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

If you have sold or transferred all your shares in China Oilfield Services Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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The logo for COSL, consisting of the letters 'C', 'O', and 'S' in blue, followed by 'L' in red.

中海油田服务股份有限公司
China Oilfield Services Limited

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

(Stock Code: 2883)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR
SHAREHOLDERS' GENERAL MEETING
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE
BOARD OF DIRECTORS
PROPOSED AMENDMENTS TO THE CONNECTED TRANSACTIONS
DECISION-MAKING MECHANISM
PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTOR SYSTEM
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE
SUPERVISORY COMMITTEE
PROPOSED APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS
AND
NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 3 to 73 of this circular.

A notice convening the 2023 First EGM to be held at Room 311, Main Building of COSL, 201 Haiyou Avenue, Yanjiao Economic & Technological Development Zone, Sanhe City, Hebei Province, the PRC on Thursday, 17 August 2023 at 10:00 a.m. is set out on pages 74 to 77 of this circular.

The proxy form for use at the said meeting are enclosed herewith.

Shareholders who intend to appoint a proxy to attend the meetings are requested to complete the proxy form in accordance with the instructions printed thereon. The proxy form shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

31 July 2023

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DEFINITIONS

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

“A Share(s)”	domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange;
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Board”	the board of Directors;
“Company” or “COSL”	中海油田服務股份有限公司 (China Oilfield Services Limited), a joint stock company incorporated in the PRC with limited liability, the A Shares of which are listed on the Shanghai Stock Exchange and the H Shares of which are listed on the Main Board of the Stock Exchange;
“Company Law”	the Company Law of the PRC;
“Connected Transactions Decision-making Mechanism”	the connected transactions decision-making mechanism of the Company, as amended, modified or otherwise supplemented from time to time;
“Director(s)”	the director(s) of the Company;
“First Extraordinary General Meeting” or “First EGM”	the 2023 first extraordinary general meeting of the Company to be held at Room 311, Main Building of COSL, 201 Haiyou Avenue, Yanjiao Economic & Technological Development Zone, Sanhe City, Hebei Province, the PRC on Thursday, 17 August 2023 at 10:00 a.m.;
“Group”	the Company together with its subsidiaries;
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Stock Exchange and subscribed for in HK dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Independent Director System”	the independent director system of the Company, as amended, modified or otherwise supplemented from time to time;

DEFINITIONS

“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing outside the PRC;
“PRC”	the People’s Republic of China;
“Rules of Procedure for Shareholders’ General Meeting”	the rules of procedure for shareholders’ general meeting of the Company, as amended, modified or otherwise supplemented from time to time;
“Rules of Procedure of the Board of Directors”	the rules of procedure of the board of directors of the Company, as amended, modified or otherwise supplemented from time to time;
“Rules of Procedure of the Supervisory Committee”	the rules of procedure of the supervisory committee of the Company, as amended, modified or otherwise supplemented from time to time;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange;
“SSE”	Shanghai Stock Exchange;
“Share(s)”	A Shares and H Shares of the Company;
“Shareholder(s)”	the holder(s) of the Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory Committee of the Company;
“%”	per cent.

LETTER FROM THE BOARD

COSL

中海油田服务股份有限公司
China Oilfield Services Limited

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

(Stock Code: 2883)

Board of Directors:

Zhao Shunqiang (*Chairman*)

Xiong Min

Wu Wenlai*

Liu Zongzhao*

Chiu Lai Kuen, Susanna**

Kwok Lam Kwong, Larry**

Yao Xin**

Legal address in the PRC:

No.1581, Haichuan Road,
Tanggu Ocean Hi-tech Zone,
Binhai Hi-tech Development District,
Tianjin, the PRC

Registered Office in Hong Kong:

65/F, Bank of China Tower,
1 Garden Road,
Hong Kong

31 July 2023

* *Non-executive Director*

** *Independent non-executive Director*

To the Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR
SHAREHOLDERS' GENERAL MEETING
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE
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SUPERVISORY COMMITTEE
PROPOSED APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS
AND
NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purposes of this circular are to give you notice to the First EGM and to provide you with information regarding the resolutions relating to (1) proposed amendments to the Articles of Association; (2) proposed amendments to the Rules of Procedure for Shareholders' General Meeting; (3) proposed

LETTER FROM THE BOARD

amendments to the Rules of Procedure of the Board of Directors; (4) proposed amendments to the Connected Transactions Decision-Making Mechanism; (5) proposed amendments to the Independent Director System; (6) proposed amendments to the Rules of Procedure of the Supervisory Committee; and (7) proposed appointment and re-appointment of directors.

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company intends to put forward to the Shareholders a proposal to amend page 1, Article 58, Article 80, Article 86, Article 105, Article 106, Article 112 and Article 129 of the Articles of Association (the “**Proposed Amendments**”).

The Proposed Amendments are mainly corresponding amendments in response to the following adjustment to the relevant rules, and the impact of the Proposed Amendments is consistent with that of the adjustment to the relevant rules. The Proposed Amendments consist of two categories: (1) in response to the abolishment of the Mandatory Provisions issued by the Security Committee of the State Council and the National Committee for Economic System Reform on 27 August 1994, and with reference to the latest requirements of regulatory laws such as the Company Law, Guidelines for Articles of Association of Listed Companies issued by the China Securities Regulatory Commission, the SSE Listing Rules and the Hong Kong Listing Rules, the corresponding amendments to the discrepant articles as a result of the adjustment of the above regulatory rules; and (2) other adjustments in accordance with the operation and management need of the Company.

No.	Original Articles	Amended Articles
1	Page 1	Page 1
	These Articles of Association are formulated in accordance with the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing outside the PRC (“Mandatory Provisions”), Guidelines for Articles of Association of Listed Companies (revised in 2022) (the “Guidelines”), Letter of Suggestion Concerning the Supplementary Revision of the Articles of Association of the Company to be Listed in Hong Kong, Zheng Jian Hai Han [1995] No. 1 (“Zheng Jian Hai Han”), Opinions Concerning the Further Promoting of the Standard Operation of the Company Listed outside the People’s Republic of China and the Deepening of Reform” (“Opinions”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).	These Articles of Association are formulated in accordance with the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing outside the PRC (“Mandatory Provisions”) , Guidelines for Articles of Association of Listed Companies (revised in 2022) (the “Guidelines”), Letter of Suggestion Concerning the Supplementary Revision of the Articles of Association of the Company to be Listed in Hong Kong, Zheng Jian Hai Han [1995] No. 1 (“Zheng Jian Hai Han”) , Opinions Concerning the Further Promoting of the Standard Operation of the Company Listed outside the People’s Republic of China and the Deepening of Reform” (“Opinions”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

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No.	Original Articles	Amended Articles
2	Article 58	Article 58
	<p>The following external guaranties to be provided by the Company shall be subject to the examination and approval by the shareholders' general meeting:</p> <p>(1) any guaranty to be provided after the total amount secured by the external guaranties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guaranty to be provided after the total amount secured by the external guaranties provided by the Company has reached or exceeded 30% of the latest audited net assets of the Company;</p> <p>(3) any guaranty to be provided for a person or an entity whose debt-to-asset ratio has exceeded 70%;</p> <p>(4) any single guaranty the amount secured by which has exceeded 10% of the net assets of the Company as audited in the latest reporting period; or</p> <p>(5) any guaranty to be provided for the shareholders, de facto controlling person or affiliates of the Company.</p>	<p>The following external guaranties to be provided by the Company shall be subject to the examination and approval by the shareholders' general meeting:</p> <p>(1) any guaranty to be provided after the total amount secured by the external guaranties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guaranty to be provided after the total amount secured by the external guaranties provided by the Company <u>and its controlled subsidiaries</u> has reached or exceeded 30% of the latest audited net assets of the Company;</p> <p>(3) <u>any guaranty exceeding 30% of the latest audited total assets of the Company based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months;</u></p> <p>(4) any guaranty to be provided for a person or an entity whose debt-to-asset ratio has exceeded 70%;</p> <p>(5) any single guaranty the amount secured by which has exceeded 10% of the net assets of the Company as audited in the latest reporting period; or</p> <p>(6) any guaranty to be provided for the shareholders, de facto controlling person or affiliates of the Company; <u>or</u></p> <p>(7) <u>other guaranties as provided by the stock exchange in the place where the Company's shares are listed or the Articles of Association.</u></p>

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No.	Original Articles	Amended Articles
3	Article 80	Article 80
	When the number of votes for and against a resolution is equal, whether the vote is taken by raising hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.	When the number of votes for and against a resolution is equal, whether the vote is taken by raising hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.
4	Article 86	Article 8 <u>5</u>
	<p>Shareholders requesting the convening of an extraordinary shareholders' general meeting or a meeting of shareholders of different categories shall proceed in accordance with the procedures set forth below:</p> <p>(1) Two or more shareholders holding a total of 10 percent or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the board of directors to convene an extraordinary shareholders' general meeting or a meeting of shareholders of different categories and stating the subject of the meeting. The board of directors shall convene the shareholders' general meeting or the meeting of shareholders of different categories as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made; and</p> <p>(2) If the board of directors fails to issue a notice of such a meeting within 30 days after having received the above-mentioned written notice, then the shareholders who made such request may request the board of supervisors to convene an extraordinary shareholders' general meeting or a meeting of shareholders of different categories in the same manner as described in the foregoing paragraph (1); if the board of supervisors fails to convene and preside over such an extraordinary shareholders' general meeting or a</p>	<p>Shareholders requesting the convening of an extraordinary shareholders' general meeting or a meeting of shareholders of different categories shall proceed in accordance with the procedures set forth below:</p> <p>(1) Two or more shareholders <u>Ordinary shareholders (including the preference shareholders with voting rights resumed)</u> holding a total of 10 percent or more of the shares carrying the right to vote at the meeting sought to be held, <u>individually or jointly</u>, may sign one or more written requests of identical form and substance requesting the board of directors to convene an extraordinary shareholders' general meeting or a meeting of shareholders of different categories and stating the subject of the meeting. The board of directors shall convene the shareholders' general meeting or the meeting of shareholders of different categories as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made; and</p> <p>(2) If the board of directors fails to issue a notice of such a meeting <u>does not agree to convene an extraordinary general meeting or does not provide any reply within 10</u> days after having received the above-mentioned written notice, then the shareholders who made such request may request the board of supervisors to convene an extraordinary shareholders' general meeting or a meeting of shareholders of</p>

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No.	Original Articles	Amended Articles
	<p>meeting of shareholders of different categories in accordance with laws within 30 days after its receipt of such written request, and the shareholders who made such request have been individually or jointly holding ten percent or more of the Company's shares for more than ninety consecutive days, then such shareholders may themselves convene the meeting within a reasonable period after the board of supervisors receives the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors.</p> <p>Where shareholders convene and hold a meeting because the board of directors failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.</p>	<p>different categories in the same manner as described in the foregoing paragraph (1); if the board of supervisors fails to convene and preside over such an extraordinary shareholders' general meeting or a meeting of shareholders of different categories in accordance with laws within <u>5</u> days after its receipt of such written request, and the shareholders who made such request have been individually or jointly holding ten percent or more of the Company's shares for more than ninety consecutive days, then such shareholders may themselves convene the meeting within a reasonable period after the board of supervisors receives the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors.</p> <p>Where shareholders convene and hold a meeting because the board of directors failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.</p>
5	Article 105	Article <u>104</u>
	<p>The Company shall establish a board of directors. The board of directors shall be composed of 7 directors, who shall include one chairman and may include one vice chairman of the board of directors.</p> <p>The board of directors is independent of the controlling organizations (herein meaning those corporations, enterprises or institutions with the status of legal person which control the Company).</p>	<p>The Company shall establish a board of directors. The board of directors shall be composed of <u>8</u> directors, who shall include one chairman and may include one vice chairman of the board of directors.</p> <p>The board of directors is independent of the controlling organizations (herein meaning those corporations, enterprises or institutions with the status of legal person which control the Company).</p>

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No.	Original Articles	Amended Articles
	<p>The external directors (herein meaning those directors who do not hold office in the Company) shall represent not less 50 percent of the members of the board of directors, of which at least 3 directors shall be independent non-executive directors (herein meaning those directors who are independent to the shareholders and do not hold office in the Company).</p>	<p>The external directors (herein meaning those directors who do not hold office in the Company) <u>(including independent directors)</u> shall represent <u>the majority</u> of the members of the board of directors, of which <u>more than one-third</u> directors shall be independent non-executive directors (herein meaning those directors who are independent to the shareholders and do not hold office in the Company).</p>
6	Article 106	Article 10 <u>5</u>
	<p>Directors shall be elected by the shareholders' general meeting and shall hold office for a term of three years. Upon the expiration of the term of office, the directors shall be eligible for re-election.</p> <p>The term of office of a director shall commence from the date of resolution of the shareholders' general meeting approving the appointment of such director.</p> <p>No written notice of an intent to nominate a director candidate and the willingness of such candidate to accept such nomination shall be sent prior to the date immediately following the date when the notice of the meeting for election of relevant director is sent or later than 7 days before the convening of the shareholders' general meeting for considering the election of such director.</p> <p>The chairman of the board and the vice chairman of the board shall be elected and removed by affirmative votes of majority of all the members of the board of directors. The chairman of the board and the vice chairman of the board shall serve a term of 3 years and may serve consecutive terms if re-elected upon the expiration of their terms.</p>	<p>Directors shall be elected by the shareholders' general meeting and shall hold office for a term of three years. Upon the expiration of the term of office, the directors shall be eligible for re-election.</p> <p>The term of office of a director shall commence from the date of resolution of the shareholders' general meeting approving the appointment of such director.</p> <p>No written notice of an intent to nominate a director candidate and the willingness of such candidate to accept such nomination shall be sent prior to the date immediately following the date when the notice of the meeting for election of relevant director is sent or later than 7 days before the convening of the shareholders' general meeting for considering the election of such director.</p> <p>The chairman of the board and the vice chairman of the board shall be elected and removed by affirmative votes of majority of all the members of the board of directors. The chairman of the board and the vice chairman of the board shall serve a term of 3 years and may serve consecutive terms if re-elected upon the expiration of their terms.</p>

LETTER FROM THE BOARD

No.	Original Articles	Amended Articles
	<p>The resignation of a director shall become effective immediately upon the receipt of the written resignation by the board of directors, unless otherwise resolved by the board of directors within 30 days of its receipt of the written resignation from such director.</p> <p>Where re-election procedures are not carried out in a timely manner on the expiration of the directors' term of office, or where the number of directors on the board of directors falls below the quorum due to a director's resignation, before the newly elected directors take office, the original directors shall perform their directors' duties in accordance with laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The shareholders' general meeting may remove any director whose term of office has not expired by adopting an ordinary resolution, subject to relevant laws, administrative regulations and departmental rules (provided however that no claim brought in accordance with any contract shall be affected by such removal).</p> <p>Not more than 2 persons of the chairman of the board, vice chairman (or vice chairmen), executive directors and senior management staff (general manager, deputy general manager and financial officer) of the controlling organizations may be the chairman of the board, vice chairman and executive director of the Company.</p> <p>Directors need not be Company shareholders.</p>	<p><u>A director may resign before expiry of his term of service. When a director resigns, he/she shall submit a written resignation to the board of directors. The board of directors shall disclose the relevant circumstances within two days. The director's resignation takes effect upon delivery of his/her resignation report to the board of directors, except in the case of the following circumstances: (1) the resignation of directors results in members of the board falling below the minimum quorum; (2) the number of independent directors is less than one-third of the members of the board or there is no accounting professional among independent directors as a result of the resignation of independent directors.</u></p> <p>Where re-election procedures are not carried out in a timely manner on the expiration of the directors' term of office, or where the number of directors on the board of directors falls below the quorum due to a director's resignation, before the newly elected directors take office, the original directors shall perform their directors' duties in accordance with laws, administrative regulations, departmental rules and these Articles of Association.</p> <p>The shareholders' general meeting may remove any director whose term of office has not expired by adopting an ordinary resolution, subject to relevant laws, administrative regulations and departmental rules (provided however that no claim brought in accordance with any contract shall be affected by such removal).</p> <p>Not more than 2 persons of the chairman of the board, vice chairman (or vice chairmen), executive directors and senior management staff (general manager, deputy general manager and financial officer) of the controlling organizations may be the chairman of the board, vice chairman and executive director of the Company.</p> <p>Directors need not be Company shareholders.</p>

LETTER FROM THE BOARD

No.	Original Articles	Amended Articles
7	Article 112	Article 11 <u>1</u>
	<p>Meetings of the board of directors shall be held at least four times a year. Meetings of the board of directors shall be convened by the chairman of the board by giving a notice to all directors 10 days before the meetings are held.</p> <p>The chairman of the board shall convene an extraordinary meeting of the board within 10 days of its receipt of a proposal under any of the following circumstances:</p> <ol style="list-style-type: none"> (1) shareholders representing ten percent or more of the voting rights propose; (2) 1/3 or more of the directors jointly propose; (3) the board of supervisors proposes; (4) chief executive officer proposes; (5) more than 2 (including 2) independent directors proposes; or (6) the chairman of the board thinks it necessary. <p>The reasonable expenses incurred by the directors who attend meetings of the board shall be borne by the Company. These expenses include the traffic expenses covering the distance between the place where a director is located and the place where a meeting is held (in the event that these two places are not the same), the fees of room and board during the term of the meeting, the rent of the place of the meeting and the local traffic expenses.</p>	<p>Meetings of the board of directors shall be held at least four times a year. Meetings of the board of directors shall be convened by the chairman of the board by giving a notice to all directors <u>14</u> days before the meetings are held.</p> <p>The chairman of the board shall convene an extraordinary meeting of the board within 10 days of its receipt of a proposal under any of the following circumstances:</p> <ol style="list-style-type: none"> (1) shareholders representing ten percent or more of the voting rights propose; (2) 1/3 or more of the directors jointly propose; (3) the board of supervisors proposes; (4) chief executive officer proposes; (4) more than 2 (including 2) independent directors proposes; or (<u>5</u>) the chairman of the board thinks it necessary. <p>The reasonable expenses incurred by the directors who attend meetings of the board shall be borne by the Company. These expenses include the traffic expenses covering the distance between the place where a director is located and the place where a meeting is held (in the event that these two places are not the same), the fees of room and board during the term of the meeting, the rent of the place of the meeting and the local traffic expenses.</p>
8	Article 129	Article 12 <u>8</u>
	<p>The board of supervisors shall be composed of 3 persons, one of whom shall be the chairman of the board of supervisors. The term of office of a</p>	<p>The board of supervisors shall be composed of 3 persons, one of whom shall be the chairman of the board of supervisors. The term of office of a</p>

LETTER FROM THE BOARD

No.	Original Articles	Amended Articles
	<p>supervisor shall be 3 years. A supervisor may serve consecutive terms if re-elected upon the expiration of his term.</p> <p>The term of office of a supervisor shall commence from the date of resolution of the shareholders' general meeting approving the appointment of such supervisor.</p> <p>The election or removal of the chairman of the board of supervisors shall be determined by more than two-thirds of the members of the board of supervisors.</p> <p>The resignation of a supervisor shall become effective immediately upon the receipt of the written resignation by the board of supervisors, unless otherwise resolved by the board of supervisors within 30 days of its receipt of the written resignation from such director.</p> <p>Where re-election procedures are not carried out in a timely manner on the expiration of the supervisors' term of office, or where the number of supervisors on the board of supervisors falls below the quorum due to a supervisor's resignation, before the newly elected supervisors take office, the original supervisors shall perform their supervisors' duties in accordance with laws, administrative regulations, departmental rules and these Articles of Association.</p>	<p>supervisor shall be 3 years. A supervisor may serve consecutive terms if re-elected upon the expiration of his term.</p> <p>The term of office of a supervisor shall commence from the date of resolution of the shareholders' general meeting approving the appointment of such supervisor.</p> <p>The election or removal of the chairman of the board of supervisors shall be determined by more than two-thirds of the members of the board of supervisors.</p> <p>The resignation of a supervisor shall become effective immediately upon the receipt of the written resignation by the board of supervisors; unless otherwise resolved by the board of supervisors within 30 days of its receipt of the written resignation from such director. <u>Save for the following circumstances, the supervisor's resignation takes effect upon delivery of his/her resignation report to the board of supervisors: (1) the resignation of supervisors results in members of the board of supervisors falling below the minimum quorum; (2) the number of employee representative supervisors is less than one-third of the members of the board of supervisors as a result of the resignation of employee representative supervisors.</u></p> <p>Where re-election procedures are not carried out in a timely manner on the expiration of the supervisors' term of office, or where the number of supervisors on the board of supervisors falls below the quorum due to a supervisor's resignation, before the newly elected supervisors take office, the original supervisors shall perform their supervisors' duties in accordance with laws, administrative regulations, departmental rules and these Articles of Association.</p>

Note: the sequential numbers of relevant chapters, articles and cross references will be adjusted accordingly.

LETTER FROM THE BOARD

The English version of the proposed amendments to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Board believes that the Proposed Amendments have no material impact on Shareholders' rights, meet the needs of the business development of the Company and have no adverse impact on the business operation of the Company. The Board believes that the Proposed Amendments to the Articles of Association are in the interests of the Company and its Shareholders.

III. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETING

The Company intends to put forward to the Shareholders a proposal to amend Article 1, Article 6, Article 9, Article 13, Article 16, Article 29, Article 30, Article 32, Article 36, Article 41, Article 47, Article 49, Article 52, Article 54 and Article 60 of the Rules of Procedure for Shareholders' General Meeting.

No.	Original Articles	Amended Articles
1	Article 1	Article 1
	These Rules are formulated in accordance with the Company Law of the People's Republic of China (as implemented since 1 January 2006) (hereinafter referred as the "Company Law"), the Rules for General Meeting of Shareholders of Listed Companies issued by China Securities Regulatory Commission (as implemented since 16 March 2006) and other applicable laws and regulations, and the Articles of Association of China Oilfield Services Limited (as amended on 3 June 2009) (hereinafter referred as the "Articles of Association"), in order to regulate the operation of general meeting of shareholders of the Company, guarantee legal validity of the procedures of convening and holding the general meeting and of adopting resolutions in the general meeting, and improve the efficiency of procedures and business of general meeting, ensure legal rights and interests of shareholders.	These Rules are formulated in accordance with the Company Law of the People's Republic of China (as implemented since 1 January 2006) (hereinafter referred as the "Company Law"), the Rules for General Meeting of Shareholders of Listed Companies issued by China Securities Regulatory Commission (as implemented since 16 March 2006) and other applicable laws and regulations, and the Articles of Association of China Oilfield Services Limited (as amended on 3 June 2009) (hereinafter referred as the "Articles of Association"), in order to regulate the operation of general meeting of shareholders of the Company, guarantee legal validity of the procedures of convening and holding the general meeting and of adopting resolutions in the general meeting, and improve the efficiency of procedures and business of general meeting, ensure legal rights and interests of shareholders.
2	Article 6	Article 6
	The following external guaranties to be provided by the Company shall be subject to the examination and approval by the shareholders' general meeting:	The following external guaranties to be provided by the Company shall be subject to the examination and approval by the shareholders' general meeting:

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No.	Original Articles	Amended Articles
	<p>(1) Any guaranty to be provided after the total amount secured by the external guaranties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) Any guaranty to be provided after the total amount secured by the external guaranties provided by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) Any guaranty to be provided for a person or an entity whose debt-to-asset ratio has exceeded 70%;</p> <p>(4) Any single guaranty the amount secured by which has exceeded 10% of the net assets of the Company as audited in the latest reporting period; or</p> <p>(5) Any guaranty to be provided for the shareholders, de facto controlling person or affiliates of the Company.</p>	<p>(1) Any guaranty to be provided after the total amount secured by the external guaranties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) Any guaranty to be provided after the total amount secured by the external guaranties provided by the Company <u>and its controlled subsidiaries</u> has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) <u>Any guaranty exceeding 30% of the latest audited total assets of the Company based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months;</u></p> <p>(4) Any guaranty to be provided for a person or an entity whose debt-to-asset ratio has exceeded 70%;</p> <p>(5) Any single guaranty the amount secured by which has exceeded 10% of the net assets of the Company as audited in the latest reporting period; or</p> <p>(6) Any guaranty to be provided for the shareholders, de facto controlling person or affiliates of the Company; <u>or</u></p> <p>(7) <u>Other guaranties as provided by the stock exchange in the place where the Company's shares are listed or the Articles of Association.</u></p>
3	Article 9	Article 9
	<p>The following matters shall be approved by special resolution in the general meeting:</p> <p>(1) Increases or reduction in the share capital of the Company and the issue of any class of share, warrant and other similar securities;</p> <p>(2) Repurchase of the Company's shares;</p>	<p>The following matters shall be approved by special resolution in the general meeting:</p> <p>(1) Increases or reduction in the share capital of the Company and the issue of any class of share, warrant and other similar securities;</p> <p>(2) Repurchase of the Company's shares;</p>

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No.	Original Articles	Amended Articles
	<p>(3) Issue corporate debentures by the Company;</p> <p>(4) Division, merger, dissolution, liquidation or organization form alteration of the Company;</p> <p>(5) Amendment to the Articles of Association;</p> <p>(6) Significant assets purchased or sold by or the amount of guarantee provided by the Company within a year exceeds 30% of the total assets of the Company;</p> <p>(7) Other matters, which are deemed to have significant influence to the Company and shall be approved by a special resolution according to the ordinary resolution as approved in the general meeting.</p>	<p>(3) Issue corporate debentures by the Company;</p> <p>(4) Division, <u>spin-off</u>, merger, dissolution, liquidation or organization form alteration of the Company;</p> <p>(5) Amendment to the Articles of Association;</p> <p>(6) Significant assets purchased or sold by or the amount of guarantee provided by the Company within a year exceeds 30% of the total assets of the Company;</p> <p><u>(7) Share incentive scheme;</u></p> <p>(8) Other matters, which are deemed to have significant influence to the Company and shall be approved by a special resolution according to the ordinary resolution as approved in the general meeting.</p>
4	Article 13	Article 13
	<p>If the Company fails to convene the general meeting in the above term, it shall report to the local regulatory body of the securities department of the State Council and the stock exchange where the stock of the Company is listed for trading (hereinafter referred as the “Stock Exchange”) to explain the reasons and make public announcement.</p>	<p>If the Company fails to convene the general meeting in the above term, it shall report to the local regulatory body of <u>China Securities Regulatory Commission (hereinafter referred as the “CSRC”)</u> and the stock exchange where the stock of the Company is listed for trading (hereinafter referred as the “Stock Exchange”) to explain the reasons and make public announcement.</p>
5	Article 16	Article 16
	<p>If shareholders request to convene an extraordinary general meeting or meeting of class shareholders, they shall be handled in accordance with the following procedures:</p> <p>(1) Two or more shareholders holding individually or jointly more than 10% of the Company’s shares with a right to vote in such meeting to be held, may sign one copy of request in writing or several copies with the same format and content, to propose to the board of directors</p>	<p>If shareholders request to convene an extraordinary general meeting or meeting of class shareholders, they shall be handled in accordance with the following procedures:</p> <p>(1) Two or more shareholders <u>Ordinary shareholders (including the preference shareholders with voting rights resumed)</u> holding individually or jointly more than 10% of the Company’s shares with a right to vote in such meeting to be held, may sign one copy of</p>

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No.	Original Articles	Amended Articles
	<p>for the convening of an extraordinary general meeting or meeting of class shareholders, and clarify the subjects under discussion in this meeting. The board of directors shall promptly convene the extraordinary general meeting or meeting of class shareholders after receiving such request in writing. The above number of shares held shall be counted on the date of submitting the request in writing.</p> <p>(2) If the board of directors fails to send the notice for convening the meeting within 30 days after receiving the above written request, the shareholders who propose the request may convene the meeting within four months after the board of directors has received such request, and the procedures for convening the meeting shall be the same as far as possible as the procedures for the convening of a general meeting by the board of directors.</p> <p>The reasonable expenses incurred by the shareholders in convening and holding the meeting because of the board's failure to hold such meeting according to the above request shall be borne by the Company and be deducted from the fund of the Company payable to those directors in breach of duty.</p>	<p>request in writing or several copies with the same format and content, to propose to the board of directors for the convening of an extraordinary general meeting or meeting of class shareholders, and clarify the subjects under discussion in this meeting. The board of directors shall promptly convene the extraordinary general meeting or meeting of class shareholders after receiving such request in writing. The above number of shares held shall be counted on the date of submitting the request in writing.</p> <p>(2) If the board of directors <u>does not agree to convene an extraordinary general meeting or does not provide any reply</u> within 10 days after receiving the above written request, the shareholders who propose the request may convene <u>an extraordinary general meeting or meeting of class shareholders convened by the supervisory committee in the same manner as described in the foregoing paragraph (1); if the supervisory committee fails to convene and preside over such an extraordinary general meeting or meeting of class shareholders in accordance with laws within 5 days after its receipt of such written request, and the shareholders who made such request have been individually or jointly holding ten percent or more of the Company's shares for more than ninety consecutive days, then such shareholders may themselves convene the meeting within a reasonable period after the supervisory committee receives the request.</u> The procedures for convening the meeting shall be the same as far as possible as the procedures for the convening of a general meeting by the board of directors.</p> <p>The reasonable expenses incurred by the shareholders in convening and holding the meeting because of the board's failure to hold such meeting according to the above request shall be borne by the Company and be deducted from the fund of the Company payable to those directors in breach of duty.</p>

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No.	Original Articles	Amended Articles
6	Article 29	Article 29
	<p>If the Company holds a general meeting, it shall send notice in writing within 30 days before the meeting to inform the shareholders in the register of members of the matters to be considered in the meeting and the date and venue of the meeting. The shareholders intending to attend the general meeting shall deliver the reply slip for attending the meeting to the Company 20 days before the meeting.</p>	<p><u>When the Company convenes an annual general meeting, it shall notify each shareholder in the form of a written notice or a public announcement, subject to laws and administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed, 21 days (excluding the date of meeting) prior to the annual general meeting; when the Company convenes an extraordinary general meeting, it shall notify each shareholder in the form of a written notice or a public announcement, subject to laws and administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed, the longer of 10 working days or 15 days (excluding the date of meeting) prior to the meeting.</u></p>
7	Article 30	Article 30
	<p>The Company will count the shares with voting right held by the shareholders who will attend the meeting according to the reply slip received 20 days before the general meeting. If the shares with voting right held by the shareholders who will attend the meeting represent more than half of the total voting shares of the Company, the Company can hold the general meeting; if not, the Company shall, within five days, inform the matters to be considered in the meeting, the date and venue of the meeting to the shareholders again by public notice. Upon issuing public notice, the Company can hold a general meeting.</p>	<p><u>No resolutions shall be passed at a shareholders' general meeting on matters not listed in the notice.</u></p>
8	Article 32	Article 32
	<p>The notice of general meeting shall be sent in person or by postage paid mail to shareholders (whether they have voting right in the general meeting or not), and the receiver's address shall be the address in the register of members. For the shareholders of domestic shares, the notice of general meeting can also be issued in the form of public notice.</p>	<p>The notice of general meeting shall be sent in person or by postage paid mail to shareholders (whether they have voting right in the general meeting or not), and the receiver's address shall be the address in the register of members. <u>Such notice of general meeting can also be made by public announcement in accordance with laws.</u></p>

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No.	Original Articles	Amended Articles
	<p>The above-mentioned public notice shall be published 30-35 days before the meeting in one or several nationwide newspapers designated by the securities regulatory body under the State Council. Once published, it is deemed that all shareholders of domestic shares have received the notice of the general meeting.</p>	<p><u>administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed.</u></p> <p>The above-mentioned public notice shall be published 30-35 days before the meeting in one or several nationwide newspapers designated by the securities regulatory body under the State Council. Once published, it is deemed that all shareholders of domestic shares have received the notice of the general meeting.</p>
9	Article 36	Article 36
	<p>The general meeting shall not be extended or cancelled, and the proposals listed in the notice for the general meeting shall not be cancelled if without proper reasons after the notice for the general meeting is sent. Once any circumstance of extension or cancellation occurs, the convener shall announce it at least two working days before the original date set for the meeting and clarify the reasons.</p>	<p>The general meeting shall not be extended or cancelled, and the proposals listed in the notice for the general meeting shall not be cancelled if without proper reasons after the notice for the general meeting is sent. Once any circumstance of extension or cancellation occurs, the convener shall announce it at least two working days before the original date set for the meeting <u>or in accordance with the requirements of the stock exchange where the shares of the Company are listed</u> and clarify the reasons.</p>
10	Article 41	Article 41
	<p>General meeting of shareholders shall be convened by the board of directors and chaired by the chairman; in case the chairman is not able to attend the meeting for any reasons, the meeting shall be chaired by the vice chairman; in case both the chairman and the vice chairman are not able to attend the meeting, the board of directors may appoint a director of the Company to chair the meeting; in case no person is appointed to chair the meeting, one of the shareholders attending the meeting may be elected to chair the meeting; in case no shareholder can be elected to chair the meeting for any reasons, the shareholder (including his proxy) who holds the most number of shares and attends the meeting shall chair the meeting.</p>	<p>General meeting of shareholders shall be convened by the board of directors <u>and presided over and</u> chaired by the chairman; in case the chairman <u>is unable to or fails to perform the duty thereof</u>, the meeting shall be <u>presided over and</u> chaired by the vice chairman; in case both the chairman and <u>the vice chairman is unable to or fails to perform the duty thereof</u> are not able to attend the meeting, <u>more than half of</u> directors may appoint a director of the Company to <u>presided over and</u> chair the meeting; <u>in case more than one-half of the directors is unable to appoint a director to presided over and</u> chair the meeting, one of the shareholders attending the meeting may be elected to chair the meeting; in case no shareholder can be elected to chair the meeting for any reasons, the shareholder</p>

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No.	Original Articles	Amended Articles
	<p>The general meeting of shareholders convened by the supervisory committee shall be presided and chaired by the chairman of the supervisory committee. In case that the chairman of the supervisory committee is not able to or fails to perform his duties, one supervisor shall be elected by more than half of the supervisors to chair the meeting.</p> <p>The general meeting of shareholders convened by the shareholders shall be chaired by the shareholder who is recommended by the convener.</p> <p>In case the presiding chairman breaches these Rules when general meeting of shareholders is held, which causes that the general meeting of shareholders cannot be continued, with the consent of more than half of attending shareholders with voting rights, the general meeting of shareholders may elect one person to chair the meeting, so that the meeting can continue.</p>	<p>(including his proxy) who holds the most number of shares and attends the meeting shall chair the meeting.</p> <p>The general meeting of shareholders convened by the supervisory committee shall be presided and chaired by the chairman of the supervisory committee. In case that the chairman of the supervisory committee is not able to or fails to perform his duties, one supervisor shall be elected by more than half of the supervisors to chair the meeting.</p> <p>The general meeting of shareholders convened by the shareholders shall be chaired by the shareholder who is recommended by the convener.</p> <p>In case the presiding chairman breaches these Rules when general meeting of shareholders is held, which causes that the general meeting of shareholders cannot be continued, with the consent of more than half of attending shareholders with voting rights, the general meeting of shareholders may elect one person to chair the meeting, so that the meeting can continue.</p>
11	Article 47	Article 47
	<p>In one of the following situations, the presiding chairman, directors, supervisors, CEO, president, vice president and other officers may refuse to reply the inquiries by shareholders but shall give reasons for such refusal:</p> <p>(1) Inquiries about matters with no relation to the topics for discussion in the meeting;</p> <p>(2) Inquiries about matters pending investigation;</p> <p>(3) Inquiries about matters concerning with business secrets of the Company.</p>	<p><u>The board of directors and supervisory committee shall respond or explain to any shareholder's query and advice in the general meeting of shareholders, except for the Company's business secrets.</u></p>

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No.	Original Articles	Amended Articles
12	Article 49	Article 49
	Generally, vote shall be taken in after all proposals are discussed by shareholders; or proposals can be discussed and voted on one by one.	<u>Except for accumulative voting system, all the proposals shall be voted item by item at the general meeting of shareholders, and different proposals concerning the same matter shall be voted in chronological order of their respective dates of submission. Unless a general meeting of shareholders is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting.</u>
13	Article 52	Article 52
	When for or against votes are equal, the presiding chairman is entitled to have a casting vote no matter whether the voting was taken by a show of hands or by poll.	When for or against votes are equal, the presiding chairman is entitled to have a casting vote no matter whether the voting was taken by a show of hands or by poll.
14	Article 54	Article <u>53</u>
	The board of directors of the Company and other conveners shall ensure that general meeting of shareholders will be held successively within reasonable working hours until resolutions are finally made. In case general meeting of shareholders cannot be held normally or resolutions cannot be made due to force majeure or other abnormalities, the board of directors of the Company and other conveners shall give reasons to the stock exchange and make announcement thereon, and the board of directors of the Company and other conveners are liable for taking necessary measures to resume the general meeting of shareholders as soon as possible.	The board of directors of the Company and other conveners shall ensure that general meeting of shareholders will be held successively within reasonable working hours until resolutions are finally made. In case general meeting of shareholders <u>is suspended</u> or resolutions cannot be made due to force majeure or other <u>special reasons</u> , necessary measures <u>should be taken</u> to resume the general meeting of shareholders as soon as possible <u>or directly terminate the general meeting of shareholders, and make announcement thereon. Meanwhile, the convener shall report to the local regulatory body of the CSRC and the stock exchange where the Company is located.</u>
15	Article 60	Article <u>59</u>
	When the Company holds class shareholders' meeting, it shall issue written notice 45 days before the date for the holding the meeting to notify the matters to be considered in the meeting and the date and venue for holding the meeting to the registered shareholders of that class. The	When the Company holds class shareholders' meeting, it shall <u>notify each shareholder in the form of a written notice or a public announcement, subject to laws and administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed, 21 days (excluding the date of meeting) before the date for the holding the</u>

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No.	Original Articles	Amended Articles
	<p>shareholders who will attend the meeting shall return the reply slip to the Company 20 days before the date for the holding of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the meeting of shareholders of different classes. If not, the Company shall within five days inform the shareholders once again of the agenda, time and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class shareholders' meeting.</p>	<p>meeting, and notify the matters to be considered in the meeting and the date and venue for holding the meeting to the registered shareholders of that class. The shareholders who will attend the meeting shall return the reply slip to the Company 20 days before the date for the holding of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the meeting of shareholders of different classes. If not, the Company shall within five days inform the shareholders once again of the agenda, time and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class shareholders' meeting.</p>

Note: the sequential numbers of relevant chapters, articles and cross references will be adjusted accordingly.

The English version of the proposed amendments to the Rules of Procedure for Shareholders' General Meeting is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Board believes that the proposed amendments to the Rules of Procedure for Shareholders' General Meeting are in the interests of the Company and its Shareholders.

IV. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The Company intends to put forward to the Shareholders a proposal to amend Article 1, Article 5, Article 13, Article 16, Article 17, Article 18, Article 19, Article 20, Article 21, Article 25, Article 27, Article 29, Article 30, Article 33, Article 35, Article 36, Article 37, Article 38 and Article 40 of the Rules of Procedure of the Board of Directors.

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No.	Original Articles	Amended Articles
1	Article 1	Article 1
	<p>In order to regulate the internal institutions and operating procedures of the board of directors in China Oilfield Services Limited (hereinafter referred to as the “Company”), and according to the regulations of listing market in domestic and abroad, including the Company Law of the PRC, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Listing Rules on The Stock Exchange of Shanghai Stock Exchange and other regulations (hereinafter referred to as “the Listing Rules”), and the Articles of Association of China Oilfield Services Limited (hereinafter referred to as “the Articles of Association”), while considering the Company’s actual condition, the rule is formulated.</p>	<p>In order to regulate the internal institutions and operating procedures of the board of directors in China Oilfield Services Limited (hereinafter referred to as the “Company”), and according to the regulations of listing market in domestic and abroad, including the Company Law of the PRC, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (<u>hereinafter referred to as “the HKSE Listing Rules”</u>), the Listing Rules on The Stock Exchange of Shanghai Stock Exchange (hereinafter referred to as “<u>the SSE Listing Rules</u>”, together with the <u>HKSE Listing Rules</u>, “the Listing Rules”) and other regulations, and the Articles of Association of China Oilfield Services Limited (hereinafter referred to as “the Articles of Association”), while considering the Company’s actual condition, the rule is formulated.</p>
2	Article 5	Article 5
	<p>Directors shall be elected and appointed by the General Meeting from the candidates nominated by the Board or by the shareholders representing three percent or more of the issued shares of the Company.</p>	<p>Directors shall be elected and appointed by the General Meeting from the candidates nominated by the Board or by the shareholders representing three percent or more of the issued shares of the Company. <u>The nomination, election or change of independent directors shall comply with the Article 22 under the rule.</u></p>
3	Article 13	Article 13
	<p>A director shall take an active part in relevant training to understand his rights, duties and responsibilities as director, get familiar with relevant laws and regulations, and obtain necessary knowledge that a director shall have.</p>	<p>A director shall take an active part in relevant training to understand his rights, duties and responsibilities as director, get familiar with relevant laws and regulations, and obtain necessary knowledge that a director shall have. <u>Directors shall provide a record of the training they received to the Company.</u></p>

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No.	Original Articles	Amended Articles
4	Article 16	Article 16
	<p>A director may resign from his office prior to the expiration of his term of office but such resignation shall be tendered in writing to the Board 30 days in advance. If a director tenders resignation in writing to the Board, his resignation shall become effective 30 days from the receipt of his resignation by the Board, without being subject to approval of the General Meeting or the Board, except in the following circumstances:</p> <ol style="list-style-type: none"> (1) such director is performing his duties and his responsibility has not been relieved; (2) for a director serving concurrently as chairman of the Board, CEO or president of the Company who tenders resignation in writing, his resignation audit is yet not approved; (3) the Company is becoming or to become the target company of an acquisition or merger. <p>If the resignation of a director will result in the number of members of the Board falling short of the legal requirements of the minimum number of directors, his resignation shall not become effective until his successor fills in the vacancy generated due to his resignation.</p> <p>In case a director resigns, the remaining directors shall convene an extraordinary general meeting as soon as possible (generally within 60 days from the date when the director tenders resignation) to elect a director to fill in the vacancy generated due to the resignation.</p>	<p>A director may resign from his office prior to the expiration of his term of office. <u>When a director resigns, he shall submit a written resignation to the Board. The Board shall disclose the relevant circumstances within two days. The director's resignation shall take effect upon delivery of his resignation to the Board,</u> except in the following circumstances:</p> <ol style="list-style-type: none"> (1) <u>the resignation of director results in members of the Board falling below the minimum quorum;</u> (2) <u>the number of independent directors is less than the one-third of the members of the Board or there is no accounting professional among independent directors as a result of the resignation of independent directors.</u> (3) the Company is becoming or to become the target company of an acquisition or merger. <p>If the resignation of a director will result in the number of members of the Board falling short of the legal requirements of the minimum number of directors, his resignation shall not become effective until his successor fills in the vacancy generated due to his resignation.</p> <p>In case a director resigns, the remaining <u>Board directors</u> shall convene an extraordinary general meeting as soon as possible (generally within 60 days from the date when the director tenders resignation) to elect a director to fill in the vacancy generated due to the resignation.</p>

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No.	Original Articles	Amended Articles
5	Article 17	Article 17
	<p>During the period in which the resignation submitted by a director does not become effective and within a reasonable time after such resignation becomes effective, his duties and responsibilities to the Company and shareholders shall not be relieved. The director who still has duties and responsibilities not relieved shall not resign. If he resigns without due approval, he shall compensate for any losses caused to the Company therefrom.</p>	<p><u>Upon a director's resignation becomes effective or expiration of his/her tenure of office, the director shall complete all handover procedures with the Board, and his faithful obligations to the Company and the shareholders shall not, as a matter of course, cease after the termination of his/her tenure and are still effective within a reasonable period stipulated under the Articles of Association.</u></p>
6	Article 18	Article 18
	<p>The Board shall have Audit Committee, Nomination Committee, Remuneration and Assessment Committee under it, and each of these committees shall be composed of more than three directors, with independent directors being the majority thereof. Audit Committee shall have at least one independent director who is an accounting professional. The chairmen of these committees shall be appointed by the Board. The chairmen of Audit Committee and Remuneration and Assessment Committee shall be independent directors.</p> <p>The functions and work procedures of these special committees under the Board shall be stipulated by the Articles of Association and the Board.</p>	<p>The Board shall have Audit Committee, Nomination Committee, Remuneration and Assessment Committee under it, and each of these committees shall be composed of more than three directors, with independent directors being the majority thereof. Audit Committee shall have at least one independent director who is an accounting professional. The chairmen of these committees shall be appointed by the Board. The chairmen of Audit Committee, Remuneration and Assessment Committee <u>and Nomination Committee</u> shall be independent directors.</p> <p>The functions and work procedures of these special committees under the Board shall be stipulated by the Articles of Association and the Board.</p>
7	Article 19	Article 19
	<p>The Board shall have an office to oversee the daily operation of the Board. The secretary of the Board shall be in charge of the work of the Board Office and perform his duties in accordance with the Articles of Association.</p>	<p>The Board shall have an office to. <u>The Administration Department (the Board secretary office)</u> shall oversee the daily operation of the Board. The secretary of the Board shall be in charge of the work of the Board Office and perform his duties in accordance with the Articles of Association.</p>

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No.	Original Articles	Amended Articles
8	Article 20	Article 20
	The Company shall have three independent directors.	<u>Among the members of the Board of the Company, at least one-third of them shall be independent directors.</u>
9	Article 21	Article 21
	The description of director qualifications provided in these Rules is applicable to independent directors. Besides, the independent directors shall also meet the requirements for independence of independent directors as provided in the relevant Listing Rules and the Articles of Association.	The description of director qualifications provided in these Rules is applicable to independent directors. Besides, the independent directors shall also meet the requirements for independence of independent directors as provided in <u>the regulatory rules of regulatory authorities and the stock exchanges of the place of listing of the Company</u> and the Articles of Association.
10	Article 25	Article 25
	<p>Independent directors shall have the following special rights:</p> <p>(1) Two or more independent directors may propose convening Extraordinary General Meeting;</p> <p>(2) Two or more independent directors may propose convening the Board meeting;</p> <p>(3) The independent directors may, if they think necessary, obtain independent professional advices (for example engage external auditors and consultancy firm) at the cost of the Company;</p>	<p>Independent directors shall have the following special <u>duties and powers</u>:</p> <p>(1) Two or more independent directors may propose convening Extraordinary General Meeting;</p> <p>(2) Two or more independent directors may propose convening the Board meeting;</p> <p>(3) <u>Independently engage external auditors and consultancy firms to audit and make consultation on specific issues of the Company</u> at the cost of the Company;</p>

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No.	Original Articles	Amended Articles
	<p>(4) The connected transactions to be disclosed (which shall be determined according to Chapter 14A of the Listing Rules) shall be confirmed by the independent directors, before submitting to the Board for review and approval;</p> <p>(5) The connected transactions to be approved by the General Meeting (as defined in Chapter 14A of the Listing Rules) shall, after the independent directors issue their opinions about such transactions, be submitted by the Board to the General Meeting of the Company for review and approval;</p> <p>(6) The independent directors have the right to propose to the Board that the external auditors shall be appointed or dismissed;</p> <p>(7) The independent directors may solicit voting rights openly from the shareholders prior to the convention of the General Meeting.</p> <p>The independent directors shall exercise the aforesaid rights according to the procedures as set forth in the Articles of Association and regulations of the Company.</p>	<p>(4) The connected transactions to be disclosed (which shall be determined according to Chapter 14A of the Listing Rules) shall be confirmed by the independent directors, before submitting to the Board for review and approval;</p> <p>(5) The connected transactions to be approved by the General Meeting (as defined in Chapter 14A of the Listing Rules) shall, <u>upon the prior approval of</u> independent directors, be submitted by the Board to the General Meeting of the Company for review and approval;</p> <p>(6) The independent directors have the right to propose to the Board that the external auditors shall be appointed or dismissed;</p> <p>(7) The independent directors may solicit voting rights openly from the shareholders prior to the convention of the General Meeting.</p> <p>The independent directors shall exercise the aforesaid <u>duties and powers</u> according to the procedures as set forth in <u>the laws and regulations and</u> the Articles of Association and regulations of the Company.</p>

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No.	Original Articles	Amended Articles
11	Article 27	Article 27
	<p>The Board shall hold at least four regular meetings of the Board to be attended by all the directors. The Board meetings shall be convened by the chairman of the Board and a notice shall be given to all the directors and supervisors at least 14 days prior to the date of the meeting.</p> <p>The chairman of the Board shall convene an extraordinary Board meeting within ten working days after receiving relevant proposal if one of the following circumstances occurs:</p> <ol style="list-style-type: none"> (1) The chairman of the Board thinks it necessary; (2) More than one-third of the directors jointly propose convening a Board meeting; (3) Two or more independent directors propose convening a Board meeting; (4) Supervisory Committee proposes convening a Board meeting; (5) The CEO or president of the Company proposes convening a Board meeting; (6) The shareholders representing more than one-tenth of the voting rights propose convening a Board meeting. <p>The extraordinary meetings of the Board may be held in the form of teleconference.</p>	<p>The Board shall hold at least four regular meetings of the Board to be attended by all the directors. The Board meetings shall be convened by the chairman of the Board and a notice shall be given to all the directors and supervisors at least 14 days prior to the date of the meeting.</p> <p>The chairman of the Board shall convene an extraordinary Board meeting within ten working days after receiving relevant proposal if one of the following circumstances occurs:</p> <ol style="list-style-type: none"> (1) The chairman of the Board thinks it necessary; (2) More than one-third of the directors jointly propose convening a Board meeting; (3) Two or more independent directors propose convening a Board meeting; (4) Supervisory Committee proposes convening a Board meeting; (5) The CEO or president of the Company proposes convening a Board meeting; <u>(5)</u> The shareholders representing more than one-tenth of the voting rights propose convening a Board meeting. <p>The extraordinary meetings of the Board may be held in the form of teleconference.</p>

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No.	Original Articles	Amended Articles
12	Article 29	Article 29
	<p>To hold a regular meeting or an extraordinary meeting of the Board, the meeting notice shall be given in the following manner:</p> <p>(1) If the time and place of regular meeting of the Board has been determined by the Board in advance, no meeting notice is necessary.</p> <p>(2) If the time and place of the Board meeting has not been determined by the Board in advance, the chairman shall, at least ten days prior to the meeting date, inform the directors and supervisors of the time and place of the meeting by telex, telegram, fax, express mail or registered mail, or a notice shall be delivered personally to the directors and supervisors.</p> <p>(3) If an extraordinary meeting of the Board must be convened in case of emergency, the chairman of the Board shall order the secretary of the Board to, not later than five days but not earlier than ten days prior to the meeting date, inform the directors and supervisors of the time, place and form of the meeting by telex, telegram, fax, express mail or registered mail or a notice shall be delivered personally to the directors and supervisors.</p> <p>(4) The meeting notice shall be in Chinese and if necessary, an English version may be attached, and shall include the agenda of the meeting. Any director may waive his right to receive the meeting notice of the Board.</p>	<p>To hold a regular meeting or an extraordinary meeting of the Board, the meeting notice shall be given in the following manner:</p> <p>(1) If the time, place <u>and other information</u> of regular meeting of the Board has been determined by the Board in advance, no meeting notice is necessary.</p> <p>(2) If the time and place of the Board meeting has not been determined by the Board in advance, the chairman shall, at least <u>fourteen</u> days prior to the meeting date, inform the directors and supervisors of the time, place <u>and other information</u> of the meeting by telex, telegram, fax, express mail or registered mail, or a notice shall be delivered personally to the directors and supervisors.</p> <p>(3) If an extraordinary meeting of the Board must be convened in case of emergency, the chairman of the Board shall order the secretary of the Board to, not later than five days but not earlier than ten days prior to the meeting date, inform the directors and supervisors of the time, place, form <u>and other information</u> of the meeting by telex, telegram, fax, express mail or registered mail or a notice shall be delivered personally to the directors and supervisors.</p> <p>(4) The meeting notice shall be in Chinese and if necessary, an English version may be attached, and shall include the agenda of the meeting. Any director may waive his right to receive the meeting notice of the Board.</p>

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No.	Original Articles	Amended Articles
13	Article 30	Article 30
	<p>The secretary of the Board shall, 14 days prior to the date of the Board meeting, give a meeting notice to the directors by telephone, telegram, fax, registered mail or e-mail, or shall be delivered personally to the directors. The meeting documents shall be delivered to the directors in any of above-mentioned methods seven days prior to the meeting date.</p> <p>For convening extraordinary meetings of the Board, the meeting notice shall, five days prior to the meeting date, be given to the directors by telephone, telegram, fax, registered mail or e-mail, or shall be delivered personally to the directors. Meeting documents shall be delivered to the directors in any of above-mentioned methods three days prior to the meeting date.</p> <p>If a director has already attended the Board meeting and does not mention that he did not receive the meeting notice before or when attending the meeting, he shall be deemed to be given the meeting notice.</p>	<p>The secretary of the Board shall, 14 days prior to the date of the Board meeting, give a meeting notice to the directors by telephone, telegram, fax, registered mail or e-mail, or shall be delivered personally to the directors. The meeting documents shall be delivered to the directors in any of above-mentioned methods seven days prior to the meeting date.</p> <p>For convening extraordinary meetings of the Board, the meeting notice shall, five days prior to the meeting date, be given to the directors by telephone, telegram, fax, registered mail or e-mail, or shall be delivered personally to the directors. Meeting documents shall be delivered to the directors in any of above-mentioned methods three days prior to the meeting date.</p> <p>If a director has already attended the Board meeting and does not mention that he did not receive the meeting notice before or when attending the meeting, he shall be deemed to be given the meeting notice.</p>
14	Article 33	Article 33
	<p>The Board may make a resolution by circulating a written proposal, but such proposal shall be delivered to each director by hand, mail, telegram, e-mail or fax only after it is signed and approved by the chairman. If a proposal of the Board meeting has been sent to all the directors, the number of the directors signing to consent to it has reached the quorum and that it has been delivered to the secretary of the Board by any of the methods mentioned herein, such proposal shall become a resolution of the Board.</p>	<p><u>Voting on Board resolutions shall be conducted by show of hands, poll or via facsimile. Provided that the directors can fully express their opinions at the extraordinary Board meetings, such meetings can be held by means of delivery by hand, post, fax or other means of communication and resolutions could be passed thereof which shall be signed by the directors who attended the meeting.</u></p>

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No.	Original Articles	Amended Articles
	If a motion is formed into written resolution by way of voting in writing, the resolution shall be promptly sent in writing to all the directors.	
15	Article 35	Article 35
	In case a director has interests in the matter to be resolved by the Board, he shall waive his right to vote on such matter.	<u>If any director has associated relationship with the enterprise involved in the resolution made at a Board meeting, the said director shall not vote on such resolution for himself/herself or on behalf of other directors. Such Board meeting may be held when more than half of the directors with no associated relationship attend the meeting. The resolution of the Board meeting shall be passed by more than half of the directors with no associated relationship. If the number of directors with no associated relationship attending the Board meetings is less than three, the matter shall be submitted to the general meeting of listed companies for consideration.</u>
16	Article 36	Article 36
	Minutes shall be taken for the resolutions made by the Board on the matters discussed at the Board meeting. The secretary of the Board attending the meeting shall be responsible for procuring the meeting minutes to be taken and all the directors attending the meeting, the secretary of the Board and the person taking the minutes shall sign on the minutes. The minutes of the Board meeting shall contain the following: (1) date and place of the meeting and the name of convenor; (2) names of the directors personally attending the meeting, names of the directors attending the meeting by proxy, and the names of the proxies; (3) agenda of the meeting;	Minutes shall be taken for the resolutions made by the Board on the matters discussed at the Board meeting. The secretary of the Board attending the meeting shall be responsible for procuring the meeting minutes to be taken and all the directors attending the meeting, the secretary of the Board and the person taking the minutes shall sign on the minutes. The minutes of the Board meeting shall contain the following: (1) date and place of the meeting and the name of convenor; (2) names of the directors personally attending the meeting, names of the directors attending the meeting by proxy, and the names of the proxies; (3) agenda of the meeting;

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No.	Original Articles	Amended Articles
	<p>(4) main contents of the speeches given by directors at the meeting, and voting method and result for each matter resolved at the meeting. The voting result shall reflect the number of affirmative votes, negative votes and abstaining votes.</p> <p>The meeting minutes shall be kept by the secretary of the Board. Draft of minutes shall be delivered to each director for confirmation within 20 days after the meeting, and after confirmation by the directors, final revision of the minutes shall be delivered to all the directors. The directors shall take responsibility for the resolutions of the Board. In case the resolutions of the Board are against any laws, administrative regulations or the Articles of Association and serious losses are caused to the Company, all the directors participating in making such resolutions shall be liable to compensate for the losses. However, if there is evidence showing that a director expresses his objection to the resolution and such objection is recorded in the meeting minutes, such director may be exempted from the liability.</p> <p>If any director requests to refer to the minutes of the Board meetings, the secretary of the Board shall make arrangement accordingly within reasonable time.</p>	<p>(4) main contents of the speeches given by directors at the meeting, and voting method and result for each matter resolved at the meeting. The voting result shall reflect the number of affirmative votes, negative votes and abstaining votes.</p> <p>The meeting minutes shall be kept by the secretary of the Board. Draft of minutes shall be delivered to each director for confirmation within 20 days after the meeting, and after confirmation by the directors, final revision of the minutes shall be delivered to all the directors. The directors shall take responsibility for the resolutions of the Board. In case the resolutions of the Board are against any laws, administrative regulations or the Articles of Association and serious losses are caused to the Company, all the directors participating in making such resolutions shall be liable to compensate for the losses. However, if there is evidence showing that a director expresses his objection to the resolution and such objection is recorded in the meeting minutes, such director may be exempted from the liability.</p> <p>If any director requests to refer to the minutes of the Board meetings, the secretary of the Board shall make arrangement accordingly within reasonable time.</p>

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No.	Original Articles	Amended Articles
17	Article 37	Article 37
	<p>The following persons have the right to put forward proposals to the Board:</p> <ol style="list-style-type: none"> (1) special committees under the Board; (2) a director of the Company; (3) CEO or president of the Company; (4) relevant functional departments of the Company, subject to review by the vice president in-charge and approval by the president. <p>Proposals shall be submitted to the Board Office by aforesaid proposers not later than 15 days or in case of urgent matters 5 days prior to the Board meeting, and then shall be listed in the agenda of the meeting after the secretary of the Board submits them to the chairman of the Board for review and approval. The chairman of the Board shall ensure that the proposals put forward by special committees under the Board and members of the Board are listed in the agenda of the Board meetings.</p>	<p>The following persons have the right to put forward proposals to the Board:</p> <ol style="list-style-type: none"> (1) special committees under the Board; (2) a director of the Company; (3) CEO or president of the Company. (4) relevant functional departments of the Company, subject to review by the vice president in-charge and approval by the president. <p><u>The department of the headquarters and the chief executive of the Company shall be entitled to make recommendations on proposals, and a person with the right to make recommendations on proposals may make suggestions to the proposer, then the proposer shall determine whether to include such suggestions in the agenda of the Board meetings.</u></p> <p>Proposals shall be submitted to the <u>Administration Department</u> by aforesaid proposers not later than 15 days or in case of urgent matters 5 days prior to the Board meeting, and then shall be listed in the agenda of the meeting after the secretary of the Board <u>organizes and</u> submits them to the chairman of the Board for review and approval. The chairman of the Board shall ensure that the proposals put forward by special committees under the Board and members of the Board are listed in the agenda of the Board meetings.</p>

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No.	Original Articles	Amended Articles
18	Article 38	Article 38
	The Board meetings shall vote on the matters included in the agenda only. The directors present at the meetings also may put forward incidental motions during the meeting (generally after all the matters included in the agenda have been resolved), but voting on any incidental motions is possible only if the chairman agrees. If two or more directors think that there is not enough information for the matter to be resolved in the incidental motion or the argument is not definite, the Board shall decide to postpone the discussion on the incidental motions.	The Board meetings shall vote on the matters included in the agenda only. <u>The Board meetings shall be conducted in strict accordance with prescribed procedures. The Board shall notify all directors in advance based on the prescribed time limit and provide sufficient information. If two or more independent directors are of the view that the information is incomplete or the argument is insufficient, they may adjourn the meeting or to defer the consideration of the subject matters by jointly proposing to the Board in writing. The Board shall accept and the listed company shall promptly disclose the relevant information.</u>
19	Article 40	Article 40
	When the independent directors exercise the rights as set forth in Item 3) of Article 25, they shall give prior notice to the chairman or CEO or executive director of the Company.	When the independent directors exercise the rights as set forth in Item 3) of Article 25, they shall give prior notice to the chairman or CEO or executive director of the Company.

Note: the sequential numbers of relevant chapters, articles and cross references will be adjusted accordingly.

The English version of the proposed amendments to the Rules of Procedure of the Board of Directors is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Board believes that the proposed amendments to the Rules of Procedure of the Board of Directors are in the interests of the Company and its Shareholders.

V. PROPOSED AMENDMENTS TO THE CONNECTED TRANSACTIONS DECISION-MAKING MECHANISM

The Company intends to put forward to the Shareholders a proposal to amend Article 1, Article 2, Article 7, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 16, Article 20, Article 23, Article 24, Article 25, Article 35, Article 42 and Article 55 and add new articles as Article 23, Article 24 and Article 25 of the Connected Transactions Decision-Making Mechanism.

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No.	Original Articles	Amended Articles
1	Article 1	Article 1
	<p>To enhance the management of connected transactions of China Oilfield Services Limited (hereinafter referred to as the “Company”), and to clearly define management duties and the allocation thereof, and to protect the legitimate interests of the Company, its shareholders, minority and medium investors and creditors, and to ensure that the connected transactions, to be entered into between the Company and the connected parties are in line with the principle of equality, fairness, impartiality and openness, the Mechanism are formulated in accordance with requirements of laws, regulations and supervisory rules such as the Company Law of the PRC (as implemented since 1 March 2014), the Securities Law of the PRC (as implemented since 31 August 2014), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Update No. 117 in June 2016), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as implemented since 16 November 2014) and the Guidelines of the Shanghai Stock Exchange on Connected Transactions of Listed Companies (as implemented since 1 May 2011) as well as the Articles of Association of the Company (as amended on 22 July 2016).</p>	<p>To enhance the management of connected transactions of China Oilfield Services Limited (hereinafter referred to as the “Company”), and to clearly define management duties and the allocation thereof, and to protect the legitimate interests of the Company, its shareholders, minority and medium investors and creditors, and to ensure that the connected transactions, to be entered into between the Company and the connected parties are in line with the principle of equality, fairness, impartiality and openness, the Mechanism are formulated in accordance with requirements of laws, regulations and supervisory rules such as the Company Law of the PRC (as implemented since 1 March 2014), the Securities Law of the PRC (as implemented since 31 August 2014), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Update No. 117 in June 2016), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as implemented since 16 November 2014) and the Guidelines of the Shanghai Stock Exchange on Connected Transactions of Listed Companies (as implemented since 1 May 2011) as well as <u>the Articles of Association of China Oilfield Services Limited (hereinafter referred to as the “Articles of Association”)</u> (as amended on 22 July 2016).</p>
2	Article 2	Article 2
	<p>The connected persons of the Company include connected legal persons, connected natural persons and potential connected persons.</p>	<p>The connected persons of the Company include <u>the connected legal persons and connected natural persons as stipulated in the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and connected persons as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</u></p>

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No.	Original Articles	Amended Articles
	<p>(I) Any of the following legal persons or other entities shall be regarded as connected legal persons of the Company:</p> <ol style="list-style-type: none"> 1) legal persons or other entities who have direct or indirect control over the Company; 2) legal persons or other entities who are directly or indirectly controlled by the legal persons as mentioned in sub-paragraph (1) above, excluding the Company and its subsidiaries; 3) legal persons or other entities who are directly or indirectly controlled by the connected natural persons of the Company as listed in term (II) below, or whose directors, supervisors, chief executive officer and other senior management are connected natural persons, excluding the Company and its subsidiaries; 4) legal persons or other entities who hold 5% or more of the shares of the Company; 5) The other legal persons or other entities (which include legal persons or other entities holding 10% or more of the shares of the subsidiaries that have material influence on the Company) who may obtain beneficial interests from the Company due to their special relations with the Company, as identified and confirmed by the China Securities Regulatory 	<p>(I) Any of the following legal persons or other entities shall be regarded as connected legal persons of the Company:</p> <ol style="list-style-type: none"> 1) legal persons or other entities who have direct or indirect control over the Company; 2) legal persons or other entities who are directly or indirectly controlled by the legal persons <u>or other entities</u> as mentioned in sub-paragraph (1) above, excluding the Company, its subsidiaries <u>and other entities controlled thereof</u>; 3) legal persons or other entities who are directly or indirectly controlled by the connected natural persons of the Company as listed in term (II) below, or whose directors <u>(other than being independent directors of both sides), supervisors,</u> chief executive officer and other senior management are connected natural persons, excluding the Company, its subsidiaries <u>and other entities controlled thereof</u>; 4) legal persons or other entities <u>and parties acting in concert</u> who hold 5% or more of the shares of the Company; 5) The other legal persons or other entities (which include legal persons or other entities holding 10% or more of the shares of the subsidiaries that

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	<p>Commission (“CSRC”), the stock exchanges on which the shares of the Company are listed and the Company based on the substance over form principle;</p> <p>6) The Company and the legal persons as listed in sub-paragraph (2) in this clause shall not be deemed to have connected relations by virtue of their being controlled by the same state-owned asset administrative institution, save for such legal persons whose chairman, president or majority of directors are also the directors, supervisors or senior management of the Company.</p> <p>(II) Any of the following persons shall be regarded as connected natural persons of the Company:</p> <p>1) natural persons who directly or indirectly hold 5% or more of the shares in the Company;</p> <p>2) the directors, supervisors, chief executive officer and other senior management of the Company;</p> <p>3) the directors, supervisors, chief executive officers and other senior management of the connected legal persons as specified in sub-paragraph (1) of clause (I);</p> <p>4) family members who have close relations with the persons as specified in sub-</p>	<p>have material influence on the Company who may obtain <u>or have obtained</u> beneficial interest from the Company due to their special relations with the Company, as identified and confirmed by the China Securities Regulatory Commission (“CSRC”), the stock exchanges on which the shares of the Company are listed and the Company based on the substance over form principle;</p> <p>6) The Company and the legal persons as listed in sub-paragraph (2) in this clause shall not be deemed to have connected relations by virtue of their being controlled by the same state-owned asset administrative institution, save for such legal persons whose <u>legal representative</u>, chairman, <u>general manager</u> or majority of directors are also the directors, supervisors or senior management of the Company.</p> <p>(II) Any of the following persons shall be regarded as connected natural persons of the Company:</p> <p>1) natural persons who directly or indirectly hold 5% or more of the shares in the Company;</p> <p>2) the directors, supervisors, chief executive officer and other senior management of the Company;</p>

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No.	Original Articles	Amended Articles
	<p>paragraphs (1) and (2) of this term, including their spouses; children aged over 18 and their spouses; parents and parents of their spouses; siblings and their spouses; siblings of their spouses and parents of their children' spouses;</p> <p>5) other natural persons (which include natural persons holding 10% or more of the shares of the subsidiaries that have material influence on the Company) who may obtain beneficial interests from the Company due to their special relations with the Company, as identified and confirmed by the CSRC, the stock exchanges on which the shares of the Company are listed and the Company based on the substance over form principle.</p> <p>(III) Any of the following legal persons, other entities or natural persons shall be regarded as connected persons of the Company, i.e. potential connected persons:</p> <p>1) legal persons, other entities or natural persons who have entered into agreements or arrangements with a connected person of the Company, and according to such agreement or arrangement, they will become such legal persons or natural persons as described in term (I) or term (II) above when the agreement or the arrangement comes into effect, or within the forthcoming twelve months;</p>	<p>3) the directors, supervisors, chief executive officers and other senior management of the connected legal persons as specified in sub-paragraph (1) of clause (I);</p> <p>4) family members who have close relations with the persons as specified in sub-paragraphs (1) and (2) of this term, including their spouses; children aged over 18 and their spouses; parents and parents of their spouses; siblings and their spouses; siblings of their spouses and parents of their children' spouses;</p> <p>5) other natural persons—(which include natural persons holding 10% or more of the shares of the subsidiaries that have material influence on the Company) who may obtain <u>or have obtained</u> beneficial interests from the Company due to their special relations with the Company, as identified and confirmed by the CSRC, the stock exchanges on which the shares of the Company are listed and the Company based on the substance over form principle.</p> <p>(III) Any of the following legal persons, other entities or natural persons shall be regarded as connected persons of the Company, i.e. potential connected persons:</p>

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No.	Original Articles	Amended Articles
	<p>2) legal persons, other entities or natural persons who used to be those as described in term (I) or term (II) above in the previous twelve months;</p> <p>3) other persons who are identified and confirmed as the connected persons of the Company in accordance with requirements of the listing rules of the place where the shares of the Company are listed or as identified and confirmed by the stock exchanges of such place.</p>	<p>1) legal persons, other entities or natural persons who have entered into agreements or arrangements with a connected person of the Company, and according to such agreement or arrangement, they will become such legal persons or natural persons as described in term (I) or term (II) above when the agreement or the arrangement comes into effect, or within the forthcoming twelve months;</p> <p>2) legal persons, other entities or natural persons who used to be those as described in term (I) or term (II) above in the previous twelve months;</p> <p>3) other persons who are identified and confirmed as the connected persons of the Company in accordance with requirements of the listing rules of the place where the shares of the Company are listed or as identified and confirmed by the stock exchanges of such place.</p>
3	Article 7	Article 7
	<p>Connected transactions of the Company refer to the transfer of resources or obligations entered into between the Company, its subsidiaries and its connected parties, whether with or without consideration, which shall be confirmed based on the substance over form principle. Connected transactions could be either one-off transactions (or known as occasional connected transactions) or continuing connected transactions (or known as daily</p>	<p><u>Connected transactions of the Company includes all kinds of transactions that are defined as connected transactions under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and those that are defined as connected transactions as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.</u> Connected transactions of the Company refer to the transfer of resources or obligations entered into between the Company, its subsidiaries <u>and other entities controlled thereof</u> and its connected parties,</p>

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No.	Original Articles	Amended Articles
	connected transactions). Connected transactions of the Company include but not limited to:	whether with or without consideration, which shall be confirmed based on the substance over form principle. Connected transactions could be either one-off transactions (or known as occasional connected transactions) or continuing connected transactions (or known as daily connected transactions). Connected transactions of the Company include but not limited to:
(1)	the purchase of, disposal of, entrust of, donating or receiving assets;	(1) the purchase of <u>or</u> disposal of, entrust of, donating or receiving assets;
(2)	external investments, including entrusted financial management, entrusted loans and etc.;	(2) external investments, including entrusted financial management, <u>investment in subsidiaries</u> and etc.;
(3)	the provision of financial assistance;	(3) the provision of financial assistance (<u>including interest-bearing or interest-free borrowings, entrusted loans and etc.</u>);
(4)	the provision of security;	(4) the provision of security (<u>including guarantees for controlled subsidiaries, etc.</u>);
(5)	the disposal of fixed assets, including but not limited to purchase and sale, lease, entrusting, entrusted with, donating, receiving and etc.;	(5) <u>lease or rental of assets</u> ;
(6)	entrusted or trusted asset, capital and business utilization and management;	(6) entrusted or <u>entrusted with</u> asset; capital and business utilization and <u>operation</u> management;
(7)	donating or receiving properties;	(7) donating or receiving <u>assets</u> ;
(8)	debt restructuring;	(8) debt restructuring;
(9)	entering into licensing agreement;	(9) entering into licensing agreement;
(10)	the transfer or be transferred of research and development projects;	(10) the transfer or be transferred of research and development projects;
(11)	other transactions identified and confirmed by relevant authorities;	(11) <u>waiver of rights (including waiver of pre-emptive right, priority for invited capital contribution and other rights)</u> ;
(12)	the purchase of raw materials, fuel and energy;	
(13)	the sale of products and merchandise;	
(14)	the provision or receipt of labor forces or services, including but not limited to advertising, renovation of workplace, legal, auditing, actuarial evaluation, asset assessment and etc.;	

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No.	Original Articles	Amended Articles
	<p>(15) entrusting or entrusted with sale;</p> <p>(16) deposits in or loans from a financial company of a connected person;</p> <p>(17) joint investment with connected persons;</p> <p>(18) such other matters being identified and confirmed by the CSRC, stock exchanges on which the shares of the Company are listed or the Company based on the substance over form principle, that may lead to the transfer of resources or obligations through agreement, including providing the company jointly invested with the connected person with financial aid or guarantee that exceeds its equity or investment proportion, or waiving the right of first refusal or the right to proportionally increase its holding in such jointly invested company.</p>	<p>(12) other transactions identified and confirmed by relevant authorities;</p> <p>(13) the purchase of raw materials, fuel and energy;</p> <p>(14) the sale of products and merchandise;</p> <p>(15) the provision or receipt of labor forces or services, including but not limited to advertising, renovation of workplace, legal, auditing, actuarial evaluation, asset assessment and etc.;</p> <p>(16) entrusting or entrusted with sale;</p> <p>(17) deposits in or loans from a financial company of a connected person <u>business;</u></p> <p>(18) joint investment with connected persons;</p> <p>(19) <u>other matters which may give rise to a transfer of resources or obligations by agreement.</u></p>
4	Article 10	Article 10
	The price of connected party transactions is defined as the transaction price of goods or services arising between the Company and connected parties.	The price of connected party transactions is defined as the transaction price of goods or services arising between the Company and connected parties.
5	Article 11	Article 11
	The Company shall sign written agreements on connected party transactions with connected parties. The agreements shall be signed on the principles of equality, willingness, compensation for equal value, the contents of the agreement shall be clear and specific. The Company shall disclose the	The Company shall sign written agreements on connected party transactions with connected parties. The agreements shall be signed on the principles of equality, willingness, compensation for equal value, the contents of the agreement shall be clear and specific. The Company shall disclose the

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No.	Original Articles	Amended Articles
	<p>entering into, change, termination and performance of agreements and such matters in accordance with the relevant regulations.</p> <p>The Company shall take effective measures to prevent the connected parties using their special status to interfere with the operation of the Company and harm its interests by ways of monopoly procurement and sales business and other means, and connected party transactions shall abide by laws, administrative regulations, the state accounting system and other related regulatory provisions to comply with the principles of compliance, integrity and fairness and achieve the equality, fairness and openness. The Company shall make full disclosure of the effective measures it has taken or will take to ensure fair trading. The price of the connected party transaction shall not deviate from market prices of transaction with independent third parties. The Company shall fully disclose the pricing basis of connected party transactions.</p>	<p>entering into, change, termination and performance of agreements and such matters in accordance with the relevant regulations.</p> <p>The Company shall take effective measures to prevent the connected parties using their special status to interfere with the operation of the Company and harm its interests by ways of monopoly procurement and sales business and other means, and connected party transactions shall abide by laws, administrative regulations, the state accounting system and other related regulatory provisions to comply with the principles of compliance, integrity and fairness and achieve the equality, fairness and openness. The Company shall make full disclosure of the effective measures it has taken or will take to ensure fair trading. The price of the connected party transaction shall not deviate from market prices of transaction with independent third parties. The Company shall fully disclose the pricing basis of connected party transactions.</p>
6	Article 12	Article 12
	<p>Price determination of connected party transactions of the Company shall comply with the following principles:</p> <p>(1) Where there is a state-prescribed price for a transaction, such a price shall apply;</p> <p>(2) Where there is a state-recommended price for such a transaction, the ultimate trading price may be set within the indicative range set by the government;</p> <p>(3) Other than state-prescribed prices or state-recommended prices, the price for a transaction may be set based on the market price or charge standard of</p>	<p>Price determination of connected party transactions of the Company shall comply with the following principles:</p> <p>(1) Where there is a state-prescribed price for a transaction, such a price shall apply;</p> <p>(2) Where there is a state-recommended price for such a transaction, the ultimate trading price may be set within the indicative range set by the government;</p> <p>(3) Other than state-prescribed prices or state-recommended prices, the price for a transaction may be set based on the market price or charge standard of</p>

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No.	Original Articles	Amended Articles
	<p>a comparable independent third party as long as such a price or standard is available;</p> <p>(4) Where such a market price is not available, the price may be based on the price of a non-connected transaction between a connected person and a third party independent of it;</p> <p>(5) Where there is no market price of independent third parties or price of non-connected transactions as reference, the cost-plus price shall be applied; where the cost-plus pricing is not applicable, the agreed price shall be applied. Both parties shall determine the pricing method according to the specific circumstances concerning the connected transactions, and specify such method in relevant agreements on the connected transactions. In the event that the cost-plus pricing is applicable, the specific profit proportion shall be formulated by the Board separately.</p>	<p>a comparable independent third party as long as such a price or standard is available;</p> <p>(4) Where such a market price is not available, the price may be based on the price of a non-connected transaction between a connected person and a third party independent of it;</p> <p>(5) Where there is no market price of independent third parties or price of non-connected transactions as reference, the cost plus price shall be applied; where the cost plus pricing is not applicable, the agreed price shall be applied. Both parties shall determine the pricing method according to the specific circumstances concerning the connected transactions, and specify such method in relevant agreements on the connected transactions. In the event that the cost plus pricing is applicable, the specific profit proportion shall be formulated by the Board separately.</p>
7	Article 13	Article 13
	<p>The “market price” in these rules is defined as prices and rates of goods or services based on prices or fee standards not deviated from transaction with independent third parties.</p> <p>The “cost-plus pricing” in these rules is defined as prices and rates of goods or services based on reasonable cost of goods or services in transactions plus reasonable margin.</p> <p>The “negotiated pricing” in these rules is defined as prices and rates of goods or services confirmed by negotiations between both parties. The Company must make sure</p>	<p>The “market price” in these rules is defined as prices and rates of goods or services based on prices or fee standards not deviated from transaction with independent third parties.</p> <p>The “cost plus pricing” in these rules is defined as prices and rates of goods or services based on reasonable cost of goods or services in transactions plus reasonable margin.</p> <p>The “negotiated pricing” in these rules is defined as prices and rates of goods or services confirmed by negotiations between both parties. The Company must make sure</p>

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No.	Original Articles	Amended Articles
	that it shall obtain or require related parties to provide legal and effective basis of pricing to be used as pricing basis for transactions.	that it shall obtain or require related parties to provide legal and effective basis of pricing to be used as pricing basis for transactions.
8	Article 14	Article 14
	Business provisions shall be strictly executed by the Company and related parties on connected party transactions, the Company is not allowed to provide privileges to related parties not accessible to independent third parties with the same credit level.	Business provisions shall be strictly executed by the Company and related parties on connected party transactions, the Company is not allowed to provide privileges to related parties not accessible to independent third parties with the same credit level.
9	Article 15	Article 10
	<p>The following connected party transactions shall constitute a small scale connected party transactions and shall be approved by the Company's CEO:</p> <p>(I) transactions between the Company and connected legal person involved an amount under RMB3 million or account for less than 0.5% of the Company's audited net assets in the current period;</p> <p>(II) transactions between the Company and connected natural person involved an amount under RMB300,000;</p> <p>(III) transactions between the Company and connected person involved an amount which has not yet reached the point which required reporting and making announcement required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.</p>	<p>The following connected party transactions shall constitute a small scale connected party transactions and shall be approved by the Company's CEO:</p> <p>(I) transactions between the Company and connected legal person <u>(or other entities)</u> involved an amount <u>(including debts and expenses undertaken)</u> under RMB3 million or account for less than 0.5% of <u>the absolute value of</u> the Company's audited net assets in the current period;</p> <p>(II) transactions between the Company and connected natural person involved an amount <u>(including debts and expenses undertaken)</u> under RMB300,000;</p> <p>(III) transactions between the Company and connected person involved an amount which has not yet reached the point which required reporting and making announcement required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.</p>

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No.	Original Articles	Amended Articles
10	Article 16	Article <u>11</u>
	<p>The following connected party transactions shall constitute a general connected party transactions and shall be approved by the Company's Board of directors:</p> <p>(I) transactions between the Company and connected legal person involving an amount above RMB3 million or account for more than 0.5% and under 5% of the Company's audited net assets in the current period;</p> <p>(II) transactions between the Company and connected natural person involving an amount above RMB300,000 and below RMB30 million;</p> <p>(III) transactions between the Company and connected person involving an amount which has reached the point which required reporting, making announcement and approved by the board of directors required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.</p>	<p>The following connected party transactions shall constitute a general connected party transactions and shall be approved by the Company's Board of directors:</p> <p>(I) transactions between the Company and connected legal person <u>(or other entities)</u> involving an amount <u>(including debts and expenses undertaken)</u> above RMB3 million or account for more than 0.5% and under 5% of <u>the absolute value of the</u> Company's audited net assets in the current period;</p> <p>(II) transactions between the Company and connected natural person involving an amount <u>(including debts and expenses undertaken)</u> above RMB300,000 and below RMB30 million;</p> <p>(III) transactions between the Company and connected person involving an amount which has reached the point which required reporting, making announcement and approved by the board of directors required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.</p>
11	Article 20	Article <u>15</u>
	<p>Significant connected party transactions shall be submitted by the Board to the general meeting of shareholders for approval. For the connected transactions to be made in the plan of the Company and required for approval by the general meeting of shareholders, the independent non-executive directors and independent financial advisers shall issue</p>	<p>Significant connected party transactions shall be submitted by the Board to the general meeting of shareholders for approval, <u>and the audit report or assessment report shall be disclosed in accordance with the requirements of the stock exchanges (the daily connected party transactions stipulated by the stock exchanges may be exempted</u></p>

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No.	Original Articles	Amended Articles
	<p>separate letters in relation to overall interests of the shareholders. Such letters shall be included in the circular to shareholders.</p>	<p>from audit or assessment). For the connected transactions to be made in the plan of the Company and required for approval by the general meeting of shareholders, the independent non-executive directors and independent financial advisers shall issue separate letters in relation to overall interests of the shareholders. Such letters shall be included in the circular to shareholders.</p>
12	Article 23	Article <u>18</u>
	<p>When the Board of the Company votes on connected party transactions, the connected directors shall withdraw from voting.</p> <p>The above-mentioned connected directors include the following directors or those directors under any of the following circumstances:</p> <p>(I) being the other party to the transaction;</p> <p>(II) having direct or indirect control of the other party to the transaction;</p> <p>(III) holding a post in the other party to the transaction or in the body corporate organization capable of directly or indirectly controlling the other party to the transaction, the body corporate organization directly or indirectly controlled by the organization involved in the transaction;</p> <p>(IV) being a close relative of the other party to the transaction or of having direct or indirect control (see the detailed scope in Article 2);</p>	<p>When the Board of the Company votes on connected party transactions, the connected directors shall withdraw from voting.</p> <p>The above-mentioned connected directors include the following directors or those directors under any of the following circumstances:</p> <p>(I) being the other party to the transaction;</p> <p>(II) having direct or indirect control of the other party to the transaction;</p> <p>(III) holding a post in the other party to the transaction or in the body corporate <u>or other</u> organization capable of directly or indirectly controlling the other party to the transaction, the body corporate <u>or other</u> organization directly or indirectly controlled by the <u>other party</u> to the transaction;</p> <p>(IV) being a close <u>family member</u> of the other party to the transaction or of having direct or indirect control (see the detailed scope in Article 2);</p>

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	<p>(V) being a close relative of the other party or of directors, supervisors, senior officers having direct or indirect control;</p> <p>(VI) being a director whose independent business judgment may be affected, as confirmed by the CSRC, Shanghai Stock Exchange or Hong Kong Stock Exchange or the Company based on other reasons.</p>	<p>(V) being a close <u>family member</u> of the other party or of directors, supervisors, senior officers having direct or indirect control;</p> <p>(VI) being a director whose independent business judgment may be affected, as confirmed by the CSRC, Shanghai Stock Exchange or Hong Kong Stock Exchange or the Company based on <u>the substance over form principle</u>.</p>
13	Article 24	Article <u>19</u>
	<p>When the Company's Board voting on connected party transactions, the voting and abstaining procedures for the connected director are as follows:</p> <p>(I) the connected director shall actively request to abstain from voting, otherwise other directors have the right to request him to abstain from voting;</p> <p>(II) when there is any dispute on whether the director is a related director, the Board shall adopt the resolution by over half of the directors to determine whether such director is a related director and determine whether it needs to abstain voting;</p> <p>(III) the connected director shall not participate in discussing any connected transaction in which he has significant interest, and shall not exercise voting right on behalf of other directors, unless the Board adopts a resolution approving that such connected director does not need to abstain;</p>	<p>When the Company's Board voting on connected party transactions, the voting and abstaining procedures for the connected director are as follows:</p> <p>(I) the connected director shall actively request to abstain from voting, otherwise other directors have the right to request him to abstain from voting;</p> <p>(II) when there is any dispute on whether the director is a related director, the Board shall adopt the resolution by over half of the directors to determine whether such director is a related director and determine whether it needs to abstain voting;</p> <p>(III) the connected director shall not participate in discussing any connected transaction in which he has significant interest, and shall not exercise voting right on behalf of other directors, unless the Board adopts a resolution approving that such connected director does not need to abstain;</p>

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	<p>(IV) when the Board votes on connected party transactions, the meeting of the Board can be held if attended by over half of the non-connected directors, and the resolution made by the Board meeting shall be approved by over half of the non-connected directors;</p> <p>(V) if the number of directors cannot form a quorum (if non-connected directors attending the Board meeting are less than three) due to withdrawal of the connected director, so the resolutions cannot be adopted for the proposed matters, all directors (including the connected director) shall make decision on the procedural issues, for example, submitting such transactions to the general meeting of shareholders of the Company for discussion, and general meeting of shareholders shall make relevant resolutions for such transactions. The Board shall submit a copy of the motion to the general meeting of shareholders to explain the resolutions of the Board and suggestions of the connected directors.</p>	<p>(IV) when the Board votes on connected party transactions, the meeting of the Board can be held if attended by over half of the non-connected directors, and the resolution made by the Board meeting shall be approved by over half of the non-connected directors;</p> <p>(V) <u>if non-connected directors attending the Board meeting are less than three, the Company shall submit the transactions to the general meeting of shareholders for consideration.</u> The Board shall submit a copy of the motion to the general meeting of shareholders to explain the resolutions of the Board and suggestions of the connected directors.</p>
14	Article 25	Article <u>20</u>
	<p>When the general meeting of shareholders votes on matters of connected party transactions, connected shareholders may not participate in the voting. Shareholders who hold less than 5% of the Company's shareholding and guaranteed by the Company, the connected shareholders shall withdraw from voting at general meeting of shareholders.</p> <p>The connected shareholders aforementioned include the following shareholders or shareholders under one of the following circumstances:</p>	<p>When the general meeting of shareholders votes on matters of connected party transactions, connected shareholders may not participate in the voting <u>and shall not exercise the voting right on behalf of other shareholders.</u> Shareholders who hold less than 5% of the Company's shareholding and guaranteed by the Company, the connected shareholders shall withdraw from voting at general meeting of shareholders.</p> <p>The connected shareholders aforementioned include the following shareholders or shareholders under one of the following circumstances:</p>

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No.	Original Articles	Amended Articles
	<p>(I) being the other party to the transaction;</p> <p>(II) having direct or indirect control of the other party to the transaction;</p> <p>(III) being directly or indirectly controlled by the other party to the transaction;</p> <p>(IV) being directly or indirectly controlled by the same body corporate or natural person together with the other party to the transaction;</p> <p>(V) being shareholders that has equity transfer agreement or other agreements not been carried out with the other party to the transaction or connected parties, thus the voting right of such shareholders is restricted and affected;</p> <p>(VI) being identified by the CSRC or Shanghai Stock Exchange and Hong Kong Stock Exchange to be shareholders to which that the Company's interests may be in favour of them.</p> <p>Connected shareholders which are unable to withdraw due to special circumstances, after gaining consent of the regulatory body, can participate in the voting. The Company shall state in this situation at general meeting of shareholders, and make a separate statistic of voting of non-connected shareholders, and make disclosure of the record accordingly.</p>	<p>(I) being the other party to the transaction;</p> <p>(II) having direct or indirect control of the other party to the transaction;</p> <p>(III) being directly or indirectly controlled by the other party to the transaction;</p> <p>(IV) being directly or indirectly controlled by the same body corporate <u>or other organization</u> or natural person together with the other party to the transaction;</p> <p>(V) <u>holding a post in the other party to the transaction or in the body corporate or other organization capable of directly or indirectly controlling the other party to the transaction, the body corporate or other organization directly or indirectly controlled by the other party to the transaction;</u></p> <p>(VI) <u>being a close family member of the other party to the transaction or of having direct or indirect control;</u></p> <p>(VII) being shareholders that has equity transfer agreement or other agreements not been carried out with the other party to the transaction or connected parties, thus the voting right of such shareholders is restricted and affected;</p> <p>(VIII) being identified by the CSRC or Shanghai Stock Exchange and Hong Kong Stock Exchange to be shareholders to which that the Company's interests may be in favour of them.</p>

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No.	Original Articles	Amended Articles
		Connected shareholders which are unable to withdraw due to special circumstances, after gaining consent of the regulatory body, can participate in the voting. The Company shall state in this situation at general meeting of shareholders, and make a separate statistic of voting of non-connected shareholders, and make disclosure of the record accordingly.
15	Nil	<u>Article 23</u>
	No such article in the original text.	<u>If a transaction with a connected party is proposed during the course of operation and management of the Company, the relevant departments and divisions should submit a written report to the Administration Department (the Office of the Secretary of the Board) to provide the information of the connected party transaction (includes but not limited to background, advantageous position of the counterparty, purpose and necessity of the transaction, impacts on the Company, quantity, price and pricing principles, total amount, payment arrangement of the transaction, etc.) in advance.</u>

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No.	Original Articles	Amended Articles
16	Nil	<u>Article 24</u>
	No such article in the original text.	<u>After obtaining the materials, the Administration Department of the Company should conduct a preliminary review on the proposed connected party transaction with relevant departments, and provide feedbacks under the power of examination and approval of connected party transactions after performing an assessment based on the transaction amount. The relevant departments or divisions proposing the connected party transaction should submit the matters related to the connected party transaction, together with the feedbacks from the Administration Department, to personnel of higher rank who has the power of approval for decision based on the power of examination and approval as set out in the relevant regulations and policies of the Company.</u>
17	Nil	<u>Article 25</u>
	No such article in the original text.	<u>The Administration Department is responsible for assisting consideration and disclosure procedures of the Board, the general meeting of shareholders (if necessary), etc.</u>

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No.	Original Articles	Amended Articles
18	Article 35	Article <u>33</u>
	<p>The connected party transactions with an amount over RMB300,000 between the Company and connected natural persons, or the connected party transactions with an amount over RMB3 million between the Company and connected body corporates, and accounting for more than 0.5% of the Company's audited net asset values in the current period, shall be disclosed according to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange in two working days after agreements are signed.</p>	<p><u>Unless otherwise stipulated by the stock exchange,</u> the connected party transactions with an amount <u>(including debts and expenses undertaken)</u> over RMB300,000 between the Company and connected natural persons, or the connected party transactions with an amount <u>(including debts and expenses undertaken)</u> over RMB3 million between the Company and connected body corporates <u>(or other entities)</u>, and accounting for more than 0.5% of the <u>absolute value</u> of Company's audited net asset in the current period, shall be disclosed according to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange in two working days after agreements are signed.</p>
19	Article 42	Article <u>40</u>
	<p>In case of relatively large quantities of the daily connected transactions in various categories, the Company may make reasonable estimation on the total amount for such daily connected transactions which are expected to occur in the current year on a category by category basis before making disclosure in the annual report for the previous year and then submit the transactions to the Board or general meeting for consideration and make disclosure based on such estimation results.</p> <p>In respect of the daily connected transactions within the scope of such estimation, the Company shall disclose them in its annual reports and interim reports according to relevant requirements.</p> <p>In respect of the connected transactions of which the total transaction amount exceeds such estimation, the Company shall re-</p>	<p>In case of relatively large quantities of the daily connected transactions in various categories, the Company may make reasonable estimation on the total amount for such daily connected transactions which are expected to occur in the current year on a category by category basis before making disclosure in the annual report for the previous year and then submit the transactions to the Board or general meeting for consideration and make disclosure based on such estimation results.</p> <p>In respect of the daily connected transactions within the scope of such estimation, the Company shall disclose them in its annual reports and interim reports according to relevant requirements. <u>The Company shall classify, summarize and disclose the actual performance of daily connected transactions in the annual report and interim report.</u></p>

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No.	Original Articles	Amended Articles
	submit them to the Board or general meeting for consideration and make disclosure according to the exceeded amount.	In respect of the connected transactions of which the total transaction amount exceeds such estimation, the Company shall re-submit them to the Board or general meeting for consideration and make disclosure according to the exceeded amount.
20	Article 55	Article <u>53</u>
	Matters not covered by these rules should be handled in accordance with the existing State laws, regulations, rules, regulatory documents, the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the Articles of Association. If these rules are in conflict with the future State laws, regulations, the laws and the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the revised Articles of Association, the new State laws, regulations and regulatory documents, the laws and the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the revised Articles of Association shall prevail.	Matters not covered by these rules <u>or conflicted with relevant laws, regulations, rules, regulatory documents, the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the Articles of Association</u> should be handled in accordance with the existing State laws, regulations, rules, regulatory documents, the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the Articles of Association. If these rules are in conflict with the future State laws, regulations, the laws and the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the revised Articles of Association, the new State laws, regulations and regulatory documents, the laws and the requirements of the regulatory body and/or stock exchanges of the place where the Company's securities are listed, the Listing Rules and provisions of the revised Articles of Association shall prevail.

Note: the sequential numbers of relevant chapters, articles and cross references will be adjusted accordingly.

The English version of the proposed amendments to the Connected Transactions Decision-Making Mechanism is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Board believes that the proposed amendments to the Connected Transactions Decision-Making Mechanism are in the interests of the Company and its Shareholders.

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VI. PROPOSED AMENDMENTS TO THE INDEPENDENT DIRECTOR SYSTEM

The Company intends to put forward to the Shareholders a proposal to amend Article 6, Article 8, Article 9, Article 14, Article 15, Article 16, Article 17, Article 18, Article 28 and Article 38 and add articles as Article 7 and Article 13 of the Independent Director System.

No.	Original Articles	Amended Articles
1	Article 6	Article 6
	<p>The Board of the Company shall comprise of at least one-third of independent directors and three independent directors, which shall include at least one accounting professional (the qualification of accounting professionals shall meet the requirement of the regulatory institution).</p>	<p><u>Independent directors shall account for more than one-third of the members of the Board of the Company and shall include at least one accounting professional (the qualification of accounting professional shall meet the requirement of the regulatory institution).</u></p> <p><u>Accounting professional refer to persons who meet one of the following conditions:</u></p> <p>(1) <u>being qualified to practice as certified public accountant;</u></p> <p>(2) <u>having senior professional title, associate professor and above title, or doctor's degree of accounting, auditing or financial management;</u></p> <p>(3) <u>having senior professional title of economic management and more than 5 years of full time working experience in accounting, auditing, financial management or other professional positions.</u></p> <p><u>The majority of the audit committee, the nomination committee, the remuneration and assessment committee shall be independent directors and the meeting of which shall be convened by independent directors.</u></p>
2	Nil	Article 7
	No such article in the original text.	<u>At least one independent non-executive director of the Company usually resides in Hong Kong.</u>

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No.	Original Articles	Amended Articles
3	Article 8	Article <u>9</u>
	<p>The Board, Supervisory Committee, or the shareholders individually or jointly holding more than 1% of issued shares of the Company may nominate candidates for independent director. Then the independent director shall be elected by the general meeting.</p>	<p>The Board, Supervisory Committee, or the shareholders individually or jointly holding more than 1% of issued shares of the Company may nominate candidates for independent director. Then the independent director shall be elected by the general meeting. <u>Nominators shall not nominate persons who have interests with them or persons who have other close relations that may affect their independent performance of duties as candidates for independent directors.</u></p>
4	Article 9	Article <u>10</u>
	<p>Nominators shall acquire the consent from the nominees before nominating the independent directors. The nominators shall have a comprehensive understanding of the profession, educational background, title, specific work experience and all part-time jobs of the nominees, and express their opinions on the qualifications and independences of the nominees to be elected as independent directors. The nominees shall make public statements that they have no relationship with the Company that could hinder their making independent and objective judgments. The Board of the Company shall make the above information public in accordance with relevant rules before the convention of the general meeting to elect independent directors.</p>	<p>Nominators shall acquire the consent from the nominees before nominating the independent directors. The nominators shall have a comprehensive understanding of the profession, educational background, title, specific work experience and all part-time jobs of the nominees, and express their opinions on the qualifications and independences of the nominees to be elected as independent directors. The nominees shall make public statements that they have no relationship with the Company that could hinder their making independent and objective judgments. <u>The nomination committee of the Board shall review the qualifications of candidates and the listed companies shall disclose the qualification review of nominators, nominees and candidates before election at the general meeting.</u></p>

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No.	Original Articles	Amended Articles
5	Nil	<u>Article 13</u>
	No such article in the original text.	<u>When electing nominees as independent non-executive directors, in the relevant information of the general meeting, the Company shall set out the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent, the opinions, perspectives, skills and experience that the individual can bring to the Board and how the individual contributes to diversity to the Board, etc.</u>
6	Article 14	Article 1 <u>6</u>
	An independent director may resign prior to expiration of his term of office but shall tender resignation in writing to the Board, in which he shall give a description of any matter in relation to his resignation or to which he thinks that the shareholders and creditors of the Company shall be aware of. If resignation of an independent director renders the number of independent directors to fall below the minimum requirement of the Guidance Opinions and the Articles of Association, his resignation shall not become effective until his successor takes his office.	An independent director may resign prior to expiration of his term of office but shall tender resignation in writing to the Board, in which he shall give a description of any matter in relation to his resignation or to which he thinks that the shareholders and creditors of the Company shall be aware of. If resignation of an independent director renders the number of independent directors to fall below the minimum requirement of the Guidance Opinions and the Articles of Association <u>or there are no accounting professions among independent directors</u> , his resignation shall not become effective until his successor takes his office.
7	Article 15	Article 1 <u>7</u>
	An independent director shall have the following special powers in addition to the duties and powers stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the stocks of the Company are listed and the Articles of Association. 1) obtain the prior approval for significant connected party transactions, which means significant connected party transaction shall first be approved by independent directors	An independent director shall have the following special powers in addition to the duties and powers stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the stocks of the Company are listed and the Articles of Association. 1) obtain the prior approval for significant connected party transactions, which means significant connected party transaction shall first be approved by independent directors

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No.	Original Articles	Amended Articles
	and then discussed by the Board; before making a judgment, the independent directors may appoint an intermediary to provide independent financial advisory reports as a basis for their judgment;	and then discussed by the Board; before making a judgment, the independent directors may appoint an intermediary to provide independent financial and advisory reports as a basis for their judgment;
2)	propose to the Board to appoint or dismiss the accounting firm of the Company and to give prior approval for appointment or dismissal of the accounting firm by the Company;	2) propose to the Board to appoint or dismiss the accounting firm of the Company and to give prior approval for appointment or dismissal of the accounting firm by the Company;
3)	with the consent of all the independent directors, engage external auditors or consultancy firm independently to provide audit and consultation for specific matters of the Company at the cost of the Company;	3) with the consent of all the independent directors, engage external auditors or consultancy firm independently to provide audit and consultation for specific matters of the Company at the cost of the Company;
4)	propose to the Board to convene an extraordinary general meeting;	4) propose to the Board to convene an extraordinary general meeting;
5)	before convening a general meeting, act as the soliciting parties, personally or authorize securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the general meeting and exercise the shareholders' rights such as right of making motions and voting rights on behalf of such shareholders;	5) before convening a general meeting, act as the soliciting parties, personally or authorize securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the general meeting and exercise the shareholders' rights such as right of making motions and voting rights on behalf of such shareholders;
6)	propose to convene a Board meeting;	6) propose to convene a Board meeting;
7)	enjoy other powers stipulated by laws, administrative regulations, departmental rules, regulatory documents including the listing rules of the stock exchange in the place where the stocks of the Company are listed and the Articles of Association.	7) enjoy other powers stipulated by laws, administrative regulations, departmental rules, regulatory documents including the listing rules of the stock exchange in the place where the stocks of the Company are listed and the Articles of Association.

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No.	Original Articles	Amended Articles
	Except above items 1), 3) and 5), independent directors shall seek the consent of more than half of all the independent directors before exercising the above powers. If above proposals are not adopted or above powers cannot be exercised properly, the Company shall make relevant disclosure.	Except above items 1), 3) and 5); Independent directors shall seek the consent of more than half of all the independent directors before exercising the above powers <u>in items 1), 2), 4), 5) and 6)</u> . If above proposals are not adopted or above powers cannot be exercised properly, the Company shall make relevant disclosure.
8	Article 16	Article <u>18</u>
	<p>The following matters shall be submitted to the Board meeting for consideration upon giving the prior approval by independent directors to the Board:</p> <ol style="list-style-type: none"> 1) the significant connected party transactions (namely connected party transactions proposed to be entered into between the Company and connected persons, with an amount over RMB3.0 million or accounting for more than 5% of the Company's latest audited net asset values); 2) engagement or dismissal of the accounting firm by the Company. 	<p>The following matters shall be submitted to the Board meeting for consideration upon giving the prior approval by <u>obtaining the approval of more than half of</u> independent directors to the Board:</p> <ol style="list-style-type: none"> 1) the significant connected party transactions (namely connected party transactions proposed to be entered into between the Company and connected persons, with an amount over RMB3.0 million or accounting for more than 5% of the Company's latest audited net asset values); 2) engagement or dismissal of the accounting firm by the Company.
9	Article 17	Article <u>19</u>
	<p>The independent directors shall express their independent opinions to the Board or the general meeting on the following:</p> <ol style="list-style-type: none"> 1) nomination, appointment and removal of directors; 2) appointment or removal of senior management; 3) remuneration and stock incentive scheme of the directors and senior management of the Company; 	<p>The independent directors shall express their independent opinions to the Board or the general meeting on the following:</p> <ol style="list-style-type: none"> 1) nomination, appointment and removal of directors; 2) appointment or removal of senior management; 3) remuneration and stock incentive scheme of the directors and senior management of the Company;

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No.	Original Articles	Amended Articles
4)	the significant connected party transactions (represent existing or new loans borrowed by the Company or other funds transfer with the total amount exceeding RMB3 million or 5% of the latest audited net asset values of the Company made by the Company's shareholders, de facto controllers and their associated enterprises) and whether the Company will take effective actions to recover the loans;	4) the significant connected party transactions (represent existing or new loans borrowed by the Company or other funds transfer with the total amount exceeding RMB3 million or 5% of the latest audited net asset values of the Company made by the Company's shareholders, de facto controllers and their associated enterprises) and whether the Company will take effective actions to recover the loans;
5)	formulation of the plan for conversion of capital reserve fund into share capital;	5) formulation of the plan for conversion of capital reserve fund into share capital;
6)	formulation of profit distribution policy, profit distribution plan and cash dividend plan;	6) formulation of profit distribution policy, profit distribution plan and cash dividend plan;
7)	change in accounting policies, accounting estimates and corrections for significant accounting errors for reasons other than changes in accounting standard;	7) change in accounting policies, accounting estimates and corrections for significant accounting errors for reasons other than changes in accounting standard;
8)	appointment or dismissal of accountant firm;	8) appointment or dismissal of accountant firm;
9)	material assets reorganization of the Company;	9) <u>major asset reorganization plans, management acquisition, stock incentive schemes, employee share ownership schemes, share repurchase schemes;</u>
10)	repurchase of shares by the Company through call auction;	10) repurchase of shares by the Company through call auction;
11)	internal control assessment report of the Company;	11) internal control assessment report of the Company;
12)	commitment change plan committed by the Company to interested parties;	

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No.	Original Articles	Amended Articles
	<p>13) external guarantees. Besides, in the debriefing report at the annual general meeting, the independent directors shall give specific explanations on the Company's accumulated and current external guarantees and the implementation of regulatory documents such as relevant laws and regulations, and express independent opinions;</p> <p>14) for the plan of repaying debts with assets of the connected parties of the Company, independent directors shall provide independent opinions or engage intermediaries qualified for securities and futures business to issue an independent financial advisory report;</p> <p>15) when the Company purchases, sells or swaps assets, the independent directors shall provide independent opinion as to whether such asset transaction is beneficial to the interests of the Company and the shareholders as a whole, and shall point out whether or not the reorganization of the Company would lead to issues such as connected transaction or horizontal competition;</p> <p>16) matters that are deemed by independent directors to be likely to damage the interests of minority shareholders;</p> <p>17) other matters provided in the listing rules of stock exchanges of the place where the Company's shares are listed, the Articles of Association and other regulatory documents. The opinions expressed by independent</p>	<p>12) <u>commitment change plan of interested parties;</u></p> <p>13) <u>significant events such as disclosable connected party transactions, provision of guarantee (excluding guarantees provided for subsidiaries in consolidated statements), entrusted wealth management, provision of financial assistance, the use of raised funds and investments in stocks and its derivatives.</u> Besides, in the debriefing report at the annual general meeting, the independent directors shall give specific explanations on the Company's accumulated and current external guarantees and the implementation of regulatory documents such as relevant laws and regulations, and express independent opinions;</p> <p>14) for the plan of repaying debts with assets of the connected parties of the Company, independent directors shall provide independent opinions or engage intermediaries qualified for securities and futures business to issue an independent financial advisory report;</p> <p>15) when the Company purchases, sells or swaps assets, the independent directors shall provide independent opinion as to whether such asset transaction is beneficial to the interests of the Company and the shareholders as a whole, and shall point out whether or not the reorganization of the Company would lead to issues such as connected transaction or horizontal competition;</p>

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No.	Original Articles	Amended Articles
	<p>directors shall be specified in the resolutions of the Board meeting or general meeting.</p>	<p><u>16) the accounting firm issuing non-standard unqualified audit opinions on the financial accounting reports and internal controls of the Company;</u></p> <p><u>17) the impact of the issuance of preference shares on the rights and interests of various shareholders of the Company;</u></p> <p><u>18) the Company intending to decide that its shares will no longer be traded on the Shanghai Stock Exchange or Hong Kong Stock Exchange;</u></p> <p><u>19) matters that are deemed by independent directors to be likely to damage the interests of minority shareholders;</u></p> <p><u>20) other matters provided in the listing rules of stock exchanges of the place where the Company's shares are listed, the Articles of Association and other regulatory documents. The opinions expressed by independent directors shall be specified in the resolutions of the Board meeting or general meeting.</u></p>
10	Article 18	Article <u>20</u>
	<p>Independent directors of the Company shall give one of the following opinions in respect of the matters mentioned in Article 17 (other than items 13), 14), 15)):</p> <p>(1) consent; (2) qualified opinion and the reasons therefor; (3) objection and the reasons therefor; (4) disclaimer of opinion and the obstacles therefor.</p> <p>If the matters are disclosable, the Company shall also make public announcement on the independent directors' opinion. Where there are dissenting opinions among the</p>	<p>Independent directors of the Company shall give one of the following opinions in respect of the matters mentioned in Article <u>19</u> (other than items 13), 14), 15))):</p> <p>(1) consent; (2) qualified opinion and the reasons therefor; (3) objection and the reasons therefor; (4) disclaimer of opinion and the obstacles therefor.</p> <p>If the matters are disclosable, the Company shall also make public announcement on the independent directors' opinion. Where there are dissenting opinions among the</p>

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No.	Original Articles	Amended Articles
	independent directors, the Board shall disclose all independent directors' opinion separately.	independent directors, the Board shall disclose all independent directors' opinion separately.
12	Article 28	Article <u>30</u>
	<p>Independent directors shall timely and fully communicate with the management of the Company, in particular the Board secretary, to ensure smooth duty performance.</p> <p>An independent director shall work for the Company for at least 15 working days every year, including attending general meetings, Board meetings and meetings of special committees, examination of the establishment and implementation of systems for production and operation, management and internal control and execution of Board resolutions, discussion with the management of the Company on operation and on-site study of material investments, production and construction projects.</p>	<p>Independent directors shall timely and fully communicate with the management of the Company, in particular the secretary of the Board, to ensure smooth duty performance.</p> <p>An independent director shall work for the Company for at least 15 working days every year, including attending general meetings, Board meetings and meetings of special committees, examination of the establishment and implementation of systems for production and operation, management and internal control and execution of Board resolutions, discussion with the management of the Company on operation and on-site study of material investments, production and construction projects. <u>Independent non-executive directors and the chairman should at least hold one meeting annually without the presence of other directors.</u></p>
13	Article 38	Article <u>40</u>
	The system shall be effective and implemented from the approval date of the Board.	The system shall be effective and implemented from the approval date of the <u>general meeting</u> .

Note: the sequential numbers of relevant chapters, articles and cross references will be adjusted accordingly.

The English version of the proposed amendments to the Independent Director System is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Board believes that the proposed amendments to the Independent Director System are in the interests of the Company and its Shareholders.

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VII. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE SUPERVISORY COMMITTEE

The Company intends to put forward to the Shareholders a proposal to amend Article 1, Article 5, Article 7, Article 8, Article 12, Article 16, Article 24 and Article 25 and add articles as Article 28 and Article 29 of the Rules of Procedure of the Supervisory Committee.

No.	Original Articles	Amended Articles
1	Article 1	Article 1
	<p>In accordance with the Company Law of the People’s Republic of China (implemented on 1 January 2006) (hereinafter referred as “Company Law”) and Code of Corporate Governance for Listed Companies in China (implemented on 9 January 2002), the regulatory rules of China and overseas where the Company is listed, and the articles of association of the Company, these rules of procedures are formulated to regulate the operation of the Company, improve the supervision system, protect the legal rights of the Company and shareholders, and promote the efficiency of the supervisory committee in light of the actual conditions of the Company.</p> <p>Every supervisor of the Company shall abide by the rules.</p>	<p>In accordance with the Company Law of the People’s Republic of China (<u>revised on 26 October 2018</u>) (hereinafter referred as “Company Law”) and Code of Corporate Governance for Listed Companies in China (<u>revised on 30 September 2018</u>), <u>Guidelines for the Articles of Association of Listed Companies (revised on 5 January 2022)</u>, the <u>Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in February 2023)</u>, the regulatory rules of China and overseas where the Company is listed, and <u>the Articles of Association of China Oilfield Services Limited (revised on 22 December 2022, hereinafter referred to as the “Articles of Association”)</u>, these rules of procedures are formulated to regulate the operation of the Company, improve the supervision system, protect the legal rights of the Company and shareholders, and promote the efficiency of the supervisory committee in light of the actual conditions of the Company.</p> <p>Every supervisor of the Company shall abide by the rules.</p>
2	Article 5	Article 5
	<p>The term of appointment of supervisors in the supervisory committee shall be three years.</p> <p>The candidates of shareholder representatives in supervisors shall be nominated by shareholders. The election and replacement of these representatives shall be approved by shareholders representing over half of the</p>	<p>The term of appointment of supervisors in the supervisory committee shall be three years.</p> <p>The candidates of shareholder representatives in supervisors shall be nominated by shareholders. The election and replacement of these representatives shall be approved by shareholders representing over half of the</p>

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No.	Original Articles	Amended Articles
	<p>voting rights of the shareholders attending the general meeting of shareholders; the supervisor appointed by employees shall be elected or replaced by democratic election of the employees. Independent supervisor shall be elected, appointed or removed in the general meeting of the shareholders.</p> <p>Supervisor may be reappointed through consecutive election. The directors, CEO, president, vice presidents and chief financing officer of the Company shall not be appointed to the office of supervisor.</p> <p>Over 1/2 of members in the supervisory committee shall be external supervisors (hereafter referred to one who does not assume any position in the Company). An external supervisor is entitled to independently report the good faith and diligent performance of senior executives of the Company to the general meeting of the shareholders.</p> <p>If the term of supervisors expires but re-election has not been made in time, or the number of members in the supervisory committee is less than the quorum due to resignation of supervisors, before the re-elected supervisor assumes his position, the former supervisors shall continue to perform his responsibilities in compliance with laws, administrative rules and the articles of association.</p>	<p>voting rights of the shareholders attending the general meeting of shareholders; the supervisor appointed by employees shall be elected or replaced by democratic election of the employees. Independent supervisor shall be elected, appointed or removed in the general meeting of the shareholders.</p> <p>Supervisor may be reappointed through consecutive election. The directors, CEO, president, vice presidents, <u>chief financing officer and other senior executives</u> of the Company shall not be appointed to the office of supervisor.</p> <p>Over 1/2 of members in the supervisory committee shall be external supervisors (hereafter referred to one who does not assume any position in the Company). An external supervisor is entitled to independently report the good faith and diligent performance of senior executives of the Company to the general meeting of the shareholders.</p> <p><u>Supervisors shall submit a written resignation report with respect to their resignation. The supervisor's resignation takes effect upon delivery of his resignation report to the supervisory committee, except in the case of the following circumstances: (1) the resignation of supervisors results in members of the supervisory committee falling below the minimum quorum; (2) the number of employee representative supervisors is less than one-third of the members of the supervisory committee as a results of the resignation of employee representative supervisors. Before the resignation report takes effect, the supervisor who intends to resign shall continue to perform his duties in accordance with laws, regulations, the relevant requirements of the stock exchange</u></p>

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No.	Original Articles	Amended Articles
		<u>of the listing place, and the Articles of Association, except in some circumstances where serving as a supervisor is not permitted in accordance with relevant regulatory regulations.</u>
3	Article 7	Article 7
	<p>The supervisory committee is accountable to the general meeting of the shareholders and exercises its following duties and powers by law:</p> <p>(1) Check financial affairs of the Company;</p> <p>(2) Supervise the actions of the directors, CEO, president, vice presidents and other senior executives of the Company on the performance of their duties, and propose dismissal of the one who has been in violation of laws, administrative rules or the Articles of Association;</p> <p>(3) When any action of directors, CEO, president, vice presidents and other senior executives of the Company impairs the interest of the Company, request them to make remedy;</p> <p>(4) Check the financial report, business report and profit distribution plan that the board of directors intends to submit to the general meeting of shareholders, and authorize certified public accountants and auditors in practice to help re-check them in the name of the Company if any problem exists;</p> <p>(5) Propose to hold an extraordinary general meeting, convene and host the general meeting when the board of directors does not perform the duty</p>	<p>The supervisory committee is accountable to the general meeting of the shareholders and exercises its following duties and powers by law:</p> <p>(1) Check financial affairs of the Company;</p> <p>(2) Supervise the actions of the directors, CEO, president, vice presidents and other senior executives of the Company on the performance of their duties, and propose dismissal of the one who has been in violation of laws, administrative rules or the Articles of Association;</p> <p>(3) When any action of directors, CEO, president, vice presidents and other senior executives of the Company impairs the interest of the Company, request them to make remedy;</p> <p>(4) Check the financial report, business report and profit distribution plan that the board of directors intends to submit to the general meeting of shareholders, and authorize certified public accountants and auditors in practice to help re-check them in the name of the Company if any problem exists;</p> <p>(5) Propose to hold an extraordinary general meeting, convene and host the general meeting when the board of directors does not perform the duty of convening and presiding over</p>

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No.	Original Articles	Amended Articles
	<p>of convening and presiding over general meeting according to the Articles of Association;</p> <p>(6) Raise proposals to the general meeting of shareholders;</p> <p>(7) Bring action against the directors, CEO, president, vice presidents and other senior executives in accordance with the Company Law;</p> <p>(8) Exercise other duties and powers as stipulated in the Articles of Association.</p> <p>Supervisors may attend the meetings of the board of directors, and raise questions or suggestions on the decisions of the board of directors.</p>	<p>general meeting according to the Articles of Association <u>and the Company Law</u>;</p> <p>(6) Raise proposals to the general meeting of shareholders;</p> <p>(7) Bring action against the directors, CEO, president, vice presidents and other senior executives in accordance with the Company Law;</p> <p>(8) <u>Examine the periodical reports of the Company compiled by the Board and submit its opinions in writing;</u></p> <p>(9) <u>Investigate any irregularities in the operation of the Company and engage accounting firms, law firms and other professional institutions to assist in the investigation when necessary at the expense of the Company;</u></p> <p>(10) Exercise other duties and powers as stipulated in the Articles of Association.</p> <p>Supervisors may attend the meetings of the board of directors, and raise questions or suggestions on the decisions of the board of directors.</p>
4	Article 8	Article 8
	<p>The chairman of the supervisory committee exercises the following duties and powers:</p> <p>(1) Convene and presides over the meetings of the supervisory committee, and check the execution of resolutions adopted in the supervisory committee;</p> <p>(2) Report the work to the general meeting of shareholders on behalf of the supervisory committee;</p>	<p>The chairman of the supervisory committee exercises the following duties and powers:</p> <p>(1) Convene and presides over the meetings of the supervisory committee, and check the execution of resolutions adopted in the supervisory committee;</p> <p>(2) Report the work to the general meeting of shareholders on behalf of the supervisory committee;</p>

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No.	Original Articles	Amended Articles
	<p>(3) When any director or CEO brings an action against the Company, the chairman of the supervisory committee shall, on behalf of the Company, respond to the action with the directors or CEO;</p> <p>(4) Perform other responsibilities in accordance with laws or the Articles of Association.</p> <p>If the chairman of the supervisory committee cannot or fails to perform his duties, a vice chairman shall perform the duties of chairman.</p>	<p>(3) When any director or CEO brings an action against the Company, the chairman of the supervisory committee shall, on behalf of the Company, respond to the action with the directors or CEO;</p> <p>(4) Perform other responsibilities in accordance with laws or the Articles of Association.</p> <p>If the chairman of the supervisory committee cannot or fails to perform his duties, <u>a supervisor elected by more than 50% of the supervisors may convene and preside over a meeting of the supervisory committee.</u></p>
5	Article 12	Article 12
	<p>If necessary, the supervisory committee may engage professional institutions such as law office and accountant office during the exercising its duties and powers, and the expenses incurred shall be borne by the Company.</p>	<p>If necessary, the supervisory committee may engage professional institutions such as law office and accountant office during the exercising its duties and powers, and the expenses incurred shall be borne by the Company.</p>
6	Article 16	<u>Article 15</u>
	<p>Supervisors shall comply with the law, administrative rules and Articles of Association, and perform their obligations with good faith and due diligence.</p>	<p><u>The supervisors of the Company shall inform the Company of their shareholdings in the Company and any changes thereof. During the term of service, they shall not transfer shares of more than 25% of the total shares they hold in the Company per year, and shall not transfer shares of the Company within one year from the date of listing of the shares of the Company. Such supervisors shall not transfer the shares they held or increased of the Company within half a year from their resignation. The supervisors shall obey the laws and regulations (including the laws, regulations and exchange rules of the listing place) and the relevant internal rules of the Company when dealing with the shares of the Company during their term of services, and perform their obligations with good faith and due diligence.</u></p>

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No.	Original Articles	Amended Articles
7	Article 24	<u>Article 23</u>
	<p>Any meeting of the supervisory committee shall be kept in record, which includes the following:</p> <ol style="list-style-type: none"> (1) Number of the meeting of the supervisory committee and time, venue and means of the meeting; (2) Delivery of meeting notice; (3) Convener and chairman of the meeting; (4) Attendance in the meeting; (5) Statement on procedures and proceedings of the meeting; (6) Proposals reviewed in the meeting, outline of the speech and main ideas delivered by every supervisor on the affairs concerned, voting tendency on proposals; (7) Means and result of voting on every proposal (indicate the votes of for, against, abstain); (8) Other items should be kept in record according to the opinions of the supervisors present. <p>As to the meeting of the supervisory committee held by means of communications, the minutes for the meeting shall be sorted out in compliance with the rules stated above.</p>	<p>Any meeting of the supervisory committee shall be kept in record, which includes the following:</p> <ol style="list-style-type: none"> (1) Number of the meeting of the supervisory committee and time, venue and means of the meeting; (2) Delivery of meeting notice; (3) Convener and chairman of the meeting; (4) Attendance in the meeting; (5) Statement on procedures and proceedings of the meeting; (6) Proposals reviewed in the meeting, outline of the speech and main ideas delivered by every supervisor on the affairs concerned, voting tendency on proposals; (7) Means and result of voting on every proposal (indicate the votes of for, against, abstain); (8) Other items should be kept in record according to the opinions of the supervisors present. <p>As to the meeting of the supervisory committee held by means of communications, the minutes for the meeting shall be sorted out in compliance with the rules stated above.</p>

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No.	Original Articles	Amended Articles
	Supervisors and recorders present shall sign on the minutes. Supervisors are entitled to make explanatory records in the minutes to their speech at the meeting. The minutes for the supervisory committee's meeting shall be kept by the Company for at least 10 years.	Supervisors and recorders present shall sign on the minutes. Supervisors are entitled to make explanatory records in the minutes to their speech at the meeting. <u>The minutes of supervisory committee meetings shall be maintained as corporate archives by the secretary of the Board for a period of 15 years.</u>
8	Article 25	<u>Article 24</u>
	<p>The supervisors attending the meeting shall sign on the minutes of the meeting, summary of the meeting and record of the resolution. Any disagreement of supervisors may be described in writing when it is being signed. If necessary, supervisors may duly report to the regulatory authority or address any public statement.</p> <p>Without signature, or statement in writing, or report to regulatory authority or public statement according to the previous article, the supervisor will be considered to totally agree with the content of meeting minutes, meeting summary and resolution record.</p>	<p>The supervisors attending the meeting shall sign on the minutes of the meeting, summary of the meeting and record of the resolution. Any disagreement of supervisors may be described in writing when it is being signed. If necessary, supervisors may duly report to the regulatory authority or address any public statement. <u>If the stock exchange requires the minutes of supervisory committee meetings, the Company shall provide them as required by the stock exchange.</u></p> <p>Without signature, or statement in writing, or report to regulatory authority or public statement according to the previous article, the supervisor will be considered to totally agree with the content of meeting minutes, meeting summary and resolution record.</p>
9	Nil	<u>Article 28</u>
	No such article in the original text.	<u>Notice of resolutions of the supervisory committee shall include the time and method of issuance of the notice of meeting, the time, place and method of the meeting to be convened, particulars of the supervisors present by proxy and absent, voting results on each resolution and the reasons for opposition or abstention of the relevant supervisors and the specific contents of the items considered and the resolutions passed at the meeting.</u>

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No.	Original Articles	Amended Articles
10	Nil	<u>Article 29</u>
	No such article in the original text.	<u>If the meeting of the supervisory committee cannot be held or there is a dispute over the validity of the resolution, relevant matters, the claims of the parties to the dispute, the Company's current situation and other information shall be disclosed in a timely manner, which will help investors understand the actual situation of the Company, as well as special legal opinions issued by lawyers,</u>

Note: the sequential numbers of relevant chapters, articles and cross references will be adjusted accordingly.

The English version of the proposed amendments to the Rules of Procedure of the Supervisory Committee is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Board believes that the proposed amendments to the Rules of Procedure of the Supervisory Committee are in the interests of the Company and its Shareholders.

VIII. PROPOSED APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The term of Mr. Zhao Shunqiang (“**Mr. Zhao**”), an executive director of the Company, will expire on 20 October 2023. Pursuant to the Company Law and the Articles of Association, the Board proposes the re-appointment of Mr. Zhao Shunqiang as an executive Director of the Company. If the above proposed re-appointment is approved at the First EGM, Mr. Zhao Shunqiang will continue to serve as the chairman of the Board and the member of the nomination committee.

Pursuant to the Company Law and the Articles of Association, the Board proposes the appointment of Mr. Lu Tao (“**Mr. Lu**”) as an executive Director of the Company.

Pursuant to the Company Law and the Articles of Association, the Board proposes the appointment of Mr. Liu Qiudong (“**Mr. Liu**”) as a non-executive Director of the Company. If the above proposed appointment is approved at the First EGM, Mr. Liu Qiudong will serve as the member of the remuneration and assessment committee of the Company.

Pursuant to the Company Law and the Articles of Association, the Board proposes the appointment of Mr. Fan Baitao (“**Mr. Fan**”) as a non-executive Director of the Company.

The Board of the Company has put forward to the shareholders of the Company a proposal in respect of the amendments to the Articles of Association to ensure that the above proposed appointment of Mr. Liu Qiudong and Mr. Fan Baitao as non-executive directors complies with the requirement in respect of the number of directors of the Board under the revised Articles of Association. For details of the above proposal in respect of the amendments to the Articles of Association, please refer to the section headed “II.

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PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION” of this circular. The above proposed appointment of Mr. Liu Qiudong and Mr. Fan Baitao as non-executive directors (subject to the approval by the shareholders) is conditional upon the above proposed amendments to the Articles of Association being approved by the shareholders at the First EGM. If the proposed amendments to the Articles of Association have not been approved by the shareholders at the First EGM, then even if the above proposed appointment of Mr. Liu Qiudong and Mr. Fan Baitao as non-executive directors is approved by the shareholders, such appointment will not take effect.

Background of Mr. Zhao Shunqiang

Mr. Zhao Shunqiang, Chinese, born in 1968, Chairman, Executive Director and CEO of COSL, senior engineer, graduated from China University of Petroleum (East China) with bachelor degree of drilling engineering in 1990 and was granted EMBA of CEIBS in 2008. From July 1990 to November 2001, Mr. Zhao successively served as drilling foreman, staff member of operating department and senior team leader of China Offshore Oil Northern Drilling Company; from November 2001 to October 2002, he successively served as Vice President of China Offshore Oil International Engineering Company and manager of Bohai No. 9 Rig of China Offshore Oil Northern Drilling Company; from October 2002 to August 2004, he served as Vice General Manager of Tianjin Branch of COSL; from August 2004 to November 2004, he served as Director of Drilling Technology Institute (Tanggu) of COSL IPM Division; from November 2004 to December 2005, he served as General Manager of Tianjin Branch of COSL; from December 2005 to April 2012, he served as General Manager of the Production Optimization Division of COSL, while he also served as the Dean of Production Optimization Research Institute from January 2011 to April 2012; from April 2012 to March 2018, he served as the Vice General Manager of CNOOC International Limited; from March 2018 to August 2020, he served as President of CNOOC Uganda Limited; from August 2020 to April 2021, he has served as President of COSL. Since October 2020, he has served as an Executive Director of COSL. He has been served as Chairman and CEO of COSL since April 2021. Mr. Zhao has over 30 years of experience in the oil and natural gas industry.

Save as disclosed above, Mr. Zhao has not held any directorship in other listed companies in the past three years, and has not held any positions in the Company and its subsidiaries.

Save as disclosed above, Mr. Zhao has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, Mr. Zhao does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Subject to the approval at the First EGM, Mr. Zhao will enter into a service contract with the Company for a term of three years. No specific remuneration amount will be stipulated in the service contract to be entered into between the Company and Mr. Zhao, however, during the tenure of Mr. Zhao as an executive Director of the Company, his remuneration will be implemented according to the remuneration management measures of the Company and with reference to the standard of senior management. The annual remuneration of Mr. Zhao is expected to be ranged from RMB1.00 million to RMB1.65 million. The specific amount shall be determined after taking into account the recommendations made by the remuneration and assessment committee of the Board in accordance

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with its terms of reference, and with reference to (among other things) his duties and responsibilities. The Company will disclose the relevant remuneration when it is determined. For the specific remuneration, please refer to the annual reports to be published by the Company in due course.

Background of Mr. Lu Tao

Mr. Lu Tao, Chinese, born in 1969, President of COSL, is a professor-level senior engineer. He graduated from the University of Electronic Science and Technology of China with major in electromagnetic field and microwave technology and a master's degree in 1993, and later was granted a doctorate degree in measurement technology and instrumentation from the University of Electronic Science and Technology of China. From April 1993 to July 1993, Mr. Lu served as research engineer at the Research Institute of China National Offshore Oil Logging Corporation, and from July 1993 to October 1993, he had an intern at Xinjiang Branch of China National Offshore Oil Logging Corporation. From October 1993 to January 2002, he served as research engineer at the Research Institute of China National Offshore Oil Logging Corporation. From January 2002 to September 2002, he served as Vice Chief Engineer of the Technology Development Center of COSL Logging Division. From September 2002 to December 2004, he served as the Vice Chief Engineer of the Electromechanical Equipment Institute of COSL R&D Center. From December 2004 to April 2006, he served as the Director of the Electromechanical Equipment Institute of the COSL Technical Center. From April 2006 to January 2010, he served as the Chief Engineer of the COSL Technical Center. From January 2010 to May 2010, he served as Deputy Director of COSL Technical Center. From June 2010 to June 2016, he served as Vice General Manager of COSL Well Tech Division. From June 2016 to November 2017, he served as General Manager of COSL Well Tech Division. From November 2017 to August 2019, he served as General Manager and Deputy Party Secretary of COSL Well Tech Division. From August 2019 to November 2019, he served as General Manager and Deputy Party Secretary (responsible for the work of the Party Committee) of COSL Well Tech Division. From November 2019 to August 2020, he served as General Manager and Party Secretary of COSL Well Tech Division. He concurrently served as General Legal Counsel of COSL from July 2020 to July 2021. He served as Vice President of COSL from July 2020 to May 2023. Since May 2023, he has served as President of COSL.

Save as disclosed above, Mr. Lu has not held any directorship in other listed companies in the past three years, and has not held any positions in the Company and its subsidiaries.

Save as disclosed above, Mr. Lu has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, Mr. Lu does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Subject to the approval at the First EGM, Mr. Lu will enter into a service contract with the Company for a term of three years, and can be re-elected at the Company's general meeting. No specific remuneration amount will be stipulated in the service contract to be entered into between the Company and Mr. Lu, however, during the tenure of Mr. Lu as an executive Director of the Company, his remuneration will be implemented according to the remuneration management measures of the Company and with reference to the standard of senior management. The annual remuneration of Mr. Lu is expected to be ranged from RMB0.9 million to RMB1.5 million. The

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specific amount shall be determined after taking into account the recommendations made by the remuneration and assessment committee of the Board in accordance with its terms of reference, and with reference to (among other things) his duties and responsibilities. The Company will disclose the relevant remuneration when it is determined. For the specific remuneration, please refer to the annual reports to be published by the Company in due course.

Background of Mr. Liu Qiudong

Mr. Liu Qiudong was born in 1972 as Chinese nationality. He has been awarded the title of Senior Accountant. He also is a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Certified Public Accountant Australia (FCPA Australia), a member of the Association of International Accountants (AIA). He obtains a certificate of leading accounting talent issued by the National Government Offices Administration and had been appointed as a member of the Accounting Standards Advisory Committee of the Ministry of Finance. Mr. Liu graduated from Financial Institute of Shandong Yantai with a major in Foreign-related Accounting in July 1994, a dual master's degree in Commerce and MBA from Deakin University in Australia in December 2005. From August 1995 to May 1997, he served as an accountant of the Planning and Financial Department of Shandong Fisheries Enterprise Group; from June 1997 to April 2000, he served as a financial manager of SHANSHUI Enterprise Pty Ltd; from May 2000 to December 2003, he served as a financial manager of Aqua Star Pty Ltd. Mr. Liu previously served as an overseas business senior supervisor of the International Business and Marketing Department of COSL from June 2006 to July 2007, a manager of information disclosure of the Office of the Secretary to the Board of COSL from August 2007 to October 2013, and an accounting manager of the Finance Department of COSL from November 2013 to April 2017. He served as a Chief of the report analysis division of the Financial and Assets Department of CNOOC from May 2017 to October 2021, and a vice general manager of the Financial and Assets department of CNOOC from November 2021 to October 2022. He has served as a vice general manager of the Financial and Treasury Department of CNOOC since November 2022.

Save as disclosed above, Mr. Liu has not held any directorship in other listed companies in the past three years, and has not held any positions in the Company and its subsidiaries.

Save as disclosed above, Mr. Liu has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, Mr. Liu does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Subject to the approval at the First EGM, Mr. Liu will enter into a service contract with the Company for a term of three years, and can be re-elected at the Company's general meeting. Mr. Liu will not receive any remuneration in respect of his appointment as a Director of the Company.

Background of Mr. Fan Baitao

Mr. Fan Baitao, Chinese, born in 1975, is a professor-level senior engineer and an expert of China National Offshore Oil Corporation who is entitled to a special allowance provided by the State Council. He graduated from Daqing Petroleum Institute with a major in petroleum engineering in July

LETTER FROM THE BOARD

1998 and obtained a doctorate degree in oil and gas well engineering from China University of Petroleum (Beijing) in December 2018. From July 1998 to July 1999, Mr. Fan had an intern at well completion of Production Department of CNOOC Bohai Company. From July 1999 to July 2003, he served as a well completion supervisor of CNOOC Bohai Industrial Company. From July 2003 to April 2019, he successively served as the oilfield development and management supervisor of Drilling Division, drilling & completion representative and drilling & completion vice manager of Kerr-Mcgee Joint Administrative Committee, design manager of drilling division, chief engineer of drilling & completion division, and manager of engineering and technology department of Tianjin Branch of CNOOC (China) Limited. From April 2019 to October 2022, he successively served as the dean of Drilling and Production Institute, vice chief engineer (drilling & completion) and the dean of Drilling and Production Institute of CNOOC Research Institute Co., Ltd. He has served as the chief engineer (drilling & completion) of engineering technology department of CNOOC Limited since November 2022.

Save as disclosed above, Mr. Fan has not held any directorship in other listed companies in the past three years, and has not held any positions in the Company and its subsidiaries.

Save as disclosed above, Mr. Fan has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this circular, Mr. Fan does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Subject to the approval at the First EGM, Mr. Fan will enter into a service contract with the Company for a term of three years, and can be re-elected at the Company's general meeting. Mr. Fan will not receive any remuneration in respect of his appointment as a Director of the Company.

With respect to the above proposed appointment and re-appointment of directors, save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, and the Company is not aware of any other matters that need to be brought to attention of the Shareholders of the Company.

The nomination is proposed by the Board of the Company in accordance with the provisions of the articles of association of the Company and in consideration of the candidate's biographical details, skill background, knowledge, experience, gender and specific needs of the Company, and has been initially reviewed by the nomination committee of the Board and considered by the Board. Such nomination will be proposed to the First EGM for election and determination.

IX. FIRST EGM

A notice convening the 2023 First EGM to be held at Room 311, Main Building of COSL, 201 Haiyou Avenue, Yanjiao Economic & Technological Development Zone, Sanhe City, Hebei Province, the PRC on Thursday, 17 August 2023 at 10:00 a.m., is set out on pages 74 to 77 of this circular.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions to be proposed at the First EGM will be voted by poll.

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For the purpose of determining the entitlement for attendance and voting at the First EGM, the H Shares register of members of the Company will be closed from Tuesday, 15 August 2023 to Thursday, 17 August 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to attend and vote at the First EGM, holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 14 August 2023. Holders of A Shares should contact the Secretary of the Board for details concerning registration of transfers of A Shares.

Shareholders of the Company is entitled to attend and vote at the First EGM by himself or by proxy, if a proxy is appointed to attend the meeting, you are requested to complete the proxy form in accordance with the instructions set out therein and return it to the Office of the Secretary of the Board at the Company's principal place of business in the PRC for holders of the A Shares and at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for holders of H Shares of the Company as soon as possible but in any event, not less than 24 hours before the time appointed for holding the First EGM or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the First EGM or any adjourned meeting (as the case may be) should you so wish.

X. RECOMMENDATION

The Directors consider that (1) proposed amendments to the Articles of Association; (2) proposed amendments to the Rules of Procedure for Shareholders' General Meeting; (3) proposed amendments to the Rules of Procedure of the Board of Directors; (4) proposed amendments to the Connected Transactions Decision-Making Mechanism; (5) proposed amendments to the Independent Director System; (6) proposed amendments to the Rules of Procedure of the Supervisory Committee and (7) proposed appointment and re-appointment of directors, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the First EGM.

XI. RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purposes of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this document 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 document misleading.

By order of the Board
China Oilfield Services Limited
Sun Weizhou
Joint Company Secretary

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING



中海油田服务股份有限公司 China Oilfield Services Limited

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

(Stock Code: 2883)

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 first extraordinary general meeting (the “**First EGM**”) of China Oilfield Services Limited (the “**Company**”) will be held at Room 311, Main Building of COSL, 201 Haiyou Avenue, Yanjiao Economic & Technological Development Zone, Sanhe City, Hebei Province, the PRC on Thursday, 17 August 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolutions of the Company:

SPECIAL RESOLUTION

1. To consider and approve the resolution in relation to the amendments to the Articles of Association.

ORDINARY RESOLUTIONS

2. To consider and approve the resolution in relation to the amendments to the Rules of Procedure for Shareholders' General Meeting.
3. To consider and approve the resolution in relation to the amendments to the Rules of Procedure of the Board of Directors.
4. To consider and approve the resolution in relation to the amendments to the Connected Transactions Decision-Making Mechanism.
5. To consider and approve the resolution in relation to the amendments to the Independent Director System.
6. To consider and approve the resolution in relation to the amendments to the Rules of Procedure of the Supervisory Committee.
7. To consider and approve the appointment and re-appointment of directors
 - 7.1 To consider and approve the re-appointment of Mr. Zhao Shunqiang as the executive director of the Company.
 - 7.2 To consider and approve the appointment of Mr. Lu Tao as the executive director of the Company.

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

- 7.3 To consider and approve the appointment of Mr. Liu Qiudong as the non-executive director of the Company ^(Note).
- 7.4 To consider and approve the appointment of Mr. Fan Baitao as the non-executive director of the Company ^(Note).

Note: The Board of the Company has put forward to the shareholders of the Company a proposal in respect of the amendments to the articles of association (i.e. special resolution set out in this notice) to ensure that the above proposed appointment of Mr. Liu Qiudong and Mr. Fan Baitao as non-executive directors complies with the requirement in respect of the number of directors of the Board under the revised articles of association. The above proposed appointment of Mr. Liu Qiudong and Mr. Fan Baitao as non-executive directors (subject to the approval by the shareholders) is conditional upon the above proposed amendments to the articles of association being approved by the shareholders at the First EGM. If the proposed amendments to the articles of association have not been approved by the shareholders at the First EGM, then even if the above proposed appointment of Mr. Liu Qiudong and Mr. Fan Baitao as non-executive directors is approved by the shareholders, such appointment will not take effect.

By Order of the Board
China Oilfield Services Limited
Sun Weizhou
Joint Company Secretary

31 July 2023

As at the date of this notice, the executive directors of the Company are Messrs. Zhao Shunqiang (Chairman) and Xiong Min; the non-executive directors of the Company are Messrs. Wu Wenlai and Liu Zongzhao; and the independent non-executive directors of the Company are Ms. Chiu Lai Kuen, Susanna, Messrs. Kwok Lam Kwong, Larry and Yao Xin.

Notes:

- (1) All resolutions at the meeting will be taken by poll pursuant to the Hong Kong Listing Rules and the results of the poll will be published on the Stock Exchange's and the Company's websites in accordance to the Hong Kong Listing Rules.
- (2) Holders of the Company's overseas listed foreign invested shares (H Shares) whose names appear on the Company's register of members maintained by Computershare Hong Kong Investor Services Limited on Tuesday, 15 August 2023 are entitled to attend and vote at the First EGM.
- (3) Each shareholder of the Company who has the right to attend and vote at the First EGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the First EGM. Where a shareholder has appointed more than one proxy to attend the general meeting, the shareholder shall specify the class and number of shares of the Company in respect of which each proxy is so appointed. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. In the case that an appointer is a legal person, the power of attorney must be either under the common seal of the legal person or under the hand of its director or other person, duly authorised. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be certified by a notary public. For holders of H Shares, the power of attorney or other documents of authorisation and proxy forms must be delivered to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by post or facsimile, no less than 24 hours

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

before the time appointed for the holding of the First EGM in order for such documents to be valid. For holders of A Shares, the above-mentioned documents must be delivered to the Office of the Secretary of the Board of the Company before the above-mentioned time.

- (4) Holders of H Shares whose names appear on the Company's register of members maintained by Computershare Hong Kong Investor Services Limited and holders of A Shares whose name appear on the Company's register of members maintained by Shanghai branch of China Securities Depository & Clearing Corporation Limited on Tuesday, 15 August 2023 are entitled to attend the First EGM. The Company's register of members will be closed from Tuesday, 15 August 2023 to Thursday, 17 August 2023 (both days inclusive), during which time no transfer of shares will be registered. Transferees of H Shares who wish to attend the First EGM must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited by no later than 4:30 p.m. on Monday, 14 August 2023 for completion of the registration of the relevant transfer in accordance with the Articles of Association.

Computershare Hong Kong Investor Services Limited's address is as follows:

Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

- (5) The cumulative voting method will be adopted by the Company for the election of directors at the First EGM.

Cumulative voting method

When adopting the cumulative voting method for electing the director as proposed in Resolution 7, each of the shares held by a Shareholder shall carry the same number of votes corresponding to the number of directors to be elected. A shareholder may exercise his voting rights by splitting his votes evenly for each of the candidates of directors corresponding to the number of shares he holds; or by casting all his votes carried by each of his shares corresponding to the number of directors to be elected for a particular candidate of directors; or by casting a portion of his votes carried by each of his shares corresponding to the number of directors to be elected for a certain number of candidates of directors.

For example: under the cumulative voting method, the maximum valid votes that a Shareholder is entitled to cast are calculated on the basis of the total number of shares held by such Shareholder times the number of directors to be elected (2 persons). If such Shareholder holds 100 shares, then the maximum valid votes he can cast = 100 (the number of shares held by him) x 2 = 200. The Shareholder could use his discretion to cast 200 votes evenly among 2 candidates, or to place all his votes on one particular candidate, or to split his votes to 2 candidates.

Where the total number of votes cast by a Shareholder for one or several of the candidate(s) of directors 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 for one or several candidate(s) of directors 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 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.

The candidate is elected when the obtained exceed half of the number of shares (on the basis of non-cumulative number of shares) held by the Shareholders (including their proxies) attending this general meeting.

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

- (6) Shareholders or their proxies must present proof of their identities upon attending the First EGM. Should a proxy be appointed, the proxy must also present copies of his/her form of proxy, or copies of appointing instrument and power of attorney, if applicable.
- (7) The First EGM is expected to last not more than one day. Shareholders or proxies attending the First EGM are responsible for their own transportation and accommodation expenses.