) to resolve on the proposal for appointment, removal of the Company's accounting firm or the proposal to not appoint any accounting firm;</p> <p>(12) to amend the Articles of Association;</p> <p>(13) to consider motions raised by the board of directors, supervisory committee or shareholder(s) who individually or collectively represent(s) 3% or more of the shares of the Company;</p> <p>(14) to resolve on any purchase or sale of major assets by the Company within one year where such transaction amount exceeds 30% of the latest audited total assets of the Company;</p> <p>(15) to resolve on the Company's external guarantees which shall be approved by a shareholders' general meeting as required under laws, administrative regulations, other regulatory documents and the Articles of Association;</p> <p>(16) to consider and approve any change in the use of proceeds raised;</p> <p>(17) to consider any share incentive schemes and employee share ownership plans;</p> <p>(18) to resolve on other matters which, in accordance with laws, administrative regulations, other regulatory documents and Articles of Association, must be approved by a shareholders' general meeting.</p> <p>A general meeting shall exercise its powers within the scope stipulated by the Company Law and the Articles of Association and shall not interfere with the decisions of shareholders regarding their own rights.</p>	<p>(11) to resolve on the proposal for appointment, <u>and</u> removal of the Company's accounting firm or the proposal to not appoint any accounting firm <u>that undertakes the audit business of the Company;</u></p> <p>(12) to amend the Articles of Association;</p> <p><u>(9) to review and approve external guarantee matters which should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, other regulatory documents and the Articles of Association;</u></p> <p>(13) to consider motions raised by the board of directors, supervisory committee or shareholder(s) who individually or collectively represent(s) 3% or more of the shares of the Company;</p> <p>(14) to resolve <u>review on</u> <u>matters related to</u> any purchase or sale of major assets by the Company within one year where such transaction amount <u>that</u> exceeds 30% of the latest audited total assets of the Company;</p> <p>(15) to resolve on the Company's external guarantees which shall be approved by a shareholders' general meeting as required under laws, administrative regulations, other regulatory documents and the Articles of Association;</p> <p>(16) to consider and approve any change in the use of proceeds raised;</p> <p>(17) to consider any share incentive schemes and employee share ownership plans;</p> <p>(18) to resolve on other matters which, in accordance with laws, administrative regulations, other regulatory documents and Articles of Association, must be approved by a shareholders' general meeting.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>The shareholders' meeting may authorize the board of directors to resolve on matters related to the issuance of Company's shares and bonds in accordance with laws, administrative regulations, departmental rules and listing rules of securities.</u> A general shareholders' meeting shall exercise its powers within the scope stipulated by the Company Law and the Articles of Association and shall not interfere with the decisions of shareholders regarding their own rights.</p>
<p>Article 16 Any external guarantee provided by the Company under any of the following circumstances shall be approved by the shareholders' general meeting after being considered and passed by the board of directors:</p> <p>(1) any provision of guarantee, where the total amount of external guarantees provided by the Company or its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;</p> <p>(2) provision of any guarantee after the total amount of the Company's external guarantees reaches or exceeds 30% of the Company's latest audited total assets;</p> <p>(3) provision of guarantee whose amount exceeds 30% of the Company's latest audited total assets within one year;</p> <p>(4) provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</p> <p>(5) provision of a single guarantee whose amount exceeds 10% of the Company's latest audited net assets;</p> <p>(6) guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its affiliates;</p>	<p>Article 15 Any external guarantee provided by the Company under any of the following circumstances shall be approved by the shareholders' general meeting after being considered and passed by the board of directors:</p> <p>(1) any provision of guarantee, where the total amount of external guarantees provided by the Company or its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;</p> <p>(2) provision of any guarantee after the total amount of the Company's external guarantees reaches or exceeds 30% of the Company's latest audited total assets;</p> <p>(3) provision of guarantee whose amount exceeds 30% of the Company's latest audited total assets within one year;</p> <p>(4) provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</p> <p>(5) provision of a single guarantee whose amount exceeds 10% of the Company's latest audited net assets;</p> <p>(6) guarantees to be provided in favour of any shareholder, person who exercises effective control over the Company and its affiliates;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(7) other guarantee-related matters that shall be approved by the shareholders' general meeting as stipulated by laws and regulations and the Articles of Association.</p> <p>Based on the principle of aggregating the total amount of guarantees for 1 2 consecutive months, any external guarantee exceeding 30% of the Company's latest audited total assets must be passed by votes representing two-thirds or more of the voting rights of the shareholders (including their proxies) attending the shareholders' general meeting.</p>	<p>(7) other guarantee-related matters that shall be approved by the shareholders' general meeting as stipulated by laws and regulations and the Articles of Association.</p> <p>Based on the principle of aggregating the total amount of guarantees for 1 2 consecutive months, any external guarantee exceeding 30% of the Company's latest audited total assets must be passed by votes representing two-thirds or more of the voting rights of the shareholders (including their proxies) attending the shareholders' general meeting.</p> <p><u>Where a director or senior management violates laws, regulations or the Articles of Association regarding the approval authority and deliberation procedures for external guarantees, resulting in losses to the Company, such director or senior management shall be liable for indemnity and the Company may pursue legal action against them in accordance with the law.</u></p>
<p>Article 19 In order to guarantee the stabilisation of the operation policies of the Company, to increase the daily operation efficiency, the relevant decision-making and approval authority of the Company are as follows:</p> <p>(I) Scope of the general meeting's authority</p> <p>.....</p> <p>(IV) If a transaction falls within the scope of authority of different decision makers when it is calculated in accordance with the Listing Rules of the Stock Exchange and the Listing Rules of the Shanghai Stock Exchange, the final decision shall be made by the decision maker with higher level of authority.</p>	<p>Article 18 In order to guarantee the stabilisation of the operation policies of the Company, to increase the daily operation efficiency, the relevant decision-making and approval authority of the Company are as follows:</p> <p>(I) Scope of the general shareholders' meeting's authority</p> <p>.....</p> <p>(IV) If a transaction falls within the scope of authority of different decision makers when it is calculated in accordance with the Listing Rules of the Stock Exchange and the Listing Rules of the Shanghai Stock Exchange, the final decision shall be made by the decision maker with higher level of authority.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>(V) The board of directors has the authority to adjust the scope of matters subject to management decision-making based on the requirements of the state-owned assets supervision and administration authority of the State Council, the CSRC and the stock exchanges where the Company's securities are listed, while also taking into account the Company's actual circumstances.</u></p>
<p>Article 20 The board of directors shall be authorized by the shareholders' general meetings to dispose of any fixed assets of the Company where the estimated value of the consideration for the proposed disposal and the value of the consideration for any such disposal of any fixed assets of the Company that has been completed in the period of four (4) months immediately preceding the proposed disposal, on an aggregate basis exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet which was considered at a shareholders' general meeting. If the abovementioned ratio is lower than 0.2%, shareholders' general meetings shall agree that the board of directors shall authorise the president's office meetings to approve the disposal of such fixed assets. When what's provided above is inconsistent with that of the rules pertaining listing of corporate securities of the securities exchange, the latter shall prevail.</p> <p>The disposals of fixed assets provided in this article include acts of transferring certain asset equities while not include assurances based on fixed assets.</p>	<p>Article 19 The board of directors shall be authorized by the shareholders' general meetings to dispose of any fixed assets of the Company where the estimated value of the consideration for the proposed disposal and the value of the consideration for any such disposal of any fixed assets of the Company that has been completed in the period of four (4) months immediately preceding the proposed disposal, on an aggregate basis exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet which was considered at a shareholders' general meeting. If the abovementioned ratio is lower than 0.2%, shareholders' general meetings shall agree that the board of directors shall authorise the president's office meetings to approve the disposal of such fixed assets. When what's provided above is inconsistent with that of the rules pertaining listing of corporate securities <u>the matter stipulated by</u> of the securities <u>stock</u> exchange <u>where the Company's securities are listed</u>, the latter shall prevail.</p> <p>The disposals of fixed assets provided in this article include acts of transferring certain asset equities while not include assurances based on fixed assets.</p>
<p>CHAPTER 4 CONVENING OF THE SHAREHOLDERS' GENERAL MEETING</p>	<p>CHAPTER 4 CONVENING OF THE SHAREHOLDERS' GENERAL MEETING</p>
<p>Article 21 Independent directors shall have the right to propose the convening of an extraordinary general meeting of shareholders to the board of</p>	<p>Article 20 <u>Upon the approval of more than half of all independent directors,</u> Independent directors shall have the right to propose the</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>directors. To such proposal, the board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting of shareholders, within ten (10) days upon receipt of such proposal.</p> <p>Where the board of directors agrees to convene the extraordinary general meeting of shareholders, a notice of the general meeting of shareholders shall be issued within five (5) days after the resolution of the board of directors is passed. If the board of directors does not agree to convene such a meeting, it shall give an explanation and issue an announcement in respect of the same.</p>	<p>convening of an extraordinary general <u>shareholders'</u> meeting of shareholders to the board of directors. To such proposal, the board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general <u>shareholders'</u> meeting of shareholders, within ten (10) days upon receipt of such proposal.</p> <p>Where the board of directors agrees to convene the extraordinary general <u>shareholders'</u> meeting of shareholders, a notice of the general <u>shareholders'</u> meeting of shareholders shall be issued within five (5) days after the resolution of the board of directors is passed. If the board of directors does not agree to convene such a meeting, it shall give an explanation and issue an announcement in respect of the same.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>Article 22 The supervisory committee shall have the right to propose the convening of an extraordinary general meeting of shareholders to the board of directors. Such proposal shall be made in writing. The board of directors shall make a written response as to whether or not it agrees to convene such an extraordinary general meeting of shareholders within ten (10) days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.</p> <p>Where the board of directors agrees to convene the extraordinary general meeting of shareholders, a notice of the general meeting of shareholders shall be issued within five (5) days after the resolution of the board of directors is passed. Prior approval from the supervisory committee shall be required for any changes made to the original proposal in the notice.</p> <p>In case that the board of directors does not agree to convene the extraordinary general meeting of shareholders, or does not give any written response within ten (10) days upon receipt of the proposal, the board of directors shall be deemed to be unable or have failed to perform its duty to convene the general meeting of shareholders, and the supervisory committee may convene and preside over the meeting on its own.</p>	<p>Article 21 The supervisory committee <u>audit and risk management committee (the supervision committee)</u> shall have the right to propose the convening of an extraordinary general shareholders' <u>general shareholders'</u> meeting of shareholders to the board of directors. Such proposal shall be made in writing. The board of directors shall make a written response as to whether or not it agrees to convene such an extraordinary general shareholders' <u>general shareholders'</u> meeting of shareholders within ten (10) days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.</p> <p>Where the board of directors agrees to convene the extraordinary general shareholders' <u>general shareholders'</u> meeting of shareholders, a notice of the general shareholders' <u>general shareholders'</u> meeting of shareholders shall be issued within five (5) days after the resolution of the board of directors is passed. Prior approval from the supervisory committee <u>audit and risk management committee (the supervision committee)</u> shall be required for any changes made to the original proposal in the notice.</p> <p>In case that the board of directors does not agree to convene the extraordinary general shareholders' <u>general shareholders'</u> meeting of shareholders, or does not give any written response within ten (10) days upon receipt of the proposal, the board of directors shall be deemed to be unable or have failed to perform its duty to convene the general shareholders' <u>general shareholders'</u> meeting of shareholders, and the supervisory committee <u>audit and risk management committee (the supervision committee)</u> may convene and preside over the meeting on its own.</p>
<p>Article 23 Shareholder(s) individually or collectively holding 10% or more of the Company's shares shall have the right to propose the convening of an extraordinary general meeting of shareholders to the board of directors. Such proposal shall be made in writing. The board of</p>	<p>Article 22 Shareholder(s) individually or collectively holding 10% or more of the Company's shares shall have the right to propose the convening of an extraordinary general shareholders' <u>general shareholders'</u> meeting of shareholders to the board of directors. Such proposal shall be made</p>

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<p>directors shall make a written response as to whether or not it agrees to convene such an extraordinary general meeting of shareholders within ten (10) days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.</p> <p>Where the board of directors agrees to convene the extraordinary general meeting of shareholders, a notice of the general meeting of shareholders shall be issued within five (5) days after the resolution of the board of directors is passed. Prior approval from the relevant shareholders shall be required for any changes made to the original proposal in the notice.</p> <p>In case that the board of directors does not agree to convene the extraordinary general meeting of shareholders, or does not give any response within ten (10) days upon receipt of the proposal, shareholder(s) individually or collectively holding 10% or more of the Company's shares shall have the right to propose the convening of an extraordinary general meeting of shareholders to the supervisory committee. Such proposal shall be made in writing.</p> <p>Where the supervisory committee agrees to convene the extraordinary general meeting of shareholders, it shall issue a notice of the general meeting of shareholders within 5 days after upon receipt of the proposal. Prior approval from the relevant shareholders shall be required for any change made to the original proposal in the notice.</p> <p>Where the supervisory committee fails to issue a notice of the general meeting of shareholders within the prescribed period, the supervisory committee shall be deemed to have failed to convene and preside over the general meeting, and shareholder(s) individually or collectively holding 10% or more shares of the Company for</p>	<p>in writing. The board of directors shall make a written response as to whether or not it agrees to convene such an extraordinary general <u>shareholders'</u> meeting of shareholders within ten (10) days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.</p> <p>Where the board of directors agrees to convene the extraordinary general <u>shareholders'</u> meeting of shareholders, a notice of the general <u>shareholders'</u> meeting of shareholders shall be issued within five (5) days after the resolution of the board of directors is passed. Prior approval from the relevant shareholders shall be required for any changes made to the original proposal in the notice.</p> <p>In case that the board of directors does not agree to convene the extraordinary general <u>shareholders'</u> meeting of shareholders, or does not give any response within ten (10) days upon receipt of the proposal, shareholder(s) individually or collectively holding 10% or more of the Company's shares shall have the right to propose the convening of an extraordinary general <u>shareholders'</u> meeting of shareholders to the supervisory committee <u>audit and risk management committee (the supervision committee)</u>. Such proposal shall be made in writing.</p> <p>Where the supervisory committee <u>audit and risk management committee (the supervision committee)</u> agrees to convene the extraordinary general <u>shareholders'</u> meeting of shareholders, it shall issue a notice of the general <u>shareholders'</u> meeting of shareholders within 5 days after upon receipt of the proposal. Prior approval from the relevant shareholders shall be required for any change made to the original proposal in the notice.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>a period of 90 days or more shall have the right to convene and preside over the general meeting on their own.</p>	<p>Where the supervisory committee audit and risk management committee (the supervision committee) fails to issue a notice of the general shareholders' meeting of shareholders within the prescribed period, the supervisory committee audit and risk management committee (the supervision committee) shall be deemed to have failed to convene and preside over the general shareholders' meeting, and shareholder(s) individually or collectively holding 10% or more shares of the Company for a period of 90 days or more shall have the right to convene and preside over the general meeting on their own.</p>
<p>Article 24 Where the supervisory committee or shareholders decide to convene a shareholders' general meeting on their own, they shall inform the board of directors in writing and at the same time file the case for the records of the local office of the securities regulatory authority of the State Council of the place where the Company is located and for the records of the Shanghai Stock Exchange.</p> <p>The shareholding of the convening shareholders shall not fall below 10% prior to the announcement of the resolution passed at the shareholders' general meeting.</p> <p>The supervisory committee or convening shareholders shall, upon giving a notice of such meeting and making an announcement on the resolution thereof, submit the relevant supporting materials to the local office of the securities regulatory authority of the State Council in the place where the Company is located and to the Shanghai Stock Exchange.</p>	<p>Article 23 Where the supervisory committee audit and risk management committee (the supervision committee) or shareholders decide to convene a shareholders' general meeting on their own, they shall inform the board of directors in writing and at the same time file the case for the records of the local office of the CSRC securities regulatory authority of the State Council of the place where the Company is located and for the records of the Shanghai Stock Exchange.</p> <p>The shareholding of the convening shareholders shall not fall below 10% prior to the announcement of the resolution passed at the shareholders' general meeting.</p> <p>The supervisory committee audit and risk management committee (the supervision committee) or convening shareholders shall, upon giving a notice of such meeting and making an announcement on the resolution thereof, submit the relevant supporting materials to the local office of the CSRC securities regulatory authority of the State Council in the place where the Company is located and to the Shanghai Stock Exchange.</p>
<p>Article 25 With regard to a shareholders' general meeting convened by the supervisory committee or shareholders on their own initiative, the board of</p>	<p>Article 24 With regard to a shareholders' general meeting convened by the supervisory committee audit and risk management committee (the</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>directors and the secretary to the board of directors shall provide cooperation and assistance. The board of directors shall provide the register of members as of the record date. If the board of directors fails to provide the register of members, the convener may apply to the securities registration and clearing institution for such register on the strength of the relevant announcement on the convening of the shareholders' general meeting. The register of members obtained by the convener shall not be used for any purpose other than the holding of the shareholders' general meeting.</p>	<p><u>supervision committee</u>) or shareholders on their own initiative, the board of directors and the secretary to the board of directors shall provide cooperation and assistance. The board of directors shall provide the register of members as of the record date. If the board of directors fails to provide the register of members, the convener may apply to the securities registration and clearing institution for such register on the strength of the relevant announcement on the convening of the shareholders' general meeting. The register of members obtained by the convener shall not be used for any purpose other than the holding of the shareholders' general meeting.</p>
<p>Article 26 The Company shall bear the necessary costs and expenses of the shareholders' general meeting convened by the supervisory committee or shareholders on their own initiative.</p>	<p>Article 25 The Company shall bear the necessary costs and expenses of the shareholders' general meeting convened by the supervisory committee <u>audit and risk management committee (the supervision committee)</u> or shareholders on their own initiative.</p>
CHAPTER 5 MOTIONS IN THE SHAREHOLDERS' GENERAL MEETING	CHAPTER 5 MOTIONS IN THE SHAREHOLDERS' GENERAL MEETING
<p>Article 28 When the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee and shareholder(s) who hold, individually or jointly, 3% or more of the Company's shares are entitled to propose resolutions to the Company.</p>	<p>Article 27 When the Company convenes a shareholders' general meeting, the board of directors, the supervisory committee <u>audit and risk management committee (the supervision committee)</u> and shareholder(s) who hold, individually or jointly, 3<u>1</u>% or more of the Company's shares are entitled to propose resolutions to the Company.</p>
<p>Article 29 Shareholders who hold, individually or jointly, 3% or more of the Company's shares may propose a provisional resolution in writing to the convener 10 days prior to the general meeting is held. Within 2 days upon receipt of the proposed resolution, the convener shall issue a supplementary notice of the general meeting to announce the content of the provisional resolution.</p>	<p>Article 28 Shareholders who hold, individually or jointly, 3<u>1</u>% or more of the Company's shares may propose a provisional resolution in writing to the convener 10 days prior to the general <u>shareholders'</u> meeting is held. Within 2 days upon receipt of the proposed resolution, the convener shall issue a supplementary notice of the general <u>shareholders'</u> meeting to announce the content of the provisional resolution. Where</p>

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<p>Where otherwise provided in the listing rules of the stock exchange(s) on which the Company's shares are listed, such provisions shall also be met.</p> <p>Except for such circumstances as described in the preceding paragraph, the convener shall neither amend any proposed resolution set out in the notice of general meeting nor add any new resolution after making an announcement on the issue of the notice of general meeting.</p>	<p>otherwise provided in the listing rules of the stock exchange(s) on which the Company's shares are listed, such provisions shall also be met.</p> <p>Except for such circumstances as described in the preceding paragraph, the convener shall neither amend any proposed resolution set out in the notice of general <u>shareholders'</u> meeting nor add any new resolution after making an announcement on the issue of the notice of general <u>shareholders'</u> meeting.</p>
<p>Article 30 Where shareholder(s) individually or collectively holding 10% or more of the Company's shares propose(s) to convene an extraordinary general meeting or a class shareholders' general meeting, the shareholder(s) shall sign one or more written request(s) in identical form requiring the board to convene an extraordinary general meeting or a class shareholders' general meeting and stating the subject of the meeting, and at the same time submit motions complying with the requirements of these Rules to the board.</p>	<p>Article 29 Where shareholder(s) individually or collectively holding 10% or more of the Company's shares propose(s) to convene an extraordinary general <u>shareholders'</u> meeting or a class shareholders' general meeting, the shareholder(s) shall sign one or more written request(s) in identical form requiring the board to convene an extraordinary general <u>shareholders'</u> meeting or a class shareholders' general meeting and stating the subject of the meeting, and at the same time submit motions complying with the requirements of these Rules to the board.</p>
<p>Article 32 The list of candidates for supervisors and directors shall be submitted to the shareholders' general meeting in the form of motion for approval.</p> <p>Candidates for directors (excluding independent directors and employee representative directors, the same hereafter) shall be nominated by the board of directors, the supervisory committee or shareholders who individually or jointly hold 3% or more of the Company's voting shares. The proposal shall be submitted to the board of directors and will be announced after being reviewed by the board of directors.</p> <p>The board of directors, the supervisor committee or shareholders individually or collectively holding 3% or more of the shares of the Company may</p>	<p>Article 31 The list of candidates for supervisors <u>and</u> directors shall be submitted to the shareholders' general meeting in the form of motion for approval.</p> <p>Candidates for directors (excluding independent directors and employee representative directors, the same hereafter) shall be nominated by the board of directors, the supervisory committee <u>audit and risk management committee (the supervision committee)</u> or shareholders who individually or jointly hold 31 <u>3</u>% or more of the Company's voting shares. The proposal shall be submitted to the board of directors and will be announced after being reviewed by the board of directors.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>make a motion of nominations for shareholder representative supervisors. Such motion shall be reviewed by the supervisory committee or the board of directors and passed to the board of directors for announcement.</p> <p>The proposer shall provide the board with the brief biographies, background information and relevant verification materials of the nominees, which shall be reviewed by the board of directors or the supervisory committee. Motions which comply with laws and regulations and the Company's Articles of Association shall be submitted to the general meeting for consideration. Motions which are not in compliance with laws, regulations and the Articles of Association and which are not submitted to the general meeting for consideration shall be explained and accounted for at the general meeting. The board of directors or the supervisory committee shall provide shareholders with the brief biographies and background information of the nominees for directorship or supervisorship.</p>	<p>The board of directors, the supervisor committee or shareholders individually or collectively holding 3% or more of the shares of the Company may make a motion of nominations for shareholder representative supervisors. Such motion shall be reviewed by the supervisory committee or the board of directors and passed to the board of directors for announcement.</p> <p>The proposer shall provide the board with the brief biographies, background information and relevant verification materials of the nominees, which shall be reviewed by the board of directors or the supervisory committee. Motions which comply with laws and regulations and the Company's Articles of Association shall be submitted to the <u>general shareholders'</u> meeting for consideration. Motions which are not in compliance with laws, regulations and the Articles of Association and which are not submitted to the <u>general shareholders'</u> meeting for consideration shall be explained and accounted for at the <u>general shareholders'</u> meeting. The board of directors or the supervisory committee shall provide shareholders with the brief biographies and background information of the nominees for directorship or supervisorship.</p>
<p>Article 33 Procedures for nomination of independent directors are as follows:</p> <p>(1) An independent director candidate may be nominated by the board of directors, the supervisory committee, or shareholder(s) individually or collectively holding 1% or more of the total number of shares carrying the right to vote, and shall be appointed by election at a shareholders' general meeting of the Company. Investor protection agencies legally established may publicly request shareholders to appoint them to exercise the right to nominate independent directors on their behalf.</p>	<p>Article 32 Procedures for nomination of independent directors are as follows:</p> <p>(1) An independent director candidate may be nominated by the board of directors, the supervisory committee <u>audit and risk management committee (the supervision committee)</u>, or shareholder(s) individually or collectively holding 1% or more of the total number of shares carrying the right to vote, and shall be appointed by election at a general meeting of the Company. Investor protection agencies legally established may</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>.....</p> <p>(3) Before the shareholders' general meeting for the election of the independent directors, if required under any applicable laws, regulations, other regulatory documents and/or the relevant listing rules, the Company shall, in accordance with such requirements, submit the relevant materials concerning all the nominees to the securities regulatory authority of the State Council and/or its external authority and the stock exchange(s) on which the Company's shares are listed and traded. If the board of directors disputes the particulars pertaining to the nominee, it shall also submit its written opinion to the relevant authorities.</p> <p>(4) The above securities regulatory authorities will verify the qualifications and degrees of independence of the nominees for independent directors within each of its stipulated period. Any nominees objected to by the securities regulatory authorities of the State Council may be treated as a nominee for a director of the Company instead of an independent director. When a general meeting is convened to elect independent directors, the board shall make a statement on whether the securities regulatory authorities of the State Council have any objection against the nominations.</p>	<p>publicly request shareholders to appoint them to exercise the right to nominate independent directors on their behalf.</p> <p>.....</p> <p>(3) Before the shareholders' general meeting for the election of the independent directors, if required under any applicable laws, regulations, other regulatory documents and/or the relevant listing rules, the Company shall, in accordance with such requirements, submit the relevant materials concerning all the nominees to the securities regulatory authority of the State Council and/or its external authority and the stock exchange(s) on which the Company's shares <u>securities</u> are listed and traded. If the board of directors disputes the particulars pertaining to the nominee, it shall also submit its written opinion to the relevant authorities.</p> <p>(4) The above securities regulatory authorities will verify the qualifications and degrees of independence of the nominees for independent directors within each of its stipulated period. Any nominees objected to by the securities regulatory authorities of the State Council <u>stock exchanges where the Company's securities are listed</u> may be treated as a nominee for a director of the Company instead of an independent director. When a general <u>shareholders'</u> meeting is convened to elect independent directors, the board shall make a statement on whether the securities regulatory authorities of the State Council <u>exchanges where the Company's securities are listed</u> have any objection against the nominations.</p>
<p>Article 34 The board shall, in relation to the agenda items of a general meeting, provide a set of materials including the agenda, resolutions and the relevant background information to attending shareholders and proxies, directors, supervisors, president, deputy presidents and other senior</p>	<p>Article 33 The board shall, in relation to the agenda items of a general <u>the shareholders'</u> meeting, provide a set of materials including the agenda, resolutions and the relevant background information to attending shareholders and proxies, directors, supervisors, president, deputy presidents</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>officers, for the purpose of ensuring that all the parties attending the meeting have an understanding of the matters to be considered at the meeting. For any general meeting legally convened by the supervisory committee or shareholders, the materials shall be provided by the convener of the meeting in accordance with the aforesaid requirement.</p>	<p>and other senior officers, for the purpose of ensuring that all the parties attending the meeting have an understanding of the matters to be considered at the meeting. For any general <u>shareholders'</u> meeting legally convened by the supervisory committee <u>audit and risk management committee (the supervision committee)</u> or shareholders, the materials shall be provided by the convener of the meeting in accordance with the aforesaid requirement.</p>
CHAPTER 6 NOTICE OF THE SHAREHOLDERS' GENERAL MEETING	CHAPTER 6 NOTICE OF THE SHAREHOLDERS' GENERAL MEETING
<p>Article 35 Where the Company convenes an annual general meeting, a written notice of the meeting shall be given to the shareholders entitled to attend this general meeting 20 days prior to the date of the meeting. Where the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given to the shareholders entitled to attend this general meeting 15 days prior to the date of the meeting.</p> <p>If it is otherwise provided in the laws, administrative regulations, other regulatory documents and the securities regulatory authorities or stock exchanges in the jurisdictions where the shares of the Company are listed, such requirements shall prevail.</p> <p>The notice of a general meeting shall be delivered to shareholders (whether or not they are entitled to vote at the general meeting) by way of public announcement or other ways as prescribed in Article 212 of the Articles of Association.</p> <p>Unless otherwise required by applicable laws, the duration aforesaid is inclusive of the date on which the notice is issued and exclusive of the date of the general meeting.</p>	<p>Article 34 Where the Company convenes an annual general <u>shareholders'</u> meeting, a written notice of the meeting shall be given to the shareholders entitled to attend this <u>shareholders'</u> general meeting 20 days prior to the date of the meeting. Where the Company convenes an extraordinary general <u>shareholders'</u> meeting, a written notice of the meeting shall be given to the shareholders entitled to attend this general <u>shareholders'</u> meeting 15 days prior to the date of the meeting.</p> <p>If it is otherwise provided in the laws, administrative regulations, other regulatory documents and the securities regulatory authorities or stock exchanges in the jurisdictions where, <u>or the stock exchanges on which</u> the shares of the Company are listed, such requirements shall prevail.</p> <p>The notice of a general <u>shareholders'</u> meeting shall be delivered to shareholders (whether or not they are entitled to vote at the general <u>shareholders'</u> meeting) by way of public announcement or other ways as prescribed in Article 212 of the Articles of Association.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	Unless otherwise required by applicable laws, the duration aforesaid is inclusive of the date on which the notice is issued and exclusive of the date of the general meeting.
<p>Article 37 Where the general meeting of shareholders intends to discuss the election of directors and supervisors, the notice of the general meeting shall fully disclose the detailed information of the candidates for directors and supervisors, including at least the following contents: ...</p> <p>(4) whether he/she has been penalized by the securities regulatory authorities under the State Council and other relevant departments and disciplined by the stock exchange.</p>	<p>Article 36 Where the <u>shareholders' general</u> meeting of shareholders intends to discuss the election of directors and supervisors, the notice of the <u>shareholders' general</u> meeting shall fully disclose the detailed information of the candidates for directors and supervisors, including at least the following contents: ...</p> <p>(4) whether he/she has been penalized by the securities regulatory authorities under the State Council <u>CSRC</u> and other relevant departments and disciplined by the stock exchanges <u>on which the securities of the Company are listed</u>.</p>
<p>CHAPTER 7 REGISTRATION FOR THE SHAREHOLDERS' GENERAL MEETING</p>	<p>CHAPTER 7 REGISTRATION FOR THE SHAREHOLDERS' GENERAL MEETING</p>
<p>Article 39 A shareholder may attend the general meeting in person or appoint a proxy to attend and vote on his behalf.</p> <p>Where a shareholder intends to appoint a proxy to attend and vote on his behalf, a written proxy form shall be duly completed. Such written proxy form shall state the following:</p> <p>(1) the name of the authorized proxy of the shareholder;</p> <p>(2) the number of shares held by the principal represented by the authorized proxy;</p> <p>(3) whether or not there is any voting right(s);</p> <p>(4) direction(s) to vote for, against or abstain from voting on each and every issue included in the agenda of the general meeting;</p>	<p>Article 38 A shareholder may attend the <u>shareholders' general</u> meeting in person or appoint a proxy to attend and vote on his behalf.</p> <p>Where a shareholder intends to appoint a proxy to attend and vote on his behalf, a written proxy form shall be duly completed. Such written proxy form shall state the following:</p> <p><u>(1) the name of the principal, and class and number of shares held in the Company;</u></p> <p>(+2) the name of the authorized proxy of the shareholder;</p> <p>(2) the number of shares held by the principal represented by the authorized proxy;</p> <p><u>(3) the specific instructions of the shareholders,</u> whether or not there is any voting right(s);</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(5) the proxy form shall state clearly that the proxy shall be entitled to vote or not at his discretion in the absence of specific instructions from the shareholder;</p> <p>(6) the date of issue and validity period of the proxy form.</p> <p>A shareholder shall appoint his proxy in writing. The proxy form shall be signed by the principal or its agent acting under a written power of attorney, where the principal is a legal person, the proxy form shall bear its seal or be signed by its director or an officer or a proxy duly appointed. Where more than one proxy are appointed, the proxy form shall specify the respective number of shares represented by each proxy.</p>	<p>(4) <u>including</u> direction(s) to vote for, against or abstain from voting on each and every issue included in the agenda of the shareholders' general <u>shareholders'</u> meeting;</p> <p>(5) the proxy form shall state clearly that the proxy shall be entitled to vote or not at his discretion in the absence of specific instructions from the shareholder;</p> <p>(6) the date of issue and validity period of the proxy form;;</p> <p><u>(5) the signature or corporate seal of the principal.</u></p> <p>A shareholder shall appoint his proxy in writing. The proxy form shall be signed by the principal or its agent acting under a written power of attorney, where the principal is a legal person, the proxy form shall bear its seal or be signed by its director or an officer or a proxy duly appointed. Where more than one proxy are appointed, the proxy form shall specify the respective number of shares represented by each proxy.</p> <p><u>The proxy form shall state clearly that the proxy shall be entitled to vote or not at his/her discretion in the absence of specific instructions from the shareholder.</u></p>
<p>Article 41 Where an individual shareholder attends the general meeting in person, he shall produce his identification card or other valid documents or evidence and share account card that can verify his identity; where a proxy is appointed to attend the meeting, the proxy shall produce his own identification document and the proxy form.</p> <p>A corporate shareholder shall be represented by its legal representative or a proxy appointed by the legal representative at the meeting. Where a legal representative attends the meeting, the legal</p>	<p>Article 40 Where an individual shareholder attends the general meeting in person, he shall produce his identification card or other valid documents or evidence and share account card that can verify his identity; where a proxy is appointed to attend the meeting, the proxy shall produce his own identification document and the proxy form.</p> <p>A corporate shareholder shall be represented by its legal representative or a proxy appointed by the legal representative at the meeting. Where a legal representative attends the meeting, the legal</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>representative shall produce his identification card and other documents that can testify to his capacity as a legal representative; where a proxy is appointed to attend the meeting, the proxy shall produce his own identification card and the written proxy form issued by the legal representative of the corporate shareholder according to law.</p>	<p>representative shall produce his identification card and other documents that can testify to his capacity as a legal representative; where a proxy is appointed to attend the meeting, the proxy shall produce his own identification card and the written proxy form issued by the legal representative of the corporate shareholder according to law.</p>
<p>CHAPTER 8 REVIEW AND VOTING IN THE SHAREHOLDERS' GENERAL MEETING</p>	<p>CHAPTER 8 REVIEW AND VOTING IN THE SHAREHOLDERS' GENERAL MEETING</p>
<p>Article 46 The general meeting shall be convened by the chairman of the board of directors, and the chairman of the board of directors shall preside over and act as the chairman of the meeting. If the chairman is unable or fails to perform his duties, the vice chairman shall preside over and act as the chairman of the meeting. In the event that the vice chairman is unable or fails to perform his duties, a director shall be elected by a simple majority of directors to preside over and act as the chairman of the meeting. If a simple majority of directors are unable to elect a director to preside over and act as the chairman of the meeting, the shareholders who attend the meeting may elect a person as the chairman; if for any reason the shareholders are unable to elect a chairman, the shareholder (including his proxy) holding the largest number of shares conferring the right to vote thereat shall be the chairman of the meeting.</p> <p>If the board of directors is unable or fails to perform its duties of convening the general meeting, the supervisory committee shall convene, preside over and the chairman of the supervisory committee shall act as the chairman of the meeting in a timely manner. In the event that the chairman of the supervisory committee is unable or fails to perform his duties, a simple majority of the supervisors shall jointly select a supervisor to act as chairman.</p>	<p>Article 45 The shareholders'^{general} meeting shall be convened by the chairman of the board of directors, and the chairman of the board of directors shall preside over and act as the chairman of the meeting. If the chairman is unable or fails to perform his duties, the vice chairman shall preside over and act as the chairman of the meeting. In the event that the vice chairman is unable or fails to perform his duties, a director shall be elected by a simple majority^{more than half} of directors to preside over and act as the chairman of the meeting. If a simple majority^{more than half} of directors are unable to elect a director to preside over and act as the chairman of the meeting, the shareholders who attend the meeting may elect a person as the chairman; if for any reason the shareholders are unable to elect a chairman, the shareholder (including his proxy) holding the largest number of shares conferring the right to vote thereat shall be the chairman of the meeting.</p> <p>If the board of directors is unable or fails to perform its duties of convening the shareholders'^{general} meeting, the supervisory committee^{audit and risk management committee (the supervision committee)} shall convene, preside over and the chairman-convenor^{chairman} of the supervisory committee^{audit and risk management committee (the supervision committee)} shall act as the chairman of the</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>In the event that the supervisory committee is unable or fails to perform its duties to convene a general meeting, the shareholder(s) who individually or collectively holds or hold 10% or more of the shares in the Company for over ninety (90) days may convene or preside over such meeting at his/their own discretion, shareholders attending shall choose one (1) person to act as the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then, of the shareholders attending the meeting, the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>When a general meeting is convened, if the person presiding over a general meeting violates the rules of procedures of the meeting and the general meeting cannot proceed as a result, upon the consent of a simple majority of the shareholders who attend the meeting and are entitled to vote thereat, the general meeting may elect a person to act as its chairman to continue the meeting.</p>	<p>meeting in a timely manner. In the event that the chairman-convenor of the supervisory committee <u>audit and risk management committee (the supervision committee)</u> is unable or fails to perform his duties, a simple majority <u>more than half</u> of the supervisors <u>members of the audit and risk management committee (the supervision committee)</u> shall jointly select a supervisor <u>member of the audit and risk management committee (the supervision committee)</u> to act as chairman.</p> <p>In the event that the supervisory committee <u>audit and risk management committee (the supervision committee)</u> is unable or fails to perform its duties to convene a shareholders' general meeting, the shareholder(s) who individually or collectively holds or hold 10% or more of the shares in the Company for over ninety (90) days may convene or preside over such meeting at his/their own discretion, shareholders attending shall choose one (1) person to act as the chairman of the meeting. If for any reason, the shareholders fail to elect a chairman, then, of the shareholders attending the meeting, the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.</p> <p>When a shareholders' general meeting is convened, if the person presiding over a shareholders' general meeting violates the rules of procedures of the meeting and the shareholders' general meeting cannot proceed as a result, upon the consent of a simple majority of the shareholders who attend the meeting and are entitled to vote thereat, the shareholders' general meeting may elect a person to act as its chairman to continue the meeting.</p>
<p>Article 47 For an extraordinary general meeting separately convened by the shareholder(s) who individually or collectively holds or hold 10% or</p>	<p>Article 46 For an extraordinary shareholders' general meeting separately convened by the shareholder(s) who individually</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>more of the total number of the Company's shares for over ninety (90) days or by the supervisory committee, the board of directors and the secretary to the board shall facilitate such meeting. Reasonable expenses of the meeting shall be borne by the Company.</p>	<p>or collectively holds or hold 10% or more of the total number of the Company's shares for over ninety (90) days or by the supervisory committeeaudit and risk management committee (the supervision committee), the board of directors and the secretary to the board shall facilitate such meeting. Reasonable expenses of the meeting shall be borne by the Company.</p>
<p>Article 48 When the Company convenes a general meeting of shareholders, all directors, supervisors and the secretary of the board of directors shall attend the meeting, and the president, vice presidents and other senior officers shall attend the meeting and provide explanations and clarifications on the shareholders' inquiries and suggestions.</p>	<p>Article 47 When the Company convenes a shareholders' general meeting of shareholders, all directors, supervisors and the secretary of the board of directors shall attend the meeting, and the president, vice presidents and other senior officers shall attend the meeting and provide explanations and clarifications on the shareholders' inquiries and suggestionsrequiring directors and senior officer personnel to attend the meeting, the directors and senior officer personnel shall attend the meeting and answer shareholders' inquiries.</p>
<p>Article 53 At an AGM, the board of directors and the supervisory committee shall, respectively, make reports to the meeting on the work done by them in the past year, and each independent director shall also make a report on his work.</p>	<p>Article 52 At an AGM, the board of directors and the supervisory committee shall, respectively, make a reports to the shareholders' meeting on the work done by them in the past year, and each independent director shall also make a report on his work. The directors and senior officer personnel shall provide explanations and clarifications on the shareholders' inquiries at the shareholders' meeting of the Company.</p>
<p>Article 54 The convener shall ensure that the general meeting is held continuously until the final resolution is made. If the general meeting of shareholders is suspended or fails to make a resolution due to special reasons such as force majeure, necessary measures shall be taken to resume the general meeting of shareholders as soon as possible or directly terminate the general meeting of shareholders, and timely announcement shall be made. At the same time, the convener shall report to the local office of the</p>	<p>Article 53 The convener shall ensure that the shareholders' general meeting is held continuously until the final resolution is made. If the shareholders' general meeting of shareholders is suspended or fails to make a resolution due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' general meeting of shareholders as soon as possible or directly terminate the shareholders' general meeting of shareholders, and timely announcement shall be made. At the same time, the convener shall report to the local office of the securities regulatory authority under</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
securities regulatory authority under the State Council and the stock exchange where the Company is located.	the State Council <u>CSRC</u> and the stock exchange at the place where the Company is located <u>and the stock exchanges on which the securities of the Company are listed.</u>
Article 61 Any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.	Article 61 Any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
Article 64 Each shareholder or his authorized proxy shall exercise his voting rights in accordance with the number of voting shares represented by him. Besides the situations stipulated by Article 63 in these Rules, each share shall carry one vote. The controlling shareholder(s) and de facto controller(s) of the Company shall not restrict or obstruct minority shareholders to exercise their voting rights in accordance with laws and shall not infringe the legitimate interest of the Company and minority shareholders.	Article 62 Each shareholder or his authorized proxy shall exercise his voting rights in accordance with the number of voting shares represented by him. <u>Except under the cumulative voting system</u> Besides situations stipulated by Article 63 in these Rules, each share shall carry one vote. The controlling shareholder(s) and <u>de facto</u> controller(s) of the Company shall not restrict or obstruct minority shareholders to exercise their voting rights in accordance with laws and shall not infringe the legitimate interest of the Company and minority shareholders.
Article 65 At a shareholders' general meeting, in accordance with the requirements under the Articles of Association the cumulative voting system shall be adopted for voting on the motions for the election of directors (excluding the employee representative director). The main content of the cumulative voting system is as follows: (1) Where the number of directors to be elected is more than two, the cumulative voting system must be adopted; (2) Where cumulative voting system is adopted, each of the shares held by a shareholder shall carry the same number of votes as the number of directors to be elected. All shareholders attending the shareholders' meeting for election of directors	Article 63 At a shareholders' general meeting, in accordance with the requirements under the Articles of Association the cumulative voting system shall be adopted for voting on the motions for the election of directors (excluding the employee representative director). The main content of the cumulative voting system is as follows: (1) Where the number of directors to be elected is more than two, the cumulative voting system must be adopted; (2) Where cumulative voting system is adopted, each of the shares held by a shareholder shall carry the same number of votes as the number of directors to be elected. All shareholders attending the shareholders' meeting for election of directors

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>may fully exercise their respective voting rights which shall be the number of their respective shares multiplying by the number of director candidates;</p> <p>(3) The notice of a shareholders' general meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of directors. The conveners of the meeting shall prepare ballots suitable for cumulative voting, and shall give explanations in writing regarding the cumulative voting system, the way the ballots form are to be completed and the methods of counting the votes;</p> <p>(4) In casting his votes for the director candidates at a shareholders' general meeting, a shareholder may exercise his voting rights by spreading his votes evenly and cast in favour of each of the candidates the number of votes corresponding to the number of shares he holds; or he may focus on one particular candidate and cast in favour of that candidate the total number of votes carried by all of his shares; or he may spread his votes over several candidates and cast in favour of each of them part of the total number of votes carried by the shares he holds;</p> <p>(5) Upon the exercise of his voting rights to focus all his votes on one or several of the candidates of directors, a shareholder shall not have any right to vote for any other candidates;</p> <p>(6) Where the total number of votes cast by a shareholder is in excess of the number of votes carried by the total number of shares held by him, the votes cast by the shareholder shall be invalid, and the shareholder shall be deemed to have waived his voting rights. Where the total number of votes cast by a shareholder is less than the number of votes carried by the total number of shares held by such shareholder, the votes cast by</p>	<p>may fully exercise their respective voting rights which shall be the number of their respective shares multiplying by the number of director candidates;</p> <p>(3) The notice of a shareholders' general meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of directors. The conveners of the meeting shall prepare ballots suitable for cumulative voting, and shall give explanations in writing regarding the cumulative voting system, the way the ballots form are to be completed and the methods of counting the votes;</p> <p>(4) In casting his votes for the director candidates at a shareholders' general meeting, a shareholder may exercise his voting rights by spreading his votes evenly and cast in favour of each of the candidates the number of votes corresponding to the number of shares he holds; or he may focus on one particular candidate and cast in favour of that candidate the total number of votes carried by all of his shares; or he may spread his votes over several candidates and cast in favour of each of them part of the total number of votes carried by the shares he holds;</p> <p>(5) Upon the exercise of his voting rights to focus all his votes on one or several of the candidates of directors, a shareholder shall not have any right to vote for any other candidates;</p> <p>(6) Where the total number of votes cast by a shareholder is in excess of the number of votes carried by the total number of shares held by him, the votes cast by the shareholder shall be invalid, and the shareholder shall be deemed to have waived his voting rights. Where the total number of votes cast by a shareholder is less than the number of votes carried by the total number of shares held by such shareholder, the votes cast by</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>the shareholder shall be valid, and the voting rights attached to the shortfall between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to have been waived by the shareholder;</p> <p>(7) Where the number of approval votes for a director candidate exceeds one-half of the total voting rights (to be calculated in accordance with the total number of shares if the cumulative voting is not adopted) represented by the shareholders attending the shareholders' general meeting, the candidate shall be the elected director. If the number of the elected director candidates at the shareholders' general meeting exceeds the total number of directors to be elected, those candidates who win the largest number of approval votes shall be elected as directors (however, if the elected directors whose approval votes are comparatively fewer win the same number of approval votes, and the election of such candidates as directors will give rise to the number of directors elected exceeding the number of directors to be elected, such candidates shall be deemed as having not been elected); if the number of directors elected at a shareholders' general meeting falls short of the number of directors to be elected, a new round of voting shall be carried out for the purpose of filling such directorship vacancies, until all the directors to be elected are validly elected;</p> <p>(8) Where a new round of voting is carried out in accordance with the provisions of paragraph (7) of this Article at the shareholders' general meeting, the number of votes cast by the shareholders in the cumulative voting shall be re-counted in accordance with the number of directors to be elected in the new round of voting.</p> <p>In the voting for the resolution on election of supervisors (excluding employee representative supervisors), the cumulative voting system is</p>	<p>the shareholder shall be valid, and the voting rights attached to the shortfall between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to have been waived by the shareholder;</p> <p>(7) Where the number of approval votes for a director candidate exceeds one-half of the total voting rights (to be calculated in accordance with the total number of shares if the cumulative voting is not adopted) represented by the shareholders attending the shareholders' general meeting, the candidate shall be the elected director. If the number of the elected director candidates at the shareholders' general meeting exceeds the total number of directors to be elected, those candidates who win the largest number of approval votes shall be elected as directors (however, if the elected directors whose approval votes are comparatively fewer win the same number of approval votes, and the election of such candidates as directors will give rise to the number of directors elected exceeding the number of directors to be elected, such candidates shall be deemed as having not been elected); if the number of directors elected at a shareholders' general meeting falls short of the number of directors to be elected, a new round of voting shall be carried out for the purpose of filling such directorship vacancies, until all the directors to be elected are validly elected;</p> <p>(8) Where a new round of voting is carried out in accordance with the provisions of paragraph (7) of this Article at the shareholders' general meeting, the number of votes cast by the shareholders in the cumulative voting shall be re-counted in accordance with the number of directors to be elected in the new round of voting.</p> <p>In the voting for the resolution on election of supervisors (excluding employee representative supervisors), the cumulative voting system is</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>carried out with reference to the requirements above in the circumstance that the cumulative voting is adopted in accordance with relevant requirements in the Articles of Association.</p>	<p>carried out with reference to the requirements above in the circumstance that the cumulative voting is adopted in accordance with relevant requirements in the Articles of Association.</p>
<p>Article 66 When a connected transaction is considered at a shareholders' general meeting, the connected shareholder(s) shall abstain from voting, and the voting shares represented by him shall not be counted in the total number of valid votes. The voting result of nonconnected shareholders shall be fully disclosed in the announcement of the resolutions on the shareholders' general meeting.</p> <p>When material matters affecting the interest of minority shareholders are considered at a general meeting, votes by minority shareholders shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.</p> <p>The Company's shares held by the Company shall not carry voting rights, and those shares shall not be included in the total number of voting shares at a general meeting.</p>	<p>Article 64 When a connected transaction is considered at a shareholders' general meeting, the connected shareholder(s) shall abstain from voting, and the voting shares represented by him shall not be counted in the total number of valid votes. The voting result of nonconnected shareholders shall be fully disclosed in the announcement of the resolutions on the shareholders' general meeting.</p> <p>When material matters affecting the interest of minority shareholders are considered at a shareholders' general meeting, votes by minority shareholders shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner.</p> <p>The Company's shares held by the Company shall not carry voting rights, and those shares shall not be included in the total number of voting shares at a shareholders' general meeting.</p> <p><u>In the event that a shareholder's purchase of the Company's voting shares violates the provisions of Articles 63(1) and (2) of the Securities Law of the People's Republic of China, the voting rights for the portion of the shares in excess of the prescribed ratio shall not be exercised for a period of 36 months after the purchase and such shares shall not be counted in the total number of voting shares held by shareholders attending the shareholders' meeting.</u></p> <p><u>The Company's board of directors, independent directors and shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or requirements of the CSRC may publicly solicit the voting rights</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>from shareholders. In soliciting voting rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for solicitation of voting rights is prohibited. Except for the statutory conditions, the Company may not propose any minimum shareholding restriction on the solicitation of voting rights.</u></p>
<p>Article 70 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder and proxy who attends and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately. Shareholders and proxies of shareholders who object to the results of voting may take part in checking the votes, and the results shall be final and conclusive. Any objection raised after the meeting shall be invalid.</p>	<p>Article 68 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may have <u>organize a vote count</u> the votes counted. If the chairman of the meeting has not counted the votes, any shareholder and proxy who attends and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately. Shareholders and proxies of shareholders who object to the results of voting may take part in checking the votes, and the results shall be final and conclusive. Any objection raised after the meeting shall be invalid.</p>
<p>Article 71 The Company shall announce the resolutions of the shareholders' general meetings in accordance with applicable laws, regulations and the relevant provisions of the stock exchanges on which the shares of the Company are listed and traded.</p>	<p>Article 69 The Company shall announce the resolutions of the shareholders' general meetings in accordance with applicable laws, regulations and the relevant provisions of the stock exchanges on which the shares <u>securities</u> of the Company are listed and traded.</p>
<p>Article 72 A shareholder attending the shareholders' general meeting shall express its opinion of "for", "against" or "abstain" on the proposal submitted for voting.</p> <p>Where a shareholder is, under the applicable listing rules as amended from time to time, required to abstain from voting on any particular resolution or to vote only for or only against any particular</p>	<p>Article 70 A shareholder attending the shareholders' general meeting shall express its opinion of "for", "against" or "abstain" on the proposal submitted for voting. <u>The securities registration and settlement institution shall be the nominal holder of shares under the Stock Connect Mechanism in the Mainland China and</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p>Votes that are not filled in, incorrectly filled in, or not legible, or votes that are not cast are considered to be abstention by the voter, and the result of the vote on the number of shares held by such voter shall be counted as “abstained”.</p>	<p><u>Hong Kong Stock Markets, except where declaration is made in accordance with the actual holder’s intention.</u></p> <p>Where a shareholder is, under the applicable listing rules as amended from time to time, required to abstain from voting on any particular resolution or to vote only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p> <p>Votes that are not filled in, incorrectly filled in, or not legible, or votes that are not cast are considered to be abstention by the voter, and the result of the vote on the number of shares held by such voter shall be counted as “abstained”.</p>
<p>Article 73 Resolutions of a shareholders’ general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>(I) Ordinary resolutions</p> <p>Ordinary resolutions shall be passed by votes exceeding one-half of voting rights represented by shareholders (including proxies) attending the shareholders’ general meeting.</p> <p>The following issues shall be approved by ordinary resolutions at a shareholders’ general meeting:</p> <p>(1) working reports of the board of directors and the supervisory committee;</p> <p>(2) profit distribution plans and loss recovery plans formulated by the board;</p> <p>(3) appointment and removal of the members of the board of directors and the supervisory committee, their remuneration and the method of payment thereof;</p>	<p>Article 71 Resolutions of a shareholders’ general meeting shall be divided into ordinary resolutions and special resolutions.</p> <p>(I) Ordinary resolutions</p> <p>Ordinary resolutions shall be passed by votes exceeding one-half of voting rights represented by shareholders (including proxies) attending the shareholders’ general meeting.</p> <p>The following issues shall be approved by ordinary resolutions at a shareholders’ general meeting:</p> <p>(1) working reports of the board of directors and the supervisory committee;</p> <p>(2) profit distribution plans and loss recovery plans formulated by the board;</p> <p>(3) appointment and removal of the members of the board of directors and the supervisory committee, their remuneration and the method of payment thereof;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(4) annual budgets, final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;</p> <p>(5) appointment, removal or non-reappointment of an accounting firm;</p> <p>(6) other issues, except for those required by laws, administrative regulations or the Articles of Association to be passed by special resolutions.</p> <p>(II) Special resolutions</p> <p>Special resolutions shall be passed by votes representing two-thirds or more of voting rights represented by shareholders (including proxies) attending the shareholders' general meeting.</p> <p>The following issues shall be approved by special resolutions at shareholders' general meetings:</p> <p>(1) increase or reduction in share capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) issue of debt securities of the Company;</p> <p>(3) demerger, spin-off, merger, dissolution, liquidation or change of the corporate form of the Company;</p> <p>(4) amendments to the Articles of Association;</p> <p>(5) purchases and disposals of major assets by the Company or guarantees provided by the Company within one year with an amount excess of 30% of the latest audited total assets of the Company;</p> <p>(6) share incentive scheme;</p>	<p>(4) annual budgets, final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;</p> <p>(5) appointment, removal or non-reappointment of an accounting firm;</p> <p>(6) other issues, except for those required by laws, administrative regulations or the Articles of Association to be passed by special resolutions.</p> <p>(II) Special resolutions</p> <p>Special resolutions shall be passed by votes representing two-thirds or more of voting rights represented by shareholders (including proxies) attending the shareholders' general meeting.</p> <p>The following issues shall be approved by special resolutions at shareholders' general meetings:</p> <p>(1) increase or reduction in shareregistered capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) issue of debt securities of the Company;</p> <p>(3) demerger, spin-off, merger, dissolution; and liquidation or change of the corporate form of the Company;</p> <p>(4) amendments to the Articles of Association;</p> <p>(5) purchases and disposals of major assets by the Company or guarantees provided by the Company within one year with an amount excess of 30% of the latest audited total assets of the Company;</p> <p>(6) share incentive scheme;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
(7) any other matter stipulated by laws, administrative regulations or the Articles of Association and confirmed by an ordinary resolution at a shareholders' general meeting that it may have material impact on the Company and is required to be approved by a special resolution.	(7 6) any other matter stipulated by laws, administrative regulations or the Articles of Association and confirmed by an ordinary resolution at a shareholders' general meeting that it may have material impact on the Company and is required to be approved by a special resolution.
CHAPTER 9 ADJOURNMENT AND TERMINATION OF THE MEETING	CHAPTER 9 ADJOURNMENT AND TERMINATION OF THE MEETING
	<u>Article 73 If, in the course of the meeting, any dispute is raised by the shareholders attending the meeting over matters such as the shareholders' identities and the counting result, which cannot be resolved on site and therefore results in meeting disorders or prevents continuation of the meeting, the chairman of the meeting shall announce a temporary adjournment of the meeting. Upon clearance of the aforementioned circumstances, the chairman of the meeting shall promptly notify the shareholders to resume the meeting.</u>
CHAPTER 10 RESOLUTIONS AND MINUTES OF THE MEETING	CHAPTER 10 RESOLUTIONS AND MINUTES OF THE MEETING
<p>Article 76 A shareholders' general meeting should pass resolutions for the motions which are listed in the agenda of the meeting.</p> <p>The resolutions passed at the general meetings are invalid should they are in violation of any laws, or administrative regulations.</p> <p>Should the procedures for convening a general meeting, or the way of voting, be in violation of any laws, administrative regulations or the Articles of Association, or a resolution be in violation of the Articles of Association, the shareholders may, within 60 days from the date on which the resolution is made, request the People's Court to revoke it.</p>	<p>Article 75 A shareholders' general meeting should pass resolutions for the motions which are listed in the agenda of the meeting.</p> <p>The resolutions passed at the shareholders' general meetings are invalid should they are in violation of any laws, or administrative regulations.</p> <p>Should the procedures for convening a shareholders' general meeting, or the way of voting, be in violation of any laws, administrative regulations or the Articles of Association, or a resolution be in violation of the Articles of Association, the shareholders may, within 60 days from the date on which the resolution is made, request the People's Court to revoke it; <u>however, minor flaws in the convening procedures or</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>voting methods of the shareholders' meeting that have no substantial impact on a resolution, shall not invalidate such resolution.</u></p> <p><u>Where the Board of Directors, Shareholders and other relevant parties have disputes over the qualifications of the convenor, the convening procedures, the legality of the contents of a resolution and the validity of a resolution of the shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a revocation of the resolution or other judgement or ruling, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, the Directors and senior officer members shall effectively perform their duties and implement the resolution of the shareholders' meeting in a timely manner to ensure the normal operation of the Company.</u></p> <p><u>If the People's Court makes a judgement or ruling on the relevant matters, the Company shall perform its information disclosure obligations in accordance with the laws and administrative regulations, the provisions of the CSRC and the stock exchanges where the Company's securities are listed, fully explain the impact, and actively cooperate with the implementation of the judgement or ruling after it has come into effect. Where correction of prior period matters is involved, it should be dealt with in a timely manner and be fulfilled with corresponding information disclosure obligations.</u></p>
<p>Article 78 Minutes of a general meeting shall be signed by directors, supervisors, secretary to the board of directors, convener or his proxies, and the person presiding over the meeting (the chairman of the meeting).</p>	<p>Article 77 Minutes of a shareholders' general meeting shall be signed by directors, supervisors, secretary to the board of directors, convener or his proxies <u>attending or present at the meeting</u>, and the person presiding over the meeting (the chairman of the meeting).</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
CHAPTER 11 DISCLOSURE OF INFORMATION	CHAPTER 11 DISCLOSURE OF INFORMATION
<p>Article 80 The board of the Company shall strictly comply with the laws, regulations and requirements of the stock exchanges on which the Company's share are listed and transacted in relation to the disclosure of the Company's information. It shall ensure that matters examined and/or resolutions passed at the shareholders' meeting are disclosed fairly, truly, accurately, thoroughly and in a timely manner.</p>	<p>Article 79 The board of the Company shall strictly comply with the laws, regulations and requirements of the stock exchanges on which the Company's share securities are listed and transacted in relation to the disclosure of the Company's information. It shall ensure that matters examined and/or resolutions passed at the shareholders' meeting are disclosed fairly, truly, accurately, thoroughly and in a timely manner.</p>
	<p><u>Article 80 The announcement of the resolutions of the shareholders' meeting shall specify (including without limitation) the number of shareholders (or shareholder proxies) attending the meeting, the total number of shares held (or proxy shares) and their proportion in the Company's total voting shares, the voting system and the voting results of each motion.</u></p> <p><u>If any proposal is not adopted, or the current shareholders' meeting amends the resolution of the last shareholders' meeting, special indication thereof shall be given in the announcement of the resolution of the shareholders' meeting.</u></p>
	<p><u>Article 81 Announcements of the shareholders' meeting resolutions shall be published in the designated newspaper(s) and website(s). The Company shall disclose the information within the time limit and in the manner as provided in laws, regulations as well as the securities regulatory authorities and the stock exchanges on which the Company's securities are listed.</u></p>
CHAPTER 12: SUPPLEMENTARY	CHAPTER 12: SUPPLEMENTARY
<p>Article 84 For the purpose of these Rules, the term "not less than" is an all inclusive term and the terms "more than half", "exceed", "below" and "above" are exclusive terms.</p>	<p>Article 85 For the purpose of these Rules, the term "not less than" is an all inclusive term and the terms "more than half", "exceed", "below" and "above" are exclusive terms.</p>

Notes:

1. Save as the table above, all references to “shareholders’ meetings” in the Chinese version of the Rules and Procedures of Shareholders’ Meetings have been revised from “股東大會” to “股東會” in accordance with the Company Law.
2. Save as the table above, in accordance with Article 121 of the Company Law, the Company abolishes the Supervisory Committee and Supervisors and the Audit and Risk Management Committee (the Supervision Committee) of the Board shall exercise the duties and powers of the Supervisory Committee as stipulated in the Company Law. Therefore, the expressions in relation to “Supervisory Committee” and “supervisors” have been deleted in the Rules and Procedures of Shareholders’ Meetings, or have been revised to the “Audit and Risk Management Committee (the Supervision Committee)”.
3. Save as the table above, if the serial numbering of the articles is changed due to the addition, deletion or re-arrangement of certain articles, the serial numbering of the articles of these Rules and Procedures of Shareholders’ Meetings as so amended shall be changed accordingly, including those referred to in cross references.
4. The Rules and Procedures of Shareholders’ Meetings have been prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Set out below are the details of the proposed amendments to the Rules and Procedures of Meetings of the Board. The revisions have been underlined (if applicable) for the convenience of perusal.

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
CHAPTER 2 FORMATION AND COMMITTEES OF THE BOARD	CHAPTER 2 FORMATION AND COMMITTEES OF THE BOARD
<p>Article 6 The board of directors shall include one chairman, which is generally served by the secretary of the Party Committee, and one vice chairmen, who are elected and removed by a majority of directors.</p> <p>The Chairman of the board of directors shall exercise the following powers:</p> <p>(1) to determine an annual schedule for periodic meetings of the board of directors;</p> <p>(2) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;</p> <p>(3) to check on the implementation of resolutions passed by the board of directors;</p> <p>(4) to sign the securities certificates issued by the Company;</p> <p>(5) to sign material documents of the board of directors and other documents which shall be signed by the legal representative of the Company;</p> <p>(6) to exercise power of the legal representative;</p> <p>(7) to listen to reports on operation and management and conduct research on related issues;</p> <p>(8) to manage the internal audit of the Company as the first responsible person for internal audit works;</p>	<p>Article 6 The board of directors shall include one chairman, which is generally served by the secretary of the Party Committee, and one vice chairmen, who are elected and removed by a majority of directors.</p> <p>The Chairman of the board of directors shall exercise the following powers:</p> <p>(1) to determine an annual schedule for periodic meetings of the board of directors;</p> <p>(2) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;</p> <p><u>(2) to convey the spirit of the Central Committee and state-owned assets supervision policies to the board of directors, and to inform the board of the tasks requiring the board's advancement and implementation as well as the issues requiring rectification as identified in relevant supervision and inspection;</u></p> <p>(3) to <u>oversee and</u> check on the implementation of resolutions passed by the board of directors;</p> <p>(4) to sign the securities certificates issued by the Company;</p> <p>(5) to sign material documents of the board of directors and other documents which shall be signed by the legal representative of the Company;</p> <p>(6) to exercise power of the legal representative;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(9) in the event of emergency due to force majeure or major crisis that makes it impossible to convene a board meeting in a timely manner, to exercise special disposal powers within the authority of the board of directors in accordance with laws and regulations and in the interests of the Company, and to report to the board of directors after exercising such power so as to ratify the same in accordance with relevant procedures;</p> <p>(10) other powers conferred by the board of directors.</p> <p>The vice chairman shall assist the chairman in performing his duties. If the chairman is unable or fails to perform his duties, such duties shall be performed by the vice chairman. In the event that the vice chairman is unable or fails to perform his duties, a director shall be elected jointly by a majority of the directors to perform such duties.</p>	<p>(74) to listen to reports on operation and management and conduct research on related issues;</p> <p>(8) to manage the internal audit of the Company as the first responsible person for internal audit works;</p> <p>(95) in the event of emergency due to force majeure or major crisis that makes it impossible to convene a board meeting in a timely manner, to exercise special disposal powers within the authority of the board of directors in accordance with laws and regulations and in the interests of the Company, and to report to the board of directors after exercising such power so as to ratify the same in accordance with relevant procedures;</p> <p>(106) other powers conferred by <u>the requirements of the state-owned assets supervision and administration authority of the State Council, the CSRC, the stock exchanges on which the securities of the Company are listed or</u> the board of directors.</p> <p>The vice chairman shall assist the chairman in performing his duties. If the chairman is unable or fails to perform his duties, such duties shall be performed by the vice chairman. In the event that the vice chairman is unable or fails to perform his duties, a director shall be elected jointly by a majority <u>more than half</u> of the directors to perform such duties.</p>
<p>Article 8 In accordance with relevant resolutions of the shareholders' general meeting, the board of directors shall establish special committees such as a strategy and investment committee, an audit and risk management committee (the supervision committee), a nomination committee, a nomination and remuneration and appraisal committee, and an aviation safety committee and other special committees.</p>	<p>Article 8 In accordance with relevant resolutions of the shareholders' general meeting, the <u>The</u> board of directors shall establish special committees such as a strategy and investment committee, an audit and risk management committee (the supervision committee), a nomination committee, a nomination and remuneration and appraisal committee, and an aviation safety committee and other special committees.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>These special committees shall consider specific matters and provide their opinions and advice as a reference for the board's decision making based on the proposals made by the board of directors, the chairman of the board of directors and the recommendations from the president.</p> <p>The members' composition, duties and responsibilities, and procedures of each special committee of the board of directors are specifically determined according to the terms of reference of each special committee, which are formulated by the board of directors.</p> <p>Independent directors shall convene special meetings on a regular or irregular basis to review relevant matters stipulated in laws, regulations, other regulatory documents and the Articles of Association. Other matters of the Company may also be investigated and discussed as required at the special meetings of independent directors.</p>	<p>These special committees shall consider specific matters and provide their opinions and advice as a reference for the board's decision making based on the proposals made by the board of directors, the chairman of the board of directors and the recommendations from the president.</p> <p>The members' composition, duties and responsibilities, and procedures of each special committee of the board of directors are specifically determined according to the terms of reference of each special committee, which are formulated by the board of directors.</p> <p>Independent directors shall convene special meetings on a regular or irregular basis to review relevant matters stipulated in laws, regulations, other regulatory documents and the Articles of Association. Other matters of the Company may also be investigated and discussed as required at the special meetings of independent directors.</p>
<p>CHAPTER 3 FUNCTIONS AND POWERS OF THE BOARD OF DIRECTORS</p>	<p>CHAPTER 3 FUNCTIONS AND POWERS OF THE BOARD OF DIRECTORS</p>
<p>Article 9 The board of directors is responsible to the shareholders' general meeting for formulating strategies, making decisions and preventing risks and shall exercise the following duties and powers in accordance with statutory procedures and the Articles of Association:</p> <p>(1) to be responsible for convening the shareholders' general meetings and report on its work to the shareholders' general meetings;</p> <p>(2) to implement the resolutions passed at the shareholders' general meetings;</p> <p>(3) to determine the Company's business plans and investment plans;</p>	<p>Article 9 The board of directors is responsible to the shareholders' general meeting for <u>and shall perform the functions of</u> formulating strategies, making decisions and preventing risks and shall <u>exercises</u> the following duties and powers in accordance with statutory procedures and the Articles of Association:</p> <p>(1) to be responsible for convening <u>convene</u> the shareholders' general meetings and report on its work to the shareholders' general meetings;</p> <p>(2) to implement the resolutions passed at the shareholders' general meetings;</p> <p><u>(3) to determine the Company's development strategies and plans;</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(4) to formulate the Company's annual budgets and final accounts;</p> <p>(5) to formulate the Company's profit distribution plans and loss recovery plans;</p> <p>(6) to formulate the plans for increase or reduction of the Company's registered mcapital, and proposals for issue of corporate bonds;</p> <p>(7) to formulate the proposals for merger, division, dissolution or change of the corporate form of the Company;</p> <p>(8) to decide on the matters such as external investments, acquisition and disposal of assets, mortgages on assets, entrusted wealth management, connected transactions, and external donation of the Company within the authority granted by the shareholders' general meeting;</p> <p>(9) to decide on the external guarantees other than those required to be approved by the shareholders' general meetings according to laws, regulations, other regulatory documents and the Articles of Association;</p> <p>(10) to decide on the establishment of the Company's internal management bodies;</p> <p>(11) to appoint or dismiss the president of the Company, secretary to the board of directors, conduct appraisal on their performance and determine their remunerations; and to appoint or dismiss, with reference to the nomination by the president, the vice presidents, chief accountant, chief pilot, general legal counsel and other senior officers, conduct appraisal on their performance and determine their remunerations, rewards and punishment;</p>	<p>(34) to determine the Company's business plans and investment plans;</p> <p>(45) to formulatedetermine the Company's annual budgets and final accounts;</p> <p>(56) to formulate the Company's profit distribution plans and loss recovery plans;</p> <p>(67) to formulate the plans for increase or reduction of the Company's registered mcapitalcapital, and proposals for issueissuance and listing of corporate bonds or other securities;</p> <p>(78) to formulate the proposals for major acquisitions and acquisition of the Company's shares or merger, division, dissolution orand change of the corporate form of the Company;</p> <p>(89) to decide on the matters such as external investments, acquisition and disposal of assets, mortgages on assets, entrusted wealth management, connected transactions, and external donation of the Company within the authority granted by the shareholders' general meeting;</p> <p>(910) to decide on the external guarantees other than those required to be approved by the shareholders' general meetings according to laws, regulations, other regulatory documents and the Articles of Association;</p> <p>(101) to decide on the establishment of the Company's internal management bodies, and decide on the establishment or deregistration of major branches and subsidiaries;</p> <p>(142) to appoint or dismissdecide appointment or dismission of the president of the Company, secretary to the board of directors and other senior officers, conduct appraisal on their performance and determine their remunerations,</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(12) to formulate the Company's basic management rules;</p> <p>(13) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(14) to manage the disclosure of information of the Company;</p> <p>(15) to make proposal of any engagement or replacement of the accounting firm which audits the Company's accounts at the shareholders' general meeting;</p> <p>(16) to receive the work report of the president of the Company and examine on the president's work;</p> <p>(17) to determine the risk management system, the internal control system and the compliance management system of the Company, and monitor the relevant systems and their implementation;</p> <p>(18) to guide, inspect and assess the internal audit works and approve the annual audit plan and important audit reports pursuant to laws;</p> <p>(19) to promote the development of corporate governance and supervise the lawful management by the management;</p> <p>(20) to exercise other functions and powers as stipulated by laws, regulations, other regulatory documents and the Articles of Association and granted by the shareholders' general meeting.</p>	<p><u>rewards and punishment</u>; and to appoint or dismiss, with reference to the nomination by the president, the vice presidents, chief accountant, chief pilot, general legal counsel and other senior officers, conduct appraisal on their performance and determine their remunerations, rewards and punishment;</p> <p>(123) to formulate the Company's basic management rules;</p> <p>(134) to formulate the proposals for any amendment to the Articles of Association;</p> <p>(145) to manage the disclosure of information of the Company;</p> <p><u>(16) to formulate the Company's major accounting policies and proposals for amendments to accounting estimates;</u></p> <p>(157) to make proposal of any engagement or replacement of the accounting firm which audits the Company's accounts at the shareholders' general meeting;</p> <p>(168) to receive the work report of the president of the Company and examine on the president's work;</p> <p><u>(19) to formulate the Company's major income distribution plans, and decide on major matters in relation to employee income distribution;</u></p> <p><u>(20) to establish and improve the internal supervision, management and risk control system, and enhance the internal compliance management; to determine the risk management system, internal control system, accountability system for non-compliance operation and investment and compliance management system of the Company, and conduct overall monitoring and evaluation of the Company's</u></p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>risk management, internal control and legal compliance management systems and their effective implementation;</u></p> <p>(17) to determine the risk management system, the internal control system and the compliance management system of the Company, and monitor the relevant systems and their implementation;</p> <p>(18)²¹ to guide, inspect and assess the internal audit works <u>of the Company</u>, and <u>consider and</u> approve the annual audit plan and important audit reports pursuant to laws;</p> <p><u>(22) to consider solutions for the Company's material litigation, arbitration and other legal affairs;</u></p> <p>(19) to promote the development of corporate governance and supervise the lawful management by the management;</p> <p>(20)³ to exercise other functions and powers as stipulated by laws, regulations, other regulatory documents and the Articles of Association and granted by the shareholders' general meeting.</p>
<p>Article 11 The approval authority of the board of directors in relation to the decisions concerning transactions, investments and guarantees, etc. is as follows:</p> <p>(1) General transactions which shall be subject to approval of the board of directors (as defined under the relevant listing rules of the place where the shares of the Company are listed, as amended from time to time) include specifically:</p> <p>.....</p>	<p>Article 11 The approval authority of the board of directors in relation to the decisions concerning transactions, investments and guarantees, etc. is as follows:</p> <p>(1) General transactions which shall be subject to approval of the board of directors (as defined under the relevant listing rules of the place where the shares of the Company are listed, as amended from time to time) include specifically:</p> <p>.....</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
	<p><u>(7) The board of directors is entitled to adjust the scope of management decision-making matters in accordance with the requirements of the state-owned assets supervision and administration authority of the State Council, the CSRC and the stock exchanges where the securities of the Company are listed, while also taking into account the Company's actual circumstances.</u></p>
<p>Article 12 The authority of the board to approve the disposals of the Company's fixed assets:</p> <p>The board of directors shall not, without the prior approval of shareholders in a shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company, unless the estimated value of the consideration for a fixed asset to be disposed of and the value of consideration for any such disposals of fixed assets of the Company for a period of four (4) months prior to the proposed disposal, on an aggregated basis does not exceed 33% of the value of the Company's fixed assets as shown in the latest balance sheet tabled at a shareholders' general meeting. Should the above percentage be lower than 0.2%, the disposal of those fixed assets shall be subject to the approval of the president's office under the authority granted by the board of directors. Should there be any inconsistency between the preceding requirements and provisions of the stock exchanges on which the Company's shares are listed and traded in respect of the issue, the latter shall prevail.</p> <p>Disposals of the fixed assets include transfer of some asset interests, but not include guarantee provided by fixed assets.</p> <p>The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the forgoing provisions in paragraph 1 of this Article.</p>	<p>Article 12 The authority of the board to approve the disposals of the Company's fixed assets:</p> <p>The board of directors shall not, without the prior approval of shareholders in a shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company, unless the estimated value of the consideration for a fixed asset to be disposed of and the value of consideration for any such disposals of fixed assets of the Company for a period of four (4) months prior to the proposed disposal, on an aggregated basis does not exceed 33% of the value of the Company's fixed assets as shown in the latest balance sheet tabled at a shareholders' general meeting. Should the above percentage be lower than 0.2%, the disposal of those fixed assets shall be subject to the approval of the president's office under the authority granted by the board of directors. Should there be any inconsistency between the preceding requirements and provisions of the stock exchanges on which the Company's shares <u>securities</u> are listed and traded in respect of the issue, the latter shall prevail.</p> <p>Disposals of the fixed assets include transfer of some asset interests, but not include guarantee provided by fixed assets.</p> <p>The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the forgoing provisions in paragraph 1 of this Article.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>In the event that the board of directors make decisions on market development, mergers and acquisitions, and investments in new areas, for the projects with the investment amounts or mergers and acquisitions of up to certain percentage of the Company's total assets (such percentage shall be decided by the shareholders' general meetings), a public consultant institutions shall be retained to provide professional advice as the important basis for the board's decision-making.</p>	<p>In the event that the board of directors make decisions on market development, mergers and acquisitions, and investments in new areas, for the projects with the investment amounts or mergers and acquisitions of up to certain percentage of the Company's total assets (such percentage shall be decided by the shareholders' general meetings), a public consultant institutions shall be retained to provide professional advice as the important basis for the board's decision-making.</p>
CHAPTER 4 RULES FOR BOARD MEETINGS	CHAPTER 4 RULES FOR BOARD MEETINGS
<p>Article 17 A board meeting shall be convened and chaired by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to convene and chair the meetings, the vice chairman shall convene and chair the meetings; if the vice chairman of the board of directors is unable or fails to convene and chair the meetings, a director shall be jointly elected by a simple majority of directors to convene and chair the meetings.</p>	<p>Article 17 A board meeting shall be convened and chaired by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to convene and chair the meetings, the vice chairman shall convene and chair the meetings; if the vice chairman of the board of directors is unable or fails to convene and chair the meetings, a director shall be jointly elected by a simple majority more than half of directors to convene and chair the meetings.</p>
CHAPTER 5 PROPOSED RESOLUTIONS OF BOARD MEETINGS	CHAPTER 5 PROPOSED RESOLUTIONS OF BOARD MEETINGS
<p>Article 21 Resolutions shall be proposed to the board meetings in the following circumstances</p> <p>(1) The chairman of the board of directors propose it;</p> <p>(2) One-third or more of the directors jointly propose it;</p> <p>(3) The supervisory committee proposes it;</p> <p>(4) Any special committee of the board proposes it;</p> <p>(5) The president proposes it;</p>	<p>Article 21 Resolutions shall be proposed to the board meetings in the following circumstances</p> <p>(1) The chairman of the board of directors propose it;</p> <p>(2) One-third or more of the directors jointly propose it;</p> <p>(3) The supervisory committee audit and risk management committee (supervision committee) proposes it;</p> <p>(4) Any special committee of the board proposes it;</p> <p>(5) The president proposes it;</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
<p>(6) One-half or more of the independent directors jointly propose it;</p> <p>(7) Items raised by shareholders representing 10% or more of the voting right;</p> <p>(8) other circumstances so stipulated by laws, regulations and the Articles of Association.</p>	<p>(6) One-half or more of the independent directors jointly propose it;</p> <p>(7) Items raised by shareholders representing 10% or more of the voting right;</p> <p>(8) other circumstances so stipulated by laws, regulations and the Articles of Association.</p>
CHAPTER 7 CONSIDERING AND VOTING ON PROPOSED RESOLUTIONS	CHAPTER 7 CONSIDERING AND VOTING ON PROPOSED RESOLUTIONS
<p>Article 33 The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all independent directors of the Company:</p> <p>(1) related transactions which shall be discloseable;</p> <p>(2) changes in or waivers of commitments by the Company and related parties;</p> <p>(3) decisions and measures taken by the board of directors of the acquired company in connection with the acquisition;</p> <p>(4) other matters stipulated by laws, administrative regulations and the Articles of Association.</p>	<p>Article 33 The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all independent directors of the Company:</p> <p>(1) related transactions which shall be discloseable;</p> <p>(2) changes in or waivers of commitments by the Company and related parties;</p> <p>(3) <u>in the event of acquisition of the Company,</u> decisions and measures taken by the board of directors of the acquired company in connection with the acquisition;</p> <p>(4) other matters stipulated by laws, administrative regulations and the Articles of Association.</p>
CHAPTER 9 BOARD MEETING INFORMATION DISCLOSURE	CHAPTER 9 BOARD MEETING INFORMATION DISCLOSURE
<p>Article 47 The board of the Company shall strictly comply with the laws, regulations and requirements of the stock exchanges on which the Company's share are listed and transacted in relation to the disclosure of the Company's information. It shall ensure that matters examined and/or resolutions passed at the board meeting are disclosed fairly, truly, accurately, thoroughly and in a timely manner.</p>	<p>Article 47 The board of the Company shall strictly comply with the laws, regulations and requirements of the stock exchanges on which the Company's <u>share securities</u> are listed and transacted in relation to the disclosure of the Company's information. It shall ensure that matters examined and/or resolutions passed at the board meeting are disclosed fairly, truly, accurately, thoroughly and in a timely manner.</p>

Existing Articles of the Rules and Procedures	Revised Articles (Note: if no markup is shown, it means that no amendment has been made)
CHAPTER 11 SUPPLEMENTARY	CHAPTER 11 SUPPLEMENTARY
Article 56 For the purpose of these Rules, the term “not less than” is an all inclusive term and the terms “more than half”, “exceed”, “above” and “below” are exclusive terms.	Article 56 For the purpose of these Rules, the term “not less than” is an all inclusive term and the terms “more than half”, “exceed”, “above” and “below” are exclusive terms.

Notes:

1. Save as the table above, all references to “shareholders’ meetings” in the Chinese version of the Rules and Procedures of Meetings of the Board have been revised from “股東大會” to “股東會” in accordance with the Company Law.
2. In accordance with Article 121 of the Company Law, the Company abolishes the Supervisory Committee and Supervisors and the Audit and Risk Management Committee (the Supervision Committee) of the Board shall exercise the duties and powers of the Supervisory Committee as stipulated in the Company Law. Therefore, the expressions in relation to “Supervisory Committee” and “supervisors” have been deleted in the Rules and Procedures of Meetings of the Board, or have been revised to the “Audit and Risk Management Committee (the Supervision Committee)”.
3. The Rules and Procedures of Meetings of the Board are prepared in Chinese, and the English version is for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

NOTICE OF ANNUAL GENERAL MEETING



中國國際航空股份有限公司 AIR CHINA LIMITED

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

(Stock Code: 00753)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of Air China Limited (the “**Company**”) for the year ended 31 December 2024 will be held at 10:00 a.m. on Tuesday, 24 June 2025 at The Conference Room C313, No. 30, Tianzhu Road, Airport Industrial Zone, Shunyi District, Beijing, the PRC to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 4 June 2025 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To consider and approve the 2024 work report of the Board.
2. To consider and approve the 2024 work report of the Supervisory Committee.
3. To consider and approve the audited consolidated financial statements of the Company for the year 2024 prepared under the PRC Accounting Standards and the IFRS Accounting Standards.
4. To consider and approve the profit distribution proposal for the year 2024.
5. To consider and approve the appointment of KPMG as the Company's international auditor and KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor, respectively for the year ending 31 December 2025 and to authorize the Audit and Risk Management Committee (the Supervision Committee) of the Board to determine their remunerations for the year 2025.
6. To consider and approve the resolution on the unrecovered losses of the Company exceeding one-third of the total amount of its paid-up share capital.

SPECIAL RESOLUTIONS

7. To consider and approve the issue of debt financing instruments (including, but not limited to, ultra-short-term commercial papers, short-term commercial papers, mid-term notes, corporate bonds, domestic targeted debt financing instruments, overseas debt financing instruments and

NOTICE OF ANNUAL GENERAL MEETING

overseas bonds/notes denominated in RMB or foreign currencies) within the cap amount of bond issuance stipulated in the applicable laws in one or multiple tranche(s) (the “**Issuance**”), and generally and unconditionally authorise the Board to deal with the followings in accordance with the specific needs of the Company and other market conditions:

- (i) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the Issuance (including, but not limited to, the specific issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set put-back or redemption terms, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use approved by the shareholders’ meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance);
- (ii) to carry out all necessary and ancillary actions and procedures relating to the Issuance (including, but not limited to engaging underwriters, lawyers, auditors, rating agencies, financial advisers and other intermediary institutions, handling all approval, registration and filing procedures with the relevant regulatory authorities in connection with the Issuance on behalf of the Company, executing all necessary legal documents in connection with the Issuance, selecting bonds trustee manager for the Issuance, formulating rules for the bondholders’ meeting and handle any other matters relating to the issuance and trading);
- (iii) to approve and confirm any action or procedure relating to the Issuance as mentioned above already taken by the Company;
- (iv) to make adjustments to the relevant matters such as the specific proposals for the Issuance in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at the general meeting of the Company, except where a new vote at a general meeting of the Company is required by relevant laws and regulations and the Articles of Association of Air China Limited;
- (v) to determine and handle relevant matters relating to the listing of the issued debt financing instruments upon the completion of the issuance;
- (vi) in the case of issuance of corporate debt financing instruments, during the term of the corporate debt financing instruments, to determine not to distribute profits to the shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and interests as they fall due;
- (vii) to approve, execute and dispatch any announcements or circulars relating to the Issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the shares of the Company are listed;

NOTICE OF ANNUAL GENERAL MEETING

- (viii) to authorize the Board to further delegate the authorizations set forth in items (i) to (vi) above to the president and/or the general accountant of the Company upon obtaining the authorization at the general meeting; and
 - (ix) to authorize the Board to further delegate the authorization set forth in item (vii) above to the secretary of the Board upon obtaining the authorization at the general meeting.
- 8. To consider and approve the proposed amendments to the Articles of Association and the abolishment of the Supervisory Committee as set out in Appendix IV to the Circular.
 - 9. To consider and approve the proposed amendments to the Rules and Procedures of Shareholders' Meetings as set out in Appendix V to the Circular.
 - 10. To consider and approve the proposed amendments to the Rules and Procedures of Meetings of the Board as set out in Appendix VI to the Circular.

ORDINARY RESOLUTIONS

- 11. To consider and approve the resolution on the renewal of the CNACG Framework Agreement between the Company and CNACG and the application for the annual transaction caps for 2026 to 2028.
- 12. To consider and approve the resolution on the entering into of the New Framework Agreement between the Company and Cathay Pacific and the application for the annual transaction caps for 2026 to 2028.

By order of the Board
Air China Limited
Ma Chongxian
Chairman

Beijing, the PRC, 4 June 2025

As at the date of this notice, the directors of the Company are Mr. Ma Chongxian, Mr. Wang Mingyuan, Mr. Cui Xiaofeng, Mr. Patrick Healy, Mr. Xiao Peng, Mr. Xu Niansha, Mr. He Yun*, Ms. Winnie Tam Wan-chi* and Mr. Gao Chunlei*.*

* *Independent non-executive director of the Company*

Notes:

1. Closure of register of members

Holders of H shares of the Company are advised that the H share register of members of the Company will be closed from Thursday, 19 June 2025 to Tuesday, 24 June 2025 (both days inclusive), during which time no transfer of shares will be effected and registered. In order to qualify for attendance and voting at the AGM, holders of H shares shall

NOTICE OF ANNUAL GENERAL MEETING

lodge all instruments of transfer with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712- 1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Wednesday, 18 June 2025.

H shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 18 June 2025 are entitled to attend and vote at the AGM.

2. Proxy

Every shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his/her behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointor or his attorney duly authorized in writing. If the appointor is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy for holders of H shares shall be deposited at the Company's H share registrar not less than 24 hours before the time specified for the holding of the AGM (or any adjournment thereof). If the instrument appointing the proxy is signed by a person authorized by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H share registrar.

3. Other businesses

- The AGM is expected to last for no more than a half of a working day. Shareholders and their proxies attending the meeting shall be responsible for their own traveling and accommodation expenses.
- The address of Computershare Hong Kong Investor Services Limited is:

17M Floor
Hopewell Centre, 183 Queen's Road East
Wanchai
Hong Kong
Tel No.: (852) 2862 8628
Fax No.: (852) 2865 0990