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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in A-Living Smart City Services Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

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**A-LIVING SMART CITY SERVICES CO., LTD.\***

**雅生活智慧城市服務股份有限公司**

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

**(Stock Code: 3319)**

- (1) REPORT OF THE BOARD OF DIRECTORS FOR 2023**
  - (2) REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**
  - (3) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2023**
  - (4) 2023 ANNUAL REPORT**
  - (5) ANNUAL FINANCIAL BUDGET FOR 2024**
  - (6) PROPOSED DECLARATION OF 2023 FINAL DIVIDEND**
  - (7) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR**
  - (8) REMUNERATION OF DIRECTORS**
  - (9) PROPOSED APPOINTMENT OF SUPERVISOR**
  - (10) REMUNERATION OF SUPERVISORS**
  - (11) RE-APPOINTMENT OF AUDITOR FOR 2024**
  - (12) GENERAL MANDATE TO ISSUE ADDITIONAL SHARES**
  - (13) GENERAL MANDATE TO BUY BACK SHARES**
  - (14) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- AND**
- NOTICE OF 2023 ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of A-Living Smart City Services Co., Ltd. to be held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Wednesday, 29 May 2024 at 3:00 p.m. is set out on pages 91 to 94 of this circular. A proxy form for use at the Annual General Meeting is also enclosed. Such proxy form is also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.agileliving.com.cn>).

Shareholders who intend to appoint a proxy to attend the Annual General Meeting shall complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

\* For identification purposes only



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## DEFINITIONS

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

“2023 Annual Report”	the annual report of the Company for the year ended 31 December 2023, which has been published on the websites of the Hong Kong Stock Exchange ( <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> ) and the Company ( <a href="http://www.agileliving.com.cn">http://www.agileliving.com.cn</a> )
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Wednesday, 29 May 2024 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 91 to 94 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associate”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Buy-Back General Mandate”	a general mandate to be granted to the Board for exercising the power of the Company to buy back H Shares not exceeding 10% of the total number of H Shares in issue (excluding treasury shares) on the date of passing the related resolution, subject to the conditions set out in the resolution proposed at the AGM for approving the general mandate
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	A-Living Smart City Services Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange

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## DEFINITIONS

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“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group” or “we”	the Company and its subsidiaries
“H Shares”	overseas listed shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue General Mandate”	a general mandate to be granted to the Board for exercising the power of the Company to issue H Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) not exceeding 20% of the total number of H Shares (excluding treasury shares) in issue on the date of passing the related resolution, subject to the conditions set out in the resolution proposed at the AGM for approving the general mandate
“Latest Practicable Date”	18 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended, supplemented or otherwise modified from time to time
“treasury shares”	has the meaning as ascribed to it under the Listing Rules

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LETTER FROM THE BOARD

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**A-LIVING SMART CITY SERVICES CO., LTD.\***

**雅生活智慧城市服務股份有限公司**

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

**(Stock Code: 3319)**

*Executive Directors:*

Mr. Chan Cheuk Hung (*Co-chairman*)  
Mr. Huang Fengchao (*Co-chairman*)  
Mr. Li Dalong (*President (General Manager)*  
*and Chief Executive Officer*)  
Mr. Chen Siyang (*Vice President*)

*Non-executive Director:*

Mr. Xu Yongping

*Independent Non-executive Directors:*

Mr. Wang Gonghu  
Mr. Weng Guoqiang  
Mr. Li Jiahe

*Registered Office in the PRC:*

Management Building, Xingye Road  
Agile Garden, Sanxiang Town  
Zhongshan  
Guangdong Province, PRC

*Principal Place of Office in the PRC:*

35/F, Agile Center  
26 Huaxia Road  
Zhujiang New Town  
Tianhe District, Guangzhou  
Guangdong Province, PRC

*Principal Place of Business  
in Hong Kong:*

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

26 April 2024

*To the Shareholders*

Dear Sir/Madam,

- (1) REPORT OF THE BOARD OF DIRECTORS FOR 2023**
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**
- (3) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2023**
- (4) 2023 ANNUAL REPORT**
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- (14) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF 2023 ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

### 2. BUSINESSES TO BE CONSIDERED AT THE AGM

The businesses to be considered at the AGM are described in more details in the section headed “Notice of 2023 Annual General Meeting” as set out on pages 91 to 94 of this circular.

At the AGM, ordinary resolutions will be proposed to consider and approve the following:

- (a) the report of the Board for the year ended 31 December 2023 (the “**2023 Report of the Board**”);
- (b) the report of the Supervisory Committee for year ended 31 December 2023 (the “**2023 Report of the Supervisory Committee**”);
- (c) the audited consolidated financial statements of the Company for the year ended 31 December 2023 (the “**2023 Financial Statements**”);
- (d) the 2023 Annual Report;
- (e) the annual financial budget of the Company for the year ending 31 December 2024 (the “**2024 Financial Budget**”);
- (f) to declare a final dividend of RMB0.06 per Share (before tax) for the year ended 31 December 2023;
- (g) the proposed appointment of a non-executive Director;
- (h) the authorisation of the Board to determine the remuneration of the Directors;
- (i) the proposed appointment of a Supervisor;
- (j) the authorisation of the Supervisory Committee to determine the remuneration of the Supervisors; and
- (k) the re-appointment of Grant Thornton Hong Kong Limited as the auditor of the Company for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their remuneration.

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## LETTER FROM THE BOARD

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At the AGM, special resolutions will be proposed to consider and approve the following:

- (a) the Issue General Mandate;
- (b) the Buy-Back General Mandate; and
- (c) proposed amendments to the Articles of Association.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision in the circumstances where sufficient and necessary information are available, we have provided detailed information in this circular to the Shareholders.

### **3. BUSINESSES OF THE AGM**

#### **Ordinary Resolutions**

##### ***3.1 To consider and approve the 2023 Report of the Board***

The text of the 2023 Report of the Board is set out in the section headed “Report of the Board of Directors” in the 2023 Annual Report.

The 2023 Report of the Board was considered and approved by the Board on 25 March 2024 and is hereby proposed at the AGM for consideration and approval.

##### ***3.2 To consider and approve the 2023 Report of the Supervisory Committee***

The text of the 2023 Report of the Supervisory Committee is set out in the section headed “Report of the Supervisory Committee” in the 2023 Annual Report.

The 2023 Report of the Supervisory Committee was considered and approved by the Supervisory Committee on 25 March 2024 and is hereby proposed at the AGM for consideration and approval.

##### ***3.3 To consider and approve the 2023 Financial Statements***

Please refer to the audited consolidated financial statements in the 2023 Annual Report.

The 2023 Financial Statements were considered and approved by the Board on 25 March 2024 and are hereby proposed at the AGM for consideration and approval.

##### ***3.4 To consider and approve the 2023 Annual Report***

The 2023 Annual Report was considered and approved by the Board on 25 March 2024 and is hereby proposed at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### ***3.5 To consider and approve the 2024 Financial Budget***

The 2024 Financial Budget was considered and approved by the Board on 25 March 2024 and is hereby proposed at the AGM for consideration and approval, the specific details of which are as follows:

After comprehensively considering the economic situation, financial environment, development trend of the industry over the past three years and the Company's three-year business objectives, the 2024 Financial Budget was formulated mainly as follows:

- I. the total budget for operating cost and expenses (deducting taxes, surcharges and non-operating expenses) of the Company in 2024 is estimated to be approximately RMB14 billion; and
- II. in view of the strategic and business development, the budget amount for the Company's additional capital expenditure in 2024 is estimated to be approximately RMB0.2 billion (excluding the capital expenditure of investment and mergers and acquisitions).

The above budget amounts are only used as projections of the Company based on the business plan, the actual expenditure shall be recorded based on the actual prices and market conditions when the relevant transactions occur.

### ***3.6 To consider and approve the proposed final dividend***

The Board proposed the distribution of a final dividend of RMB0.06 per share (before tax) for the year ended 31 December 2023 (the “**Final Dividend**”), the dividend payout ratio will be equivalent to 18.5%, and the amount of which will be subject to the approval of the Shareholders at the AGM. Final Dividend payable to the shareholders of domestic shares of the Company will be paid in Renminbi, whereas Final Dividend payable to the shareholders of H Shares will be declared in Renminbi and paid in Hong Kong dollars (except for the holders of H Shares who became Shareholders through the Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets and the Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets, whose Final Dividend will be paid in Renminbi), the exchange rate of which will be calculated based on the average exchange rate of RMB against Hong Kong dollars published by The People's Bank of China five business days prior to the 2023 AGM. Subject to the approval of the Shareholders at the 2023 AGM, the Final Dividend will be paid on or about Friday, 12 July 2024. None of the Shareholders has waived or agreed to waive any dividend.

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## LETTER FROM THE BOARD

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According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008, and was amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which took effect on 1 January 2008 and was amended on 23 April 2019, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897)(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years to H shareholders which are overseas non-resident enterprises, it is required to withhold 10% enterprise income tax for such nonresident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the Final Dividend as enterprise income tax, distribute the Final Dividend to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company, i.e. any shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or shareholders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprise shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with requirement of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020)(《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) which was promulgated by the Ministry of Finance and the State Administration of Taxation and came into effect on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign invested enterprises. Therefore, as a foreign-invested enterprise, the Company will not withhold PRC individual income tax on behalf of overseas individual shareholders whose names appear on the H Shares register of members of the Company when the Company distributes the dividends.

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## LETTER FROM THE BOARD

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### *Final Dividend for Investors of Southbound Trading*

For investors (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai Stock Exchange and Shenzhen Stock Exchange (collectively the “**Southbound Trading**”), the Company has entered into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited or the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends of the investors of Southbound Trading will be distributed in Renminbi.

According to the provisions of the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Interconnected Mechanism for Trading on the Shanghai and Hong Kong Stock Connect (Cai Shui [2014] No. 81)(《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127)(《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), the income tax implications on dividends and bonuses received by Mainland individual investors, Mainland securities investment funds and Mainland enterprise investors are as follows:

- (i) for Mainland individual investors, H share companies shall withhold the individual income tax for these investors at the tax rate of 20% on dividends and bonuses received by them from investing in H Shares listed on the Hong Kong Stock Exchange via Southbound Trading;
- (ii) for dividends and bonuses received by Mainland securities investment funds from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the individual income tax shall be levied in accordance with the above provisions; and

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## LETTER FROM THE BOARD

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- (iii) for dividends and bonuses received by Mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the income tax on the Mainland enterprises shall not be withheld by the H share companies. The tax payable shall be declared and paid by the enterprises. For dividends and bonuses received by the Mainland resident enterprises after holding the H shares for 12 months continuously, the enterprise income tax will be exempted according to laws.

The record date and the date of distribution of cash dividends and other time arrangements for the investors of Southbound Trading will be the same as those for the shareholders of H Shares.

### ***3.7 To consider and approve the proposed appointment of non-executive Director***

As disclosed in the announcement of the Company dated 25 March 2024, the Company has received from Zhongshan A-Living Enterprises Management Services Co., Ltd.\* (中山雅生活企業管理服務有限公司), the controlling shareholder of the Company, a proposal in relation to the nomination of Ms. Yue Yuan (“**Ms. Yue**”) as a candidate for the proposed appointment of non-executive Director subject to the consideration and approval by the Shareholders at the AGM. Her term of office, if approved by the Shareholders at the AGM, will commence from the date on which the relevant resolution is passed at the AGM until the expiration of the term of the third session of the Board.

Biographical details of Ms. Yue are set out as follows:

Ms. Yue Yuan (岳元), aged 48, is the vice president of Agile Group Holdings Limited (“**Agile**” together with its subsidiaries, the “**Agile Group**”), a company listed in the Hong Kong Stock Exchange (stock code of Hong Kong Stock Exchange: 3383) and its property group. Ms Yue joined the Agile Group in 2006. She is mainly responsible for the management of the affairs of chairman office, the operation centre, cost procurement centre and human resources and administration centre of the Agile Group. Ms Yue served as a non-executive director of the Company from May 2019 to July 2023. Ms. Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (蘭州交通大學) in the PRC (formerly known as Lanzhou Railway University (蘭州鐵道學院)) and a Master of Science degree in Construction Project Management from the University of Hong Kong. She is a PRC intermediate economist, a PRC registered budgeting engineer and a member of the Royal Institution of Chartered Surveyors.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Ms. Yue has personal interests of 42,000 shares of Agile. As at the Latest Practicable Date, save as disclosed above, Ms. Yue does not (i) hold any position with the Company or its subsidiaries; (ii) hold any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or other major appointments and professional qualifications; (iii) have any relationship with any directors, supervisors, senior management or substantial or controlling shareholders of the Company; and (iv) have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Subject to the approval of the Shareholders by way of an ordinary resolution at the AGM, the Company will enter into a service contract with Ms. Yue. The initial length of services will commence from the date on which the relevant resolution is passed at the AGM until the expiration of the term of the third session of the Board. The proposed director's fees payable to Ms. Yue is zero and subject to the approval by the Shareholders at the AGM.

Save as disclosed above and as at the Latest Practicable Date, there is no other information in relation to Ms. Yue which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

### ***3.8 To authorise the Board to determine the remuneration of the Directors***

### ***3.9 To consider and approve the proposed appointment of Supervisor***

As disclosed in the announcement of the Company dated 25 March 2024, the Supervisory Committee hereby proposes to nominate Mr. Wang Weiqiong (“**Mr. Wang**”) as a candidate for the proposed appointment of Supervisor representing the Shareholders subject to the consideration and approval by the Shareholders at the AGM. His term of office, if approved by the Shareholders at the AGM, will commence from the date on which the relevant resolution is passed at the AGM until the expiration of the term of the third session of the Supervisory Committee.

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## LETTER FROM THE BOARD

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Biographical details of Mr. Wang are set out as follows:

Mr. Wang Weiqiong (王衛瓊), aged 51, has over 10 years of experience in the customized home furnishings industry. Mr. Wang has been the general manager of Zhongshan Shixing Decoration Co., Ltd. (中山市時興裝飾有限公司) (“**Zhongshan Shixing**”) since 2015. Mr. Wang joined the Agile Group in 2007 as the administrative director of the Foshan Sanshui project. From August 2010 to January 2012, he served as the administrative manager of Zhongshan Shixing. From January 2012 to October 2015, he served as the assistant to the director of the Agile Group.

Mr. Wang graduated from Beijing Normal University in the PRC in 1996 with a bachelor degree in moral and political education.

As at the Latest Practicable Date, save as disclosed above, Mr. Wang does not (i) hold any position with the Company or its subsidiaries; (ii) hold any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or other major appointments and professional qualifications; (iii) have any relationship with any directors, supervisors, senior management or substantial or controlling shareholders of the Company; and (iv) have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Subject to the approval of the Shareholders by way of an ordinary resolution at the AGM, the Company will enter into a service contract with the Supervisor. The initial length of service will commence from the date on which the relevant resolution is passed at the AGM until the expiration of the term of the third session of the Supervisory Committee. The proposed supervisor’s fees payable to Mr. Wang is zero and subject to the approval by the Shareholders at the AGM.

Save as disclosed above and as at the Latest Practicable Date, there is no other information in relation to Mr. Wang which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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***3.10 To authorise the Supervisory Committee to determine the remuneration of the Supervisors***

***3.11 To consider and approve the re-appointment of Grant Thornton Hong Kong Limited as the auditor of the Company for 2024 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their remuneration***

### **Special Resolutions**

***3.12 To consider and approve the grant of the Issue General Mandate***

In order to meet the capital requirements of the Company for its continuous business development, to utilise financing platforms effectively and flexibly and to take advantage of capital market windows in a timely manner, and in accordance with the applicable laws and regulations of the PRC, the Listing Rules and the Articles of Association, the Company proposes to grant the new Issue General Mandate to the Board by way of a special resolution at the AGM to allot, issue and deal with additional H Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) not exceeding 20% of the total number of H Shares in issue (excluding treasury shares) on the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,420,000,800 H Shares and the Company did not have any treasury shares. Subject to the passing of the resolution related to the granting of the Issue General Mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to allot and issue new Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) involving a maximum of 284,000,160 H Shares in accordance with the Issue General Mandate.

*(A) Specific plans on the Issue General Mandate:*

- (a) Subject to the conditions set out in (b) below, the Board is hereby authorised to approve, allot, issue, grant and/or otherwise deal with Shares (H Shares), securities convertible into Shares, and options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert into Shares, and/or to resell treasury shares of the Company (if permitted under the Listing Rules), separately or at the same time during the Relevant Period (as defined below).

Notwithstanding the fulfillment of the conditions set out in (b) below, if the allotment of voting shares will result in a de facto change of control of the Company, the Board shall separately obtain authorisation by way of a special resolution in advance before making such an allotment.

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## LETTER FROM THE BOARD

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- (b) The number of Shares (H Shares), securities convertible into Shares, or options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert to Shares (which shall be calculated on the basis of the number of H Shares that such securities can be converted into/be allotted) proposed to be approved, allotted, issued, granted and/or otherwise dealt with and/or the treasury shares of the Company be resold (if permitted under the Listing Rules) by the Board shall not exceed 20% of H Shares in issue of the Company (excluding treasury shares) as at the date on which this resolution is passed at the Annual General Meeting.
- (c) For the purposes of this resolution:
- “Relevant Period” means the period from the date on which this special resolution is passed at the AGM until the earliest of: (1) the conclusion of the next annual general meeting of the Company following the date of passing of this resolution; (2) the expiration of twelve months following the date of passing of this resolution; and (3) the date on which the authority granted to the Board under this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting.
- (d) The Board is hereby authorised to determine the details of the issuance plan, including but not limited to: (1) the class and number of Shares proposed to be issued; (2) the pricing basis and/or the offer price (including the price range); (3) the date of opening and closing of the issuance; (4) the specific use of the proceeds raised; (5) the recommendation, agreement and share options to be made or granted for the exercise of the said power; and (6) other contents to be included in the detailed issuance plan as required by the relevant laws and regulations and other regulatory documents, the relevant regulatory authorities and the local stock exchange.
- (e) The Board is hereby authorised to implement the issuance plan and deal with the matters related to an increase in the registered capital of the Company so as to reflect the Shares authorised to be issued by the Company under this resolution, and to make such amendments as it deems appropriate and necessary to the provisions related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and procedures that are necessary for the implementation of the issuance plan and the completion of the increase in the registered capital of the Company.

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## LETTER FROM THE BOARD

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*(B) Relevant mandate*

In order to enhance the efficiency of decision-making, reduce internal approval procedures and grasp market opportunities, in respect of the Issue General Mandate to issue Shares, it is proposed to the general meeting to approve the authorisation of the Board and any persons authorised by the Board to deal with the matters in connection with the Issue General Mandate to issue Shares and deal with additional Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules). The specific details of the mandate given to the authorised persons will be separately determined upon the exercise of the Issue General Mandate by the Board under this resolution.

**3.13 To consider and approve the grant of the Buy-Back General Mandate**

The Company Law (to which the Company is subject and has incorporated in its Articles of Association) provides that a joint stock limited company incorporated in the PRC may not buy back its shares unless such buy-back is effected for the purpose of (a) cancellation of shares for the purpose of reducing its capital; (b) merging with other companies that hold shares in the Company; (c) allocating shares for the purpose of the employee stock ownership plan or share incentive plan; (d) shareholders objecting to resolutions of the general meeting of shareholders concerning merger and division of the Company, requiring the Company to buy their shares; (e) allocating shares for the conversion of corporate bonds which are convertible into shares issued by the Company; or (f) as necessary for maintaining the value of the Company and safeguarding the rights and interests of shareholders. Upon the approval of relevant regulatory authorities in the PRC and in compliance with the Articles of Association, the Company may buy back its H Shares for the abovementioned purposes. Upon the new Listing Rules having become effective on 11 June 2024, any H Shares bought back may be cancelled or held as treasury shares for resale.

PRC laws and regulations and the Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the directors to buy back H shares of such company that are listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in a general meeting.

As the H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company upon any buy-back of H Shares will, therefore, be paid in Hong Kong dollars, and the approvals of the State Administration of Foreign Exchange of the PRC and other relevant authorities will be required.

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## LETTER FROM THE BOARD

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In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company within 10 days after the passing of such resolution and also by way of the publication on a newspaper within 30 days after the passing of the resolution. Creditors shall have the right to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.

Accordingly, approval is being sought from the Shareholders for a general mandate to buy back H Shares in issue. In accordance with the legal and regulatory requirements described herein, the Directors will convene and hold the AGM and a special resolution will be proposed to grant the Board the Buy-Back General Mandate, details of which will be set out in the notice of the AGM. The H Shares which may be bought back pursuant to the Buy-Back General Mandate shall not exceed 10% of the number of H Shares in issue of the Company (excluding treasury shares) as at the date of passing of the resolution(s) approving the Buy-Back General Mandate. The period of the Buy-Back General Mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the day when the authority conferred by this special resolution is approved by a special resolution of shareholders at a general meeting and ends at the earlier of: (a) the expiration of twelve months after the passing of this special resolution at the AGM; (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting; or (c) the conclusion of the next annual general meeting of the Company following the date of passing of this resolution.

An explanatory statement giving certain information regarding the Buy-Back General Mandate is set out in Appendix II to this circular.

### ***3.14 To consider and approve the proposed amendments to the Articles of Association***

As disclosed in the announcement of the Company dated 25 March 2024, on 14 February 2023, the State Council (the “**State Council**”) of the PRC published the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents\*” (《國務院關於廢止部分行政法規和文件的決定》). Accordingly, the “Special Provisions of the State Council Concerning the Overseas Securities Offering and Listing by Limited Stock Companies\*” (《國務院關於股份有限公司境外募集股份及上市的特別規定》) (the “**Special Provisions**”) was abolished. On 17 February 2023, with the approval of the State Council, the China Securities Regulatory Commission (the “**CSRC**”) published the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies\*” (《境內企業境外發行證券和上市管理試行辦法》). Accordingly, the “Mandatory Provisions for Companies Listing Overseas\*” (《到境外上市公司章程必備條款》) (the “**Mandatory Provisions**”) was abolished, with effect from 31 March 2023. The Hong Kong Stock Exchange amended the Listing Rules based on the aforementioned new regulations, with effect from 1 August 2023.

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## LETTER FROM THE BOARD

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In addition, pursuant to the consultation conclusions of the “Consultation Paper on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by the Hong Kong Stock Exchange in June 2023, the relevant amendments to the Listing Rules came into effect on 31 December 2023, so that, among other things, to the extent permitted under all applicable laws and regulations, the listed issuer must (i) send or otherwise make available the corporate communications (as defined under the Listing Rules) to the relevant holders of its securities using electronic means; or (ii) make the corporate communications available on its website and the Hong Kong Stock Exchange’s website.

Based on the aforementioned institutional amendments, the Board proposed to amend the Articles of Association (the “**Proposed Amendments**”) in order to remove such provisions that are obsolete as a result of the repeal of the Special Provisions and the Mandatory Provisions, to reflect the new PRC regulations and to reflect the consequential amendments to the Listing Rules. In particular, under the new PRC Regulations and the Listing Rules, (i) holders of domestic shares and H shares are no longer be deemed as different classes of shareholders and therefore the class meeting requirement originally applicable to holders of domestic shares and H shares are no longer necessary; and (ii) holders of H shares are allowed to seek to resolve disputes through Hong Kong courts or the courts at the incorporation place of the issuer, and therefore, the use of arbitration to resolve disputes is no longer required. For details of the Proposed Amendments, please refer to the Appendix I to this circular.

### **Impact on Shareholder Protection**

The Board considers that the Proposed Amendments will not undermine the protection of the Shareholders and will not have material impact on measures relating to shareholder protection.

According to the new PRC regulations, (i) domestic shares and H shares shall be regarded as the same class of ordinary shares and holders of domestic shares and H shares shall no longer be deemed as different classes of shareholders and (ii) the substantive rights attached to the two types of shares (including voting rights, dividends and asset distribution in case of liquidation) shall be identical. Therefore, the removal of the class meeting requirement from the Articles of Association will not undermine the protection of the Shareholders. In addition, given that there are sufficient dispute resolution channels (such as court proceedings in Mainland China and Hong Kong) to enable the shareholders to exercise their rights under the Articles of Association, the removal of the arbitration provision from the Articles of Association and the abolition of arbitration as the sole means of dispute resolution will not affect the protection of the Shareholders.

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## LETTER FROM THE BOARD

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The Proposed Amendments comprise amendments to 73 provisions of the Articles of Association. In addition, the numbering of Article 20 to Article 191 of the original Articles of Association and the cross-reference made in it shall be adjusted accordingly as a result of the deletion of Articles 19, 20, 36, 37, 43, 44, 47, 48, 49, 50, 56, 57, 83, 87, 88, 89, 90, 91, 92, 93, 94, 107, 135, 138, 141, 142, 143, 144, 145, 148, 177 and 188 in their entirety. The contents of other provisions of the Articles of Association remain unchanged. The Proposed Amendments are subject to the approval by the Shareholders by way of a special resolution at the AGM.

The Articles of Association are prepared in Chinese with no official English version. Any English translation is for reference only. In the event of any inconsistency, the Chinese version shall prevail.

#### **4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The proxy form of the AGM is enclosed.

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, shareholders of H Shares whose transfer documents have not been registered are required to submit the share certificates together with the properly completed share transfer forms to the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 23 May 2024 for registration. Shareholders of H Shares who are registered with Tricor Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.

If you intend to appoint a proxy to attend the AGM, you are required to complete the accompanying proxy form in accordance with the instructions printed thereon and return it by personal delivery or by post not less than 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof. For shareholders of H Shares, the proxy form should be returned to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. For shareholders of Domestic Shares, the proxy form should be returned to the Company's principal place of office in the PRC at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

#### **5. VOTING BY POLL**

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATION

The Board considers that all the resolutions proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these proposed resolutions at the AGM.

Yours faithfully,

For and on behalf of the Board

**A-Living Smart City Services Co., Ltd.\***

**Chan Cheuk Hung/Huang Fengchao**

*Co-chairman*

\* *for identification purposes only*

Originally read as:

“**Article 1** In order to safeguard the legitimate interests of A-Living Smart City Services Co., Ltd. (the “**Company**”), its shareholders and creditors, and regulate the organization and activities of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “**Special Regulations**”), the Mandatory Provisions of Articles of Association of Companies Listing Overseas (the “**Mandatory Provisions**”), the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant laws, regulations and rules.”

Proposed to be amended as:

“**Article 1** In order to safeguard the legitimate interests of A-Living Smart City Services Co., Ltd. (the “**Company**”), its shareholders and creditors, and regulate the organization and activities of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), ~~the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions of Articles of Association of Companies Listing Overseas (the “Mandatory Provisions”), the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies,~~ the Securities Law of the People’s Republic of China, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, Guidelines on the Application of Regulatory Rules – Overseas Offering and Listing No. 1, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant laws, regulations and rules.”

Originally read as:

“**Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law, the Special Regulations and other relevant laws, regulations and rules.

The Company was established by way of promotion on July 21, 2017 and registered at Zhongshan Administration for Industry and Commerce on July 21, 2017, with the Business License (unified social credit code: 91442000282096687C) granted.”

Proposed to be amended as:

“**Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law, ~~the Special Regulations~~ and other relevant laws, regulations and rules.

The Company was established by way of promotion on July 21, 2017 and registered at Zhongshan Administration for Industry and Commerce on July 21, 2017, with the Business License (unified social credit code: 91442000282096687C) granted.”

Originally read as:

“**Article 6** The Company is a joint stock company with limited liability in perpetual existence, and has the qualification of an independent legal person.

All of the assets of the Company shall be divided into shares of equal value. Each shareholder shall be liable for the Company to the extent of the shares subscribed, and the Company is liable for its debts to the extent of all of its assets. The Company may invest in other limited liability companies and joint stock limited companies, and shall be liable for the invested companies to the extent of its capital contribution.”

Proposed to be amended as:

“**Article 6** The Company is a joint stock company with limited liability in perpetual existence, and has the qualification of an independent legal person.

All of the assets of the Company shall be divided into shares of equal value. Each shareholder shall be liable for the Company to the extent of the shares subscribed, and the Company is liable for its debts to the extent of all of its assets. The Company may invest in ~~other limited liability companies and joint stock limited companies~~ companies, and shall be liable for the invested companies to the extent of its capital contribution if the law stipulates that the Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, the provisions shall apply.”

Originally read as:

“**Article 7** Upon approval through a special resolution at the general meeting of the Company and by relevant state departments, these Articles of Association shall take effect on the date the overseas listed foreign shares issued by the Company are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), and shall replace the previous Articles of Association of the Company filed at the competent administration for industry and commerce.

The Articles of Association shall be a legally binding document that regulates the Company's organization and conducts, the rights and obligations between the Company and its shareholders, and amongst the shareholders themselves once it comes into effect."

Proposed to be amended as:

"**Article 7** Upon **the date of** approval through a special resolution at the general meeting of the Company ~~and by relevant state departments~~, these Articles of Association shall take effect ~~on the date the overseas listed foreign shares issued by the Company are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange")~~, and shall replace the previous Articles of Association of the Company filed at the competent administration for industry and commerce.

The Articles of Association shall be a legally binding document that regulates the Company's organization and conducts, the rights and obligations between the Company and its shareholders, and amongst the shareholders themselves once it comes into effect."

Originally read as:

"**Article 8** The Articles of Association shall be binding on the Company, shareholders, Directors, Supervisors, General Manager (President) and other senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder may claim against the Company; the Company may claim against the shareholders; the shareholders may claim against the other shareholders; the shareholders may claim against Directors, Supervisors, General Manager (President) and other senior management members of the Company.

For the purposes of the preceding paragraph, the term "claim" shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration."

Proposed to be amended as:

"**Article 8** The Articles of Association shall be binding on the Company, shareholders, Directors, Supervisors, General Manager (President) and other senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder may claim against the Company; ~~the Company may claim against the shareholders~~; the shareholders may claim against the other shareholders; the shareholders may claim against Directors, Supervisors, General Manager (President) and other senior management members of the Company; **the Company may initiate legal proceedings against its shareholders, Directors, Supervisors, General Manager (President) and other senior management members of the Company pursuant to the Articles of Association.**

For the purposes of the preceding paragraph, the term “claim” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.”

Originally read as:

“**Article 12** The Company shall issue ordinary shares at all times. With the approval from authorities authorized by the State Council, the Company may issue other classes of shares when needed.”

Proposed to be amended as:

“**Article 12** The Company shall issue ordinary shares at all times. **Subject to compliance with the laws, regulations and requirements of securities regulatory authorities**~~With the approval from authorities authorized by the State Council~~, the Company may issue other classes of shares when needed.”

Originally read as:

“**Article 15** With the approval by the Securities Regulatory Authorities of the State Council, the Company may issue its shares to domestic and foreign investors. The term of foreign investors mentioned in the preceding paragraph refers to the investors in foreign countries, Hong Kong, Macao or Taiwan who subscribe for shares issued by the Company; the term of domestic investors refers to the investors within the territory of the PRC (other than the above-mentioned regions) who subscribe for the shares issued by the Company.”

Proposed to be amended as:

“**Article 15** ~~With the approval by the Securities Regulatory Authorities of the State Council,~~ **When** the Company ~~may~~ issues its shares to domestic and foreign investors, **it shall perform the registration or filing procedures with the China Securities Regulatory Commission (the “CSRC”) in accordance with the law.** The term of foreign investors mentioned in the preceding paragraph refers to the investors in foreign countries, Hong Kong, Macao or Taiwan who subscribe for shares issued by the Company; the term of domestic investors refers to the investors within the territory of the PRC (other than the above-mentioned regions) who subscribe for the shares issued by the Company.”

Originally read as:

“**Article 16** Shares issued by the Company to domestic investors for subscription in RMB are referred to as Domestic Shares. Shares issued by the Company to foreign investors to subscribe in foreign currency are referred to as foreign shares. The foreign shares, which are listed overseas, shall be referred to as overseas listed foreign shares. Subject to the approvals of the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities, Domestic Shares which are traded on the Hong Kong Stock Exchange shall be of the same class as the overseas listed foreign shares, collectively the overseas listed shares.

Both holders of Domestic Shares and foreign shares are ordinary shareholders and have the equal rights and obligations.

Holders of unlisted shares of the Company may list and trade their shares on overseas stock exchange(s) upon approvals of the Securities Regulatory Authorities of the State Council. Holders of Domestic Shares of the Company may transfer all or part of the shares held by them to foreign investors and have the shares listed and traded on overseas stock exchange(s), subject to the approval of overseas stock exchange(s). All or part of the Domestic Shares are convertible into foreign shares, and the resulting foreign shares may be listed and traded on overseas stock exchange(s). Listing and trading of such shares on overseas stock exchange(s) shall comply with the regulatory procedures, provisions and requirements of overseas securities market(s). No shareholders’ general meeting or shareholders’ class meeting is required to be convened for voting in respect of the conversion and/or transfer and listing of such shares on overseas stock exchanges. The overseas listed shares converted from Domestic Shares shall be of the same class as the existing overseas listed foreign shares.”

Proposed to be amended as:

“**Article 16** Shares issued by the Company to domestic investors for subscription in RMB are referred to as Domestic Shares. Shares issued by the Company to foreign investors to subscribe in foreign currency are referred to as foreign shares. The foreign shares, which are listed overseas, shall be referred to as overseas listed foreign shares. ~~Subject to the approvals of the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities, Domestic Shares which are traded on the Hong Kong Stock Exchange shall be of the same class as the overseas listed foreign shares, collectively the overseas listed shares.~~

~~Both holders of Domestic Shares and foreign shares are ordinary shareholders and have the equal rights and obligations.~~

~~On the premise of complying with laws and regulations and the requirements of securities regulatory authorities and the stock exchange where the company's shares are listed, all or part of the domestic unlisted shares (including unlisted Domestic Shares held by domestic shareholders before overseas listing, the unlisted domestic shares issued in China after overseas listing and the unlisted shares held by foreign shareholders) can be converted into overseas listed foreign shares. Holders of unlisted shares of the Company may list and trade their shares on overseas stock exchange(s) upon approvals of the Securities Regulatory Authorities of the State Council. Holders of Domestic Shares of the Company may transfer all or part of the shares held by them to foreign investors and have the shares listed and traded on overseas stock exchange(s), subject to the approval of overseas stock exchange(s). All or part of the Domestic Shares are convertible into foreign shares, and the resulting foreign shares may be listed and traded on overseas stock exchange(s). Listing and trading of such shares on overseas stock exchange(s) shall comply with the regulatory procedures, provisions and requirements of overseas securities market(s). No shareholders' general meeting or shareholders' class meeting is required to be convened for voting in respect of the conversion and/or transfer and listing of such shares on overseas stock exchanges. The overseas listed shares converted from Domestic Shares shall be of the same class as the existing overseas listed foreign shares."~~

Originally read as:

"**Article 19** For the Company's plans for issuing overseas listed shares and Domestic Shares approved by the Securities Regulatory Authorities of the State Council, the Board of Directors of the Company may arrange for implementation of such plan by separate issues.

The Company may separately implement its plan for issuing overseas listed shares and Domestic Shares pursuant to the preceding paragraph within fifteen months from the date of approval of the Securities Regulatory Authorities of the State Council."

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

"**Article 20** Where the Company issues overseas listed shares and Domestic Shares respectively within the total number of shares specified in the issue plan, the respective shares shall be fully subscribed for in one go. Where it is impossible for respective shares to be fully subscribed for in one go under exceptional circumstances, the shares may be issued in several tranches subject to the approval of the Securities Regulatory Authorities of the State Council."

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 22** The Company may, based on its business and development needs and in accordance with the requirements of laws and regulations, increase its capital in the following manners upon resolutions being adopted respectively by the general meetings:

- (1) by issuing new shares to non-specified investors;
- (2) by issuing new shares to specified investors;
- (3) by placing or distributing new shares to its existing shareholders;
- (4) by capitalizing its capital reserves;
- (5) by other ways permitted by the laws, administrative regulations and pertinent regulatory authorities.

The Company’s increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these Articles of Association, be conducted in accordance with the procedures stipulated in the relevant laws and administrative regulations of the PRC.”

Proposed to be amended as:

“~~Article 20~~~~Article 22~~ **Article 22** The Company may, based on its business and development needs and in accordance with the requirements of laws and regulations, increase its capital in the following manners upon resolutions being adopted respectively by the general meetings:

- (1) **Public offering of shares** ~~by issuing new shares to non-specified investors;~~
- (2) **Non-public offering of shares** ~~by issuing new shares to specified investors;~~
- (3) **Bonus shares are distributed to existing shareholders** ~~by placing or distributing new shares to its existing shareholders;~~
- (4) by capitalizing its ~~capital~~ reserves **funds**;
- (5) by other ways permitted by the laws, administrative regulations and **the CSRC** ~~pertinent regulatory authorities.~~

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these Articles of Association, be conducted in accordance with the procedures stipulated in the relevant laws and administrative regulations of the PRC **and the listing rules of the place where the company's shares are listed.**"

Originally read as:

"**Article 25** Under the following circumstances, the Company may, according to the requirements of the laws, administrative regulations, departmental rules and these Articles of Association and obtaining the approval from relevant national competent authorities, repurchase its outstanding shares in accordance with statutory procedures:

- (1) reducing the Company's registered capital and cancelling shares;
- (2) merging with other companies which hold shares in the Company;
- (3) utilizing shares in the employee share ownership scheme or for share incentive;
- (4) acquiring shares held by shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;
- (5) utilizing shares to satisfy the conversion of corporate bonds which are convertible into shares issued by the listed company;
- (6) safeguarding the corporate value and the shareholders' interests as the listed company deems necessary;
- (7) other circumstances as permitted by laws and administrative regulations."

Proposed to be amended as:

~~"**Article 23**~~~~**Article 25**~~~~The Company shall not buy back its shares. However, there are exceptions in any of the following circumstances:~~~~Under the following circumstances, the Company may, according to the requirements of the laws, administrative regulations, departmental rules and these Articles of Association and obtaining the approval from relevant national competent authorities, repurchase its outstanding shares in accordance with statutory procedures:~~

- (1) reducing the Company's registered capital ~~and cancelling shares~~;
- (2) merging with other companies which hold shares in the Company;
- (3) utilizing shares in the employee share ownership scheme or for share incentive;

- (4) acquiring shares held by shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;
- (5) utilizing shares to satisfy the conversion of corporate bonds which are convertible into shares issued by the listed company;
- (6) safeguarding the corporate value and the shareholders' interests as the listed company deems necessary;
- (7) other circumstances as permitted by laws, ~~and~~ administrative regulations **and the listing rules of the place where the company's shares are listed.**"

Originally read as:

**“Article 28** After the shares are acquired by the Company pursuant to the requirements, the Company shall cancel such shares within the period prescribed by laws and administrative regulations, and shall apply to the original company registration authority for registration of the change in the registered capital.

Acquisition of the Company's shares under circumstances specified in item (1) and item (2) of Article 25 of the Articles of Association shall be subject to the resolution of the general meeting. Acquisition of the Company's shares under circumstances specified in items (3), (5) and (6) of Article 25 of the Articles of Association shall be subject to approval by way of resolution at the Board meeting attended by a two-thirds majority of the Directors.

After the Company acquires its own shares according to Article 25, it shall cancel the shares acquired under the circumstance specified in item (1) within 10 days after the acquisition; transfer or cancel the shares under the circumstances specified in items (2) and (4) within 6 months after the acquisition. In case of the circumstances specified in items (3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years after the acquisition.

When the Company repurchases the shares of the Company under the circumstances specified in items (3), (5) and (6) of Article 25 of the Articles of Association, it shall be conducted through open centralized trading.

The Company shall apply to the Administration for Industry and Commerce for registering the changes in registered capital or equity, and shall make an announcement according to the listing rules.

The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.

Where the laws, regulations and any other provisions of the relevant requirements of the Securities Regulatory Authority in the place where the Company's shares are listed in respect of the share repurchases, such provisions shall prevail."

Proposed to be amended as:

"~~Article 26~~~~Article 28~~ After the shares are acquired by the Company pursuant to the requirements, the Company shall cancel such shares within the period prescribed by laws and administrative regulations, and shall apply to the original company registration authority for registration of the change in the registered capital.

Acquisition of the Company's shares under circumstances specified in item (1) and item (2) of ~~Article 23~~~~Article 25~~ of the Articles of Association shall be subject to the resolution of the general meeting. Acquisition of the Company's shares under circumstances specified in items (3), (5) and (6) of ~~Article 23~~~~Article 25~~ of the Articles of Association shall be subject to approval by way of resolution at the Board meeting attended by a two-thirds majority of the Directors.

After the Company acquires its own shares according to ~~Article 23~~~~Article 25~~, it shall cancel the shares acquired under the circumstance specified in item (1) within 10 days after the acquisition; transfer or cancel the shares under the circumstances specified in items (2) and (4) within 6 months after the acquisition. In case of the circumstances specified in items (3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years after the acquisition.

When the Company repurchases the shares of the Company under the circumstances specified in items (3), (5) and (6) of ~~Article 23~~~~Article 25~~ of the Articles of Association, it shall be conducted through open centralized trading.

The Company shall apply to the Administration for Industry and Commerce for registering the changes in registered capital or equity, and shall make an announcement according to the listing rules.

The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.

Where the laws, regulations and any other provisions of the relevant requirements of the Securities Regulatory Authority in the place where the Company's shares are listed in respect of the share repurchases, such provisions shall prevail."

Originally read as:

“**Article 30** Save as otherwise specified by laws, regulations, normative documents and relevant provisions of the Securities Regulatory Authorities of the place where the Company’s shares are listed, shares of the Company may be transferred freely and are not subject to any liens. Transfer of overseas listed shares shall be registered with the share registrar designated by the Company in Hong Kong.”

Proposed to be amended as:

~~“**Article 28** **Article 30** The shares of the Company shall be legally transferrable. Save as otherwise specified by laws, regulations, normative documents and relevant provisions of the Securities Regulatory Authorities of the place where the Company’s shares are listed, shares of the Company may be transferred freely and are not subject to any liens. Transfer of overseas listed shares shall be registered with the share registrar designated by the Company in Hong Kong.”~~

Originally read as:

“**Article 35** The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company’s shares. The aforesaid purchasers of the Company’s shares include persons directly or indirectly undertaking obligations due to purchase of the Company’s shares.

The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 37 of these Articles of Association.”

Proposed to be amended as:

~~“**Article 33** **Article 35** The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company’s shares. The aforesaid purchasers of the Company’s shares include persons directly or indirectly undertaking obligations due to purchase of the Company’s shares.~~

~~The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.~~

~~The provisions of this Article shall not apply to the circumstances described in Article 37 of these Articles of Association. The Company or its subsidiaries (including associated entities of the Company) shall not, by way of a gift, advance, guarantee, compensation, loans or otherwise, provide any assistance to a person who purchases or intends to purchase its own shares.”~~

Originally read as:

“**Article 36** The term “financial assistance” mentioned in this chapter shall include (but not limited to) the following ways:

- (1) gift;
- (2) guarantee (including the undertaking of liability or provisions of property by the guarantor in order to guarantee the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising from the Company’s own fault) and termination or waiver of rights;
- (3) provision of a loan or signing of a contract under which the obligations of the Company are to be fulfilled prior to the fulfillment of the obligations of the other party to the contract, and a change in the party to such loan or agreement as well as the assignment of rights under such loan or contract;
- (4) financial assistance provided in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a significant reduction in the Company’s net assets.

For the purposes of these Articles of Association, the term “undertake obligations” shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement, whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor individually or jointly with any other person, or by changing its financial position in any other way.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 37** The acts listed below shall not be regarded as the acts prohibited under Article 35 of these Articles of Association:

- (1) the Company provides the relevant financial assistance in the interests of the Company in good faith, and the primary purpose of the said financial assistance is not to purchase the Company’s shares, or the said financial assistance is part of a master plan of the Company;
- (2) the Company distributes its assets as dividends in accordance with the laws;
- (3) the Company distributes dividends in the form of shares;
- (4) the Company reduces its registered capital, repurchases its shares and adjusts the equity structure in accordance with the Articles of Association;
- (5) the Company provides a loan for its normal business operations within its business scope (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profits of the Company);
- (6) the Company provides the funding for employee share scheme (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profits of the Company).”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 38** The share certificates of the Company shall be in registered form. The following shall be specified in the Company’s share certificates:

- (1) the name of the Company;
- (2) the date on which the Company was established;
- (3) the class and par value of the shares and the number of shares represented;
- (4) the serial number of the share certificates;

- (5) other matters needed to be specified as required by the Company Law, the Special Regulations and the securities regulatory authorities of the place where the Company's shares are listed;
- (6) where the equity of the Company includes shares without voting rights, the words "non-voting shares" must appear in the designation of such shares;
- (7) where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

The overseas listed shares issued by the Company may take the form of overseas depository receipt or other derivative forms of share certificate in accordance with laws and securities registration and depository practice of the place where the Company's shares are listed."

Proposed to be amended as:

"~~Article 34~~~~Article 38~~ The share certificates of the Company shall be in registered form. The following shall be specified in the Company's share certificates:

- (1) the name of the Company;
- (2) the date on which the Company was established;
- (3) the class and par value of the shares and the number of shares represented;
- (4) the serial number of the share certificates;
- (5) other matters needed to be specified as required by the Company Law, ~~the Special Regulations~~ and the securities regulatory authorities of the place where the Company's shares are listed;
- (6) where the equity of the Company includes shares without voting rights, the words "non-voting shares" must appear in the designation of such shares;
- (7) where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

The overseas listed shares issued by the Company may take the form of overseas depository receipt or other derivative forms of share certificate in accordance with laws and securities registration and depository practice of the place where the Company's shares are listed."

Originally read as:

“**Article 39** During the period when overseas listed shares are listed on the Hong Kong Stock Exchange, the Company must ensure that documents related to overseas listed shares include the statements as follows, and the Company shall instruct and procure its share registrar not to register the subscription, purchase or transfer of shares in the name of any individual holder unless and until he/she submits properly executed forms related to such shares to the share registrar which shall include the statements as follows:

- (1) the share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the requirements of the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.
- (2) the share purchasers and the Company, each of the shareholders, Directors, Supervisors, General Manager (President) and other senior management members of the Company shall agree, and the Company acting for itself and on behalf of each Director, Supervisor, General Manager (President) and other senior management members shall agree with each shareholder, that the disputes or claims for rights incurred as a result of the rights and obligation provided by the Articles of Association or the Company Law or other relevant laws or administrative regulations and in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and publish its award. Such arbitration shall be final and conclusive.
- (3) the share purchasers and the Company and each of the shareholders agree that the shares of the Company may be freely transferred by the holder thereof;
- (4) the share purchasers authorize the Company to enter into a contract on their behalf with each of the Directors, General Manager (President) and other senior management members. Pursuant to the contract, the Directors, General Manager (President) and other senior management members undertake to observe and fulfill their responsibilities to the shareholders under the Articles of Association.”

Proposed to be amended as:

~~“Article 35~~~~Article 39~~ During the period when overseas listed shares are listed on the Hong Kong Stock Exchange, the Company must ensure that documents related to overseas listed shares include the statements as follows, and the Company shall instruct and procure its share registrar not to register the subscription, purchase or transfer of shares in the name of any individual holder unless and until he/she submits properly executed forms related to such shares to the share registrar which shall include the statements as follows:

- (1) the share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the requirements of the Company Law, ~~the Special Regulations~~ and other relevant laws, administrative regulations and the Articles of Association.
- (2) ~~the share purchasers and the Company, each of the shareholders, Directors, Supervisors, General Manager (President) and other senior management members of the Company shall agree, and the Company acting for itself and on behalf of each Director, Supervisor, General Manager (President) and other senior management members shall agree with each shareholder, that the disputes or claims for rights incurred as a result of the rights and obligation provided by the Articles of Association or the Company Law or other relevant laws or administrative regulations and in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and publish its award. Such arbitration shall be final and conclusive.~~
- (3) the share purchasers and the Company and each of the shareholders agree that the shares of the Company may be freely transferred by the holder thereof.
- (3)(4) the share purchasers authorize the Company to enter into a contract on their behalf with each of the Directors, General Manager (President) and other senior management members. Pursuant to the contract, the Directors, General Manager (President) and other senior management members undertake to observe and fulfill their responsibilities to the shareholders under the Articles of Association.”

Originally read as:

“**Article 41** The Company shall establish a register of shareholders and shall register therein the following particulars:

- (1) the name (title), address (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the share certificate held by each shareholder;
- (5) the date on which each shareholder is registered as a shareholder;
- (6) the date on which each shareholder ceases to be a shareholder.

The shareholders’ register is a sufficient evidence of the shareholders’ shareholdings in the Company unless there is evidence to the contrary.

...”

Proposed to be amended as:

“~~Article 37~~~~Article 41~~ The Company ~~shall maintain~~~~shall establish~~ a register of shareholders with the evidences provided by the securities registration institution and shall register therein the following particulars:

- (1) the name (title), address (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the share certificate held by each shareholder;
- (5) the date on which each shareholder is registered as a shareholder;
- (6) the date on which each shareholder ceases to be a shareholder.

The shareholders’ register is a sufficient evidence of the shareholders’ shareholdings in the Company unless there is evidence to the contrary.

...”

Originally read as:

“**Article 43** The Company shall keep a complete shareholders’ register. The shareholders’ register shall include the following parts:

- (1) the register(s) of shareholders kept at the Company’s domicile other than those specified in items (2) and (3) of this Article;
- (2) the register(s) of holders of overseas listed shares kept in the place(s) of the overseas stock exchange(s) where the shares are listed;
- (3) the register(s) of shareholders kept in other places as the Board may decide and consider necessary for listing purposes.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 44** The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 46** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the recognition of shareholdings; the Board shall designate a certain date as the record date, at the end of which the shareholders in the register shall be shareholders of the Company.”

Proposed to be amended as:

~~“**Article 40**”~~~~“**Article 46**”~~ When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the recognition of **the identification of shareholders**~~shareholdings~~; the Board **or the convener of general meeting shall determine the record date. The shareholders included in the register of shareholders at the close of business on record date shall be the entitled shareholders.**~~shall designate a certain date as the record date, at the end of which the shareholders in the register shall be shareholders of the Company.”~~

Originally read as:

“**Article 47** If any person objects to the register of shareholders and requests to have his/her name (title) recorded in or deleted from the register of shareholders, the said person may apply to the court with jurisdiction to correct the register of shareholders.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 48** If any shareholder in the register of shareholders or any person requesting to have his/her name (title) recorded in the register of shareholders loses his/ her share certificates (hereinafter referred to as the “**Original Share Certificates**”), the said shareholder or person may apply to the Company to issue replacement certificates in respect of the said shares (hereinafter referred to as the “**Relevant Shares**”).

If a shareholder whose share certificate of Domestic Shares has been lost applies to the Company for a replacement new share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder whose share certificate of overseas listed shares has been lost applies to the Company for a replacement new share certificate, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed shares is maintained.

The issue of a replacement new share certificate to a holder of overseas listed shares of a company listed in Hong Kong, who has lost his/her shares certificate and applied for the replacement, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the loss, and declaring that no other person is entitled to have his/her name entered in the register of shareholders in respect of the Relevant Shares.
- (2) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his/ her name shall be entered in the register of shareholders in respect of such shares has been received.
- (3) The Company shall, if it decides to issue a replacement new share certificate to the applicant, publish an announcement in respect of the issue of a replacement new share certificate in such newspapers as may be designated by the Board; the period of announcement shall be 90 days and the announcement shall be reissued at least once every 30 days.
- (4) The Company shall, prior to the publication of the announcement of its proposed issue of a replacement new share certificate, submit to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchange that the announcement has been exhibited at the premises of the said stock exchange. Such announcement shall be exhibited at the premises of the said stock exchange for a period of 90 days.

If the application for replacement of a share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.

- (5) If, upon expiry of the 90-day period of announcement and exhibition referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application in respect of the issue of replacement share certificate, the Company may issue a replacement new share certificate to the applicant accordingly.
- (6) Where the Company issues a replacement new share certificate under this Article, it shall immediately cancel the Original Share Certificates and record the cancellation and replacement issue in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of the Original Share Certificates and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until the applicant has provided reasonable security.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 49** Where the Company issues a new replacement share certificate pursuant to the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 50** The Company shall not be liable for any damages suffered by any person arising from the cancellation of the Original Share Certificates or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed a fraudulent act.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 52** The ordinary shareholders of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other profit distributions in proportion to their shareholdings;
- (2) the right to attend or appoint proxies to attend general meetings and to exercise the voting rights;
- (3) the right to supervise and manage the Company’s business activities, to present proposals or to raise enquires;
- (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;

- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
1. the right to obtain a copy of the Articles of Association, subject to payment of cost;
  2. the right to inspect and copy, subject to payment of a reasonable charge:
    - i. the register of all the shareholders;
    - ii. personal particulars of each of the Company's Directors, Supervisors, General Manager (President) and other senior management members, including:
      - (a) present and former name and alias;
      - (b) principal address (domicile);
      - (c) nationality;
      - (d) primary and all other part-time occupations and duties;
      - (e) identification documents and the numbers thereof.
    - iii. reports showing the status of the Company's issued share capital;
    - iv. reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year and the aggregate amount incurred by the Company for this purpose (with a breakdown between Domestic Shares and foreign shares);
    - v. minutes of general meetings (only available for inspection to shareholders) and copies of the Company's resolutions of general meetings, Board meetings and meeting of Supervisory Committee;
    - vi. the latest audited financial statements, and reports of Board of Directors, auditors and Supervisory Committee of the Company;
    - vii. a copy of the latest Annual Inspection Form that has been filed with the PRC Administration for Industry and Commerce or other competent authorities;

## 3. Counterfoils of corporate bonds.

Documents of item 2ii to vii mentioned above and any other applicable documents shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the shareholders to inspect free of charge (provided that minutes of general meetings are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;
- (8) the right to initiate legal proceedings to the People's Court against acts which are detrimental to the interests of Company or infringe on the lawful interests of shareholders, and to claim the relevant interests pursuant to the Company Law or other laws and administrative regulations;
- (9) other rights under laws, administrative regulations, listing rules of the place(s) where the shares of the Company are listed and these Articles of Association.

The Company shall not exercise any rights to freeze or otherwise prejudice any rights attached to the shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests."

Proposed to be amended as:

"~~Article 42~~~~Article 52~~ The ordinary shareholders of the Company shall enjoy the following rights:

- (1) the right to ~~obtain~~~~receive~~ dividends and other profit distributions in proportion to their shareholdings;
- (2) the right to ~~request, convene, preside over~~, attend or appoint proxies to attend general meetings and to ~~speak at shareholder meetings and~~ exercise the ~~corresponding~~ voting rights;

- 
- (3) the right to supervise ~~and manage~~ the Company's ~~operation business activities~~, to present proposals or to raise enquires;
- (4) the right to transfer, ~~donate or pledge~~ shares ~~in his/her possession~~ in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) ~~to access the Articles of Association, the register of members, stubs of the Company's corporate bonds, minutes of the general meeting, resolutions of the Board of Directors, resolutions of the Board of Supervisors and financial and accounting reports; the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:~~
- ~~1. the right to obtain a copy of the Articles of Association, subject to payment of cost;~~
  - ~~2. the right to inspect and copy, subject to payment of a reasonable charge:~~
    - ~~i. the register of all the shareholders;~~
    - ~~ii. personal particulars of each of the Company's Directors, Supervisors, General Manager (President) and other senior management members, including:~~
      - ~~(a) present and former name and alias;~~
      - ~~(b) principal address (domicile);~~
      - ~~(c) nationality;~~
      - ~~(d) primary and all other part-time occupations and duties;~~
      - ~~(e) identification documents and the numbers thereof.~~
    - ~~iii. reports showing the status of the Company's issued share capital;~~
    - ~~iv. reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year and the aggregate amount incurred by the Company for this purpose (with a breakdown between Domestic Shares and foreign shares);~~
    - ~~v. minutes of general meetings (only available for inspection to shareholders) and copies of the Company's resolutions of general meetings, Board meetings and meeting of Supervisory Committee;~~

- ~~vi. the latest audited financial statements, and reports of Board of Directors, auditors and Supervisory Committee of the Company;~~
- ~~vii. a copy of the latest Annual Inspection Form that has been filed with the PRC Administration for Industry and Commerce or other competent authorities;~~

~~3. Counterfoils of corporate bonds.~~

~~Documents of item 2ii to vii mentioned above and any other applicable documents shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the shareholders to inspect free of charge (provided that minutes of general meetings are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity.~~

- ~~(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;~~
- ~~(7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;~~
- ~~(8) the right to initiate legal proceedings to the People's Court against acts which are detrimental to the interests of Company or infringe on the lawful interests of shareholders, and to claim the relevant interests pursuant to the Company Law or other laws and administrative regulations;~~
- ~~(9) other rights under laws, administrative regulations, **departmental rules**, listing rules of the place(s) where the shares of the Company are listed and these Articles of Association.~~

~~The Company shall not exercise any rights to freeze or otherwise prejudice any rights attached to the shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests."~~

Originally read as:

“**Article 56** Save for the obligations imposed by laws, administrative regulations or required by the listing rules of the place where the shares of the Company are listed, the controlling shareholders shall not, in the exercise of their shareholders’ rights, make decisions prejudicial to the interests of all or part of the shareholders in the exercise of their voting rights on the issues set forth below:

- (1) releasing the responsibility of a Director or Supervisor to act in good faith in the best interests of the Company;
- (2) approving the expropriation by a Director or Supervisor for his/her own or others’ benefits, in any guise, of the Company’s assets, including but not limited to any opportunities beneficial to the Company;
- (3) approving the expropriation by a Director or Supervisor for his/her own or others’ benefits of the personal interests of other shareholders, including but not limited to any rights to distributions and voting rights, but excluding restructuring of the Company submitted to general meeting for approval in accordance with these Articles of Association.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 57** The term “Controlling Shareholder” referred to in the foregoing Article refers to a person that satisfies any of the following conditions:

- (1) he/she, acting alone or in concert with others, has the power to elect half or more of the total number of Directors;
- (2) he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty percent or more of the Company’s voting rights;
- (3) he/she, acting alone or in concert with others, holds thirty percent or more of the issued and outstanding shares of the Company;
- (4) he/she, acting alone or in concert with others, has de facto control over the Company in any other manner.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 58** The general meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (1) to decide the Company’s operational policies and investment plans;
- (2) to elect and change the Directors and Supervisors who are not representatives of the employees and decide on the remunerations of Directors and Supervisors;
- (3) to examine and approve reports of the Board of Directors;
- (4) to examine and approve reports of the Supervisory Committee;
- (5) to examine and approve the proposed annual financial budgets, final accounts, balance sheets, profit statements and other financial statements of the Company;
- (6) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (7) to examine and approve the annual reports of the Company;
- (8) to make resolutions on the increase or reduction of the registered capital of the Company as well as issuance of any classes of shares, warrants, and other similar securities;
- (9) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company;
- (10) to make resolutions on the issuance of corporate bonds and other securities and listing of the Company;
- (11) to make resolutions on the engagement, removal, or discontinuance of engagement of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to examine the proposals by the shareholders severally or jointly holding three percent or more of the voting shares of the Company;

- (14) to examine the matters relating to the purchases and disposals of the Company's material assets or the provisions of guarantees within one year with an amount exceeding thirty percent of the Company's latest audited total assets;
- (15) to examine and approve the external guarantees that shall be approved by the general meeting;
- (16) to examine the share incentive schemes;
- (17) to examine other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, the listing rules of the place where the Company's shares are listed or provisions of the Articles of Association.

The general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the Company's shares are listed are not violated.

The general meeting may authorize or entrust the Board to handle the matters authorized or entrusted thereby, including but not limited to handling the following matters at the general meeting:

1. subject to the applicable laws, regulations and listing rules, to grant the Board the general mandate to issue, allot and deal with additional overseas listed shares not exceeding 20% (or other proportions as stipulated by applicable laws, regulations and listing rules) of the overseas listed shares issued; and to authorize the Board to make corresponding amendments to the Articles of Association as it thinks appropriate, so as to reflect the new capital structure upon allotment or issuance of shares.
2. to authorize the Board to, within the cap amount of bonds issuance and based on the needs of production, operation, capital expenditure and market conditions, determine the specific items and relevant matters of issuing debt financing instruments such as domestic short-term financing bills, medium-term notes, corporate bonds and overseas USD bonds, including (but not limited to), within the aforesaid scope, determining the amount, interest rate, term, target subscribers, use of proceeds of bonds actually issued and preparing, signing and disclosing all necessary documents."

Proposed to be amended as:

~~"Article 46~~~~Article 58~~ The general meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (1) to decide the Company's operational policies and investment plans;
- (2) to elect and change the Directors and Supervisors who are not representatives of the employees and decide on the remunerations of Directors and Supervisors;

- (3) to examine and approve reports of the Board of Directors;
- (4) to examine and approve reports of the Supervisory Committee;
- (5) to examine and approve the proposed annual financial budgets, final accounts, balance sheets, profit statements and other financial statements of the Company;
- (6) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (7) to examine and approve the annual reports of the Company;
- (8) to make resolutions on the increase or reduction of the registered capital of the Company as well as issuance of any classes of shares, warrants, and other similar securities;
- (9) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company;
- (10) to make resolutions on the issuance of corporate bonds and other securities and listing of the Company;
- (11) to make resolutions on the engagement, removal, or discontinuance of engagement of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to examine the proposals by the shareholders severally or jointly holding three percent or more of the voting shares of the Company;
- (14) to examine the matters relating to the purchases and disposals of the Company's material assets or the provisions of guarantees within one year with an amount exceeding thirty percent of the Company's latest audited total assets;
- (15) to examine and approve the external guarantees that shall be approved by the general meeting;
- (16) to examine the share incentive schemes **and employee share ownership plan**;
- (17) to examine other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, the listing rules of the place where the Company's shares are listed or provisions of the Articles of Association.

The general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the Company's shares are listed are not violated.

The general meeting may authorize or entrust the Board to handle the matters authorized or entrusted thereby, including but not limited to handling the following matters at the general meeting:

1. subject to the applicable laws, regulations and listing rules, to grant the Board the general mandate to issue, allot and deal with additional overseas listed shares not exceeding 20% (or other proportions as stipulated by applicable laws, regulations and listing rules) of the overseas listed shares issued; and to authorize the Board to make corresponding amendments to the Articles of Association as it thinks appropriate, so as to reflect the new capital structure upon allotment or issuance of shares.
2. to authorize the Board to, within the cap amount of bonds issuance and based on the needs of production, operation, capital expenditure and market conditions, determine the specific items and relevant matters of issuing debt financing instruments such as domestic short-term financing bills, medium- term notes, corporate bonds and overseas USD bonds, including (but not limited to), within the aforesaid scope, determining the amount, interest rate, term, target subscribers, use of proceeds of bonds actually issued and preparing, signing and disclosing all necessary documents.”

Originally read as:

“**Article 62** Where an annual general meeting is convened by the Company, a written notice shall be given twenty-one days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting, as well as the time and venue of the meeting; where an extraordinary general meeting is convened by the Company, a written notice shall be given fifteen days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting, as well as the time and venue of the meeting.”

Proposed to be amended as:

“~~**Article 50**~~~~**Article 62**~~ Where an annual general meeting is convened by the Company, a written notice shall be given ~~twenty~~~~twenty-one~~ days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting, as well as the time and venue of the meeting; where an extraordinary general meeting is convened by the Company, a written notice shall be given fifteen days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting, as well as the time and venue of the meeting.”

Originally read as:

“**Article 63** When a general meeting is convened by the Company, the Board, Supervisory Committee and shareholders who individually or jointly hold three percent or more of the shares of the Company, shall be entitled to make proposals to the Company.

Shareholders, who individually or jointly hold three percent or more of the shares of the Company, may submit ad hoc proposals in writing to the convener ten days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days upon receipt of the proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with this article herein.”

Proposed to be amended as:

“~~Article 51~~~~Article 63~~ When a general meeting is convened by the Company, the Board, Supervisory Committee and shareholders who individually or jointly hold three percent or more of the shares of the Company, shall be entitled to make proposals to the Company.

Shareholders, who individually or jointly hold three percent or more of the shares of the Company, may submit ad hoc proposals in writing to the convener ten days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days upon receipt of the proposals **announcing the content of ad hoc proposals.**

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

**The contents of proposals shall fall within the terms of reference of the shareholders’ general meeting and have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations and provisions of these Articles of Association.**

The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with **the above paragraph this article** herein.”

Originally read as:

“**Article 64** Notice of a general meeting shall satisfy the following requirements:

- (1) be in writing;
- (2) specific venue, date and time of the meeting;
- (3) matters to be considered at the meeting;
- (4) any information and explanations necessary to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of shares, equity restructuring or other restructuring;
- (5) in the event that any of the Directors, Supervisors, General Manager (President) and other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, General Manager (President) and other senior management as a shareholder in a manner different from the manner they affect other shareholders of the same class, the difference shall be explained;
- (6) the full text of any special resolution to be proposed for approval at the meeting;
- (7) a prominent statement that all shareholders are eligible for attending the general meeting and are entitled to appoint proxies in writing to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;
- (8) the time and venue for lodging a proxy form for the meeting;
- (9) the record date for shareholders who are entitled to attend the general meeting;
- (10) the name and telephone number of the contact person for the meeting.”

Proposed to be amended as:

“~~Article 52~~~~Article 64~~ Notice of a general meeting shall be in writing and including the following:~~satisfy the following requirements:~~

- ~~(1) be in writing;~~
- ~~(1)(2) specifictime, venue and duration~~~~date and time~~ of the meeting;
- ~~(2)(3) matters and proposals for consideration at the meeting~~~~matters to be considered at the meeting;~~
- ~~(4) any information and explanations necessary to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of shares, equity restructuring or other restructuring;~~
- ~~(5) in the event that any of the Directors, Supervisors, General Manager (President) and other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, General Manager (President) and other senior management as a shareholder in a manner different from the manner they affect other shareholders of the same class, the difference shall be explained;~~
- ~~(6) the full text of any special resolution to be proposed for approval at the meeting;~~
- ~~(3)(7) a prominent statement that all shareholders are eligible for attending the general meeting and are entitled to appoint proxies in writing to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;~~
- ~~(8) the time and venue for lodging a proxy form for the meeting;~~
- ~~(4)(9) the record date for shareholders who are entitled to attend the general meeting;~~
- ~~(5)(10) the name and telephone number of the contact person for the meeting;~~
- (6) the voting time and voting procedures for online voting or other means of voting;
- (7) other requirements stipulated in the laws, administrative regulations, departmental rules, the listing rules of the place where the Company’s shares are listed.”

Originally read as:

“**Article 65** Unless otherwise specified herein, the notice of the general meeting shall be served on the shareholders (whether or not such shareholder is entitled to vote at the general meeting) by hand or postage prepaid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. For holders of domestic shares, the notice of the general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the Securities Regulatory Authorities of the State Council twenty-one days prior to the convening of the annual general meeting and fifteen days prior to the convening of the extraordinary general meeting. Once such an announcement is made, all holders of the Domestic Shares shall be deemed to have received the relevant notice of the general meeting.

Notices, materials or written statements of shareholders’ general meetings issued to shareholders of overseas listed foreign shares shall be delivered twenty-one days before the annual general meeting and fifteen days before the extraordinary general meeting in any of the following ways:

- (1) to each holder of overseas listed foreign shares by hand or by post according to their registered addresses;
- (2) on the website of the Company and on the website designated by the exchange where the Company’s shares are listed, in compliance with applicable laws and regulations and the listing rules of the place where the Company’s shares are listed;
- (3) issued in accordance with other requirements under the listing rules of the exchanges of the place where the Company’s shares are listed.”

Proposed to be amended as:

“~~**Article 65**~~~~Article 65~~ Unless otherwise specified herein, the notice of the general meeting shall be served on the shareholders in such other manner stipulated in Article 157 of these Articles of Association (whether or not such shareholder is entitled to vote at the general meeting) ~~by hand or postage prepaid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. For holders of domestic shares, the notice of the general meeting may also be given by way of announcement.~~

~~The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the Securities Regulatory Authorities of the State Council twenty-one days prior to the convening of the annual general meeting and fifteen days prior to the convening of the extraordinary general meeting. Once such an announcement is made, all shareholders holders of the Domestic Shares shall be deemed to have received the relevant notice of the general meeting.~~

~~Notices, materials or written statements of shareholders' general meetings issued to shareholders of overseas listed foreign shares shall be delivered twenty one days before the annual general meeting and fifteen days before the extraordinary general meeting in any of the following ways:~~

- ~~(1) to each holder of overseas listed foreign shares by hand or by post according to their registered addresses;~~
- ~~(2) on the website of the Company and on the website designated by the exchange where the Company's shares are listed, in compliance with applicable laws and regulations and the listing rules of the place where the Company's shares are listed;~~
- ~~(3) issued in accordance with other requirements under the listing rules of the exchanges of the place where the Company's shares are listed."~~

Originally read as:

**“Article 67** All shareholders whose names appear on the register of shareholders on the shareholding record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders may attend the general meeting in person or appoint proxies to attend and vote on their behalf.

Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his or her proxy to attend and vote at the meeting on his or her behalf. The proxy(ies) so appointed by the shareholder(s) may, pursuant to the instructions of the shareholder(s), exercise the following rights:

- (1) the shareholders' right to speak at the general meeting;
- (2) the right to demand a poll by himself/herself or jointly with others;
- (3) the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

If the shareholder is a corporation, an authorized clearing house or its agent, such shareholder is entitled to appoint one or more persons it deems suitable or corporate representatives to act as its proxy(ies) in any general meeting or shareholders' class meeting or any meeting of creditors, and these proxies or representatives shall have the same statutory rights as other shareholders, including the right to speak and to vote. If one or more persons is/are appointed as proxy(ies), the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The power of attorney shall be subject to the signature of the appointer of the corporation or authorized clearing house. The proxies so appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the corporation or authorized clearing house (or its agent) as if that proxy is an individual shareholder of the Company, including the right to speak and to vote."

Proposed to be amended as:

"~~Article 55~~~~Article 67~~ All shareholders whose names appear on the register of shareholders on the shareholding record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders may attend the general meeting in person or appoint proxies to attend and vote on their behalf.

Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his or her proxy to attend and vote at the meeting on his or her behalf. The proxy(ies) so appointed by the shareholder(s) may, pursuant to the instructions of the shareholder(s), exercise the following rights:

- (1) the shareholders' right to speak at the general meeting;
- (2) the right to demand a poll by himself/herself or jointly with others;
- (3) the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

If the shareholder is a corporation, an authorized clearing house or its agent, such shareholder is entitled to appoint one or more persons it deems suitable or corporate representatives to act as its proxy(ies) in any general meeting ~~or shareholders' class meeting~~ or any meeting of creditors, and these proxies or representatives shall have the same statutory rights as other shareholders, including the right to speak and to vote. If one or more persons is/are appointed as proxy(ies), the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The power of attorney shall be subject to the signature of the appointer of the corporation or authorized clearing house. The proxies so appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the corporation or authorized clearing house (or its agent) as if that proxy is an individual shareholder of the Company, including the right to speak and to vote.”

Originally read as:

“**Article 71** If the principal dies, loses capacity, withdraws his/her appointment or the authorization to execute the appointment or if relevant shares in respect of which the proxy is given are transferred before voting, the voting made by the proxies according to the proxy form shall remain valid, provided that the Company has not received any written notice in respect of such matters before the commencement of the meeting.”

Proposed to be amended as:

“~~**Article 59**~~~~**Article 71**~~ If the principal dies, loses capacity, withdraws his/her appointment or the authorization to execute the appointment or if relevant shares in respect of which the proxy is given are transferred before voting, the voting made by the proxies according to the proxy form shall remain valid, provided that the Company has not received any written notice in respect of such matters before the commencement of the meeting.”

Originally read as:

“**Article 78** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) work reports of the Board and the Supervisory Committee;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) dismissal of the members of the Board and Supervisory Committee, and remuneration and payment methods thereof;
- (4) annual financial budget report, final accounts report, balance sheets, income statements and other financial statements of the Company;

- (5) the Company's annual report;
- (6) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations or these Articles of Association."

Proposed to be amended as:

~~"Article 66~~**Article 78** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) work reports of the Board and the Supervisory Committee;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) ~~appointment and dismissal~~**dismissal** of the members of the Board and Supervisory Committee, and remuneration and payment methods thereof;
- (4) annual financial budgets ~~and report~~, final accounts ~~report, balance sheets, income statements and other financial statements~~ of the Company;
- (5) the Company's annual report;
- (6) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations or these Articles of Association."

Originally read as:

**Article 79** The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) increase or reduction of registered capital of the Company and issue of shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) division, merger, dissolution, liquidation or change in the form of the Company;
- (4) amendments to these Articles of Association;
- (5) purchase or disposal of major assets or the provision of security by the Company within one year with the value exceeding thirty percent of the latest audited total assets of the Company;
- (6) share incentive schemes;

- (7) other matters as resolved by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;
- (8) matters requiring approval by special resolutions in accordance with laws, administrative regulations, listing rules of the stock exchange on which the shares of the Company are listed or these Articles of Association.”

Proposed to be amended as:

“~~Article 67~~~~Article 79~~ The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) increase or reduction of registered capital of the Company and issue of shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) division, **split**, merger, dissolution, liquidation or change in the form of the Company;
- (4) amendments to these Articles of Association;
- (5) purchase or disposal of major assets or the provision of security by the Company within one year with the value exceeding thirty percent of the latest audited total assets of the Company;
- (6) share incentive schemes;
- (7) other matters as ~~deteremined~~~~resolved~~ by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;
- (8) matters requiring approval by special resolutions in accordance with laws, administrative regulations, listing rules of the stock exchange on which the shares of the Company are listed or these Articles of Association.

**If at any time the share capital of the Company is divided into different classes of Shares, the Company intends to vary or abrogate rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution of the separate shareholders’ general meeting convened by the affected class shareholders.’**”

Originally read as:

“**Article 80** The Supervisory Committee and shareholder(s) individually or jointly holding ten percent or more of the Company’s total voting shares may require convening an extraordinary general meeting or class general meeting, and shall follow the procedures below:

- (1) the Supervisory Committee and shareholder(s) individually or jointly holding more than ten percent of the Company’s total voting shares may sign one or several written requests with the same format and content, to propose to the Board to convene an extraordinary general meeting or class general meeting, and specify the topics of the meeting. The Board shall convene an extraordinary general meeting or class general meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated based on the shareholding on the day when the shareholder(s) make the written request.
- (2) if the Board fails to issue a notice of convening a meeting within thirty days after receipt of the aforesaid written request, the Supervisory Committee may by itself convene a meeting within four months after the Board receives the said request; if the Supervisory Committee fails to convene and preside over a meeting, shareholders holding more than ten percent of the Company’s shares, individually or jointly, for more than ninety consecutive days may convene and preside over a meeting by themselves, and the convening procedures shall be as similar as possible to the procedures by which the Board convenes a general meeting.

Where the Supervisory Committee or shareholders convene and preside over a meeting by themselves as the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.”

Proposed to be amended as:

“~~**Article 68**~~~~**Article 80**~~ The Supervisory Committee and shareholder(s) individually or jointly holding ten percent or more of the Company’s total voting shares may require convening an extraordinary general meeting ~~or class general meeting~~, and shall follow the procedures below:

- (1) the Supervisory Committee and shareholder(s) individually or jointly holding more than ten percent of the Company’s total voting shares may sign one or several written requests with the same format and content, to propose to the Board to convene an extraordinary general meeting ~~or class general meeting~~, and specify the topics of the meeting. The Board shall convene an extraordinary general meeting ~~or class general meeting~~ responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated based on the shareholding on the day when the shareholder(s) make the written request.

- (2) if the Board fails to issue a notice of convening a meeting within thirty days after receipt of the aforesaid written request, the Supervisory Committee may by itself convene a meeting within four months after the Board receives the said request; if the Supervisory Committee fails to convene and preside over a meeting, shareholders holding more than ten percent of the Company's shares, individually or jointly, for more than ninety consecutive days may convene and preside over a meeting by themselves, and the convening procedures shall be as similar as possible to the procedures by which the Board convenes a general meeting.

Where the Supervisory Committee or shareholders convene and preside over a meeting by themselves as the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.”

Originally read as:

“**Article 81** The general meeting shall be convened by the Chairman of the Board, who shall also act as the chairman of the meeting. If the Chairman is unable or fails to perform his duties, the co-chairman shall convene and act as the chairman of the meeting. In the event that the Chairman and co-chairman are both unable or fail to perform their duties, more than half of the Directors may elect a Director to convene and act as the chairman of the meeting.

If the Board is unable or fails to perform the duty of convening a general meeting, the Supervisory Committee shall duly convene and preside over a general meeting; if the Supervisory Committee fails to convene and preside over a general meeting, the shareholders individually or jointly holding ten percent or more of the Company's shares for more than ninety consecutive days shall have the right to convene and preside over a general meeting.

A general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of Supervisory Committee. Where the chairman of Supervisory Committee is unable or fails to fulfil the duty thereof, more than half of the Supervisors shall jointly elect a Supervisor to preside over.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener. In the event that no chairman is so elected, the attending shareholders shall elect one person to act as the chairman of the meeting; if, for any reason, the shareholders fail to elect a chairman of the general meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders shall be the chairman of the general meeting.

Where the Supervisory Committee or shareholders convene a general meeting by themselves in accordance with the provisions, the necessary expenses incurred therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent Directors.”

Proposed to be amended as:

“~~Article 69~~~~Article 81~~ The general meeting shall be convened by the Chairman of the Board, who shall also act as the chairman of the meeting. If the Chairman is unable or fails to perform his duties, the co-chairman shall convene and act as the chairman of the meeting. In the event that the Chairman and co-chairman are both unable or fail to perform their duties, more than half of the Directors may elect a Director to convene and act as the chairman of the meeting.

If the Board is unable or fails to perform the duty of convening a general meeting, the Supervisory Committee shall duly convene and preside over a general meeting; if the Supervisory Committee fails to convene and preside over a general meeting, the shareholders individually or jointly holding ten percent or more of the Company’s shares for more than ninety consecutive days shall have the right to convene and preside over a general meeting.

A general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of Supervisory Committee. Where the chairman of Supervisory Committee is unable or fails to fulfil the duty thereof, more than half of the Supervisors shall jointly elect a Supervisor to preside over.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener. In the event that no chairman is so elected, the attending shareholders shall elect one person to act as the chairman of the meeting; if, for any reason, the shareholders fail to elect a chairman of the general meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders shall be the chairman of the general meeting.

**When a shareholders’ general meeting is convened, if the chairman of the meeting contravenes the Rules of Procedure, rendering the meeting impossible to proceed, with the consent from more than half of the attending shareholders with voting rights, one person may be nominated at the shareholders’ general meeting to serve as the chairman and the meeting may proceed.**

Where the Supervisory Committee or shareholders convene a general meeting by themselves in accordance with the provisions, the necessary expenses incurred therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent Directors.”

Originally read as:

“**Article 83** The chairman of the meeting shall be responsible for determining whether a resolution of a general meeting has been passed. His/her decision shall be final and conclusive. It shall be announced at the meeting and recorded in the minutes of the meeting.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 87** Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations, and the Articles of Association.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 88** The Company shall not proceed to change or abrogate the rights of class shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class shareholders so affected in accordance with Articles 90 to 94.

The transfer by the Company’s holders of all or part of Domestic Shares held thereby to overseas investors for listing overseas, or the conversion of all or part of Domestic Shares into overseas listed shares for listing and trading on overseas stock exchange(s), shall not be deemed as the Company’s intention to vary or abrogate the rights of class shareholders.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 89** The following circumstances shall be deemed as change or abrogation of the rights of a certain class shareholder:

- (1) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) to change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;

- (3) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of the said class;
- (4) to reduce or cancel rights attached to the shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (5) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of the said class;
- (6) to cancel or reduce rights to receive company payables in a particular currency attached to the shares of the said class;
- (7) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;
- (8) to restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;
- (9) to issue rights to subscribe for, or to convert into, shares of the said class or another class;
- (10) to increase the rights and privileges of the shares of another class;
- (11) to restructure the Company in such a way to cause shareholders of different classes to undertake liabilities disproportionately during the restructuring;
- (12) to amend or cancel provisions in this chapter.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 90** Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders’ class meetings in respect of matters referred to in items (2) to (8) and (11) to (12) in Article 89 hereof, except that interested shareholders shall not vote at such shareholders’ class meetings.

The term “interested shareholders” in the preceding paragraph shall mean:

- (1) in case of a buy-back of shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with Article 26 hereof, the controlling shareholders as defined in Article 57 of these Articles of Association shall be the “interested shareholders”;
- (2) in case of a buy-back of shares by the Company by an off market agreement in accordance with Article 26 of these Articles of Association, holders of shares in relation to such agreement shall be the “interested shareholders”;
- (3) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligation than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the “interested shareholders”.

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 91** Resolution of a shareholders’ class meeting shall be passed only by two-thirds or more of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders’ class meeting in accordance with Article 90.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 92** When the Company is to convene a shareholders’ class meeting, it shall issue a written notice twenty-one days prior to the convening of the annual general meeting and fifteen days prior to the convening of the extraordinary general meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the time and place of the meeting.

If there are special requirements by the listing rules of the stock exchange where the Company’s shares are listed, such requirements shall prevail.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 93** The notice of a shareholders’ class meeting shall be sent to the shareholders entitled to vote at such meeting only.

The procedure of a shareholders’ class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Provisions of the Articles of Association relevant to procedure for the holding of a general meeting shall be applicable to a shareholders’ class meeting.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 94** Apart from holders of other classes of shares, holders of Domestic Shares and overseas listed shares are deemed to be shareholders of different classes.

In the following circumstances, the special procedures for voting by class shareholders shall not apply:

- (1) with the approval by a special resolution at the general meeting, the Company issues Domestic Shares or overseas listed shares alone or at the same time at each interval of twelve months and the number of the proposed Domestic Shares and overseas listed shares does not exceed twenty percent of the respective outstanding shares of such class;
- (2) the Company has made the plans to issue Domestic Shares or overseas listed shares at the time of incorporation and the implementation of such plan has been completed within fifteen months from the date of approval by the Securities Commission of the State Council;
- (3) with the approval of the securities regulatory authorities of the State Council, holders of Domestic Shares of the Company may transfer all or part of the shares held by them to foreign investors for listing overseas (subject to the approval of overseas stock exchange(s)), or the Company converts all or part of the already issued but unlisted shares (including Domestic Shares and foreign shares) into overseas listed shares.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 107** In cases where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with the value of fixed assets disposed within four months before the proposed disposal, exceeds thirty-three percent of the fixed assets value set out in the latest balance sheet approved by the general meetings, the Board of Directors shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

The term “fixed assets disposal” referred to in this Article includes (among other things) transferring certain interests in assets, but excludes provision of guarantees with fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a violation of the first paragraph of this Article.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 108** The chairman shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (2) to procure and check the implementation of resolution of the Board of Directors;
- (3) to sign on securities issued by the Company and other important documents;
- (4) other functions and powers authorized by the Board of Directors or the listing rules of the stock exchange where our shares are listed;

When the chairman is unable to or does not carry out his/her duties, they shall be carried out by one Director nominated by more than one half of the Directors.”

Proposed to be amended as:

“~~**Article 86**~~~~**Article 108**~~ The chairman shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (2) to procure and check the implementation of resolution of the Board of Directors;
- (3) to sign on securities issued by the Company and other important documents;

- (4) other functions and powers authorized by the Board of Directors or the listing rules of the stock exchange where our shares are listed;

When the chairman is unable to or does not carry out his/her duties, **the co-chairman shall perform the duties of chairman; when the co-chairman is unable to or does not carry out his/her duties**, they shall be carried out by one Director nominated by more than one half of the Directors.”

Originally read as:

“**Article 111** The Board meeting shall not be held unless more than one half of the Directors (including the Directors who are entrusted to attend the meeting as stipulated in Article 112 of the Articles of Association) are present.

Each Director shall have one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by more than one half of the Directors of the Company. Where the number of votes for and against a resolution is the same, the chairman shall be entitled to an additional vote.

Resolutions in respect of related (connected) transactions made by the Board of the Company shall come into effect only after they are signed by the independent Directors. When the Board of Directors of the Company considers any related (connected) transaction matters, the related (connected) Directors shall abstain from voting and shall not vote on behalf of other Directors. If less than three non-related (connected) Directors attend the Board meeting, the transaction shall be submitted to the general meeting for consideration. Related (connected) Directors shall include Directors who fall into any of the followings: (1) the counterparty of a transaction; (2) owning direct or indirect control over the counterparty of a transaction; (3) holding a position in the counterparty or a legal person or other organization directly or indirectly controlling or controlled by such counterparty; (4) a close family member of the counterparty or the person who has direct or indirect control over the counterparty; (5) a close family member of any Director, Supervisor or senior management of the counterparty or the person who has direct or indirect control over the counterparty; (6) a person which is considered to be able to affect the independent commercial judgment of the Company for other reasons as determined by the Company.”

Proposed to be amended as:

“~~**Article 89**~~~~**Article 111**~~ The Board meeting shall not be held unless more than one half of the Directors (including the Directors who are entrusted to attend the meeting as stipulated in **Article 90**~~**Article 112**~~ of the Articles of Association) are present.

Each Director shall have one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by more than one half of the Directors of the Company. Where the number of votes for and against a resolution is the same, the chairman shall be entitled to an additional vote.

Resolutions in respect of related (connected) transactions made by the Board of the Company shall come into effect only after they are signed by the independent Directors. When the Board of Directors of the Company considers any related (connected) transaction matters, the related (connected) Directors shall abstain from voting and shall not vote on behalf of other Directors. If less than three non-related (connected) Directors attend the Board meeting, the transaction shall be submitted to the general meeting for consideration. Related (connected) Directors shall include Directors who fall into any of the followings: (1) the counterparty of a transaction; (2) owning direct or indirect control over the counterparty of a transaction; (3) holding a position in the counterparty or a legal person or other organization directly or indirectly controlling or controlled by such counterparty; (4) a close family member of the counterparty or the person who has direct or indirect control over the counterparty; (5) a close family member of any Director, Supervisor or senior management of the counterparty or the person who has direct or indirect control over the counterparty; (6) a person which is considered to be able to affect the independent commercial judgment of the Company for other reasons as determined by the Company.”

Originally read as:

“**Article 112** The Directors shall attend the Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. Such power of attorney shall specify the scope of authorization.

The Director that attends the meeting on behalf of another Director shall exercise the rights of a Director to the extent of the authorization given. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.”

Proposed to be amended as:

“~~**Article 90**~~~~**Article 112**~~ The Directors shall attend the Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. Such power of attorney shall specify **the name of the proxy, matters,** the scope of authorization **and the validity period and signed or stamped by the attorney.**

The Director that attends the meeting on behalf of another Director shall exercise the rights of a Director to the extent of the authorization given. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.”

Originally read as:

“**Article 127** A meeting of the Supervisory Committee shall be attended by two-thirds or more of the members of the Supervisory Committee. The meeting of the Supervisory Committee shall vote by way of disclosed ballot. Each Supervisor has one vote. Supervisors shall attend meetings of the Supervisory Committee in person. In the event a Supervisor is unable to attend the meeting for any reason, he/she may authorize another Supervisor in writing to attend the meeting on his/her behalf. Such power of attorney shall specify the scope of authorization.

Every resolution of the Supervisory Committee shall be passed by the votes representing two-thirds or more of the members of the Supervisory Committee.”

Proposed to be amended as:

“~~**Article 105**~~~~**Article 127**~~ ~~A meeting of the Supervisory Committee shall be attended by two-thirds or more of the members of the Supervisory Committee.~~ The meeting of the Supervisory Committee shall vote by way of disclosed ballot. Each Supervisor has one vote. Supervisors shall attend meetings of the Supervisory Committee in person. In the event a Supervisor is unable to attend the meeting for any reason, he/she may authorize another Supervisor in writing to attend the meeting on his/her behalf. Such power of attorney shall specify the scope of authorization.

Every resolution of the Supervisory Committee shall be passed by the votes representing **half two-thirds** or more of the members of the Supervisory Committee.”

Originally read as:

“**Article 131** A person may not serve as a Director, Supervisor, General Manager (President) or other senior management member of the Company if any of the following circumstances apply:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging social economic order and has been punished for committing such offence; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the end of such punishment or deprivation;
- (3) a person who is a former Director, factory manager or General Manager (President) of a company or enterprise, which has entered into insolvent liquidation because of mismanagement and who incurred personal liability for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

- (4) a person who is a former legal representative of a company or enterprise, which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of overdue debts;
- (6) a person whose case has been established for investigation by the judicial authorities as a result of violation of the criminal law, and such case has not been closed;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;
- (10) such a person as specified in the listing rules or the laws and rules of the stock exchange where the Company's shares are listed."

Proposed to be amended as:

"~~Article 109~~~~Article 131~~ A person may not serve as a Director, Supervisor, General Manager (President) or other senior management member of the Company if any of the following circumstances apply:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has committed ~~an offence of~~ corruption, bribery, infringement of property, misappropriation of property or sabotaging ~~socialist market~~ economic order and has been punished for committing such offence; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the end of such punishment or deprivation;
- (3) a person who is a former Director, factory manager or General Manager (President) of a company or enterprise, which has entered into insolvent liquidation ~~because of~~ **mismanagement** and who incurred personal liability for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

- (4) a person who is a former legal representative of a company or enterprise, which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of overdue debts;
- (6) being under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective~~a person whose case has been established for investigation by the judicial authorities as a result of violation of the criminal law, and such case has not been closed;~~
- (7) ~~a person who is not eligible for enterprise leadership according to laws and administrative regulations;~~
- (8) ~~a non-natural person;~~
- (9) ~~a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;~~
- (10) other contents as required by laws, administrative regulations or departmental rules that such a person as specified in the listing rules or the laws and rules of the stock exchange where the Company's shares are listed."

For any election and appointment of a director in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where a director falls into any of the aforesaid circumstances in his/her term of office, the Company shall dismiss the duties of such director."

Originally read as:

"**Article 135** The Directors, Supervisors, General Manager (President) and other senior management members of the Company shall exercise his/her powers or perform his/her duties in accordance with the fiduciary principle; and shall not put himself/herself in a position where his/her interest and his/her duty may conflict. This principle includes, but is not limited to, discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to act within the scope of his/her powers and shall not exceed such powers;

- (3) to exercise the discretion conferred on him/her in person and shall not allow himself/herself to act under the control of others, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate the exercise of his/her discretion to others;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in the Articles of Association or except with the informed consent of the shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property in any way for his/her own benefit, without the informed consent of the shareholders given at a general meeting;
- (7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property in any way, including, but not limited to, opportunities which are favorable to the Company;
- (8) not to accept commissions in connection with the Company's transactions, except with the informed consent of the shareholders given at a general meeting;
- (9) to comply with these Articles of Association, to perform his/her duties in a faithful manner, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her own interests;
- (10) not to compete with the Company in any way, except with the informed consent of the shareholders given at a general meeting;
- (11) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his/ her own name or in the name of any other person or to use such assets to provide guarantee for the debts of a shareholder of the Company or any other personal liabilities;
- (12) not to disclose any confidential information in connection with the Company, which he/she has obtained during his/her term of office, except with the informed consent of the shareholders given at a general meeting; nor shall he/she use such information other than for the Company's benefit, save that disclosure of such information to the court or other competent governmental authorities is permitted if:
  1. disclosure is required by law;
  2. required in the public interests;

3. the interests of such Director, Supervisor, General Manager (President) or other senior management member so require.”

Proposed to be amended as:

**Delete the whole article.**

**Newly added:**

**“Article 113 Directors or other senior management members shall comply with the laws, administrative regulations and these Articles of Association, and shall fulfill the fiduciary obligation to the Company as follows:**

- (1) not to exploit their duties and powers to accept bribes or other illegal income or infringe the assets of the Company;**
- (2) not to misappropriate the Company’s funds;**
- (3) not to store the Company’s assets or funds in its personal name or in other personal names;**
- (4) not to violate the provisions of the Company’s Articles of Association and not to lend the Company’s funds to others or use the Company’s assets to provide guarantees for others’ debts without the prior approval of the general meeting;**
- (5) not to violate the provisions of the Company’s Articles of Association or enter into contracts or conduct transactions with the Company without the prior approval of the general meeting;**
- (6) not to take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or others, or engage in business similar to that of the Company for himself/herself or others, without the prior approval of the general meeting;**
- (7) not to accept any commissions in relation to the Company’s transactions as personal ownership;**
- (8) not to disclose the Company’s secrets without authorization;**
- (9) not to use the connected relations to prejudice the interests of the Company;**
- (10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules, the listing rules of the place where the Company’s shares are listed and these Articles of Association;**

**Any proceeds obtained by Directors or other senior management members in violation of the provisions of this article shall belong to the Company; if any damage is caused to the Company, they shall be liable for compensation.”**

Newly added:

**“Article 114 Directors shall comply with laws, administrative regulations and these Articles of Association, and bear the following responsibilities of diligence to the Company:**

- (1) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;**
- (2) shall be fair to all shareholders;**
- (3) to timely understand the business operations and management of the Company;**
- (4) shall sign a written confirmation to the Company’s periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;**
- (5) shall provide the status reports and information to the Board of Supervisors honestly, and not to hinder the Board of Supervisors or supervisors from exercising their powers;**
- (6) other responsibilities of diligence stipulated in the laws, administrative regulations, departmental rules and these Articles of Association.**

**Provisions regarding the duty of diligence of directors under items (4), (5) and (6) of the preceding paragraph shall be applicable to the senior management members.”**

Originally read as:

**“Article 138** Subject to situations provided under Article 56 of these Articles of Association, the Directors, Supervisors, General Manager (President) and other senior management members of the Company may be released from liabilities for specific breaches of his/her duty with the informed consent of the shareholders given at a general meeting.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 141** The Company shall not pay taxes for its Directors, Supervisors, General Manager (President) or other senior management members in any manner.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 142** The Company shall neither directly or indirectly make a loan to or provide any security for the Directors, Supervisors, General Manager (President) and other senior management members of the Company or its parent, nor make a loan or provide any security for any of their respective associates.

The foregoing provision is not applicable in the following circumstances:

- (1) the provision by the Company of a loan to or a security for its subsidiaries;
- (2) the provision by the Company of a loan or a security or any other funds available to its Directors, Supervisors, General Manager (President) and other senior management members to meet expenditures incurred by him/ her for the purpose of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (3) if the ordinary business scope of the Company includes the lending of money and provision of security, the Company may make a loan to or provide a security to the relevant Directors, Supervisors, General Manager (President) and other senior management members or their respective associates on normal commercial terms.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 143** Any person who receives funds from a loan, which has been made by the Company in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 144** A loan guarantee provided by the Company in breach of Article 142(1) shall not be enforceable against the Company, save in respect of the following circumstances:

- (1) the loan was advanced to an associate of the Directors, Supervisors, General Manager (President) and other senior management members of the Company or its parents and the lender of such funds is not informed;
- (2) the collateral, which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 145** The “guarantee” in the foregoing articles of this Chapter includes an undertaking or property provided by the guarantor to secure the obligor’s performance of his/her obligations.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 147** The Company shall enter into written contracts with each Director, Supervisor and senior management members, which shall at least include the following provisions:

- (1) the Directors, Supervisors or senior management shall undertake to the Company to abide by the Company Law, the Special Regulations, the Company’s Articles of Association and Code on Takeovers and Mergers and Code on Share Buy-backs approved (amended from time to time) by Hong Kong Securities and Futures Commission and other rules of Hong Kong Stock Exchange, and agree that the Company will be entitled to take remedies specified in the Articles of Association, and the contract and its position shall not be transferred;
- (2) the Directors, Supervisors or senior management shall undertake to the Company on behalf of each shareholder, to abide by and perform their obligations to shareholders provided by the Articles of Association;
- (3) arbitration provisions stipulated in Article 188 of the Articles of Association.”

Proposed to be amended as:

“~~Article 120~~~~Article 147~~ The Company shall enter into written contracts with each Director, Supervisor and senior management members, which shall at least include the following provisions:

- (1) the Directors, Supervisors or senior management shall undertake to the Company to abide by the Company Law, ~~the Special Regulations~~, the Company’s Articles of Association and Code on Takeovers and Mergers and Code on Share Buy-backs approved (amended from time to time) by Hong Kong Securities and Futures Commission and other rules of Hong Kong Stock Exchange, and agree that the Company will be entitled to take remedies specified in the Articles of Association, and the contract and its position shall not be transferred;
- (2) the Directors, Supervisors or senior management shall undertake to the Company on behalf of each shareholder, to abide by and perform their obligations to shareholders provided by the Articles of Association;
- (3) ~~arbitration provisions stipulated in Article 188 of the Articles of Association.”~~

Originally read as:

“**Article 148** With prior approval given at a general meeting, the Company shall enter into written contracts relating to emoluments with the Directors and Supervisors. Such emoluments include:

- (1) emoluments in respect of his/her service as Directors, Supervisors or senior management members of the Company;
- (2) emoluments in respect of his/her service as Directors, Supervisors or senior management members of subsidiaries of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the Company and its subsidiaries;
- (4) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

No litigation shall be brought by the Directors or Supervisors against the Company for any benefit due to him/her in respect of the abovementioned matters except pursuant to the contracts mentioned above.”

Proposed to be amended as:

**Delete the whole article.**

“**Article 149** The contract relating to the emoluments between the Company and its Directors and Supervisors should provide that in the event that the Company is acquired, the Directors and Supervisors of the Company shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. For the purpose of this paragraph, the acquisition of the Company includes any of the following:

- (1) an offer made by any person to all the shareholders;
- (2) an offer made by any person with a view to become a controlling shareholder. The “controlling shareholder” shall have the same meaning with that of the controlling shareholder in Article 57 of the Articles of Association.

If such Directors and Supervisors do not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum on a pro rata basis among such persons shall be borne by such Directors or Supervisors and shall not be paid out of such sum.”

Proposed to be amended as:

“~~Article 121~~~~Article 149~~ The contract relating to the emoluments between the Company and its Directors and Supervisors should provide that in the event that the Company is acquired, the Directors and Supervisors of the Company shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. For the purpose of this paragraph, the acquisition of the Company includes any of the following:

- (1) an offer made by any person to all the shareholders;
- (2) an offer made by any person with a view to become a controlling shareholder.~~The “controlling shareholder” shall have the same meaning with that of the controlling shareholder in Article 57 of the Articles of Association.~~

If such Directors and Supervisors do not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum on a pro rata basis among such persons shall be borne by such Directors or Supervisors and shall not be paid out of such sum.”

Originally read as:

“**Article 153** The financial report of the Company shall be kept at the Company and shall be made available to the shareholders twenty days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

The Company shall send the report mentioned above or the report of the Board of Directors together with the balance sheet (including all documents which are required to be attached to the balance sheet under the laws) and profit and loss statement or statement of income and expenditure to each holder of overseas listed shares by prepaid mail at least twenty-one days before the convening of the annual general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of shareholders.”

Proposed to be amended as:

“~~**Article 125**~~~~**Article 153**~~ The financial report of the Company shall be kept at the Company and shall be made available to the shareholders twenty days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

The Company shall send the report mentioned above or the report of the Board of Directors together with the balance sheet (including all documents which are required to be attached to the balance sheet under the laws) and profit and loss statement or statement of income and expenditure to each holder of overseas listed shares by prepaid mail at least twenty-one days before the convening of the annual general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of shareholders. **The company may publish it electronically or on the website designated by the stock exchange at the location where the company’s shares are listed in accordance with the relevant requirements of laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange at the location where the company’s shares are listed.**”

Originally read as:

“**Article 171** The merger or division of the Company shall be proposed by the Board of Directors and shall go through the relevant approval process according to the law after being approved by the procedures required by these Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company’s merger and division for shareholders’ inspection.

The aforesaid documents shall be delivered by mail to each holder of overseas listed shares. The addresses of recipients shall be those registered in the register of shareholders.”

Proposed to be amended as:

“~~Article 143~~~~Article 171~~ The merger or division of the Company shall be proposed by the Board of Directors and shall go through the relevant approval process according to the law after being approved by the procedures required by these Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company’s merger and division for shareholders’ inspection.

The aforesaid documents shall be delivered by mail or as otherwise permitted by the Hong Kong Stock Exchange to each holder of overseas listed shares.~~The addresses of recipients shall be those registered in the register of shareholders.”~~

Originally read as:

“**Article 177** Where the Board resolves to liquidate the Company for any reason other than bankruptcy, the Board shall include a statement in its notice convening a general meeting to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company shall be able to pay its debts in full within twelve months from the commencement of the liquidation.

The Board of the Company shall lose its powers immediately after the resolution for liquidation is passed at the general meeting.

The liquidation committee shall act in accordance with instructions of the general meeting and make a report at least once every year to the general meeting on the committee’s income and expenses, the business of the Company and the progress of the liquidation; and present a final report to the general meeting upon completion of the liquidation.”

Proposed to be amended as:

**Delete the whole article.**

Originally read as:

“**Article 182** After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, a statement of revenue and expenditure and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, submit the same to the general meeting or the relevant authorities in charge for confirmation.

Within thirty days from the date of confirmation of the aforementioned documents by the general meeting or the relevant competent authorities, the liquidation committee shall deliver the same to the company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's dissolution."

Proposed to be amended as:

~~"Article 153~~~~Article 182~~ After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, ~~a statement of revenue and expenditure and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China,~~ submit the same to the general meeting or the People's Court~~the relevant authorities in charge~~ for confirmation:

~~Within thirty days from the date of confirmation of the aforementioned documents by the general meeting or the relevant competent authorities, the liquidation committee shall, and deliver the same~~ to the company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's dissolution."

Originally read as:

"**Article 185** If the amendments to the Articles of Association involve content of the Mandatory Provisions, the said amendments shall be subject to approval by the company examination and approval authority authorized by the State Council and the Securities Commission of the State Council; If such amendments involve any registered particulars of the Company, application shall be made for change of registration in accordance with laws."

Proposed to be amended as:

~~"Article 156~~~~Article 185~~ ~~If the amendments to the Articles of Association involve content of the Mandatory Provisions, the said amendments shall be subject to approval by the company examination and approval authority authorized by the State Council and the Securities Commission of the State Council;~~ Any amendment to these Articles of Association passed by a resolution at a shareholders' general meeting shall be filed with the original competent authorities for approval if it is so required; if such amendments involve any registered particulars of the Company, application shall be made for change of registration in accordance with laws."

Originally read as:

“**Article 186** Notices of the Company shall be served by the following methods:

- (1) by hand;
- (2) by mail;
- (3) by facsimile or e-mail;
- (4) by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and listing rules of the stock exchange at the location where the Company’s shares are listed;
- (5) by announcement;
- (6) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (7) by other means approved by the relevant regulatory authority at the location where the Company’s shares are listed or stipulated in the Articles of Association.

Unless the context otherwise requires, “announcement” referred to herein means an announcement published in newspapers in the PRC as to the announcement made to holders of Domestic Shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association, which shall be as specified in PRC laws and regulations or designated, approved or permitted by the Securities Regulatory Authorities of the State Council. In respect of the announcement sent to holders of overseas listed shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be published in the newspapers and/or other designated media (including websites) as required by the relevant listing rules.

Unless otherwise provided in these Articles of Association, the notice delivered to each holder of the overseas listed shares, if delivered by public announcement, the Company shall submit an electronic version, which may be published immediately to the Hong Kong Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Stock Exchange, or published (including advertising on newspapers) on newspapers according to the Hong Kong Listing Rules on the same date. The announcement shall be published on the Company’s website at the same time. In addition, unless otherwise provided in these Articles of Association, the Company shall deliver the notice to each holder of overseas listed shares by hand or by prepaid mails according to their registered address, so that the shareholders are fully notified and have sufficient time to exercise their rights or act as per the notice.

The holders of overseas listed shares of the Company may choose in written form to obtain (by email or by post) the information of the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. They may also change the method for receiving the aforesaid information and the language version to be received as per appropriate procedures by sending a written notice to the Company in advance within a reasonable period.

If any shareholder or Director wants to prove he/she has sent any notice, document, information or written statement to the Company, he/she shall provide evidence proving that the relevant notice, document, information or written statement has been served in a usual way or by prepaid mail to the correct address within the specified time.

Although the preceding paragraphs specify that the Company shall provide and/ or send the information of the Company to the shareholders in written form, regarding the method used by the Company to provide and/or send information of the Company to the shareholders according to the requirements of the Hong Kong Listing Rules, if the Company has obtained the shareholders' prior written consent or implied consent according to the relevant laws and regulations and the Hong Kong Listing Rules amended from time to time, the Company may send or provide the information of the Company to its shareholders in an electronic way or by announcement on its website. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a general meeting and other information set out in the Hong Kong Listing Rules.”

Proposed to be amended as:

“~~Article 157~~~~Article 186~~ Notices of the Company shall be served by the following methods:

- (1) by hand;
- (2) by mail;
- (3) by facsimile or e-mail;
- (4) by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and listing rules of the stock exchange at the location where the Company's shares are listed;
- (5) by announcement;
- (6) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (7) by other means approved by the relevant regulatory authority at the location where the Company's shares are listed or stipulated in the Articles of Association.

In respect of the manner in which the Company provides and/or distributes corporate communications to shareholders as required by the Hong Kong Listing Rules, subject to compliance with the relevant provisions of laws, regulations, normative documents and the securities regulatory rules at the location where the Company is listed, the Company is required to (1) send or otherwise make available the corporate communications to the relevant holders of its securities in electronic form, or (2) publish the corporate communications through the Company's website and the website of the Hong Kong Stock Exchange (the Company should indicate on its website how it adopts (1) and/or (2) the manner in which the company communicates).

Shareholders of the Company may also choose in written form to obtain a printed copy of the above corporate communication by post. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a general meeting and other information set out in the Hong Kong Listing Rules.

Unless the context otherwise requires, "announcement" referred to herein means the publication on the media that meet the conditions prescribed by the CSRC~~an announcement published in newspapers in the PRC~~ as to the announcement made to holders of Domestic Shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association, ~~which shall be as specified in PRC laws and regulations or designated, approved or permitted by the Securities Regulatory Authorities of the State Council.~~ In respect of the announcement sent to holders of overseas listed shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be issued in accordance with the requirements of the Hong Kong Listing Rules or other applicable regulations published in the newspapers and/ or other designated media (including websites) as required by the relevant listing rules.

~~Unless otherwise provided in these Articles of Association, the notice delivered to each holder of the overseas listed shares, if delivered by public announcement, the Company shall submit an electronic version, which may be published immediately to the Hong Kong Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Stock Exchange, or published (including advertising on newspapers) on newspapers according to the Hong Kong Listing Rules on the same date. The announcement shall be published on the Company's website at the same time. In addition, unless otherwise provided in these Articles of Association, the Company shall deliver the notice to each holder of overseas listed shares by hand or by prepaid mails according to their registered address, so that the shareholders are fully notified and have sufficient time to exercise their rights or act as per the notice.~~

~~The holders of overseas listed shares of the Company may choose in written form to obtain (by email or by post) the information of the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. They may also change the method for receiving the aforesaid information and the language version to be received as per appropriate procedures by sending a written notice to the Company in advance within a reasonable period.~~

~~If any shareholder or Director wants to prove he/she has sent any notice, document, information or written statement to the Company, he/she shall provide evidence proving that the relevant notice, document, information or written statement has been served in a usual way or by prepaid mail to the correct address within the specified time.~~

~~Although the preceding paragraphs specify that the Company shall provide and/ or send the information of the Company to the shareholders in written form, regarding the method used by the Company to provide and/or send information of the Company to the shareholders according to the requirements of the Hong Kong Listing Rules, if the Company has obtained the shareholders' prior written consent or implied consent according to the relevant laws and regulations and the Hong Kong Listing Rules amended from time to time, the Company may send or provide the information of the Company to its shareholders in an electronic way or by announcement on its website. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a general meeting and other information set out in the Hong Kong Listing Rules."~~

Originally read as:

**“Article 188** The Company follows the following rules for the settlement of disputes:

- (1) all disputes and claims between shareholders of overseas listed shares and the Company, between shareholders of overseas listed shares and the Company's Directors, Supervisors, General Manager (President) or other senior management, or between shareholders of overseas listed shares and shareholders of Domestic Shares arising from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company shall be referred by the relevant parties to arbitration.

The aforementioned disputes or claims shall be referred to arbitration as a whole. All parties involved in the same dispute or claim shall abide by the arbitration if such parties are the Company or the shareholders, Directors, Supervisors, General Manager (President) or other senior management of the Company.

Disputes in relation to the definition of shareholders and register of shareholders need not be resolved by arbitration.

- (2) a claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its Arbitration Rules or the Hong Kong International Arbitration Centre in accordance with its Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at the Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (3) if any disputes or claims of rights prescribed in item (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.”

Proposed to be amended as:

**Delete the whole article.**

In accordance with the Listing Rules, this appendix serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution(s) to be proposed at the AGM for the grant of the Buy-Back General Mandate to the Directors.

## **BUY-BACK GENERAL MANDATE**

### **Reasons for buying back H Shares**

The Directors believe that the flexibility afforded by the Buy-Back General Mandate would be beneficial to and in the best interest of the Company and its Shareholders. When exercising the Buy-Back General Mandate, the Directors may, subject to market conditions and the Company's capital management needs at the relevant time of the buy-backs, resolve to cancel the shares bought back following settlement of any such buy-back or hold them as treasury shares. Shares bought back for cancellation may, depending on market conditions and funding arrangements at such time, lead to an enhancement of the net asset value per Share and/or earnings per Share. On the other hand, Shares bought back and held by the Company as treasury shares may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Listing Rules, the Articles of Association, and the applicable laws, rules and regulations of the PRC. Share buy-backs will only be made when the Directors believe that such buy-backs will benefit the Company and its Shareholders.

### **Registered Capital**

As at the Latest Practicable Date, the total number of issued Shares was RMB1,420,000,800 comprising 1,420,000,800 H Shares of RMB1.00 each, and the Company did not have any treasury shares.

### **Exercise of the Buy-Back General Mandate**

Subject to the passing of the special resolution in relation to the grant of the Buy-Back General Mandate to the Board proposed at the AGM, the Board will be granted the Buy-Back General Mandate until the earlier of (a) the expiry date of 12 months after the passing of the special resolution at the AGM; (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting; or (c) the conclusion of the next annual general meeting of the Company (the "**Relevant Period**"). The exercise of the Buy-Back General Mandate is subject to the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained (if applicable).

In accordance with the Listing Rules, the Company will not buy back H Shares if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which H Shares were traded on the Hong Kong Stock Exchange.

The exercise in full of the Buy-Back General Mandate (on the basis of 1,420,000,800 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or bought back by the Company on or prior to the date of the AGM) would result in a maximum of 142,000,080 H Shares that may be bought back by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue (excluding treasury shares) as at the date of passing the relevant resolution(s).

### **Funding of Buy-Backs**

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC. The Company may not buy back securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

### **GENERAL INFORMATION**

An exercise of the Buy-Back General Mandate in full could have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2023) at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-Back General Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital needs of the Company or the gearing level of the Company. The number of H Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

The Directors will exercise the powers of the Company to make buy-back under the Buy-Back General Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company has confirmed that neither the explanatory statement nor the proposed share buy-back has any unusual features.

### **STATUS OF BOUGHT BACK H SHARES**

The new Listing Rules that will become effective on 11 June 2024 provide that the listing of all the H Shares bought back by the Company may be cancelled, or held as treasury shares for resale subject to market conditions and capital management needs as the Board may determine. If the Company decides to cancel any such H Shares bought back, the registered capital of the Company shall be reduced accordingly based on the total nominal value of H Shares cancelled.

**H SHARES PRICES**

The highest and lowest prices at which the H Shares have been traded on the Hong Kong Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2023</b>		
April	7.17	6.12
May	6.29	4.71
June	5.66	4.65
July	5.92	4.44
August	5.75	4.02
September	5.59	4.34
October	4.69	3.57
November	4.54	3.63
December	3.82	3.18
<b>2024</b>		
January	3.61	2.76
February	4.23	2.92
March	4.10	3.00
April (up to the Latest Practicable Date)	3.20	2.51

**H SHARES BOUGHT BACK BY THE COMPANY**

No buy-back of H Shares has been made by the Company in the previous six months preceding the Latest Practicable Date (whether on the Hong Kong Stock Exchange or otherwise).

**DISCLOSURE OF INTERESTS**

If as a result of share buy-back by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Agile Group Holdings Limited, whose interest in the Company is notifiable under Part XV (Disclosure of Interests) of the SFO, held approximately 47.05% of the total number of issued Shares. In the event that the Directors exercised in full the power to buy back H Shares in accordance with the terms of the Buy-Back General Mandate proposed at the AGM and cancelled all the H Shares bought back, the shareholding of Agile Group Holdings Limited would increase to approximately 52.28% of the total number of issued Shares of the Company. Such increase will give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to buy back and cancel the H Shares to the extent that will trigger the obligations under the Takeovers Code. Moreover, the Directors will not make share buy-back on the Hong Kong Stock Exchange if such buy-back would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) presently intends to sell H Shares to the Company or its subsidiaries under the Buy-Back General Mandate in the event that the Buy-Back General Mandate is approved by the Shareholders and the conditions (if any) to which the Buy-Back General Mandate is subject are fulfilled.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the Buy-Back General Mandate is approved by its Shareholders and the conditions (if any) to which the Buy-Back General Mandate is subject are fulfilled.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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### **A-LIVING SMART CITY SERVICES CO., LTD.\***

### **雅生活智慧城市服務股份有限公司**

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

**(Stock Code: 3319)**

### **NOTICE OF 2023 ANNUAL GENERAL MEETING TO BE HELD ON 29 MAY 2024**

**NOTICE IS HEREBY GIVEN THAT** the 2023 annual general meeting (the “AGM”) of A-Living Smart City Services Co., Ltd. (the “Company”) will be held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Wednesday, 29 May 2024 at 3:00 p.m. for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year ended 31 December 2023.
2. To consider and approve the report of the supervisory committee of the Company (the “**Supervisory Committee**”) for the year ended 31 December 2023.
3. To consider and approve the audited consolidated financial statements of the Company for the year ended 31 December 2023.
4. To consider and approve the annual report of the Company for the year ended 31 December 2023.
5. To consider and approve the annual financial budget of the Company for the year ending 31 December 2024.
6. To declare a final dividend of RMB0.06 per share (before tax) for the year ended 31 December 2023.
7. To consider and approve the proposed appointment of non-executive director.
8. To authorise the Board to determine the remuneration of the Directors.
9. To consider and approve the proposed appointment of supervisor.
10. To authorise the Supervisory Committee to determine the remuneration of the Supervisors.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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11. To consider and approve the re-appointment of Grant Thornton Hong Kong Limited as the auditor of the Company for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their remuneration.

### SPECIAL RESOLUTIONS

12. To grant a general mandate to the Board to allot, issue and deal with additional H shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) not exceeding 20% of the total number of issued H shares of the Company (excluding treasury shares) and to authorise the Board to make such amendments as it deems appropriate to the provisions of the articles of association of the Company, so as to reflect the new capital structure upon additional allotment and issuance of shares pursuant to such mandate. Details of the resolutions are set out in the circular of the Company dated 26 April 2024.
13. To consider and, if thought fit, to approve the following general mandate for the Board and the persons authorised by the Board to buy back the Company's H shares:
- (1) the Board be granted a general mandate, by reference to market conditions and in accordance with needs of the Company, to buy back the Company's H shares not exceeding 10% of the number of the Company's H shares in issue (excluding treasury shares) at the time when this resolution is passed at the AGM.
  - (2) the Board be authorised to (including but not limited to the following):
    - (i) formulate and implement the buy-back plan, including but not limited to determining the time of buy-back, period of buy-back, buy-back price and number of shares to buy back, etc.;
    - (ii) notify creditors and issue announcements pursuant to the requirements of the laws and regulations such as Company Law and the articles of association of the Company;
    - (iii) open overseas share accounts and money accounts and to carry out related change of foreign exchange registration procedures;
    - (iv) carry out relevant approval or filing procedures (if any) pursuant to the applicable laws, regulations and rules;
    - (v) carry out cancellation procedures for bought back shares, make corresponding amendments to the articles of association of the Company relating to, among others, share capital and shareholdings, and carry out modification registrations and make filings;

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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(vi) execute and deal with any documents and matters related to share buy-back.

(3) Authorisation period

The period of above general mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the day when the authority conferred by this special resolution is approved by a special resolution of shareholders at the AGM and ends at the earlier of:

- (i) the expiration of twelve months after the passing of this special resolution at the AGM;
- (ii) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting; or
- (iii) the conclusion of the next annual general meeting of the Company following the date of passing of this resolution.

14. To consider and approve the proposed amendments to the articles of association of the Company as set out in the circular of the Company dated 26 April 2024.

By Order of the Board  
**A-Living Smart City Services Co., Ltd.\***  
**Chan Cheuk Hung/Huang Fengchao**  
*Co-chairman*

Hong Kong, 26 April 2024

*As at the date of this notice, the Board comprises eight members, being Mr. Chan Cheuk Hung<sup>^</sup> (Co-chairman), Mr. Huang Fengchao<sup>^</sup> (Co-chairman), Mr. Li Dalong<sup>^</sup> (President (General Manager) and Chief Executive Officer), Mr. Chen Siyang<sup>^</sup> (Vice President), Mr. Xu Yongping<sup>^^</sup>, Mr. Wang Gonghu<sup>^^^</sup>, Mr. Weng Guoqiang<sup>^^^</sup> and Mr. Li Jiahe<sup>^^^</sup>.*

<sup>^</sup> *Executive Directors*

<sup>^^</sup> *Non-executive Director*

<sup>^^^</sup> *Independent Non-executive Directors*

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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*Notes:*

1. All resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.agileliving.com.cn>) in accordance with the Listing Rules.
2. All shareholders of the Company are eligible for attending the AGM. Any shareholder of the Company entitled to attend and vote at the AGM convened by the above notice is entitled to appoint a proxy or more than one proxy to attend the AGM and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every shareholder of the Company present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be completed and returned to (i) the Company’s principal place of office in the People’s Republic of China (the “**PRC**”) at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC (for shareholders of Domestic Shares) or (ii) the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for shareholders of H Shares) not less than 24 hours before the time appointed for the AGM. Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting at the AGM or any adjourned meeting thereof should he/she so wish.
4. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, shareholders of H Shares whose transfer documents have not been registered are required to submit the share certificates together with the properly completed share transfer forms to the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 23 May 2024 for registration. Shareholders of H Shares who are registered with Tricor Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.
5. The AGM is expected to take no more than half a day. Shareholders of the Company who attend the AGM (in person or by proxy) shall bear their own travelling and accommodation expenses. Shareholders of the Company may contact the Investor Relations Department of the Company at (852) 2740 8921 (telephone number) and [ir@agileliving.com.cn](mailto:ir@agileliving.com.cn) for any enquires in respect of the AGM.

\* *for identification purposes only*