
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in 聯華超市股份有限公司 (Lianhua Supermarket Holdings Co., Ltd.), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Stock Code: 00980)

- (1) WORK REPORTS OF THE BOARD AND SUPERVISORY COMMITTEE FOR THE YEAR 2023**
- (2) THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND THE REPORT OF THE INTERNATIONAL AUDITORS FOR THE YEAR 2023**
- (3) PROFIT DISTRIBUTION PROPOSAL FOR THE YEAR 2023**
- (4) PROPOSED APPOINTMENT OF AUDITORS FOR THE YEAR 2024**
- (5) PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR**
- (6) MAJOR TRANSACTION IN RELATION TO THE SUPPLEMENTAL TENANCY AGREEMENT**
- (7) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO RENEWAL OF FINANCIAL SERVICES AGREEMENT**
- (8) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (9) NOTICE OF ANNUAL GENERAL MEETING**
- (10) NOTICE OF DOMESTIC SHARES AND UNLISTED FOREIGN SHARES CLASS MEETING AND**
- (11) NOTICE OF H SHARES CLASS MEETING**

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



建泉融資有限公司
VBG Capital Limited

A letter from the Board is set out on pages 5 to 31 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 32 to 33 of this circular.

The Company will convene the Annual General Meeting at 9:30 a.m. on Thursday, 20 June 2024 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC. The notice of Annual General Meeting, Domestic Shares and Unlisted Foreign Shares Class Meeting and H Shares Class Meeting, together with the reply slips and proxy forms, are enclosed herein. If you are eligible, and intend, to attend the Annual General Meeting, Domestic Shares and Unlisted Foreign Shares Class Meeting and H Shares Class Meeting, please complete and return the relevant reply slips for attendance in accordance with the instruction printed thereon as soon as possible and in any event not later than Thursday, 30 May 2024. Whether or not you will attend the Annual General Meeting, Domestic Shares and Unlisted Foreign Shares Class Meeting and H Shares Class Meeting, you are reminded to complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time fixed for holding the Annual General Meeting, Domestic Shares and Unlisted Foreign Shares Class Meeting and the H Shares Class Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting and the H Shares Class Meeting or any adjournment thereof if you so wish.

6 May 2024

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Annual General Meeting”	the annual general meeting of the Company to be convened to consider and, if appropriate, to approve, among others, (i) the Supplemental Tenancy Agreement; (ii) the Financial Services Agreement; and (iii) the proposed amendments to the Articles of Association
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Bailian Finance”	Bailian Group Finance Co., Ltd.* (百聯集團財務有限責任公司), a subsidiary controlled by Bailian Group
“Bailian Group”	Bailian Group Co., Ltd.* (百聯集團有限公司), a controlling Shareholder
“Board”	the board of Directors of the Company
“Century Lianhua Nanhui” or “Tenant”	Shanghai Century Lianhua Supermarket Nanhui Co., Ltd.* (上海世紀聯華超市南匯有限公司), a subsidiary of the Company
“Company”	Lianhua Supermarket Holdings Co., Ltd., a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the domestic shares of nominal value of RMB1.00 each in the registered capital of the Company
“Domestic Shares and Unlisted Foreign Shares Class Meeting”	the general meeting of holders of Domestic Shares and Unlisted Foreign Shares to be held by the Company

DEFINITIONS

“Existing Financial Services Agreement”	the Financial Services Agreement dated 24 September 2021 entered into among the Company, Bailian Finance and Bailian Group, details of which are disclosed in the announcement of the Company dated 24 September 2021 and the circular of the Company dated 26 October 2021
“Financial Services Agreement”	the Financial Services Agreement entered into among the Company, Bailian Finance and Bailian Group on 7 April 2024, details of which are disclosed in this announcement
“First Pharmaceutical”	Shanghai First Pharmaceutical Co., Ltd.* (上海第一醫藥股份有限公司), a subsidiary of Bailian Group
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“H Shares Class Meeting”	the general meeting of holders of H Shares to be held by the Company
“HKFRs”	The Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hualian GMS”	Hualian GMS Shopping Center Co., Ltd* (華聯集團吉買盛購物中心有限公司), a subsidiary of Bailian Group
“Independent Board Committee”	the independent board committee of the Company comprising all of the independent non-executive Directors
“Independent Financial Adviser” or “VBG Capital”	VBG Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the provision of deposit services under the Financial Services Agreement (including the respective proposed annual caps), and a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

DEFINITIONS

“Independent Shareholders”	the Shareholders, other than Bailian Group and Shanghai Bailian and their respective associates, who will abstain from voting on the relevant resolutions in relation to the continuing connected transactions at the Annual General Meeting
“Latest Practicable Date”	30 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Lianhua Huashang”	Hangzhou Lianhua Huashang Group Co., Ltd.* (杭州聯華華商集團有限公司), a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NFRA”	National Financial Regulatory Administration (國家金融監督管理總局)
“Original Lease Agreements”	the original lease agreement dated 10 January 2003 entered into between the Company and the Landord, as supplemented by certain supplemental agreements between the Tenant and Landlord, and the property management agreement entered into between the Tenant and Shanghai Jiaping, in relation to the tenancy of the Premise for a term commencing from 10 January 2003 and ending on 7 June 2024
“PBOC”	People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premise”	Building No. 378 to 390 (even), Chengdong Road, Huinan Town, Pudong New District, Shanghai
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Bailian”	Shanghai Bailian Group Co., Limited* (上海百聯集團股份有限公司), a substantial Shareholder of the Company

DEFINITIONS

“Shanghai Jiaping”	Shanghai Jiaping Property Management Co., Ltd.* (上海佳萍物業管理有限公司)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Supplemental Tenancy Agreement”	the supplemental agreement to the Original Lease Agreements entered into between Century Lianhua Nanhui, as the Tenant, Tengteng, as the Landlord and Shanghai Jiaping, as the property management service provider, on 7 April 2024 in relation to the tenancy of the Premise
“Tengteng” or “Landlord”	Shanghai Tengteng Industrial Co.* (上海騰藤實業有限公司)
“Unlisted Foreign Share(s)”	the unlisted foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“%”	per cent

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

LETTER FROM THE BOARD



(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00980)

Executive Directors:

Mr. Chong Xiao-bing
Ms. Zhang Hui-qin (*Vice Chairman*)

Registered Office:

Room 713, 7th Floor
No. 1258 Zhen Guang Lu
Shanghai
The PRC

Non-executive Directors:

Mr. Pu Shao-hua (*Chairman*)
Ms. Hu Xiao
Ms. Zhang Shen-yu
Mr. Dong Xiao-chun
Mr. Wong Tak Hung

Principal Place of Business in Hong Kong:

30/F
3 Lockhart Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. Xia Da-wei
Mr. Lee Kwok Ming, Don
Mr. Chen Wei
Mr. Zhao Xin-sheng

6 May 2024

To the Shareholders

Dear Sir or Madam,

- (1) WORK REPORTS OF THE BOARD AND SUPERVISORY COMMITTEE FOR THE YEAR 2023**
- (2) THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND THE REPORT OF THE INTERNATIONAL AUDITORS FOR THE YEAR 2023**
- (3) PROFIT DISTRIBUTION PROPOSAL FOR THE YEAR 2023**
- (4) PROPOSED APPOINTMENT OF AUDITORS FOR THE YEAR 2024**
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LETTER FROM THE BOARD

I. INTRODUCTION

The business to be transacted at the Annual General Meeting, the Domestic Shares and Unlisted Foreign Shares Class Meeting and the H Shares Class Meeting as specified in notice of the Annual General Meeting, the notice of Domestic Shares and Unlisted Foreign Shares Class Meeting and the notice of H Shares Class Meeting are set out on pages N-1 to N-9 of this circular.

The purpose of this circular is to provide you with (i) the notice of the Annual General Meeting, (ii) the notice of Domestic Shares and Unlisted Foreign Shares Class Meeting, (iii) the notice of H Shares Class Meeting, (iv) the letter from the Independent Board Committee; (v) to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions in relation to the following matters: (1) the work report of the Board for the year ended 31 December 2023; (2) the work report of the Supervisory Committee for the year ended 31 December 2023; (3) the consolidated audited financial statements of the Company and the report of the international auditors for year ended 31 December 2023; (4) the profit distribution proposal of the Company for the year ended 31 December 2023 for not distributing final dividend; (5) the re-appointment of Shanghai Certified Public Accountants as the Company's PRC auditors and Deloitte Touche Tohmatsu as the Company's international auditors for the period from the conclusion of the annual general meeting of the Company for the year 2023 to the conclusion of the annual general meeting of the Company for the year 2024 and to authorize the Board to fix their respective remuneration; (6) the appointment of Ms. Zhang Hui-qin as an executive Director of the eighth session of the Board; (7) the major transaction in relation to the Supplemental Tenancy Agreement; (8) the major transaction and continuing connected transactions in relation to the Financial Services Agreement; and (9) the proposed amendments to the Articles of Association, and (vi) other information as required under the Listing Rules.

II. BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING, THE DOMESTIC SHARES AND UNLISTED FOREIGN SHARES CLASS MEETING AND H SHARES CLASS MEETING

1. To consider and approve the work report of the Board for the year ended 31 December 2023

The main contents of the work report of the Board of the Company for 2023 are set out in the section headed "Report of the Directors" in the 2023 annual report of the Company. The work report of the Board of the Company for 2023 contained in the Report of Directors was considered and approved by the Board on 27 March 2024, and is hereby proposed at the Annual General Meeting for consideration and, if thought fit, approval by way of ordinary resolution.

LETTER FROM THE BOARD

2. To consider and approve the work report of the Supervisory Committee of the Company for the year ended 31 December 2023

The main contents of the work report of the Supervisory Committee of the Company for 2023 is set out in the section headed “Report of the Supervisory Committee” in the 2023 annual report of the Company. The work report of the Supervisory Committee of the Company for 2023 was considered and approved by the Supervisory Committee on 27 March 2024, and is hereby proposed at the Annual General Meeting for consideration and, if thought fit, approval by way of ordinary resolution.

3. To consider and approve the consolidated audited financial statements of the Company and the report of the international auditors for the year ended 31 December 2023

The consolidated audited financial statements of the Company and the report of the international auditors for 2023 are set out in the 2023 annual report of the Company. The consolidated audited financial statements of the Company and the report of the international auditors for 2023 were considered and approved by the Board on 27 March 2024, and are hereby proposed at the Annual General Meeting for consideration and, if thought fit, approval by way of ordinary resolution.

4. To consider and approve the profit distribution proposal of the Company for the year ended 31 December 2023 for not distributing final dividend

The profit distribution proposal of the Company for the year 2023 for not distributing final dividend was considered and approved by the Board on 27 March 2024, and the Board does not recommend the distribution of a final dividend for the year ended 31 December 2023. The profit distribution proposal of the Company for the year 2023 for not distribution final dividend is subject to the consideration and, if thought fit, approval of the Shareholders at the Annual General Meeting by way of ordinary resolution.

5. To consider and approve the re-appointment of Shanghai Certified Public Accountants as the Company’s PRC auditors and Deloitte Touche Tohmatsu as the Company’s international auditors, and to authorize the Board to fix their respective remuneration

Each of Shanghai Certified Public Accountants and Deloitte Touche Tohmatsu has acted as the PRC auditors and the international auditors of the Company, respectively, for the Company for the year ended 31 December 2023. The Board proposes to re-appoint each of Shanghai Certified Public Accountants and Deloitte Touche Tohmatsu as the PRC auditors and the international auditors of the Company, respectively, for 2024 to audit the financial statements of the Company for 2024 to be prepared in accordance with the relevant financial reporting standards and to review the interim financial statements of the Company for the six months ended 30 June 2024 to be prepared in accordance with the relevant

LETTER FROM THE BOARD

financial reporting standards. The term of office shall commence from the date of approval at the Annual General Meeting until the conclusion of the annual general meeting of the Company for 2024.

Meanwhile, the Board proposes to the Annual General Meeting to authorise the Board to determine the final remuneration of the above-mentioned auditors based on the work of the respective auditors.

The above resolution has been considered and approved by the Board on 27 March 2024, and is hereby proposed at the Annual General Meeting for consideration and, if thought fit, approval by way of ordinary resolution.

6. To consider and approve the appointment of Ms. Zhang Hui-qin as an executive Director of the eighth session of the Board

Reference is made to the announcement of the Company dated 7 February 2024 in relation to, among others, the appointment of Ms. Zhang Hui-qin as an executive Director of the eighth session of the Board. In view of the forthcoming expiration of the term of office of Ms. Zhang Hui-qin as an executive Director at the conclusion of the Annual General Meeting according to Article 96 of the Articles of Association, the Board recommended Ms. Zhang Hui-qin as a candidate of executive Director of the eighth session of the Board. Please refer to Appendix I to this circular for the profile of Ms. Zhang Hui-qin.

7. Major Transaction in relation to the Supplemental Tenancy Agreement

Reference is made to the announcement of the Company dated 7 April 2024 in relation to, among other, the entering into the Supplemental Tenancy Agreement.

As the term of Original Lease Agreements is expiring on 7 June 2024, the Tenant, the Landlord and Shanghai Jiaping agreed to enter into the Supplemental Tenancy Agreement to extend the term of the tenancy for a further term commencing from 8 June 2024 and ending on 7 March 2042.

The principal terms of the Supplemental Tenancy Agreement are set out as follows:

Date

7 April 2024

Parties

- (1). Century Lianhua Nanhui (as the Tenant);
- (2). Tengteng (as the Landlord); and

LETTER FROM THE BOARD

(3). Shanghai Jiaping (as the property management service provider).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, the Landlord, Shanghai Jiaping and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Premise

Building No. 378 to 390 (even), Chengdong Road, Huinan Town, Pudong New District, Shanghai, with a total leasing area of 30,481.62 sq.m. (including parking lots)

Use

For the purpose of operation as hypermarkets

Term

Under the Supplemental Tenancy Agreement, the term of lease shall be 17 years and 9 months, commencing from 8 June 2024 and ending on 7 March 2042.

Pursuant to the terms of the Supplemental Tenancy Agreement, subject to the successful renewal of the land use right of the Premise by the Landlord, Century Lianhua Nanhui may agree to extend the term of the tenancy for a further period of 2 years and 3 months, i.e. the term of tenancy will be ending on 7 June 2044.

Rent-free Period

The rent-free period of the Supplemental Tenancy Agreement is three months, commencing from 8 June 2024 and ending on 7 September 2024.

Rental

During the term of the Supplemental Tenancy Agreement, the annual rental shall be increased by 5% every three years on the basis of the annual rent of the previous three-year term, and the initial annual rental for the first three years (i.e., from 8 June 2024 to 7 June 2027) is RMB10,407,088.45, subject to the rent-free period set out above. The total rent payable by the Tenant under the Supplemental Tenancy Agreement is approximately RMB206.39 million. Details of the rental during the term of the Supplemental Tenancy Agreement are set out below:

Period	Rental
From 8 June 2024 to 7 September 2024	RMB0 for the three months (Rent-free period)

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Period	Rental
From 8 September 2024 to 7 June 2025	RMB7,783,931.91 for the nine months
From 8 June 2025 to 7 June 2027	RMB10,407,088.45 per annum
From 8 June 2027 to 7 June 2030	RMB10,927,442.87 per annum
From 8 June 2030 to 7 June 2033	RMB11,473,815.02 per annum
From 8 June 2033 to 7 June 2036	RMB12,047,505.77 per annum
From 8 June 2036 to 7 June 2039	RMB12,649,881.06 per annum
From 8 June 2039 to 7 June 2041	RMB13,282,375.11 per annum
From 8 June 2041 to 7 March 2042	RMB9,934,488.78 for the nine months

The rent payable under the Supplemental Tenancy Agreement was determined after arm's length negotiations between the parties, after taking into consideration the location, quality and area, the increase in the number of residents in the neighbouring areas in recent years, the favourable business atmosphere, and prevailing market price for comparable premises in the vicinity of the Premise, and is not less favourable than the terms and conditions offered by independent third parties. Pursuant to the Supplemental Tenancy Agreement, the annual rent payable by the Company for the first year (including property management fees) is RMB16,880,363.45 (subject to the rent-free period of three months, the actual annual rent payable by the Company for the first year (including property management fees) is RMB12,625,586.91), for a total leasing area of 30,481.62 sq.m. (including the parking lot). The unit rate of the annual rent (including property management fees) under the Supplemental Tenancy Agreement for the first year during the term thereof is RMB1.52 per sq.m. per day. The rental rates (including property management fees) of similar properties in the vicinity of the Premise is a range from approximately RMB2.0 per sq.m. per day to approximately RMB2.5 per sq.m. per day, while the rental rates (including property management fees) of similar properties in a less favorable location is in a range from approximately RMB1.7 per sq.m. per day to approximately RMB2.0 per sq.m. per day. Taking into account the rental level, the impact of customer flow arising from the location of the Premise and the past operation of the Company's store located at the Premise, the Company considers that the terms under the Supplemental Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Property Management Fee

The annual property management fee of the Premise under the Supplemental Tenancy Agreement shall be increased by 5% every three years on the basis of the annual property management fee of the previous term, and the initial annual property management fee for the first years (i.e., from 8 June 2024 to 7 June 2025) is RMB6,473,275, which is in line with the current property management fee and subject to the property management fee-free period of three months commencing from 8 June 2024 and ending on 7 September 2024, i.e., the total property management fee of the Premise under the Supplemental Tenancy Agreement for the period from 8 June 2024 to 7 June 2025 is RMB4,841,655.

The property management fee payable under the Supplemental Tenancy Agreement was determined after arm's length negotiations between the parties, after taking into consideration the increase in labour costs in recent years and prevailing market price for comparables, and is not less favourable than the terms and conditions offered by independent third parties.

Payment Method

The payment of rental and property management fee under the Supplemental Tenancy Agreement shall be made quarterly.

Termination and Event of Default

Subject to the terms of the Original Lease Agreements, under the Supplemental Tenancy Agreement, in the event of the Supplemental Tenancy Agreement terminated by a non-breaching party due to a breach by the other party, such defaulting party is liable to pay a compensation in the amount of RMB10 million to the non-breaching party. For any loss incurred by the non-breaching party, if the compensation paid by the defaulting party is insufficient to cover the loss incurred by the non-breaching party, the defaulting party shall indemnify the non-breaching party of the difference between the loss incurred and the compensation, and the Original Lease Agreements and any supplemental agreements and ancillary documents shall be terminated immediately.

LETTER FROM THE BOARD

Tengteng agrees that after twenty-four months of the performance under the Supplemental Tenancy Agreement, if any single store of Century Lianhua Nanhui incurs a sustained loss for a period of up to three months, for the long-term interests of both parties, Century Lianhua Nanhui shall serve a written notice upon the Landlord to terminate the Supplemental Tenancy Agreement not less than one month in advance, and compensate Tengteng for the two and a half months' rent upon termination of the Supplemental Tenancy Agreement. At the same time, the Original Lease Agreement, any supplemental agreements and ancillary documents shall be terminated accordingly. Century Lianhua Nanhui shall not be liable for any other breach of contract.

The right-of-use asset

The unaudited value of the right-of-use asset recognised by the Company under the Supplemental Tenancy Agreement amounts to approximately RMB141 million, which is the present value of the total base rental payable during the term of the Supplemental Tenancy Agreement plus estimated reinstatement cost with the lease at the inception of the lease term under the Supplemental Tenancy Agreement in accordance with HKFRs 16.

Reasons for and Benefits of Entering into the Supplemental Tenancy Agreement

The shop located in the Premise has been operating in Huinan Town for approximately 20 years, with a stable client base and is very popular with the local people. The Premise is located at Huinan Town, Pudong New District, which is part of the coastal development area. According to the relevant planning, it is expected that there will be a certain influx of people in the future, which will lead to a stable development. At the same time, considering that the shop located in the Premise has been recording good profits historically, and leveraging on the future development plan for the Pudong New District and the coastal development area, the results of the shop located in the Premise will also be secured upon the renewal of the Premise.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Tenancy Agreement are fair and reasonable, are entered into on normal commercial terms and in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole.

General Information

Information of the Company

The Company is principally engaged in retail chain business, including the operation of hypermarkets, supermarkets and convenience stores in the PRC.

LETTER FROM THE BOARD

Information of the Century Lianhua Nanhui

Century Lianhua Nanhui is principally engaged in operating hypermarkets in Nanhui Area, Pudong New District, Shanghai.

Information of Tengteng

Tengteng is principally engaged in industrial investment, domestic cargo transportation agency, sales of construction materials, decorative materials, hardware and electrical appliances, and leasing of own houses. Tengteng is wholly owned by Mr. Dong Lin, an independent third party of the Company.

Information of Shanghai Jiaping

Shanghai Jiaping is a company incorporated in the PRC and is principally engaged in property management. Shanghai Jiaping is wholly owned by Mr. Yin Xuehui, an independent third party of the Company.

Listing Rules Implications

Based on HKFRs 16, the entering into of the Supplemental Tenancy Agreement will require the Company to recognise the right-of-use asset in the consolidated financial statements of the Group in connection with the tenancy of the Premise. As such, under the Listing Rules, the entering into of the Supplemental Tenancy Agreement will be regarded as an acquisition of asset under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio of the transaction under the Supplemental Tenancy Agreement, calculated based on the value of the right-of-use asset of the Premise under the Supplemental Tenancy Agreement to be recognised by the Company according to HKFRs 16, is higher than 25%, the transaction contemplated under the Supplemental Tenancy Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

8. Major Transaction and Continuing Connected Transactions in relation to Financial Services Agreement

Background

Reference is made to the announcement of the Company dated 24 September 2021 and the circular of the Company dated 26 October 2021. As the Existing Financial Services Agreement is expiring on 31 December 2024, the Company entered into the Financial Services Agreement with Bailian Finance and Bailian Group on 7 April 2024 to renew the transactions under the Existing Financial Services Agreement, pursuant to which, Bailian Finance agreed to provide the Group with deposit services, loan services and other financial services subject to the terms and conditions provided therein for a term commencing from 1 January 2025 to 31 December 2027 (both days inclusive).

Financial Services Agreement

The principal terms of the Financial Services Agreement are set out as follows:

Date

7 April 2024

Parties

- (1) The Company;
- (2) Bailian Group; and
- (3) Bailian Finance

Term

The Financial Services Agreement is for a term of three years commencing from 1 January 2025 to 31 December 2027 (both days inclusive).

Major Terms

- (1) Bailian Finance shall provide the Group with the following major services subject to the terms and conditions provided therein:
 - (i) acceptance of deposits from members;
 - (ii) handling loans for members;
 - (iii) handling note discounting for members;

LETTER FROM THE BOARD

- (iv) handling cash settlement and receipts and payments for members;
 - (v) providing members with entrusted loans, bond underwriting, non-finance guarantees, financial advisor, credit assurance and consultation agency services;
 - (vi) handling draft acceptance for members; and
 - (vii) other financial services approved by NFRA.
- (2) Deposit cap: the maximum daily balance of the Group's deposits with Bailian Finance (including any interest accrued therefrom) for each of the three years ending 31 December 2027 is RMB2.0 billion.
- (3) Bailian Finance has undertaken to adhere to the principles below in relation to the provision of the aforementioned financial services to the Group:
- (i) the interest rates payable by Bailian Finance to the Group for any deposits shall not be lower than the benchmark interest rates for comparable deposits as announced by the PBOC and shall not be lower than the interest rates paid by other major commercial banks in the PRC for comparable deposits. As at the Latest Practicable Date, the benchmark interest rates for deposits as announced by the PBOC for 6-month deposit, one-year deposit and three-year deposit are 1.3%, 1.5% and 2.75% per annum, respectively. The average interest rates offered by Bailian Finance to the Group for the two financial years ended 31 December 2022, 31 December 2023 and the two months ended 29 February 2024 were 3.11%, 3.14% and 3.16% per annum, respectively;
 - (ii) the interest rates to be charged for loans to be granted to the Group by Bailian Finance shall not be higher than the Loan Prime Rate (LPR) as announced by the PBOC during the same period and shall not be higher than the lending rates charged by other major commercial banks in the PRC for comparable loans during the same period. As at the Latest Practicable Date, the LPR as announced by the PBOC for the term of one year and over five years are 3.45% and 3.95%, respectively;

LETTER FROM THE BOARD

- (iii) the service fees to be charged by Bailian Finance for the provision of other financial services to the Group, other than the deposit and loan services, shall not be higher than the service fees charged by other financial institutions in the PRC for comparable services, and the total service fees to be charged by Bailian Finance for the provision of other financial services to the Group shall not be more than RMB5 million per annum; and
 - (iv) the terms of services to be provided to the Group by Bailian Finance shall be no less favourable than those of comparable services provided by other financial institutions in the PRC.
- (4) Bailian Group has made, among others, the following undertakings to the Company in the Financial Services Agreement:
 - (i) it will procure Bailian Finance to perform its obligations and undertakings under the Financial Services Agreement; and
 - (ii) it will guarantee the payment of all the Group's deposits (including any interest accrued therefrom) placed with Bailian Finance in the event of default of payment by Bailian Finance to the Group.
- (5) The Group and Bailian Finance will enter into individual financial services agreements for specific financial services, which will be subject to the proposed annual caps under the Financial Services Agreement. The terms of such individual financial services agreements will be consistent with the principles of the Financial Services Agreement. If there is any discrepancy between the terms of an individual financial services agreement and the Financial Services Agreement, the latter shall prevail.

LETTER FROM THE BOARD

Payment Terms

Pursuant to the Financial Services Agreement, the deposit services and loan services provided by Bailian Finance to the Group will not give rise to any fee payable by the Group. The interests for the Group's deposits with Bailian Finance are payable by Bailian Finance at the end of the tenure of the relevant deposits. For loan services, subject to the terms of the relevant loan transactions, the interests recurred thereon generally shall be payable by the Group quarterly, with the principal amount shall be repaid by the Group upon the maturity of the relevant loans. For other services, Bailian Finance will charge the Group a service fee depending on the type of business, where the service fee for issuing bank guarantee will be subject to a one-off fee at a rate of generally not less than 0.2% of the guarantee amount based on the guarantee amount, duration and client's creditworthiness, which shall be paid at the time of issuance of the guarantee, while the handling fee for the acceptance bill business is generally not less than 0.05% of the face value based on the bill amount, term and customer credit, which shall be paid upon signing of the acceptance letter. The aforesaid service fees are determined with reference to the market price and after arm's length negotiations between both parties.

Capital Risk Control Measures

Bailian Finance shall take the following capital risk control measures:

- (1) Bailian Finance shall ensure the safety, liquidity and reasonable profitability of the Group's deposited funds.
- (2) Bailian Finance shall ensure efficient, prompt and safe settlement of the Group's funds with the use of Bailian Finance's internet banking system and its direct business connection technology and service platform.
- (3) Bailian Finance shall implement periodic evaluation system and establish internal control system and risk monitoring indicators to ensure the secure operation of its fund settlement and clearance network, protect the safety of funds, control risk exposure and satisfy the withdrawal requests from the Group for any deposited funds.

LETTER FROM THE BOARD

- (4) Bailian Finance shall ensure that it is in strict compliance with the risk monitoring indicators for financial institutions issued by the NFRA and that its major regulatory indicators such as gearing ratio, inter bank borrowing ratio and liquidity ratio will also comply with the requirements of the NFRA and other relevant laws and regulations.
- (5) Bailian Finance shall provide annual audit reports periodically to the Company and other financial reports upon the Company's request, and shall report its operation and financial condition to the Company periodically and authorize the Company's auditors to review and inspect its relevant accounting records so as to allow the Company to fulfill certain requirements of the Listing Rules.

Historical Amount

Deposit Services:

The historical maximum daily balance of the Group's deposits for the deposit services provided by Bailian Finance are as follows:

For the Year/Period ended	Maximum daily balance of the Group's deposits (RMB thousand)
31 December 2021	1,004,539
31 December 2022	1,174,048
31 December 2023	943,214
29 February 2024	912,364

Other Services:

The historical transaction amounts for the other services provided by Bailian Finance are as follows:

For the Year/Period ended	Transaction amounts (RMB thousand)
31 December 2021	0
31 December 2022	0
31 December 2023	0
29 February 2024	0

LETTER FROM THE BOARD

Proposed Annual Caps and Basis for Proposed Annual Caps

Deposit Services:

The proposed annual caps in respect of the maximum daily deposit balance (including any interest accrued therefrom) with Bailian Finance for the financial years ending 31 December 2025, 31 December 2026 and 31 December 2027 under the Financial Services Agreement are set out as follows:

Period	Maximum daily balance of the Group's deposits (RMB thousand)
From 1 January 2025 to 31 December 2025	2,000,000
From 1 January 2026 to 31 December 2026	2,000,000
From 1 January 2027 to 31 December 2027	2,000,000

Such maximum daily balance of the Group's deposits is determined after taking into account the following primary factors:

- (1) the historical maximum daily deposit balance placed by the Group in Bailian Finance, which was approximately RMB1,004.539 million, RMB1,174.048 million, RMB943.214 million and RMB912.364 million for each of the three years ended 31 December 2023 and for the two months ended 29 February 2024, respectively;
- (2) in view of the existing scale of deposits of the Company and its subsidiaries, and with a portion of it held in fixed-term deposit in local commercial banks, which will gradually mature starting from 2024, concerning such upcoming matured deposits, and taking into account the Group's estimated deposit requirements for each of the three years ending 31 December 2027;

LETTER FROM THE BOARD

- (3) based on the Group's relevant internal risk control requirements and the relevant principle-based internal control requirements relating to, among others, the qualification and net capital of the depository banks, the Group is required to gradually transfer the deposits held in local commercial banks maturing from 2024 to the institutions which comply with the internal control requirements, and concerning such deposit requirements and from the perspective of deposit security, to consider the estimated scale of deposits under the Financial Services Agreement that the Group may need to increase in each of the three years ending 31 December 2027; and
- (4) in view of the longstanding positive cooperation relationship with Bailian Finance in the past and taking into account the expected amount of interest income from Bailian Finance with reference to a comparison of the interest income that could otherwise be obtained by placing comparable amount of deposits with other major commercial banks in the PRC, the deposit yields of Bailian Finance is slightly higher than the market averages.

In view of the above, the Directors (including the independent non-executive Directors) consider that the proposed annual caps in respect of the provision of deposit services by Bailian Finance under the Financial Services Agreement are fair and reasonable.

Loan Services:

Since the loan services to be provided by Bailian Finance to the Group are on normal commercial terms which are similar to or even more favourable than those offered by other major commercial banks in the PRC, and that no security over the assets of the Group will be granted in respect of the loan services, the loan services are exempt under Rule 14A.90 of the Listing Rules from all reporting, announcement and Independent Shareholders' approval requirements.

LETTER FROM THE BOARD

Other Services:

Apart from the deposit services and the loan services, other financial services which may be provided by Bailian Finance to the Group mainly include entrusted loans services, settlement services, draft acceptance and discount services, financial leasing services, and so forth.

The proposed annual caps in respect of the maximum transaction amounts for other services payable by the Group to Bailian Finance for the financial years ending 31 December 2025, 31 December 2026 and 31 December 2027 under the Financial Services Agreement are set out as follows:

Period	Maximum transaction amount <i>(RMB thousand)</i>
From 1 January 2025 to 31 December 2025	5,000
From 1 January 2026 to 31 December 2026	5,000
From 1 January 2027 to 31 December 2027	5,000

The proposed annual cap of the maximum annual transaction amount in respect of the other services payable to Bailian Finance is determined after taking into account the following primary factors:

- (1) in order to improve the efficiency of the Group's capital utilization, the Group will strengthen the financial service cooperation with Bailian Finance;
- (2) the Group will also cooperate with Bailian Finance in other financial services. For example, the Group and Bailian Finance have reached preliminary cooperation intentions with respect to supply chain finance (pursuant to which, Bailian Finance will provide financing services to the suppliers of the Group, including the provision of system construction, data connection and other services by Bailian Finance to the Group), financial consulting and other services. The pricing of the transaction will follow the principle of marketization, where the Group and Bailian Finance shall further negotiate at arm's length to determine the relevant fees payable for such other services prior to entering into any transaction with reference to the quoted prices of similar services provided by financial institutions in the market that meet the Group's internal control requirements based on

LETTER FROM THE BOARD

the relevant types and contents of the services, in order to ensure the relevant terms and conditions are fair and reasonable and not less favourable than those offered by the independent third parties;

- (3) Despite not availing any such other services from Bailian Finance over the past three years, the Group considered the following reasons in determining the annual caps: (i) the Group's potential receipt of the other services from Bailian Finance and their extent hinges on the Group's actual operational context and periodic funding requirements. Given the Group's operational needs, it anticipates a demand for other services, such as bank guarantee, hence facilitating arrangements to enhance operational efficiency and promote sound management; (ii) the Group needs to address funding requirements and secure additional financing avenues to cater to potential spikes in funding needs during peak seasons or business expansions, ensuring stability in the supply of working capital, which is essential; and (iii) the annual caps are determined based on the Group's overall financial scale and funding needs, providing flexibility in case of increased financing requirements, bolstering the Group's capacity to manage potential market risks and/or risks stemming from fluctuations in domestic monetary policies, and guaranteeing stability in the supply of funds during operations.

Having considered the above reasons and with reference to the setting of the annual caps in the past years, the Directors are of the view that the maximum annual transaction amount under other services is reasonable and in the interests of the Company and the Shareholders as a whole.

As the highest applicable percentage ratio for other services provided by Bailian Finance to the Group is more than 0.1% but less than 5%, other services provided by Bailian Finance to the Group under the Financial Services Agreements are subject to the reporting, annual review and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

In view of the above, the Directors (including the independent non-executive Directors) consider that the proposed maximum transaction amounts for other services payable by the Group to Bailian Finance under the Financial Services Agreement are fair and reasonable.

Reasons for and Benefits of Entering into the Financial Services Agreement

- (1) The interest rates on deposits and loans to be offered by Bailian Finance to the Group will be equal to or more favourable than those offered by other major commercial banks in the PRC in respect of comparable deposits and loans.
- (2) Bailian Finance is established as a non-banking financial institution regulated by the PBOC and the NFRA and provides its services in accordance with the rules and operational requirements of these regulatory authorities. In addition, capital risks are reduced through the introduction of the risk control measures stipulated in the Financial Services Agreement.
- (3) Bailian Group has undertaken to guarantee the repayment of all the Group's deposits (including any interest accrued therefrom) deposited with Bailian Finance.
- (4) The Group is expected to benefit from Bailian Finance's better understanding of the operations of the Group which will allow more expedient and efficient services than those rendered by other PRC commercial banks. For example, in the event that the Group considers that it is necessary to obtain loan and guarantee from Bailian Finance in view of its business and financial needs, it is expected that the time required for the examination and approval of the loans and guarantee to be provided by Bailian Finance will be shorter than those required by other commercial banks.
- (5) By entering into the Financial Services Agreement with Bailian Group and Bailian Finance, the Group will be able to centralize its control and management over the financial resources of the Group, therefore improve the utilization and efficiency of fund usage and mitigate its operating risks. It can also accelerate the turnover of funds and reduce transaction costs and expenses, thereby further enhancing the amount and efficiency of funds utilisation. Meanwhile, the financial services to be provided under the Financial Services Agreement are diversified and can meet the business needs of the Group.

LETTER FROM THE BOARD

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the capital risk control measures under the Financial Services Agreement are adequate to cover the risks involved in depositing funds of the Group with Bailian Finance, the terms of the deposit services under the Financial Services Agreement are fair and reasonable and the Financial Services Agreement is entered into on normal commercial terms, and on terms no less favourable than those available from independent third parties under the prevailing local market conditions, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Internal Control and Pricing Policy

The interest rates for deposits, loans and the service fees for other financial services are determined after considering the interest rates and service fees offered or charged by other major commercial banks in the PRC for provision of comparable deposits, loans and other financial services.

The Company implements rigorous internal control policies with regard to financial service transactions, and in accordance with the relevant internal risk control requirements of the Group, the Company selects among financial institutions that meet the Group's internal control requirements (i.e., financial institutions' size, net capitalization, level of return, etc.), which may address the Group's funding needs. The Group has also made reference to the quoted interest rate levels of one-year and three-year fixed deposits offered by these institutions to meet the Group's demand for deposit services with different cycles from short-term to medium-to-long-term from time to time and provide the Group with flexibility in its operations. Prior to each new deposit is made, the relevant personnel of the finance department of the Company would, based on the Group's deposit requirements, compare the deposit interest rates quoted from other independent third parties (including at least three financial institutions and commercial banks in the PRC, such as China Construction Bank Corporation, China Everbright Bank Company Limited and China Zheshang Bank Co., Ltd., etc.) and from the PBOC on a regular basis, and such research and comparison results will be reported by the relevant personnel of the finance department to the head of the finance department of the Company. With the aforementioned research and comparison results, the head of the finance department of the Company (who has the approval power for deposit transaction with Bailian Finance) will make sure the interest rates receivable by the Company for the Company's deposits with Bailian Finance shall not be lower than the interest rates receivable from those offered by other independent commercial banks for comparable deposits during the same period. Moreover, pursuant to the Financial Services Agreement, Bailian Group, as the parent company and controlling shareholder of Bailian Finance, undertakes to bear unlimited joint and several guarantee obligations for the deposits and corresponding interests

LETTER FROM THE BOARD

under the Financial Services Agreement in the business of cooperation, and the deposits of the Group under the Financial Services Agreement are protected to a certain extent.

For loan services, the Group will also adopt similar internal control measures. Prior to entering into any loan transactions under the Financial Services Agreement, the relevant staff of the finance department of the Company will compare the interest rates from other independent third parties (including at least three financial institutions and commercial banks in the PRC) with the interest rates announced by the PBOC, and the results of such research and comparison will be reported to the head of the finance department of the Company by the relevant staff of the finance department. Based on the results of such research and comparison, the head of the finance department of the Company, who has the authority to approve the loan transactions under the Financial Services Agreement, will ensure that the terms and conditions of each relevant loan transactions under the Financial Services Agreement on normal commercial terms and not less favourable than those offered by other independent commercial banks in respect of similar loans during the same period.

For other services, the Group will also adopt similar internal control measures. Prior to entering into any transactions of other services under the Financial Services Agreement, the relevant staff of the finance department of the Company will compare the fee quotes from other independent third parties (including at least three financial institutions and commercial banks in the PRC) and quotations available on the market, and the results of such research and comparison will be reported to the head of the finance department of the Company by the relevant staff of the finance department. Based on the results of such research and comparison, the head of the finance department of the Company, who has the authority to approve transactions of other services under the Financial Services Agreement, will ensure that the terms and conditions of each relevant transactions of other services under the Financial Services Agreement on normal commercial terms and not less favourable than those offered by other independent commercial banks in respect of similar transactions during the same period.

By adopting the policies set out above, the Company can ensure that (i) the interest rates receivable by the Group for its deposits shall not be lower than the interest rates offered by other independent commercial banks for comparable deposits in the PRC during the same period in order to ensure the safety and yield on the deposited funds; and (ii) the loan interest rates and service fees charged by Bailian Finance shall not be higher than that charged by other independent commercial banks for providing comparable loans and services in the PRC during the same period.

LETTER FROM THE BOARD

General Information

Information of the Company

The Company is principally engaged in retail chain business, including the operation of hypermarkets, supermarkets and convenience stores in the PRC.

Information of the Bailian Finance

Bailian Finance is a non-banking financial institution established in the PRC. As at the Latest Practicable Date, its registered capital is RMB1,000 million. 75% of its share capital is held by Bailian Group, and 25% of that is held by Shanghai Bailian (a Company listed on the Shanghai Stock Exchange under the stock code 600827, and its 53.18% interest is held by Bailian Group). The principal business of Bailian Finance mainly includes the provision of deposit services, loan services, entrusted loan services and settlement services.

Information of the Bailian Group

The principal business of Bailian Group covers retail businesses such as theme department stores, shopping centres, hypermarkets, standard supermarkets, convenience stores and professional specialty stores, as well as fields including automobile trading, e-commerce, warehousing and logistics, consumer services and electronic information, etc. Bailian Group is owned as to 71% by Shanghai Municipal State-owned Assets Supervision and Administration Commission, 19% by Shanghai Land (Group) Co., Ltd., and 10% by Shanghai Municipal Finance Bureau.

Listing Rules Implications

As at the Latest Practicable Date, Bailian Group is a substantial Shareholder, and Bailian Finance is a subsidiary of Bailian Group. As such, Bailian Finance constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Financial Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in relation to the provision of deposit services under the Financial Services Agreement is more than 25%, the provision of deposit services under the Financial Services Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the highest proposed annual cap under the Financial Services Agreement exceeds 5%, the provision of deposit services under the Financial Services Agreement is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

9. The Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated 26 April 2024 in relation to the proposed amendments to the existing Articles of Association.

On 29 December 2023, the newly revised Company Law of the People's Republic of China (the "**New Company Law**") was promulgated by the Standing Committee of the National People's Congress, which will come into effect on 1 July 2024. In addition, in light of the repeal of the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited 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》) and the Mandatory Provisions for the Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》), as well as 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》)(the "**Trial Measures**") and relevant guidelines issued by the CSRC (together with the New Company Law, the "**PRC Regulation Changes**"), corresponding amendments have been made to the Listing Rules and other applicable regulations.

In view of the above, the Board proposes to amend certain articles of the Company's existing Articles of Association, to, amongst others, reflect (i) the PRC Regulation Changes; (ii) other requirements of the Listing Rules; (iii) the relevant amendments of the New Company Law; and (iv) the actual conditions of the Company (collectively, the "**Proposed Amendments**"). According to the existing Articles of Association and the relevant laws and regulations, the amendments to the Articles of Association are subject to the approval of the Shareholders by way of a special resolution at each of the general meeting, the class meeting of holders of H Shares, and Class Meeting of holders of domestic Shares and unlisted foreign Shares of the Company. The Proposed Amendments shall become effective on 1 July 2024 subject to the approval of Shareholders at the relevant meetings. 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.

The Board will put forward special resolutions at each of the Annual General Meeting, the H Shares Class Meeting and the Domestic Shares and Unlisted Foreign Shares Class Meeting regarding the Proposed Amendments to the Shareholders for their consideration and approval.

LETTER FROM THE BOARD

III. ANNUAL GENERAL MEETING AND H SHARES CLASS MEETING

The Annual General Meeting will be convened at 9:30 a.m. on Thursday, 20 June 2024 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC. Notice of the Annual General Meeting, together with the reply slip and proxy form, are enclosed herein. Shareholders who intend to attend the Annual General Meeting are requested to deliver the reply slip to the office of the secretary to the Board of the Company at 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC on or before Thursday, 30 May 2024. The proxy form should be completed and returned to the relevant addresses listed on the proxy form in accordance with the instructions printed thereon. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

The H Shares Class Meeting will be convened after the conclusion of the Annual General Meeting and Domestic Shares and Unlisted Foreign Class Meeting on Thursday, 20 June 2024 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC. Notice of the H Shares Class Meeting, together with the reply slip and proxy form, are enclosed herein. H Shareholders who intend to attend the H Shares Class Meeting are requested to deliver the reply slip to the office of the secretary to the Board of the Company at 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC on or before Thursday, 30 May 2024. The proxy form should be completed and returned to the relevant addresses listed on the proxy form in accordance with the instructions printed thereon. Completion and return of the proxy form will not preclude you from attending and voting in person at the H Shares Class Meeting should you so wish.

For the purpose of determining the H Shareholders entitled to attend and vote at the Annual General Meeting and the H Shares Class Meeting, the share register of H Shares will be closed from Monday, 20 May 2024 to Thursday, 20 June 2024 (both days inclusive), during which no transfer of H Shares will be registered. H Shareholders whose names appear on the H Shares share register of the Company on Thursday, 20 June 2024 shall be entitled to attend and vote at the Annual General Meeting and the H Shares Class Meeting. In order to be eligible to attend and vote at the Annual General Meeting and H Shares Class Meeting, holders of H Shares shall lodge share transfer documents and the relevant share certificates with the H Shares share registrar no later than 4:30 p.m. on Friday, 17 May 2024.

LETTER FROM THE BOARD

IV. DOMESTIC SHARES AND UNLISTED FOREIGN SHARES CLASS MEETING

The Domestic Shares and Unlisted Foreign Shares Class Meeting will be convened at 10:30 a.m. or immediately after the conclusion of the Annual General Meeting on Thursday, 20 June 2024 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC. Notice of the Domestic Shares and Unlisted Foreign Shares Class Meeting, together with the reply slip and proxy form, are enclosed herein. Domestic Shareholders and Unlisted Foreign Shareholders who intend to attend the Domestic Shares and Unlisted Foreign Shares Class Meeting are requested to deliver the reply slip to the office of the secretary to the Board of the Company at 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC on or before Thursday, 30 May 2024. The proxy form should be completed and returned to the relevant addresses listed on the proxy form in accordance with the instructions printed thereon. Completion and return of the proxy form will not preclude you from attending and voting in person at the Domestic Shares and Unlisted Foreign Shares Class Meeting should you so wish.

V. VOTING AT THE ANNUAL GENERAL MEETING AND BOARD MEETINGS

As at the Latest Practicable Date, Bailian Group and its associates, including Shanghai Bailian, held approximately 513,869,400 Shares, representing 45.90% of the issued share capital of the Company. Bailian Finance, being a party to the Financial Services Agreement and a subsidiary of Bailian Group, has material interests in the transactions contemplated thereunder. Therefore, Bailian Group and its associates, including Shanghai Bailian, are required to abstain from voting on the relevant resolutions to be proposed at the Annual General Meeting to approve the Financial Services Agreement.

Save as disclosed above, no other Shareholders would be required to abstain from voting to approve the resolution in relation to the Supplemental Tenancy Agreement, the Financial Services Agreement and the proposed amendments to the Articles of Association at the Annual General Meeting.

The Board has approved the entering into of the Supplemental Tenancy Agreement and the Financial Services Agreement and its proposed annual caps, and none of the Directors has any material interest in the transactions contemplated thereunder.

Since Mr. Pu Shao-hua, Ms. Zhang Hui-qin, Mr. Chong Xiao-bing, Ms. Zhang Shen-yu and Mr. Dong Xiao-chun are either holding senior positions or are directors in Bailian Group and/or its subsidiaries, they have abstained from voting on the relevant resolution of the Board to approve the entering into of the Financial Services Agreement (including the proposed annual caps). Save as disclosed above, none of the other Directors was required to abstain from voting to approve the resolutions in relation to the Supplemental Tenancy Agreement, the Financial Services Agreement (including the proposed annual caps) and the proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

VI. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the Annual General Meeting, Domestic Shares and Unlisted Foreign Shares Class Meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting, Domestic Shares and Unlisted Foreign Shares Class Meeting and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

VII. RECOMMENDATION

The Board considers that the terms of the Supplemental Tenancy Agreement, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable, and the proposed amendments to the Articles of Association are in the interest of the Shareholders and the Company as a whole. Therefore, the Board recommends the Shareholders to vote in favor of the resolution in relation to (i) the entering in to the Supplemental Tenancy Agreement; and (ii) the proposed amendments to the Articles of Association at the Annual General Meeting.

Further, your attention is also drawn to the letter of the Independent Board Committee set out on pages 32 to 33 of this circular, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 34 to 49 of this circular in respect of the terms of the deposit services under the Financial Services Agreement.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the terms of the deposit services under the Financial Services Agreement are made after arm's length negotiation between parties and on normal commercial terms, and the deposit services under the Financial Services Agreement are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed for approving the Financial Services Agreement (including the proposed annual cap).

The Board (including the members of the Independent Board Committee) considers that the terms of the deposit services under the Financial Services Agreement are made after arm's length negotiation between parties and on normal commercial terms, and the deposit services under the Financial Services Agreement are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Independent Shareholders to vote in favour of the resolution in relation to the entering of the Financial Services Agreement at the Annual General Meeting.

LETTER FROM THE BOARD

The Directors believe that the resolutions set out in the notices of the Annual General Meeting, the Domestic and Unlisted Foreign Shares Class Meeting and H Shares Class Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the Annual General Meeting, the Domestic and Unlisted Foreign Shares Class Meeting and H Shares Class Meeting.

VIII. ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00980)

6 May 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 6 May 2024 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders in respect of the Financial Services Agreement (including the proposed annual cap), details of which are set out in the section headed “Letter from the Board” contained in the Circular.

We wish to draw your attention to the letter from the Board set out on pages 5 to 31 of the Circular and the letter of advice from VBG Capital, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the deposit services under the Financial Services Agreement (including the proposed annual cap), set out on pages 34 to 49 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of VBG Capital as stated in its letter of advice, the terms and conditions of the deposit services under the Financial Services Agreement, and the business and financial effects of the deposit services under the Financial Services Agreement on the Company, we consider that, the terms of the deposit services under the Financial Services Agreement are made after arm’s length negotiation between parties and on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable so far as the Company and the Independent Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the Annual General Meeting in respect of the Financial Services Agreement (including the proposed annual cap).

Yours faithfully,

For and on behalf of the Independent Board Committee

Lianhua Supermarket Holdings Co., Ltd.

Mr. Xia Da-wei

Mr. Lee Kwok Ming, Don

Mr. Chen Wei

Mr. Zhao Xin-sheng

Independent non-executive Directors

LETTER FROM VBG CAPITAL

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Financial Services Agreement for the purpose of inclusion in this circular.



建泉融資有限公司
VBG Capital Limited

21/F., Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

6 May 2024

To: The independent board committee and the independent shareholders
of Lianhua Supermarket Holdings Co., Ltd.

Dear Sirs,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Financial Services Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 6 May 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalized terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

On 24 September 2021, the Company, Bailian Group and Bailian Finance entered into the Existing Financial Services Agreement in relation to the provision of deposit services, loan services and other financial services by Bailian Finance to the Group. The Existing Financial Services Agreement will expire on 31 December 2024. For the purpose of renewing the Existing Financial Services Agreement so as to continue the continuing connected transactions contemplated thereunder, the relevant parties entered into the Financial Services Agreement on 7 April 2024.

According to the Letter from the Board, the provision of deposit services under the Financial Services Agreement constitutes a major transaction and a non-exempt continuing connected transaction for the Company, and is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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The Independent Board Committee comprising Messrs Xia Da-wei, Lee Kwok Ming, Don, Chen Wei and Zhao Xin-sheng (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the deposit services under the Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Financial Services Agreement at the Annual General Meeting. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Financial Services Agreement, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group. We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the Circular. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, Bailian Group, Bailian Finance, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Financial Services Agreement. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to consider events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any H Shares or any other securities of the Company.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of revenues or costs to be recorded from the Financial Services Agreement. Consequently, we express no opinion as to how closely the actual revenue and/or cost to be incurred under the Financial Services Agreement will correspond with the proposed annual caps.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources but we did not conduct any independent investigation into the accuracy and completeness of such information.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any business relationship with the Company within the past two years. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or any of their associates. We consider ourselves independent to form our opinion in respect of the Financial Services Agreement.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Financial Services Agreement, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Financial Services Agreement

Business and financial overview of the Group

The Company is principally engaged in retail chain business, including the operation of hypermarkets, supermarkets and convenience stores in the PRC.

Based on the Company's annual report for the year ended 31 December 2023 (the "2023 Annual Report"), the Group has recorded revenue of over RMB20 billion for each of the past five consecutive years. For the year ended 31 December 2023, revenue of the Group reached approximately RMB21.8 billion. During the same year, the Group's loss and total comprehensive expense for the year was approximately RMB714.2 million, resulting from a significant operating loss, which was mainly attributable to (i) the recognition of share of loss of an associate of the Company; (ii) the Group's strategic store closure of a few loss-making hypermarkets in Anhui and Jiangsu region; and (iii) the decline in performance/sales arising from various factors.

As at 31 December 2023, the Group had a total of 3,356 outlets (including hypermarkets, supermarkets and convenience stores) located mainly at greater east China. The hypermarket, supermarket and convenience store segments accounted for around 44.2%, 48.2% and 7.3% of the Group's revenue for 2023, respectively.

Information on Bailian Finance

As extracted from the Letter from the Board, Bailian Finance is a non-banking financial institution established in the PRC. As at the Latest Practicable Date, its registered capital was RMB1,000 million, 75% of which was contributed by Bailian Group, while the remaining 25% was contributed by Shanghai Bailian. The principal business of Bailian Finance includes the provision of deposit services, loan services, entrusted loan services and settlement services.

Based on the financial information of Bailian Finance which we have requested from the Company, Bailian Finance recorded total revenue of approximately RMB465.5 million for the year ended 31 December 2023, and its net profit remained stable at approximately RMB96.2 million. As at 31 December 2023, the net asset value of Bailian Finance expanded by approximately 7.4% to approximately RMB1.4 billion.

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Reasons for and possible benefits of the Financial Services Agreement

As referred to in the Letter from the Board, the Company expects that the provision of financial services, including the deposit services, by Bailian Finance will benefit the Group in the following ways:

- (i) the interest rates on deposits and loans to be offered by Bailian Finance to the Group will be equal to or more favourable than those offered by other major commercial banks in the PRC in respect of comparable deposits and loans;
- (ii) Bailian Finance is established as a non-banking financial institution regulated by PBOC and NFRA and provides its services in accordance with the rules and operational requirements of these regulatory authorities. In addition, capital risks are reduced through the introduction of the risk control measures stipulated in the Financial Services Agreement;
- (iii) Bailian Group has undertaken to guarantee the repayment of all the Group's deposits (including any interest accrued therefrom) deposited with Bailian Finance (for details, please refer to the sub-section headed "Principal terms of the deposit services under the Financial Services Agreement" of this letter of advice);
- (iv) the Group is expected to benefit from Bailian Finance's better understanding of the operations of the Group which will allow more expedient and efficient services than those rendered by other PRC commercial banks. For example, in the event that the Group considers that it is necessary to obtain loan and guarantee from Bailian Finance in view of its business and financial needs, it is expected that the time required for the examination and approval of the loans and guarantee to be provided by Bailian Finance will be shorter than those required by other commercial banks; and
- (v) by entering into the Financial Services Agreement with Bailian Group and Bailian Finance, the Group will be able to centralize its control and management over the financial resources of the Group, therefore improve the utilization and efficiency of fund usage and mitigate its operating risks. It can also accelerate the turnover of funds and reduce transaction costs and expenses, thereby further enhancing the amount and efficiency of funds utilization. Meanwhile, the financial services to be provided under the Financial Services Agreement are diversified and can meet the business needs of the Group.

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We have discussed with the Directors in further depth regarding the reasons for and possible benefits of the Financial Services Agreement as highlighted above:

Bailian Finance as a centralized financial platform

As represented by the Directors, Bailian Finance has been established with a view to act as a centralized financial platform to facilitate treasury operations, control and operations within the Group. Members of the Group have the option to use Bailian Finance's financial services, which in turn facilitates the deployment of surplus funds from certain members of the Group to other members of the Group that may require cash. Hence, Bailian Finance serves as a financial intermediary through which the funds of members of the Group may be channeled efficiently between one another.

Furthermore, as Bailian Finance focuses on serving subsidiaries of Bailian Group (including the Group), Bailian Finance is familiar with the operations and needs of the supermarket industry. Accordingly, Bailian Finance has a better understanding on the operations and development of the supermarket industry and the needs of members of the Group, and thus it is expected that Bailian Finance would be able to provide more efficient and tailor-made services to the Group, which is beneficial to the Group from a customer's perspective.

Regulatory environment of Bailian Finance

Based on our independent research, we noted that as a licensed financial institution and group finance company in the PRC, Bailian Finance is subject to stringent regulations and is regulated by PBOC and NFRA. NFRA's supervision includes regular examination of the audited financial statements and other relevant materials required to be filed by group finance companies as well as on-site inspections and interviews with the senior management of group finance companies. Moreover, in accordance with the relevant requirements under the Measures for the Administration of Finance Companies of Enterprise Groups promulgated in 2022, group finance companies:

- (i) are not allowed to engage in non-financial services business, including property investment or trading; and

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- (ii) must comply with the following ratio requirements: (1) the capital adequacy ratio shall not be lower than the minimum regulatory requirements of the China Banking and Insurance Regulatory Commission; (2) the liquidity ratio shall not be lower than 25%; (3) the loan balance shall not be higher than 80% of the sum of the deposit balance and paid-in capital; (4) the total amount of liabilities outside the group shall not exceed the net capital; (5) the balance of bill acceptance shall not exceed 15% of the total assets; (6) the balance of bill acceptance shall not exceed 3 times the balance deposited with banks; (7) the balance of bill acceptance and the total amount of rediscount shall not exceed the net capital; (8) the balance of the acceptance bill deposit shall not exceed 10% of the total deposit; (9) the total investment shall not exceed 70% of the net capital; and (10) the net fixed assets shall not exceed 20% of the net capital.

As confirmed by the Directors, to their best knowledge, up to the Latest Practicable Date, there had been no record of non-compliance with relevant laws, rules and regulations of the PRC in relation to Bailian Finance. For our due diligence purpose, we have also reviewed the compliance record of Bailian Finance.

Risk profile of Bailian Finance

In assessing the possible credit risk involved in placing deposits with Bailian Finance, we have taken into consideration that:

- (i) as presented above, the operation of Bailian Finance is subject to stringent supervision of PBOC and NFRA and is regulated by the relevant PRC financial regulations and rules;
- (ii) as presented under the sub-section headed “Information on Bailian Finance” of this letter of advice, Bailian Finance has a financial position with total revenue and net profit of approximately RMB465.5 million and RMB96.2 million for the year ended 31 December 2023, respectively, and net asset value of approximately RMB1.4 billion as at 31 December 2023;
- (iii) as confirmed by the Directors, to their best knowledge, up to the Latest Practicable Date, there had been no record of non-compliance with relevant laws, rules and regulations of the PRC in relation to Bailian Finance; and

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- (iv) as being disclosed under the section headed “Principal terms of the deposit services under the Financial Services Agreement” of this letter of advice, Bailian Group has undertaken to guarantee the payment of all the Group’s deposits (including any interest accrued therefrom) deposited with Bailian Finance in the event of default of payment by Bailian Finance to the Company.

In relation to the above, we have further researched for information regarding Bailian Group for our due diligence purpose. Based on our independent research, we noted that Bailian Group is a sizeable state-owned enterprise established in April 2003. Its principal businesses cover department stores, shopping malls, outlet, large stores, supermarket, convenience stores, specialty retail formats, operating non-ferrous metals, ferrous metals, automotive, chemical light, electrical, timber, fuel, etc. involving e-commerce, logistics, consumer services, electronic information and other fields. Possessing a total commercial retail area of around 5 million square meters, the operating scale of Bailian Group exceeds RMB100 billion with nearly 33,000 employees and 350 subordinate enterprises. Besides the Company, Bailian Group also holds the shares of a number of listed companies, including Shanghai Bailian Group Co. Ltd. (600827.SH), Shanghai Material Trading Co. Ltd. (600822.SH) and Shanghai No.1 Pharmacy Co. Ltd. (600833.SH). Given the solid background of Bailian Group, we consider that the undertaking provided by Bailian Group as mentioned in point (iv) above may effectively mitigate the credits risk of Bailian Finance.

Having considered the foregoing, we concur with the Directors that the credit risk of Bailian Finance is likely to be low and manageable.

In light of the aforesaid reasons for and possible benefits of the Financial Services Agreement as represented by the Directors and that as concluded above the credit risk of Bailian Finance is likely to be low and manageable, we concur with the Directors that the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

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2. Principal terms of the deposit services under the Financial Services Agreement

A summary of the principal terms of the deposit services under the Financial Services Agreement dated 7 April 2024 as extracted from the Letter from the Board is set out below:

Parties:	(1) The Company (2) Bailian Finance (3) Bailian Group
Term:	The Financial Services Agreement is for a term of three years commencing from 1 January 2025 to 31 December 2027 (both days inclusive).
Nature of services to be provided:	Bailian Finance shall provide the Group with, amongst others, the deposit services subject to the terms and conditions provided therein.
Payment terms:	Pursuant to the Financial Services Agreement, the deposit services provided by Bailian Finance to the Group will not give rise to any fee payable by the Group. Interests for the Group's deposits with Bailian Finance are payable by Bailian Finance at the end of the tenure of the relevant deposits.
Bailian Finance's undertaking:	Bailian Finance has undertaken to adhere to the principles below in relation to the provision of deposit services to the Group:

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- (i) the interest rates payable by Bailian Finance to the Group for any deposits shall not be lower than the benchmark interest rates for comparable deposits as announced by PBOC and shall not be lower than the interest rates paid by other major commercial banks in the PRC for comparable deposits. As at the Latest Practicable Date, the benchmark interest rates for deposits as announced by PBOC for 6-month deposit, one-year deposit and three-year deposit were 1.3%, 1.5% and 2.75%, respectively. The average interest rates offered by Bailian Finance to the Group for the two years ended 31 December 2022 and 2023 and the two months ended 29 February 2024 were approximately 3.11%, 3.14% and 3.16% per annum, respectively; and
- (ii) the terms of services to be provided to the Group by Bailian Finance shall be no less favourable than those of comparable services provided by other financial institutions in the PRC.

**Bailian Group's
undertaking:**

Bailian Group has made, amongst others, the following undertakings to the Company in the Financial Services Agreement:

- (i) it will procure Bailian Finance to perform its obligations and undertakings under the Financial Services Agreement; and
- (ii) it will guarantee the payment of all the Group's deposits (including any interest accrued therefrom) deposited with Bailian Finance in the event of default of payment by Bailian Finance to the Group.

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**Individual financial
services agreement:**

The Group and Bailian Finance will enter into individual financial services agreements for specific financial services, which will be subject to the proposed annual caps under the Financial Services Agreement. The terms of such individual financial services agreements will be consistent with the principles of the Financial Services Agreement. If there is any discrepancy between the terms of an individual financial services agreement and the Financial Services Agreement, the latter shall prevail.

Pursuant to the undertaking of Bailian Finance, the interest rates for the deposits of the Group with Bailian Finance shall be no less than (i) the benchmark interest rates for comparable deposits as announced by PBOC; and (ii) the interest rates paid by other major commercial banks in the PRC for comparable deposits. Besides, Bailian Group has undertaken that it will procure Bailian Finance to perform its obligations and undertakings under the Financial Services Agreement and guarantee the payment of all the Group's deposits (including any interest accrued therefrom) deposited with Bailian Finance in the event of default of payment by Bailian Finance to the Group. We consider these undertakings to be favourable to the Group.

We have also compared the deposit rates offered by other major commercial banks in the PRC and Bailian Finance, as well as the interest rate announced by PBOC covering March 2022, May 2022, October 2022, February 2023, March 2023 and October 2023. We have independently and randomly selected (i) around ten major commercial banks in the PRC including sizeable nation-owned bank such as China Construction Bank Corporation, sizeable commercial bank such as China Everbright Bank Company Limited and local bank such as China Zheshang Bank Co., Ltd.; and (ii) three months in each of 2022 and 2023. We consider that based on our independent and random selection covering different nature of PRC banks and three months in each of 2022 and 2023 can provide ample, fair and representative samples in the recent two years for comparison purpose. We noted that the deposit rates offered by Bailian Finance for RMB100 million deposits (above 3%) were not lower than those for RMB100 million deposits offered by other major commercial banks in the PRC, as well as the interest rate announced by PBOC, which were below 2% and 3% for one-year and three-year time deposits, respectively, in the periods mentioned.

Upon our further enquiry with the Directors, we understand that the interests for the Group's deposits with Bailian Finance are payable by Bailian Finance at the end of the tenure of the relevant deposits. We have researched independently in this respect and noted that such payment terms are the same as the interest payment terms normally applied by those ten major commercial banks in the PRC as aforementioned.

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In addition, we noted that pursuant to the Financial Services Agreement, the Group is not restricted to approach, and in fact may choose, any bank or financial institution to satisfy its business and financial service needs. That is to say, the Group may, but is not obliged to, use the services provided by Bailian Finance. We consider that such provision could provide flexibility for the Group to decide on which financial institution(s) to place its idle cash with depending on its own circumstances.

Taking into account of the above, we are of the opinion that the terms of the deposit services under the Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Proposed annual caps

The below table illustrates (i) the actual historical maximum daily balance of the Group's deposits with Bailian Finance (including the interest accrued therefrom) under the Existing Financial Services Agreement; and (ii) the proposed annual caps in respect of the maximum daily balance of the Group's deposits with Bailian Finance (including the interest accrued therefrom) under the Financial Services Agreement:

	Actual historical balance			The proposed annual caps		
	2021	2022	2023	2025	2026	2027
Total	1.00	1.17	0.94	2.00	2.00	2.00

RMB billion

Regarding the proposed annual caps, we have considered the following factors:

- (i) during the three years from 2021 to 2023, the maximum daily balance of deposits (including accrued interest) placed by the Group with Bailian Finance was approximately RMB1.0 billion, RMB1.2 billion and RMB0.9 billion, respectively, indicating that the Group has constant substantial demand for the deposit services provided by Bailian Finance;
- (ii) the highest historical utilization rate for the cap of maximum daily balance of deposits (including accrued interest) under the Existing Financial Services Agreement has reached nearly 100% (being RMB1.17 billion over RMB1.2 billion);

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- (iii) in order to further strengthen the risk control, the Group has adopted a series of new internal control requirements since 2024, under which the Company and its subsidiaries are restricted to open bank accounts at banks which can attain certain qualification standards. Therefore, the Company and its subsidiaries are required to transfer their gradual expiring deposits in 2024 from local commercial banks which fail to fulfill the aforesaid criterion. This is expected to create a huge surge in demand for deposit services of the Group from Bailian Finance;
- (iv) based on our review of the 2023 Annual Report, the total amount of the Group's revenue for 2023 and total bank balance and cash as at 31 December 2023 amounted to approximately RMB21.8 billion and RMB3.4 billion, respectively, which are approximately 10.9 times and 1.7 times, respectively, of the proposed annual cap of RMB2.0 billion for each of the three years ending 31 December 2027; and
- (v) pursuant to the Financial Services Agreement, the Group can select other financial institutions for financial services at its discretion. Moreover, the interest rate for the deposits of the Group with Bailian Finance shall not be lower than the benchmark interest rates for comparable deposits as announced by PBOC and shall not be lower than the interest rates paid by other major commercial banks in the PRC for comparable deposits. The said arrangement can on one hand provides the Group with flexibility in selecting financial institutions for deposit services, and on the other hand allowing the Group to capture higher interest earnings from its idle cash.

As such, we are of the view the proposed annual caps for the deposits services under the Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

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3. Internal control and compliance with the Listing Rules

We noted from the sub-section headed “Internal control and pricing policy” of the Letter from the Board that the Company has established strict internal control policies to supervise the transactions under the Financial Services Agreement. Before making decision to place a new deposit, the relevant personnel of the finance department would, based on the deposit need of the Group, compare the deposit interest rates quoted from no less than three independent commercial banks as well as PBOC and report the comparison results to the head of the finance department of the Company. The head of the finance department of the Company would ensure the interest rates receivable by the Company for its deposits with Bailian Finance shall not be lower than the interest rates receivable from other major commercial banks for comparable deposits during the same period. We have reviewed the relevant internal control policies of the Company. As also highlighted under the section headed “Principal terms of the deposit services under the Financial Services Agreement” of this letter of advice, we have independently selected and compared the deposit rates offered by other major commercial banks in the PRC and Bailian Finance, as well as the interest rate announced by PBOC, during various periods in the recent two years. Our comparison results reveal that the deposit rates offered by Bailian Finance were not lower than those offered by other major commercial banks in the PRC, as well as the interest rate announced by PBOC. As such, the aforesaid internal control policies involving different tiers of the finance department of the Company, mainly the interest rate comparison and reporting by the relevant personnel of the finance department, and the final supervision by the head of the finance department of the Company, is effective in ensuring that the pricing terms of the Financial Services Agreement are fair and reasonable.

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Furthermore, the Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 and 14A.55 of the Listing Rules pursuant to which (i) the maximum daily balance of deposits (including accrued interest) placed by the Group with Bailian Finance must be restricted by the proposed annual caps during the term of the Financial Services Agreement; (ii) the terms of the Financial Services Agreement (together with the proposed annual caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Financial Services Agreement (together with the proposed annual caps) must be included in the Company's subsequent published annual reports and financial accounts. As also stipulated under Rule 14A.56 of the Listing Rules, auditors of the Company must provide annually a letter to the Board confirming, among other things, that the deposit services under the Financial Services Agreement are carried out in accordance with the terms under relevant agreements and the pricing policies of the Company in all material respects, and the proposed annual caps are not being exceeded. In the event that the maximum daily balance of deposits (including accrued interest) placed by the Group with Bailian Finance exceed the proposed annual caps, or that there is any material amendment to the terms of the Financial Services Agreement (together with the proposed annual caps), the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

With the internal control measures of the Group as well as the stipulated requirements for continuing connected transactions of the Listing Rules in place, the deposit services under the Financial Services Agreement will be monitored and hence the interest of the Independent Shareholders would be safeguarded.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the deposit services under the Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the Annual General Meeting to approve the Financial Services Agreement and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Managing Director

Ms. Doris Sing is a licensed person and responsible officer of VBG Capital Limited registered with the Securities and Futures Commission to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 19 years of experience in corporate finance.

Ms. Zhang Hui-qin, aged 50, held a degree of master of science in Quality Management of the Hong Kong Polytechnic University and a postgraduate degree, and is a professorate senior economist. Ms. Zhang has abundant operation and management experience in the retail commercial field. From August 1996 to June 2003, Ms. Zhang successively worked with Jiayou Supermarkets of Hangzhou Department Stores Company* (杭州百貨總公司家友超市) as deputy superintendent of operation department, deputy store manager of Wensan Store, chief of Qingchun Store and assistant to the manager of operation department. From June 2003 till now, Ms. Zhang worked with Hangzhou Lianhua Huashang Group Co., Ltd.* (杭州聯華華商集團有限公司) as deputy manager of operation department, manager of operation department, assistant to the general manager, deputy general manager, executive deputy general manager, general manager, secretary of the Party Committee, vice chairman and chairman. From May 2016 to April 2021, Ms. Zhang had been deputy general manager of the Company, and served as executive deputy general manager of the Company since April 2021. Ms. Zhang Hui-qin has been an executive director of the Company and the vice chairman since 7 February 2024.

Ms. Zhang was elected as an executive director of the Company at the board meeting held on 7 February 2024 for a term until the conclusion of the Annual General Meeting, subject however to the articles of association of the Company. Ms. Zhang will not enter into a service contract with the Company, and she will not be entitled to any Director's fee. Ms. Zhang shall be entitled to remuneration and discretionary bonus per annum for her other positions in the Group, which shall be determined in accordance with the remuneration policy of the Company approved by the shareholders of the Company.

As at the Latest Practicable Date, Ms. Zhang has no interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Ms. Zhang has not held any other directorships in any public listed companies in the past three years and has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. Ms. Zhang confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and there is no matter that need to be brought to the attention of shareholders of the Company and the Stock Exchange of Hong Kong Limited.

A. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 are disclosed in the annual reports of the Company for the three years ended 31 December 2021, 2022 and 2023, respectively. Together with the relevant notes thereto are disclosed in the following documents which have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://lianhua.todayir.com/en/reports.php>):

- the Annual Report 2021 of the Company for the 12 months ended 31 December 2021 published on 29 April 2022 (pages 141 to 236);
- the Annual Report 2022 of the Company for the 12 months ended 31 December 2022 published on 26 April 2023 (pages 129 to 226); and
- the Annual Report 2023 of the Company for the 12 months ended 31 December 2023 published on 29 April 2024 (pages 129 to 231).

B. INDEBTEDNESS

At the close of business on 31 March 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had lease liabilities amounting to RMB4,954,938,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and bills payables in the ordinary course of the business, as at the close of business on 31 March 2024, the Group did not have other outstanding mortgages, charges, debentures or other loan capital issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts or loans, other similar indebtedness or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

C. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest audited consolidated financial statements of the Group were made up.

D. WORKING CAPITAL

The Directors are of the opinion that, after taking into account of the Group's internal resources, cash flow from operations and also the effect of the proposed transactions as set out in this circular, the Group will have sufficient working capital to satisfy its present requirements, that is, for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

2024 marks the 75th anniversary of the founding of the PRC and is a critical year for the implementation of the “14th Five-Year Plan”. Although China’s economic growth is faced with challenges such as heightened global geopolitical risks, insufficient effective demand and weak social expectations, the Group is confident that under the principle of “striving for progress while maintaining stability”, along with the sustained reinforcement of various growth stabilization policies and a series of economic measures, the fundamental trend of China’s long-term economic growth will remain unchanged, and the consumption potential is expected to continue to be released.

Looking forward to 2024, consumers will become increasingly savvy and rational, with healthy, good-value-for-money and differentiated products dominating the consumption decision-making. The rational mindset seeking for low-priced products will become the mainstream, and the lower-tier markets will become a blue ocean. There will be a continuous increase in online consumption with stratified and differentiated consumer groups. The health demands will also continue to evolve. In 2024, the Group will actively keep abreast with the trend of changes in the retail industry, and continue to adhere to the annual work focus of 3+1 and the five major support and guarantee systems. We will focus on revenue improvement, cost reduction and efficiency enhancement to achieve our goals on the basis of the following six key areas:

- (1) Segments and channel development. Starting from cities, we will develop underserved areas, improve the estimation accuracy of new stores, and optimize merchant solicitation. At the same time, we will explore the main models of segments, focus on the positioning of store types, and provide different consumer groups with more customized and differentiated services and a high-quality shopping experience.
- (2) Supply chain and product development. Starting from the five aspects of creating products, developing product categories that can increase brand awareness, building proprietary brands, optimizing product categories and improving the self-operating capability in fresh produce, the Group will create a product and supporting supply chain system that meets consumers’ needs and mindset, with Lianhua’s unique characteristics and differentiated competitive advantages, so as to enhance brand influence.

- (3) Omni-channel development. We will build an online and offline marketing system. Through interest-based e-commerce, payment platforms, and content communication, the Group will create a closed loop for overall marketing to exchange and introduce the traffic. From the integration of consumer insights and precise marketing, we will commence in-depth thematic brand marketing, in order to reshape the price system of Lianhua by linking with the JBP rights and benefits sharing. We will also create advantageous product categories to achieve a closed loop of the whole-chain brand consumers formed by the feedback of consumer insights, thereby upgrading the Lianhua brand.
- (4) Logistics efficiency improvement. Through the implementation of the logistics system integration project, the number of inventory turnover days, distribution quota and order fulfillment rate will be improved, thus realizing a reduction in logistics costs.
- (5) Digital efficiency enhancement. We will advance the overall online work by implementing the three key projects, namely, “merchandise digitization enhancement, internal supply chain optimization and logistics system integration”, so as to truly realize visualization, online operations and integration in order to facilitate high-quality development and sustainable growth of the enterprise.
- (6) Organization and talent efficiency enhancement. We will strive to promote organizational reform and establish a self-driven and agile organization and management system; expand the channels for talent acquisition, diversify the forms of internal selection and strengthen the talent pool; control organizational details at all levels, introduce the contract-based management for core positions and enhance human resources efficiency of the enterprise; implement product category diversification, key store enhancement and iteration of the super partnership model for the partnership projects.

In 2024, the Group will continue to focus on high-quality development, leverage on its advantages, integrate market opportunities, center on the goal of sustainable development of its business, further carry out in-depth reform and innovation, and strive to advance the planning and implementation of key projects. The Group will exert every effort to achieve revenue growth!

F. FINANCIAL EFFECT OF THE MAJOR TRANSACTION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

The major transaction, namely the provision of deposit services under the Financial Services Agreement, does not and the Group expects that it will not have any material impact on the earnings, net asset value and liabilities of the Group.

No.	Original	Amended
1.	<p>(These Articles of Association are formulated in accordance with the Prerequisite Clauses for the Articles of Association of Companies Seeking a Listing Outside the Peoples' Republic of China ("Prerequisite Clauses"), China Securities Regulatory Commission Document No. [1995]1: Opinions on Amendments to the Articles of Association of Companies Seeking a Listing in Hong Kong ("Opinions"), Proposals on Accelerating Standardized Operation of Companies Listed Overseas and Deepening Their Reforms ("Proposals") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"))</p>	<p>(These Articles of Association are formulated in accordance with the <u>Prerequisite Clauses for the Articles of Association of Companies Seeking a Listing Outside the Peoples' Republic of China ("Prerequisite Clauses"), China Securities Regulatory Commission Document No. [1995]1: Opinions on Amendments to the Articles of Association of Companies Seeking a Listing in Hong Kong ("Opinions")</u> <u>the Company Law of the People's Republic of China ("Company Law")</u>, Proposals on Accelerating Standardized Operation of Companies Listed Overseas and Deepening Their Reforms ("Proposals") and, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") <u>and Other relevant regulations)</u></p>
2.	<p>Article 1</p> <p>The Company is a joint stock limited company established pursuant to the <i>Company Law of the People's Republic of China</i> (hereinafter referred to as the "Company Law"), the <i>Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Joint Stock Limited Companies</i> (hereinafter referred to as the "Special Provisions") and other applicable laws and administrative regulations of the People's Republic of China ("China").</p>	<p>Article 1</p> <p>The Company is a joint stock limited company established pursuant to the <i>Company Law of the People's Republic of China</i> <u>of the People's Republic of China</u> (hereinafter referred to as the "Company Law"), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Joint Stock Limited Companies <u>referred to as the "Special Provisions")</u> and other applicable laws and administrative regulations of the People's Republic of China ("China").</p>

	Original	Amended
	<p>The Company was established by way of promotion under the Approval Document No: Hu Fu Ti Gai Shen(2001)028 issued by the System Reform Office of Shanghai Municipal Government. The Company was registered with the Shanghai Administration for Industry and Commerce and obtained its business license number: 3100001006267 on December 18th, 2001 and was officially established.</p> <p>The promoters of the Company are: Shanghai Friendship Group Incorporated Company (“Friendship Group”, with its name changed to Shanghai Bailian Group Co., Ltd), Shanghai Industrial United (Group) Commercial Network Development Company Limited (“Shanghai Industrial Commerce”, with its name changed to Shanghai Baiqing Investment Co., Ltd.), Mitsubishi Corporation (“Mitsubishi”), Wong Sun Hing Investment Company Limited (“Wong Sun Hing”) and Shanghai Liding Investment Company Limited (“Shanghai Liding”).</p>	<p>The Company was established by way of promotion under the Approval Document No: Hu Fu Ti Gai Shen (2001) 028 issued by the System Reform Office of Shanghai Municipal Government. The Company was registered with the Shanghai Administration for Industry and Commerce and obtained its business license number <u>unified social credit code: 3100001006267</u> <u>91310000607370331G</u> on December 18th, 2001 and was officially established.</p> <p>The promoters of the Company are: Shanghai Friendship Group Incorporated Company (“Friendship Group”, with its name changed to Shanghai Bailian Group Co., Ltd), Shanghai Industrial United (Group) Commercial Network Development Company Limited (“Shanghai Industrial Commerce”, with its name changed to Shanghai Baiqing Investment Co., Ltd. <u>Shanghai Bailian Commercial Brand Investment Co., Ltd.</u>), Mitsubishi Corporation (“Mitsubishi”), Wong Sun Hing Investment Company Limited (“Wong Sun Hing”) and Shanghai Liding Investment Company Limited (“Shanghai Liding”).</p>
3.	<p>Article 2</p> <p>The registered name of the Company is: Chinese name: 聯華超市股份有限公司 English name: Lianhua Supermarket Holdings Company Limited</p>	<p>Article 2</p> <p>The registered name of the Company is: Chinese name: 聯華超市股份有限公司 English name: Lianhua Supermarket Holdings Company Limited <u>Co.,Ltd.</u></p>

	Original	Amended
4.	<p>Article 4</p> <p>The chairman of the Board of Directors is the legal representative of the Company.</p>	<p>Article 4</p> <p>The chairman of the Board of Directors is the legal representative of the Company; <u>if the chairman of the Board of the Company is created or changed according to the Articles of Association, and the chairman of the Board of the Company resigns, he shall also resign as the legal representative.</u></p>
5.	<p>Article 6</p> <p>The original Articles of Association of the Company came into force on December 18th, 2001 which is the date of establishment of the Company.</p> <p>Pursuant to the <i>Company Law</i>, the <i>Special Provisions</i>, the <i>Prerequisite Clauses</i> and other applicable laws and administrative regulations, the original Articles of Association was amended by formulation and adoption of these Articles at the first shareholders' general meeting of the Company convened on January 26th, 2003.</p> <p>Upon approval by the company approval authorities authorised by the State Council, these Articles of Association shall come into force on the day when the Company's overseas-listed foreign shares (as defined in Article 20) were listed in Hong Kong. Upon coming into force of these Articles, the original Articles of Association of the Company shall be replaced.</p>	<p>Article 6</p> <p>The original Articles of Association of the Company came into force on December 18th, 2001 which is the date of establishment of the Company.</p> <p>Pursuant to the <i>Company Law</i>, the <i>Special Provisions</i>, the <i>Prerequisite Clauses</i> and other applicable laws and administrative regulations, the original Articles of Association was amended by formulation and adoption of these Articles at by the first shareholders' general meeting of the Company convened on January 26th, 2003.</p> <p>Upon approval by the company approval authorities authorised by the State Council, these Articles of Association shall come into force on the day when the Company's overseas-listed foreign shares (as defined in Article 20) were listed in Hong Kong. Upon coming into force of these Articles, the original Articles of Association of the Company shall be replaced.</p>

	Original	Amended
6.	<p>Article 7</p> <p>As from the effective date of these Articles of Association, these Articles of Association shall become a legally binding document governing the organisation and conduct of the Company and regulating the rights and obligations between the Company and a shareholder and among shareholders.</p>	<p>Article 7</p> <p>As from the effective date of these Articles of Association, these Articles of Association shall become a legally binding document governing the organisation and conduct of the Company and regulating the rights and obligations between the Company and a shareholder and among shareholders.</p>
7.	<p>Article 10</p> <p>Subject to the relevant laws and regulations, the Company has the power to raise fund or borrow money, including but not limited to the issue of shares or corporate bonds, and the power to grant guarantees for any third party, and mortgage or pledge its property, provided that no exercise of such powers mentioned above shall prejudice or abrogate any right of any class of shareholder.</p>	<p>Article 10</p> <p>Subject to the relevant laws and regulations, the Company has the power to raise fund or borrow money, including but not limited to the issue of shares or corporate bonds, and the power to grant guarantees for any third party, and mortgage or pledge its property; provided that no exercise of such powers mentioned above shall prejudice or abrogate any right of any class of shareholder.</p>
8.	<p>Article 12</p> <p>The Company may invest in other companies with limited liability and joint stock companies, and the Company shall be liable for such companies in which it has invested to the extent of the amount of its investment.</p>	<p>Article 12</p> <p>The Company may invest in other companies with limited liability and joint stock companies, and the Company shall be liable for such companies in which it has invested to the extent of the amount of its investment <u>and/or its shares held.</u></p>
9.	<p>Article 15</p> <p>The scope of business of the Company shall be in accordance with the items approved by the registration authorities of the Company.</p>	<p>Article 15</p> <p>The scope of business of the Company shall be in accordance with the items approved by the registration authorities of the Company.</p>

	Original	Amended
	<p>The scope of business of the Company includes: wholesaling and retailing (including sale by proxy and on consignment) of household medical devices (except those in relation to “Medical Devices Enterprise Trading Permit”), electric appliances, prepackaged foods (including delicatessen and braised foods as well as chilled and frozen foods), liquor, aquatic products, non-staple food, bulk foods, ready-to-eat foods (including delicatessen and braised foods), dairy products (including infant milk powder); daily necessities, rubber products, knitting textiles, clothing, hat and shoes, furniture, craft gifts, computers, software and ancillary equipment, communication equipment; retailing of raw swine products and beef and lamb products, ready-to-eat foods made on site (cooked and processed foods, cold foods dressed with sauce, barbecued foods, bread, cakes, decorative cakes and reheated foods) (retailing business operation allowed in stores only); purchasing of agricultural by-products; engagement into the processing, grading, packaging, distribution and consultancy services, leasing of owned buildings and counters in relation to supermarkets, provision of technological services for the operation and management of commercial chain stores as well as supermarket management and agency services, as well as conducting commercial activities by means of franchising (the above-mentioned exclude the commodities subject to the State-run trade management; with regard to the commodities subject to quota and license management, make applications in accordance with the relevant regulations of the State; with regard to the commodities subject to administrative permission, operate the business based on the relevant operation permit).</p>	<p>The scope of business of the Company includes: wholesaling and retailing (including sale by proxy and on consignment) of household medical devices (except those in relation to “Medical Devices Enterprise Trading Permit”), electric appliances, prepackaged foods (including delicatessen and braised foods as well as chilled and frozen foods), liquor, aquatic products, non-staple food, bulk foods, ready-to-eat foods (including delicatessen and braised foods), dairy products (including infant milk powder); daily necessities, rubber products, knitting textiles, clothing, hat and shoes, furniture, craft gifts, computers, software and ancillary equipment, communication equipment; <u>The following are limited to branch operations: retailing of raw swine products and beef and lamb products, ready-to-eat foods made on site (cooked and processed foods, cold foods dressed with sauce, barbecued foods, bread, cakes, decorative cakes and reheated foods) (retailing business operation allowed in stores only), liquor, aquatic products, non-staple food;</u> purchasing of agricultural by-products; engagement into the processing, grading, packaging, distribution and consultancy services, leasing of owned buildings and counters in relation to supermarkets, provision of technological services for the operation and management of commercial chain stores as well as supermarket management and agency services, as well as conducting commercial activities by means of franchising (the above-mentioned exclude the commodities subject to the State-run trade management; with regard to the commodities subject to quota and license management, make applications in accordance with the relevant regulations of the State; with regard to the commodities subject to administrative permission, operate the business based on the relevant operation permit). <u>[Projects that must be approved according to law can only carry out business activities after being approved by relevant departments.]</u></p>

	Original	Amended
10.	<p>Article 16</p> <p>Subject to a resolution adopted at a shareholders' general meeting, the approval of the competent government authorities, and changes in registration with the relevant company registration authorities, the Company may adjust its scope of business and operation or investment directions and methods in accordance with the changes in the domestic and international markets, the requirements of domestic and international business development, and the Company's development capacity.</p>	<p>Article 16</p> <p>Subject to a resolution adopted at a shareholders' general meeting, the approval of the competent government authorities, and changes in registration with the relevant company registration authorities, the Company may adjust its scope of business and operation or investment directions and methods in accordance with the changes in the domestic and international markets, the requirements of domestic and international business development, and the Company's development capacity.</p>
11.	<p>Article 17</p> <p>The Company shall have ordinary shares at all time. It may have other classes of shares according to the need of the Company and subject to the approval of the relevant company approval authorities authorised by the State Council.</p>	<p>Article 17</p> <p>The Company shall have ordinary shares at all time. It may have other classes of shares according to the need of the Company and subject to the approval registration/filing of the relevant company approval authorities departments authorised by the State Council.</p>
12.	<p>Article 19</p> <p>Subject to the approval of the competent securities authority under the State Council, the Company may issue shares to investors inside and outside China.</p> <p>The aforementioned "investors outside China" means investors in foreign countries, Hong Kong, Macau and Taiwan regions who subscribe for shares issued by the Company; and the term "investors inside China" means investors inside China, other than the abovementioned regions, who subscribe for the shares issued by the Company.</p>	<p>Article 19</p> <p>Subject to the approval registration/filing of the competent securities authority under the State Council or other regulatory agencies, the Company may issue shares to investors inside and outside China.</p> <p>The aforementioned "investors outside China" means investors in foreign countries, Hong Kong, Macau and Taiwan regions who subscribe for shares issued by the Company; and the term "investors inside China" means investors inside China, other than the abovementioned regions, who subscribe for the shares issued by the Company.</p>

	Original	Amended
13.	<p>Article 20</p> <p>The shares issued by the Company to investors inside China and to be subscribed for in RMB shall be referred to as “domestic shares”. Shares issued by the Company to investors outside China and to be subscribed for in foreign currencies shall be referred to as “foreign shares”.</p> <p>Domestic shares that are listed in China are referred to as domestically-listed domestic shares, and the foreign shares that are listed outside China are referred to as overseas-listed foreign shares. The foreign shares that are listed neither domestically nor abroad shall be referred to as non-listed foreign shares. For the avoidance of doubts, the expression “non-listed foreign shares” referred to herein shall not include “overseas-listed foreign shares”. All the non-listed foreign shares issued by the Company were subscribed in foreign currencies by Wong Sun Hing.</p> <p>For the purpose of these Articles, “foreign currencies” means the legal currencies other than RMB of other countries or regions that are recognized by the State’s foreign exchange administration authority which can be used to pay for subscription to the shares of the Company.</p>	<p>Article 20</p> <p>The shares issued by the Company to investors inside China and to be subscribed for in RMB shall be referred to as “domestic shares”. Shares issued by the Company to investors outside China and to be subscribed for in foreign currencies shall be referred to as “foreign shares”.</p> <p>Domestic shares that are listed in China are referred to as domestically-listed domestic shares, and the foreign shares that are listed outside China are referred to as overseas-listed foreign shares. The foreign shares that are listed neither domestically nor abroad shall be referred to as non-listed foreign shares. For the avoidance of doubts, the expression “non-listed foreign shares” referred to herein shall not include “overseas-listed foreign shares”. All the non-listed foreign shares issued by the Company were subscribed in foreign currencies by Wong Sun Hing.</p> <p>For the purpose of these Articles, “foreign currencies” means the legal currencies other than RMB of other countries or regions that are recognized by the State’s foreign exchange administration authority which can be used to pay for subscription to the shares of the Company.</p>

	Original	Amended
14.	<p>Article 21</p> <p>“The Company shall issue a total number of 1,119,600,000 ordinary shares, which consist of:</p> <p>(1) 715,397,400 domestic shares (289,661,400 shares to be held by Bailian Group Co. Ltd.; 224,208,000 by Shanghai Bailian Group Co., Limited; and 201,528,000 by Alibaba (China) Technology Co.,Ltd.), and 31,602,600 non-listed foreign shares (31,602,600 by Wong Sun Hing);</p> <p>(2) total number of 372,600,000 overseas-listed foreign shares.”</p>	<p>Article 21</p> <p><u>When the Company was established, it issued 415,000,000 shares of common stock, including:</u></p> <p><u>(1) Friendship Group subscribed for 211,640,000 shares;</u></p> <p><u>(2) Shanghai Industrial Commerce subscribed for 131,683,000 shares;</u></p> <p><u>(3) Mitsubishi subscribed for 41,900,000 shares;</u></p> <p><u>(4) Wong Sun Hing subscribes for 17,557,000 shares;</u></p> <p><u>(5) Shanghai Liding subscribed for 12,220,000 shares.</u></p> <p><u>Until the effective date of the Articles of Association,</u> “The Company shall issue a total number of 1,119,600,000 ordinary shares, which consist of:</p> <p>(1) 715,397,400 domestic shares (289,661,400 shares to be held by Bailian Group Co. Ltd.; 224,208,000 by Shanghai Bailian Group Co., Limited; and 201,528,000 by Alibaba (China) Technology Co.,Ltd.), and 31,602,600 non-listed foreign shares (31,602,600 by Wong Sun Hing);</p> <p>(2) total number of 372,600,000 overseas-listed foreign shares.”</p>

	Original	Amended
15.	<p>Article 25</p> <p>“The registration capital of the Company is RMB1,119,600,000 Yuan.”</p>	<p>Article 25<u>22</u></p> <p>“The registration capital of the Company is RMB1,119,600,000 Yuan.”</p>
16.	<p>Article 26</p> <p>The Company may, according to its operation and development requirements, approve capital increase in accordance with the relevant provisions of these Articles.</p> <p>The Company may increase its capital by the following methods:</p> <p>(I) offer of new shares to non-specific investors;</p> <p>(II) rights issue to existing shareholders;</p> <p>(III) distribution of new shares to existing shareholders;</p> <p>(IV) other methods permitted by laws and administrative regulations.</p> <p>The Company’s increase of capital by issuing new shares shall be handled in accordance with the procedures provided for in the relevant State laws and administrative regulations upon approval in accordance with these Articles.</p>	<p>Article 26<u>23</u></p> <p>The Company may, according to its operation and development requirements, approve capital increase in accordance with the relevant provisions of these Articles.</p> <p>The Company may increase its capital by the following methods:</p> <p>(I) offer of new shares to non-specific investors <u>public offering of shares;</u></p> <p>(II) rights issue to existing shareholders <u>non-public offering of shares;</u></p> <p>(III) distribution of new <u>dividend bonus</u> shares to existing shareholders;</p> <p>(IV) <u>converting accumulation fund into capital;</u></p> <p>(V) <u>other methods permitted by laws and administrative regulations and relevant regulatory agencies.</u></p> <p>The Company’s increase of capital by issuing new shares shall be handled in accordance with the procedures provided for in the relevant State laws and administrative regulations upon approval in accordance with these Articles.</p>

	Original	Amended
17.	<p>Article 28</p> <p>Except otherwise provided by laws and administrative regulations, shares in the Company may be transferred freely without any lien.</p>	<p>Article 28<u>25</u></p> <p>Except otherwise provided by laws and administrative regulations, Shares in the Company may be transferred freely without any lien <u>in according with law.</u></p>
18.	<p>Article 30</p> <p>The Company, in reducing its registered capital, must prepare a balance sheet and an inventory of property.</p> <p>The Company shall notify its creditor(s) within ten days from the date of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in newspapers at least three times within thirty days of the said date. The creditor(s) shall, within thirty days after receiving the notice in writing, or within ninety days of the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or provide a corresponding guarantee for repayment of its debts.</p> <p>The registered capital of the Company after the reduction in capital shall not be less than the minimum amount required by laws.</p>	<p>Article 30<u>27</u></p> <p>The Company, in reducing its registered capital, must prepare a balance sheet and an inventory of property.</p> <p>The Company shall notify its creditor(s) within ten days from the date of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in newspapers <u>or the National Enterprise Credit Information Publicity System at least three times</u> within thirty days of the said date. The creditor(s) shall, within thirty days after receiving the notice in writing, or within ninety <u>forty-five</u> days of the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or provide a corresponding guarantee for repayment of its debts.</p> <p>The registered capital of the Company after the reduction in capital shall not be less than the minimum amount required by laws.</p> <p><u>When the Company reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the capital contribution or shares held by shareholders, unless otherwise provided by law or these Articles of Association.</u></p>

	Original	Amended
19.	<p>Article 31</p> <p>The Company may, in the following circumstances, repurchase its issued and outstanding shares upon the adoption of resolutions following the procedures provided in these Articles and submission to and approval by the relevant competent authorities:</p> <p>(I) cancellation of shares with the view to reduce its capital;</p> <p>(II) merger with other companies which hold shares in the Company; or</p> <p>(III) other circumstances provided by laws and administrative regulations.</p>	<p>Article 31<u>28</u></p> <p>The Company may, in the following circumstances, repurchase its issued and outstanding shares upon the adoption of resolutions following the procedures provided in these Articles and submission to and approval by the relevant competent authorities <u>shall not repurchase its own shares. however, except for one of the following situations :</u></p> <p>(I) cancellation of shares with the view to reduce its <u>the registered capital of the Company;</u></p> <p>(II) merger with other companies which hold shares in the Company; or</p> <p>(III) other circumstances provided by laws and administrative regulations. <u>Use shares for employee stock ownership plan or equity incentive;</u></p> <p>(IV) <u>Shareholders demand that the Company repurchase their shares due to objections to the Company's merger or division resolution made at the shareholders' meeting;</u></p> <p>(V) <u>Use the shares to convert corporate bonds that can be converted into shares issued by the Company; and</u></p> <p>(VI) <u>maintain its value and the shareholders' rights.</u></p>

	Original	Amended
		<p><u>Where the Company repurchases shares of the Company under the circumstances specified in Items (I) and (II) of the preceding paragraph, it shall be decided by the shareholders' meeting; Where the Company repurchases its shares under the circumstances specified in Items (III), (V) and (VI) of the preceding paragraph, it may pass a resolution at a board meeting attended by more than two thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.</u></p> <p><u>After the Company has repurchased its shares in accordance with the provisions of the first paragraph of this article, it shall be cancelled within ten days from the date of acquisition if it falls into the circumstances of item (I); In the case of items (II) and (IV), it shall be transferred or cancelled within six months; In case of items (III), (V) and (VI), the total number of shares held by the Company shall not exceed ten percent of the total issued shares of the Company, and shall be transferred or cancelled within three years.</u></p> <p><u>Where the Company repurchases its shares under the circumstances specified in Item (III), Item (V) and Item (VI) of the first paragraph of this Article, it shall do so through open centralized trading.</u></p>

	Original	Amended
20.	<p>Article 32</p> <p>The Company may, upon the approval of the relevant competent State authorities, repurchase its shares in any of the following manners:</p> <p>(I) making a pro rata general offer of repurchase to all its shareholders;</p> <p>(II) repurchase of shares through open transactions on a securities exchange;</p> <p>(III) repurchase by an agreement outside a securities exchange.</p>	<p>Article 32<u>29</u></p> <p>The Company may, upon the approval of the relevant competent State authorities, repurchase its shares in any of the following manners:</p> <p>(I) making a pro rata general offer of repurchase to all its shareholders;</p> <p>(II) repurchase of shares through open transactions on a securities exchange;</p> <p>(III) repurchase by an agreement outside a securities exchange;</p> <p><u>(IV) Other methods recognized by laws, regulations, and relevant regulatory authorities.</u></p>
21.	<p>Article 33</p> <p>Where the Company repurchases its shares by an agreement outside a securities exchange, prior approval shall be obtained at the shareholders' general meeting according to the provisions of these Articles. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Company may terminate or vary the contract concluded in the manner set forth above or waive any of its rights in the contract.</p> <p>A contract to repurchase shares referred to in the above paragraph shall include (but not limited to) agreement whereby repurchase obligations are undertaken and repurchase rights are acquired.</p> <p>The Company shall not transfer the contract for the repurchase of its own shares or any of its rights thereunder.</p>	<p>Article 33<u>30</u></p> <p>Where the Company repurchases its shares by an agreement outside a securities exchange, prior approval shall be obtained at the shareholders' general meeting according to the provisions of these Articles. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Company may terminate or vary the contract concluded in the manner set forth above or waive any of its rights in the contract.</p> <p>A contract to repurchase shares referred to in the above paragraph shall include (but not limited to) agreement whereby repurchase obligations are undertaken and repurchase rights are acquired.</p> <p>The Company shall not transfer the contract for the repurchase of its own shares or any of its rights thereunder.</p>

	Original	Amended
22.	<p>Article 34</p> <p>After the Company has repurchased its shares in accordance with law, the Company shall cancel the portion of shares repurchased within the period prescribed by laws and administrative regulations and shall apply to the original company registration authorities for registration of the changes in registered capital.</p> <p>The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.</p> <p>After completion of the reduction in the registered capital of the Company and changes in registration with the company registration authority, a public announcement shall be made.</p>	<p>Article 34<u>31</u></p> <p>After the Company has repurchased its shares in accordance with law, <u>involving the cancellation of shares,</u> the Company shall cancel the portion of shares repurchased within the period prescribed by laws and administrative regulations and shall apply to the original company registration authorities for registration of the changes in registered capital.</p> <p>The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.</p> <p>After completion of the reduction in the registered capital of the Company and changes in registration with the company registration authority, a public announcement shall be made.</p>

	Original	Amended
23.	<p data-bbox="323 289 435 314">Article 35</p> <p data-bbox="323 346 815 463">Unless the Company is in the course of liquidation, the Company shall comply with the following provisions in repurchasing its issued and outstanding shares:</p> <p data-bbox="323 495 815 697">(I) Where the Company repurchases its shares at par value, payments for such shares shall be deducted from the book balance of distributable profits and/or from the proceeds of a fresh share issue made for the repurchase of the old shares.</p> <p data-bbox="323 729 815 1017">(II) Where the Company repurchases its shares at a premium to the par value, the portion equivalent to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of any fresh share issue made for the repurchase of the old shares; the portion in excess of the par value shall be handled according to the following methods:</p> <p data-bbox="384 1049 815 1198">(1) where the shares repurchased were issued at their par value, the amount shall be deducted from the book balance of distributable profits:</p> <p data-bbox="384 1229 815 1783">(2) where the shares repurchased were issued at a premium to the par value, the amount shall be deducted from the book balance of distributable profits and/or the proceeds of a fresh share issue made to repurchase the old shares, provided that the amount deducted from the proceeds of the fresh share issue may not exceed the premium obtained at the time of the issue of the old shares nor may it exceed the amount in the Company's premium account or capital common reserve account (as the case may be) (including the premium from the fresh share issue) at the time of the repurchase;</p>	<p data-bbox="852 289 1102 314">Article 35 (整條刪除)</p> <p data-bbox="852 346 1318 495">Unless the Company is in the course of liquidation, the Company shall comply with the following provisions in repurchasing its issued and outstanding shares:-</p> <p data-bbox="852 527 1347 729">(I) Where the Company repurchases its shares at par value, payments for such shares shall be deducted from the book balance of distributable profits and/or from the proceeds of a fresh share issue made for the repurchase of the old shares.-</p> <p data-bbox="852 761 1347 1081">(II) Where the Company repurchases its shares at a premium to the par value, the portion equivalent to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of any fresh share issue made for the repurchase of the old shares; the portion in excess of the par value shall be handled according to the following methods:-</p> <p data-bbox="912 1112 1331 1261">(1) where the shares repurchased were issued at their par value, the amount shall be deducted from the book balance of distributable profits:-</p> <p data-bbox="912 1293 1347 1868">(2) where the shares repurchased were issued at a premium to the par value, the amount shall be deducted from the book balance of distributable profits and/or the proceeds of a fresh share issue made to repurchase the old shares, provided that the amount deducted from the proceeds of the fresh share issue may not exceed the premium obtained at the time of the issue of the old shares nor may it exceed the amount in the Company's premium account or capital common reserve account (as the case may be) (including the premium from the fresh share issue) at the time of the repurchase;-</p>

	Original	Amended
	<p>(III) The sum paid by the Company for the following purposes shall be paid out of the Company's distributable profits:</p> <p>(1) acquisition of the right to repurchase its shares;</p> <p>(2) variation of any contract to repurchase its own shares;</p> <p>(3) release from any of its obligations under a repurchase contract.</p> <p>(IV) After the total face value of the cancelled shares has been deducted from the registered capital of the Company according to relevant regulations, the amount deducted from the distributable profits of the Company that is used for share repurchase at par value shall be included in the premium account or the capital common reserve account (as the case may be) of the Company.</p>	<p>(III) The sum paid by the Company for the following purposes shall be paid out of the Company's distributable profits:-</p> <p>(1) acquisition of the right to repurchase its shares;-</p> <p>(2) variation of any contract to repurchase its own shares;-</p> <p>(3) release from any of its obligations under a repurchase contract.-</p> <p>(IV) After the total face value of the cancelled shares has been deducted from the registered capital of the Company according to relevant regulations, the amount deducted from the distributable profits of the Company that is used for share repurchase at par value shall be included in the premium account or the capital common reserve account (as the case may be) of the Company.-</p>

	Original	Amended
24.	<p>Article 36</p> <p>The Company or its subsidiaries shall not, at any time provide any financial assistance in any manner to a person who is purchasing or proposing to purchase shares in the Company. The “person” referred to in the above includes any person who directly or indirectly assumes a liability as a result of the purchase of the Company’s shares.</p> <p>The Company or its subsidiaries shall not, at any time provide any financial assistance in any form to the above-mentioned obligors in order to reduce or discharge their obligations.</p> <p>The provisions of this Article shall not apply to the circumstances described in Article 38 hereof.</p>	<p>Article 36<u>32</u></p> <p>The Company or its subsidiaries shall not, at any time provide any financial assistance in any manner to a person who is purchasing or proposing to purchase shares in the Company. The “person” referred to in the above includes any person who directly or indirectly assumes a liability as a result of the purchase of the Company’s shares.</p> <p>The Company or its subsidiaries shall not, at any time provide any financial assistance in any form to the above-mentioned obligors in order to reduce or discharge their obligations.</p> <p>The provisions of this Article shall not apply to the circumstances described in Article 38 hereof. <u>shall not provide gifts, loans, guarantees or other financial assistance for others to obtain shares of the Company or its parent company, unless the Company implements an employee stock ownership plan.</u></p> <p><u>For the benefit of the Company, upon resolution of the shareholders’ meeting, or the Board of Directors making a resolution in accordance with Articles of Association of the Company or the authorization of the shareholders’ meeting, the Company may provide financial assistance to others to acquire shares of the Company or its parent company, but the cumulative total of financial assistance shall not exceed ten percent of the total issued shares capital. Resolutions made by the Board of Directors must be approved by more than two-thirds (including two-thirds) of all Directors.</u></p> <p><u>If a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible Directors, Supervisors and senior managers shall bear liability for compensation.</u></p>

	Original	Amended
25.	<p>Article 37</p> <p>For the purpose of this Chapter, “financial assistance” shall include (but not limited to) the following manners:</p> <p>(I) given as a gift;</p> <p>(II) given by way of guarantee (including the provision of an undertaking of liability or provisions of property by the guarantor as security for the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising out of the Company’s fault), and by way of release or waiver of rights;</p> <p>(III) provision of a loan or conclusion of a contract under which the Company is required to perform obligations prior to any other party, or a change in the parties to such loans or contract, and the assignment of rights under such loans or contract;</p> <p>(IV) provision of financial assistance in any other manner when the Company is insolvent, or has no net assets, or when such assistance would result in a substantial reduction in its net assets.</p> <p>For the purpose of this Chapter, the term “undertaking obligations” shall include the undertaking of obligations by an obligor as a result of the conclusion of a contract or making an arrangement (whether or not such contracts or arrangements are enforceable and whether or not such obligation is undertaken by the obligor individually or jointly with any other person), or by changing its financial position in any other manner.</p>	<p>Article 37 (整條刪除)</p> <p>For the purpose of this Chapter, “financial assistance” shall include (but not limited to) the following manners:-</p> <p>(I) given as a gift;-</p> <p>(II) given by way of guarantee (including the provision of an undertaking of liability or provisions of property by the guarantor as security for the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising out of the Company’s fault), and by way of release or waiver of rights;-</p> <p>(III) provision of a loan or conclusion of a contract under which the Company is required to perform obligations prior to any other party, or a change in the parties to such loans or contract, and the assignment of rights under such loans or contract;-</p> <p>(IV) provision of financial assistance in any other manner when the Company is insolvent, or has no net assets, or when such assistance would result in a substantial reduction in its net assets.-</p> <p>For the purpose of this Chapter, the term “undertaking obligations” shall include the undertaking of obligations by an obligor as a result of the conclusion of a contract or making an arrangement (whether or not such contracts or arrangements are enforceable and whether or not such obligation is undertaken by the obligor individually or jointly with any other person), or by changing its financial position in any other manner.-</p>

	Original	Amended
26.	<p>Article 38</p> <p>The following acts shall not be regarded as acts prohibited under Article 36 of this Chapter:</p> <p>(I) The financial assistance provided by the Company is truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;</p> <p>(II) The Company distributes its property in the form of dividends according to laws;</p> <p>(III) distribution of dividends in the form of shares;</p> <p>(IV) reduction of registered capital, repurchases of shares or shareholding restructuring, etc in accordance with these Articles;</p> <p>(V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that such loans shall not lead to a reduction in the net assets of the Company, or if the same constitutes a reduction, the financial assistance was paid out of the Company's distributable profits);</p> <p>(VI) The Company provides money for an employee stock ownership scheme (provided that the same shall not result in a reduction in the net assets of the Company, or if the same constitutes a reduction, the financial assistance shall be paid out of the Company's distributable profits).</p>	<p>Article 38 (整條刪除)</p> <p>The following acts shall not be regarded as acts prohibited under Article 36 of this Chapter:-</p> <p>(I) The financial assistance provided by the Company is truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;-</p> <p>(II) The Company distributes its property in the form of dividends according to laws;-</p> <p>(III) distribution of dividends in the form of shares;-</p> <p>(IV) reduction of registered capital, repurchases of shares or shareholding restructuring, etc in accordance with these Articles;-</p> <p>(V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that such loans shall not lead to a reduction in the net assets of the Company, or if the same constitutes a reduction, the financial assistance was paid out of the Company's distributable profits);-</p> <p>(VI) The Company provides money for an employee stock ownership scheme (provided that the same shall not result in a reduction in the net assets of the Company, or if the same constitutes a reduction, the financial assistance shall be paid out of the Company's distributable profits);-</p>

	Original	Amended
27.	<p>Article 41</p> <p>The Company shall keep a register of shareholders in which the following particulars shall be recorded:</p> <p>(I) the name, address (residence), occupation or nature of each shareholder;</p> <p>(II) the class and number of shares held by each shareholder;</p> <p>(III) the amount paid or payable for the shares held by each shareholder;</p> <p>(IV) the serial number of shares held by each shareholder;</p> <p>(V) the date on which each person was entered in the register as a shareholder; and</p> <p>(VI) the date on which each shareholder ceases to be a shareholder.</p> <p>The register of shareholders shall be adequate evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.</p>	<p>Article 41<u>35</u></p> <p>The Company shall keep <u>establish</u> a register of shareholders in which the following particulars shall be recorded; <u>based on the vouchers provided by the securities registration agency.</u></p> <p>(I) the name, address (residence), occupation or nature of each shareholder;</p> <p>(II) the class and number of shares held by each shareholder;</p> <p>(III) the amount paid or payable for the shares held by each shareholder;</p> <p>(IV) the serial number of shares held by each shareholder;</p> <p>(V) the date on which each person was entered in the register as a shareholder; and</p> <p>(VI) the date on which each shareholder ceases to be a shareholder.</p> <p>The register of shareholders shall be adequate evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.</p>

	Original	Amended
28.	<p>Article 42</p> <p>The Company may, according to the understanding or agreement reached between the competent securities authority under the State Council and a securities regulatory authority outside China, keep a register of shareholders of its overseas-listed foreign shares outside China and appoint an agent outside China for the administration of such register. The original register of overseas-listed foreign shares that are listed in Hong Kong shall be kept in Hong Kong.</p> <p>The Company shall keep at its domicile a duplicate copy of the register of shareholders of overseas-listed foreign shares. The appointed agent outside China shall ensure that the original register of shareholders of foreign shares listed outside China and its duplicate copy are consistent at any time.</p> <p>When the original and duplicate of the register of shareholders of foreign shares listed outside china are inconsistent, the original shall prevail.</p>	<p>Article 42 (整條刪除)</p> <p>The Company may, according to the understanding or agreement reached between the competent securities authority under the State Council and a securities regulatory authority outside China, keep a register of shareholders of its overseas-listed foreign shares outside China and appoint an agent outside China for the administration of such register. The original register of overseas-listed foreign shares that are listed in Hong Kong shall be kept in Hong Kong.</p> <p>The Company shall keep at its domicile a duplicate copy of the register of shareholders of overseas-listed foreign shares. The appointed agent outside China shall ensure that the original register of shareholders of foreign shares listed outside China and its duplicate copy are consistent at any time.</p> <p>When the original and duplicate of the register of shareholders of foreign shares listed outside china are inconsistent, the original shall prevail.</p>

	Original	Amended
29.	<p>Article 43</p> <p>The Company shall keep a complete register of shareholders.</p> <p>The register of shareholders shall include the following sections:</p> <p>(I) the register of shareholders kept at the Company's domicile other than that specified in paragraphs (II) and (III) of this Article;</p> <p>(II) the register of shareholders of the Company's overseas-listed foreign shares kept at the place where the stock exchange having the shares listed overseas is located;</p> <p>(III) the register of shareholders kept at other places decided by the Board as necessary for the listing of the Company's shares.</p>	<p>Article 43 (整條刪除)</p> <p>The Company shall keep a complete register of shareholders.</p> <p>The register of shareholders shall include the</p> <p>following sections:</p> <p>(I) the register of shareholders kept at the Company's domicile other than that specified in paragraphs (II) and (III) of this Article;</p> <p>(II) the register of shareholders of the Company's overseas-listed foreign shares kept at the place where the stock exchange having the shares listed overseas is located;</p> <p>(III) the register of shareholders kept at other places decided by the Board as necessary for the listing of the Company's shares.</p>
30.	<p>Article 44</p> <p>The various parts of the register of shareholders shall not overlap. The transfer of shares registered in a certain part of the register of shareholders shall not, during the existence of the registration of such shares, be registered in any other part of the register.</p> <p>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.</p>	<p>Article 44 (整條刪除)</p> <p>The various parts of the register of shareholders shall not overlap. The transfer of shares registered in a certain part of the register of shareholders shall not, during the existence of the registration of such shares, be registered in any other part of the register.</p> <p>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.</p>

	Original	Amended
31.	<p data-bbox="323 289 435 314">Article 45</p> <p data-bbox="323 346 815 540">All fully paid overseas-listed foreign shares that are listed in Hong Kong may be transferred freely pursuant to these Articles, provided that, the Board may, without giving any reason therefor, decline to recognize any instrument of transfer unless the following conditions are fulfilled:</p> <p data-bbox="323 572 815 932">(I) payment of a fee in the sum HK\$2.5 (for each instrument of transfer) or other fees as are required from time to time by the Board have been paid (provided that such fee shall not exceed the maximum amount prescribed from time to time by the Listing Rules of the Hong Kong Stock Exchange), to be used for the registration of instruments for the transfer of shares and other documents related to or having influence on the ownership of such shares;</p> <p data-bbox="323 963 815 1049">(II) The instrument of transfer only covers overseas-listed foreign shares that are listed in Hong Kong;</p> <p data-bbox="323 1081 815 1134">(III) The stamp duty on the instrument of transfer due has been paid up;</p> <p data-bbox="323 1166 815 1272">(IV) the relevant share certificates or other evidence required reasonably by the Board to prove the transferor's right to transfer such shares are duly provided;</p> <p data-bbox="323 1304 815 1410">(V) If shares are transferred to joint shareholders, the number of such joint shareholders shall be no more than four;</p> <p data-bbox="323 1442 815 1495">(VI) The Company has no lien on such shares to be transferred;</p> <p data-bbox="323 1527 815 1783">(VII) Such transfer may be completed by an instrument of transfer in the standard form prescribed by the Hong Kong Stock Exchange or in any other form accepted by the Board. Such instrument of transfer shall become effective upon the personal or printing signature of both the transferor and transferee (s).</p>	<p data-bbox="853 289 1106 314">Article 45 (整條刪除)</p> <p data-bbox="853 346 1337 570">All fully paid overseas-listed foreign shares that are listed in Hong Kong may be transferred freely pursuant to these Articles, provided that, the Board may, without giving any reason therefor, decline to recognize any instrument of transfer unless the following conditions are fulfilled:-</p> <p data-bbox="853 602 1353 995">(I) payment of a fee in the sum HK\$2.5 (for each instrument of transfer) or other fees as are required from time to time by the Board have been paid (provided that such fee shall not exceed the maximum amount prescribed from time to time by the Listing Rules of the Hong Kong Stock Exchange), to be used for the registration of instruments for the transfer of shares and other documents related to or having influence on the ownership of such shares;-</p> <p data-bbox="853 1027 1353 1102">(II) The instrument of transfer only covers overseas-listed foreign shares that are listed in Hong Kong;-</p> <p data-bbox="853 1134 1353 1187">(III) The stamp duty on the instrument of transfer due has been paid up;-</p> <p data-bbox="853 1219 1353 1357">(IV) the relevant share certificates or other evidence required reasonably by the Board to prove the transferor's right to transfer such shares are duly provided;-</p> <p data-bbox="853 1389 1353 1495">(V) If shares are transferred to joint shareholders, the number of such joint shareholders shall be no more than four;-</p> <p data-bbox="853 1527 1353 1581">(VI) The Company has no lien on such shares to be transferred;-</p> <p data-bbox="853 1613 1353 1889">(VII) Such transfer may be completed by an instrument of transfer in the standard form prescribed by the Hong Kong Stock Exchange or in any other form accepted by the Board. Such instrument of transfer shall become effective upon the personal or printing signature of both the transferor and transferee (s).-</p>

	Original	Amended
32.	<p>Article 46</p> <p>No registration of any change in the register of shareholders arising from a transfer of share shall be effected within 30 days before the holding of a shareholders' general meeting or within 5 days prior to the reference date set by the Company for the distribution of dividends.</p>	<p>Article 46 (整條刪除)</p> <p>No registration of any change in the register of shareholders arising from a transfer of share shall be effected within 30 days before the holding of a shareholders' general meeting or within 5 days prior to the reference date set by the Company for the distribution of dividends.</p>
33.	<p>Article 47</p> <p>The Board shall fix a date as the date for the determination of share ownership required to convene a shareholders' general meeting, distribute dividends, liquidation of the Company and for other acts requiring determination of share ownership.</p> <p>Shareholders whose names are registered in the register of shareholders at the close of business on the date of determination shall be the shareholders of the Company.</p>	<p>Article 47<u>36</u></p> <p>The Board shall fix a date as the date for the determination of share ownership required to convene a shareholders' general meeting, distribute dividends, liquidation of the Company and for other acts requiring determination of share ownership. Shareholders whose names are registered in the register of shareholders at the close of business on the date of determination shall be the shareholders of the Company.</p>

	Original	Amended
34.	<p>Article 49</p> <p>Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares (“Relevant Shares”) if his share certificate (“Original Share Certificate”) is lost.</p> <p>Application for the replacement of share certificates from holders of domestic shares and non-listed foreign shares who have lost their certificates shall be dealt with in accordance with the provisions of Article 143 of the <i>Company Law</i>.</p> <p>Applications for the replacement of share certificates from holders of overseas-listed foreign shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations at the place where the original register of shareholders of overseas-listed foreign shares is kept.</p> <p>Where shareholders of overseas-listed foreign shares listed in Hong Kong apply for replacement of their share certificates in the case of loss of such certificates, such replacement shall comply with the following requirements:</p> <p>(I) The applicant shall submit the application in the standard form prescribed by the Company accompanied by a notarial certificate or statutory statements. The notarial certificate or statutory statements shall include the applicant’s reason for application, the circumstances and proof of the loss of the share certificate and declaration that no other person may require registration as a shareholder in respect of the relevant shares;</p>	<p>Article 49<u>38</u></p> <p>Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares (“Relevant Shares”) if his share certificate (“Original Share Certificate”) is lost.</p> <p>Application for the replacement of share certificates from holders of domestic shares and non-listed foreign shares who have lost their certificates shall be dealt with in accordance with the provisions of Article 143 of the <i>Company Law</i>.</p> <p>Applications for the replacement of share certificates from holders of overseas-listed foreign shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations at the place where the original register of shareholders of overseas-listed foreign shares is kept.</p> <p>Where shareholders of overseas-listed foreign shares listed in Hong Kong apply for replacement of their share certificates in the case of loss of such certificates, such replacement shall comply with the following requirements:</p> <p>(I) The applicant shall submit the application in the standard form prescribed by the Company accompanied by a notarial certificate or statutory statements. The notarial certificate or statutory statements shall include the applicant’s reason for application, the circumstances and proof of the loss of the share certificate and declaration that no other person may require registration as a shareholder in respect of the relevant shares;</p>

	Original	Amended
	<p>(II) The Company shall not have received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;</p> <p>(III) If the Company decides to issue a new replacement share certificates to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the Board; the period of the public announcement shall be 90 days during which the announcement shall be published repeatedly at least once every 30 days.</p> <p>(IV) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the securities exchange where it is listed and may proceed with publication after having received a reply from the securities exchange confirming that the announcement has been displayed in the securities exchange. The Company shall display the public announcement in the securities exchange for a period of 90 days.</p> <p>If the application for reissuance of replacement share certificates was made without the consent of the registered shareholders of the relevant shares, the Company shall deliver by mail to such shareholders a copy of the public announcement that it intends to publish.</p> <p>(V) Upon the expiration of the 90-day period of public announcement and display specified in items (III) and (IV) of this Article, if no objection to the issuance of a replacement share certificate is received by the Company from any person, a new replacement share certificate may be issued according to the application of the applicant;</p>	<p>(II) The Company shall not have received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;</p> <p>(III) If the Company decides to issue a new replacement share certificates to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the Board; the period of the public announcement shall be 90 days during which the announcement shall be published repeatedly at least once every 30 days.</p> <p>(IV) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the securities exchange where it is listed and may proceed with publication after having received a reply from the securities exchange confirming that the announcement has been displayed in the securities exchange. The Company shall display the public announcement in the securities exchange for a period of 90 days.</p> <p>If the application for reissuance of replacement share certificates was made without the consent of the registered shareholders of the relevant shares, the Company shall deliver by mail to such shareholders a copy of the public announcement that it intends to publish.</p> <p>(V) Upon the expiration of the 90-day period of public announcement and display specified in items (III) and (IV) of this Article, if no objection to the issuance of a replacement share certificate is received by the Company from any person, a new replacement share certificate may be issued according to the application of the applicant;</p>

	Original	Amended
	<p>(VI) When the Company issues a new replacement share certificate according to the provisions of this Article, it shall immediately cancel the original certificate and record such cancellation and the issuance of the new replacement share certificate in the register of shareholders.</p> <p>(VII) All expenses of the Company for the cancellation of the original share certificate and the issuance of new replacement share certificate shall be paid by the applicant. The Company shall have the power to refuse to take any action until the applicant has provided reasonable security in respect of the payment of such fees.</p> <p>(VIII) The newspapers and periodicals for the publication of the announcement relating to the issuance of new replacement share mentioned in item (III) of this Article shall include at least a Chinese newspaper and an English newspaper published in Hong Kong.</p>	<p>(VI) When the Company issues a new replacement share certificate according to the provisions of this Article, it shall immediately cancel the original certificate and record such cancellation and the issuance of the new replacement share certificate in the register of shareholders.</p> <p>(VII) All expenses of the Company for the cancellation of the original share certificate and the issuance of new replacement share certificate shall be paid by the applicant. The Company shall have the power to refuse to take any action until the applicant has provided reasonable security in respect of the payment of such fees.</p> <p>(VIII) The newspapers and periodicals for the publication of the announcement relating to the issuance of new replacement share mentioned in item (III) of this Article shall include at least a Chinese newspaper and an English newspaper published in Hong Kong.</p>

	Original	Amended
35.	<p>Article 52</p> <p>The Company’s shareholders are persons lawfully holding shares of the Company and whose names are registered on the register of shareholders.</p> <p>A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by them.</p> <p>Shareholders of the same class shall enjoy equal rights and assume the same obligations.</p>	<p>Article 52<u>41</u></p> <p>The Company’s shareholders are persons lawfully holding shares of the Company and whose names are registered on the register of shareholders.</p> <p><u>Each share of the same class shall have the same rights.</u></p> <p><u>For the same class of shares issued at the same time, the issuance conditions and prices of each share shall be the same; Any unit or individual shall pay the same price for each share subscribed.</u></p> <p>A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by them.</p> <p>Shareholders of the same class shall enjoy equal rights and assume the same obligations.</p>

	Original	Amended
36.	<p>Article 53</p> <p>When two or more persons are registered as joint shareholders in respect of any share, such persons shall be deemed as joint holders of such shares, but shall be subject to the following terms and restrictions:</p> <p>(I) The Company shall not register more than four persons as the joint holders of any shares;</p> <p>(II) All joint holders of any shares shall jointly or separately pay all sums in respect of such shares;</p> <p>(III) If any person among the joint holders of any shares dies, other joint holders of such shares shall be deemed to be entitled to such shares. In this case, the Board shall have the right to ask for any death certificate in relation to the deceased as it thinks fit in order to make alternation to the relevant register of shareholders; and</p> <p>(IV) With regard to joint holders of any shares, only the holder whose name stands first in the register of shareholders shall have the right to receive share certificates and notices, be present at shareholders' general meetings, or exercise all voting rights in respect of the shares. Any notice by the Company addressed to such holder shall be deemed to be delivered to all joint holders of the shares concerned.</p>	<p>Article <u>5342</u></p> <p>When two or more persons are registered as joint shareholders in respect of any share, such persons shall be deemed as joint holders of such shares, but shall be subject to the following terms and restrictions:</p> <p>(I) The Company shall not register more than four persons as the joint holders of any shares;</p> <p>(II) All joint holders of any shares shall jointly or separately pay all sums in respect of such shares;</p> <p>(III) If any person among the joint holders of any shares dies, other joint holders of such shares shall be deemed to be entitled to such shares. In this case, the Board shall have the right to ask for any death certificate in relation to the deceased as it thinks fit in order to make alternation to the relevant register of shareholders; and</p> <p>(IV) With regard to joint holders of any shares, only the holder whose name stands first in the register of shareholders shall have the right to receive share certificates and notices, be present at shareholders' general meetings, or exercise all voting rights in respect of the shares. Any notice by the Company addressed to such holder shall be deemed to be delivered to all joint holders of the shares concerned.</p> <p><u>When the Company convenes a shareholders' meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of shareholder identity, the Board or the convener of the shareholders' meeting shall determine the equity registration date. Shareholders registered after the closure of the stock market on the equity registration date shall be shareholders who enjoy relevant rights and interests.</u></p>

	Original	Amended
37.	<p>Article 54</p> <p>The holders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them;</p> <p>(II) to be present at and exercise voting rights at shareholders' general meetings in person or by proxy;</p> <p>(III) to supervise and manage the business activities of the Company, and to make suggestions and raise queries;</p> <p>(IV) to transfer shares in accordance with the provisions of laws, administrative regulations, and these Articles;</p> <p>(V) to obtain relevant information in accordance with the provisions of these Articles, including:</p> <p>(1) to receive these Articles upon payment of charges at cost;</p> <p>(2) being entitled to access and make copies, upon payment of reasonable charges, of:</p> <p>(i) all parts of the registers of shareholders;</p>	<p>Article 54<u>43</u></p> <p>The holders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them;</p> <p>(II) to be present at and exercise <u>speaking and</u> voting rights at shareholders' general meetings in person or by proxy;</p> <p>(III) to supervise and manage the business activities of the Company, and to make suggestions and raise queries;</p> <p>(IV) to transfer shares in accordance with the provisions of laws, administrative regulations, and these Articles;</p> <p>(V) to obtain relevant information in accordance with the provisions of these Articles, including:</p> <p>(1) to receive these Articles upon payment of charges at cost;</p> <p>(2) being entitled to access and make copies, upon payment of reasonable charges, of:</p> <p>(i) all parts of the registers of shareholders;</p>

	Original	Amended
	<p>(ii) personal information on the directors, supervisors, managers and other senior management officers of the Company, including:</p> <ul style="list-style-type: none"> • Current and previous names and aliases; • Main address (residential); • Nationality; • Full-time and all other part-time occupations and duties; • Identification documents and their numbers; <p>(iii) the status of the Company's share capital;</p>	<p>(ii) personal information on the directors, supervisors, managers and other senior management officers of the Company, including:</p> <ul style="list-style-type: none"> • Current and previous names and aliases; • Main address (residential); • Nationality; • Full-time and all other part-time occupations and duties; • Identification documents and their numbers; <p>(iii) the status of the Company's share capital;</p>

	Original	Amended
	<p>(iv) reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year as well as all the expenses paid by the Company therefor; and</p> <p>(v) the minutes of shareholders' meetings.</p>	<p>(iv) reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year as well as all the expenses paid by the Company therefor; and</p> <p>(v) the minutes of shareholders' meetings <u>to review and copy the Articles of Association of the Company, register of shareholders (the Hong Kong branch of the register of shareholders must be available for shareholders to inspect, but may allow the Company to suspend shareholder registration procedures on terms equivalent to Article 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), minutes of shareholders' meetings, resolutions of the Board, Supervisors, and publicly disclosed financial and accounting reports and other materials that should be reviewed and copied in accordance with laws and administrative regulations.).</u></p>

	Original	Amended
	<p>(VI) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated;</p> <p>(VII) other rights conferred by laws, administrative regulations and these Articles.</p>	<p>(VI) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated;</p> <p>(VII) other rights conferred by laws, administrative regulations and these Articles.</p>
38.	<p>Article 55</p> <p>The holders of ordinary shares of the Company shall have the following obligations:</p> <p>(I) to abide by these Articles of the Company;</p> <p>(II) to pay subscription monies in respect of the shares they have subscribed for and in accordance with the method of subscription;</p> <p>(III) other obligations as imposed by laws, administrative regulations, and these Articles.</p> <p>Shareholders shall, other than the conditions agreed upon at the time of subscription, not be liable to make any further contribution to share capital thereafter.</p>	<p>Article 55<u>44</u></p> <p>The holders of ordinary shares of the Company shall have the following obligations:</p> <p>(I) to abide by these Articles of the Company;</p> <p>(II) to pay subscription monies in respect of the shares they have subscribed for and in accordance with the method of subscription;</p> <p>(III) other obligations as imposed by laws, administrative regulations, and these Articles.</p> <p>Shareholders shall, other than the conditions agreed upon at the time of subscription, not be liable to make any further contribution to share capital thereafter.</p>

	Original	Amended
39.	<p>Article 56</p> <p>In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange on which the shares of the Company are listed, controlling shareholders may not, in exerting of their shareholders' powers, make decisions prejudicial to the interests of all or part of shareholders as a result of the exercise of their voting rights set forth below:</p> <p>(I) to relieve the duty of directors and supervisors to act honestly in the best interest of the Company;</p> <p>(II) to approve the expropriation by a director or supervisor (for his own or another person's interests) of depriving the Company of its property in any manner, including (but not limited to) any opportunities which are in favour of the Company;</p> <p>(III) to approve the expropriation by a director or supervisor (for his own or another person's interests) to deprive other shareholders of their personal rights and interests, including (but not limited to) any right to distribution and voting, except pursuant to a restructuring of the Company submitted to and adopted by a shareholders' general meeting in accordance with these Articles.</p>	<p>Article 56<u>45</u></p> <p>In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange on which the shares of the Company are listed, controlling shareholders may not, in exerting of their shareholders' powers, make decisions prejudicial to the interests of all or part of shareholders as a result of the exercise of their voting rights set forth below:</p> <p>(I) to relieve the duty of directors and supervisors to act honestly in the best interest of the Company;</p> <p>(II) to approve the expropriation by a director or supervisor (for his own or another person's interests) of depriving the Company of its property in any manner, including (but not limited to) any opportunities which are in favour of the Company;</p> <p>(III) to approve the expropriation by a director or supervisor (for his own or another person's interests) to deprive other shareholders of their personal rights and interests, including (but not limited to) any right to distribution and voting, except pursuant to a restructuring of the Company submitted to and adopted by a shareholders' general meeting in accordance with these Articles.</p>
40.	Chapter IX General Meetings of Shareholders	Chapter IX General Meetings of Shareholders

	Original	Amended
41.	<p>Article 58</p> <p>The shareholders' general meeting is the Company's authoritative organisation, which exercises its powers in accordance with law. No non-shareholders' general meetings in any form may exercise such powers in lieu of the shareholders' general meetings.</p>	<p>Article 58<u>47</u></p> <p>The shareholders' general meeting is the Company's authoritative organisation, which exercises its powers in accordance with law. No non-shareholders' general meetings in any form may exercise such powers in lieu of the shareholders' general meetings.</p>
42.	<p>Article 59</p> <p>The shareholders' general meeting shall exercise the following powers:</p> <p>(I) to decide on the Company's business policies and investment plans;</p> <p>(II) to elect and replace directors and decide on matters concerning their remunerations;</p> <p>(III) to elect and replace the supervisors who are to be appointed from among the shareholders' representatives and decide on matters concerning their remunerations;</p> <p>(IV) to examine and approve reports of the Board;</p> <p>(V) to examine and approve reports of the Supervisory Committee;</p> <p>(VI) to examine and approve the Company's annual financial budgets and final accounts proposals;</p> <p>(VII) to examine and approve the Company's profit distribution plan and plan for recovery of losses;</p> <p>(VIII) to pass resolutions concerning the increase or reduction of the Company's registered capital;</p> <p>(IX) to pass resolution on matters such as the merger, split-up, dissolution or liquidation of the Company;</p> <p>(X) to pass resolution on the issuance of bonds by the Company;</p>	<p>Article 59<u>48</u></p> <p>The shareholders' general meeting shall exercise the following powers:</p> <p>(I) to decide on the Company's business policies and investment plans;</p> <p>(II)— to elect and replace directors who are not staff representatives and decide on matters concerning their remunerations;</p> <p>(III)(II) to elect and replace the supervisors who are to be appointed from among the shareholders' representatives not staff representatives and decide on matters concerning their remunerations;</p> <p>(IV) <u>III</u>) to examine and approve reports of the Board;</p> <p>(V) <u>IV</u>) to examine and approve reports of the Supervisory Committee;</p> <p>(VI) to examine and approve the Company's annual financial budgets and final accounts proposals;</p> <p>(VII) <u>V</u>) to examine and approve the Company's profit distribution plan and plan for recovery of losses;</p> <p>(VIII) <u>VI</u>) to pass resolutions concerning the increase or reduction of the Company's registered capital;</p> <p>(IX) <u>VII</u>) to pass resolution on matters such as the merger, split-up, dissolution or <u>liquidation or change of company form</u> of the Company;</p> <p>(X) <u>VIII</u>) to pass resolution on the issuance of bonds by the Company, and authorize the Board of Directors to exercise the aforementioned powers within a certain scope;</p>

	Original	Amended
	<p>(XI) to pass resolution on the appointment, dismissal or termination of appointment of an accounting firm;</p> <p>(XII) to amend these Articles of the Company.</p> <p>(XIII) to examine and deliberate on the proposals put forward by shareholders representing more than five per cent(including five percent) shares with voting rights;</p> <p>(XIV) other matters required by the provisions of laws, administrative regulations and these Articles to be resolved at shareholders' general meetings.</p>	<p>(XI) IX) to pass ordinary resolution on the appointment, dismissal or termination of appointment of an accounting firm;</p> <p>(XII) X) to amend these Articles of the Company.</p> <p>(XIII) XI) to examine and deliberate on the proposals put forward by shareholders representing more than five one percent(including five one percent) shares with voting rights;</p> <p>(XIV) XII) other matters required by the provisions of laws, administrative regulations and these Articles to be resolved at shareholders' general meetings.</p> <p><u>The shareholders' meeting may authorize the Board of Directors to decide to issue shares not exceeding 50% of the issued shares within three years, but if non monetary assets are used as capital contributions, a resolution of the shareholders' meeting shall still be required. If the Board of Directors decides to issue shares in accordance with this provision, which results in changes in the registered capital and issued shares of the Company, the amendments of this provision in the Articles of Association does not need to be voted on by the shareholders' meeting. If the Board of Directors, authorized by the shareholders' meeting, decides to issue new shares in accordance with the provisions of this clause, the resolution of the Board of Directors shall be passed by more than two-thirds (including two-thirds) of all Directors.</u></p>

	Original	Amended
43.	<p>Article 60</p> <p>Without the prior approval of a shareholders' general meeting, the Company may not enter into any contract with any person other than a director, supervisor, manager or other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.</p>	<p>Article 60<u>49</u></p> <p>Without the prior approval of a shareholders' general meeting, the Company may not enter into any contract with any person other than a director, supervisor, manager or other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.</p>

	Original	Amended
44.	<p>Article 61</p> <p>The shareholders’ general meetings consist of annual general meetings and extraordinary general meetings and shall be convened by the Board. An annual general meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year.</p> <p>The Board shall convene an extraordinary shareholders’ meeting within two months of the occurrence of one of the following circumstances:</p> <p>(I) the number of directors is less than the number provided by the <i>Company Law</i> or less than two-thirds prescribed by these Articles;</p> <p>(II) the losses of the Company that have not been made up reach one third of the total share capital;</p> <p>(III) shareholders holding more than ten per cent(including ten per cent) of the voting shares issued by the Company require in writing an extraordinary shareholders’ general meeting to be convened;</p> <p>(IV) the Board considers that there is a need or the Supervisory Committee proposes a meeting.</p>	<p>Article 61<u>50</u></p> <p>The shareholders’ general meetings consist of annual general meetings and extraordinary general meetings and shall be convened by the Board. An annual general meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year.</p> <p>The Board shall convene an extraordinary shareholders’ general meeting within two months of the occurrence of one of the following circumstances:</p> <p>(I) the number of directors is less than the number provided by the <i>Company Law</i> or less than two-thirds prescribed by these Articles;</p> <p>(II) the losses of the Company that have not been made up reach one third of the total paid-up share capital;</p> <p>(III) shareholders holding more than ten per cent (including ten per cent) of the voting shares issued by the Company require in writing an extraordinary shareholders’ general meeting to be convened at the <u>request of shareholders who individually or collectively hold more than ten percent of the Company’s shares;;</u></p> <p>(IV) the Board considers that there is a need or the Supervisory Committee proposes a meeting.;</p> <p>(V) <u>Other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.</u></p>

	Original	Amended
45.	<p>Article 62</p> <p>When a shareholders’ general meeting is to be held by the Company, notice shall be given to shareholders forty-five days before the meeting in writing. The matters to be transacted at the meeting and the date and place of the meeting shall be notified to shareholders whose names are on the register. The shareholders who wish to attend the general meeting shall have their written replies delivered to the Company at least twenty days before the general meeting is convened.</p> <p>The notice of a shareholders’ general meeting to be convened by the Company shall be given not more than sixty days before the meeting.</p> <p>The period of a notice shall be counted as clear days excluding the day when a general meeting is convened and the day when the notice is given.</p> <p>For the purpose of the notice given under this Article, the date of notice given shall be the postmark date when the Company or the share registration office authorized by the Company delivers the notice to the postal service, and not the date set forth in Article 195 when a shareholder is deemed to have received the notice.</p>	<p>Article 62<u>51</u></p> <p>When a<u>an annual</u> shareholders’ general meeting is to be held by the Company, notice shall be given to shareholders forty-five <u>twenty</u> days before the meeting in writing. <u>When a shareholder’ extraordinary meeting is to be held by the Company, notice shall be given to shareholders fifteen days before the meeting in writing</u> The matters to be transacted at the meeting and the date and place of the meeting shall be notified to shareholders whose names are on the register. The shareholders who wish to attend the general meeting shall have their written replies delivered to the Company at least twenty days before the general meeting is convened.</p> <p>The notice of a shareholders’ general meeting to be convened by the Company shall be given not more than sixty days before the meeting.</p> <p>The period of a notice shall be counted as clear days excluding the day when a general meeting is convened and the day when the notice is given.</p> <p>For the purpose of the notice given under this Article, the date of notice given shall be the postmark date when the Company or the share registration office authorized by the Company delivers the notice to the postal service, and not the date set forth in Article 195 when a shareholder is deemed to have received the notice.</p>

	Original	Amended
46.	<p>Article 63</p> <p>When the Company is to convene an annual general meeting of shareholders, shareholders holding more than five per cent (including five per cent) of the Company’s total voting shares shall be entitled to move new motions in writing to the Company. The Company shall include into the agenda of the meeting the matters in the motions that fall within the scope of duties of the shareholders’ general meeting, provided that such motions shall be served on the Company within forty days after the date of notice of the meeting hereinabove mentioned.</p>	<p>Article 63<u>52</u></p> <p>When the Company is to convene an annual general meeting of shareholders, shareholders holding more than five one percent (including five one percent) of the Company’s total voting shares shall be entitled to move new motions in writing to the Company. After receiving the motions, tThe Company shall notify other shareholders within two days and include into the agenda of the meeting the matters in the motions that comply with laws, administrative regulations and the Articles of Association of the Company and fall within the scope of duties of the shareholders’ general meeting, provided that such motions shall be served on delivered to the Company within forty days after the date of notice of the meeting hereinabove mentioned ten days before the shareholders’ meeting.</p>

	Original	Amended
47.	<p>Article 64</p> <p>The Company shall, based on the written replies received twenty days prior to a general meeting of shareholders, calculate the number of voting shares represented by the shareholders intending to be present at the meeting. If the number of voting shares represented by the shareholders intending to be present at the meeting is more than half of the total number of the Company's voting shares, the Company may convene a shareholders' general meeting. If not, the Company shall within five days inform shareholders once again of the matters to be transacted at the meeting and the date and place of the general meeting in the form of a public announcement, upon which, the Company may convene the general meeting of shareholders.</p> <p>Extraordinary general meetings of shareholders shall not decide on the matters not specified in the notice.</p>	<p>Article 64<u>53</u></p> <p>The Company shall, based on the written replies received twenty days prior to a general meeting of shareholders, calculate the number of voting shares represented by the shareholders intending to be present at the meeting. If the number of voting shares represented by the shareholders intending to be present at the meeting is more than half of the total number of the Company's voting shares, the Company may convene a shareholders' general meeting. If not, the Company shall within five days inform shareholders once again of the matters to be transacted at the meeting and the date and place of the general meeting in the form of a public announcement, upon which, the Company may convene the general meeting of shareholders.</p> <p>Extraordinary Shareholders' general meetings shall not decide on the matters not specified in the notice.</p>

	Original	Amended
48.	<p>Article 65</p> <p>The notice of a general meeting of shareholders shall meet the following requirements:</p> <p>(I) shall be made in writing;</p> <p>(II) shall specify the place, date and time of the meeting;</p> <p>(III) shall include the matters to be transacted at the meeting;</p> <p>(IV) provide such information and explanation as are necessary for the shareholders to make wise decisions on the matters to be transacted at the meeting. This principle includes (but not limited to): when the Company proposes a merger, repurchase of shares, reorganization of share capital, or other restructuring, it shall provide the specific terms and contract (if any) in respect of the proposed transactions and earnestly explain the cause and results of the transaction;</p> <p>(V) If any director, supervisor, manager or other senior management officer is significantly interested in any matter to be transacted, the nature and extent of such conflict of interest shall be disclosed. If the effects of the matters on such director, supervisor, manager or other senior management officer as a shareholder is different from the effect on other shareholders of the same class, the difference shall be explained;</p> <p>(VI) It shall contain the full text of any special resolution proposed to be adopted at the general meeting of shareholders;</p> <p>(VII) It shall state conspicuously that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf, and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) It shall state clearly the time and place for delivery of the replies of shareholders intending to attend the general meeting and the proxy forms.</p>	<p>Article 6554</p> <p>The notice of a general meeting of shareholders shall meet the following requirements:</p> <p>(I) shall be made in writing;</p> <p>(II) shall specify the place, date and time of the meeting;</p> <p>(III) shall include the matters to be transacted at the meeting;</p> <p>(IV) provide such information and explanation as are necessary for the shareholders to make wise decisions on the matters to be transacted at the meeting. This principle includes (but not limited to): when the Company proposes a merger, repurchase of shares, reorganization of share capital, or other restructuring, it shall provide the specific terms and contract (if any)in respect of the proposed transactions and earnestly explain the cause and results of the transaction;</p> <p>(V) If any director, supervisor, manager or other senior management officer is significantly interested in any matter to be transacted, the nature and extent of such conflict of interest shall be disclosed. If the effects of the matters on such director, supervisor, manager or other senior management officer as a shareholder is different from the effect on other shareholdersof the same class, the difference shall be explained;</p> <p>(VI) It shall contain the full text of any special resolution proposed to be adopted at the general meeting of shareholders;</p> <p>(VII) It shall state conspicuously that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf, and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) It shall state clearly the time and place for delivery of the replies of shareholders intending to attend the general meeting and the proxy forms.</p>

	Original	Amended
49.	<p>Article 66</p> <p>All notices of shareholders' general meetings shall be delivered by person or by post with postage pre-paid to all shareholders whose names were entered on the register on the date of registration (whether or not entitled to vote thereat) and to the addresses recorded in the register of shareholders.</p> <p>For holders of domestic shares and non-listed foreign shares, the notice may also be given by public announcement.</p> <p>The public announcement mentioned in the previous Article shall be published on one or more newspapers or periodicals designated by the securities regulatory authority under the State Council during the period between forty five to fifty days before the convention of the meeting. Once the public announcement is made, all holders of domestic shares and non-listed foreign shares shall be deemed to have received the notice of relevant shareholders' meeting.</p>	<p>Article 66<u>55</u></p> <p>All notices of shareholders' general meetings shall be delivered by person or by post with postage pre-paid to all shareholders whose names were entered on the register on the date of registration (whether or not entitled to vote thereat) and to the addresses recorded in the register of shareholders. <u>The notice of the shareholders' meeting issued to the shareholders of overseas listed foreign shares may also be published through the designated website of the Hong Kong Stock Exchange and the Company's website. Once it is announced, it is deemed that all shareholders of overseas listed shares have received the notice of the shareholders' meeting.</u></p> <p>For holders of domestic shares and non-listed foreign shares, the <u>above-mentioned</u> notice may also be given by public announcement.</p> <p>The public announcement mentioned in the previous Article shall be published on one or more newspapers or periodicals designated by the securities regulatory authority under the State Council during the period between forty five to fifty days before the convention of the meeting. Once the public announcement is made, all holders of domestic shares and non-listed foreign shares shall be deemed to have received the notice of relevant shareholders' meeting.</p>

	Original	Amended
50.	<p>Article 68</p> <p>Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his proxies to attend and vote for and on his behalf. The proxy or proxies may exercise the following rights according to his appointment by the shareholder:</p> <p>(I) the right of the shareholder to speak at the shareholders' general meeting;</p> <p>(II) the right to demand a poll by himself or in conjunction with others;</p> <p>(III) to vote by hand or on a poll, provided that the proxy of a shareholder who has appointed more than one proxy may only vote on a poll.</p>	<p>Article 68<u>57</u></p> <p>Any shareholder (including Hong Kong Securities Clearing Company Limited) entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his proxies to attend and vote for and on his behalf. The proxy or proxies may exercise the following rights according to his appointment by the shareholder:</p> <p>(I) the right of the shareholder to speak at the shareholders' general meeting;</p> <p>(II) the right to demand a poll by himself or in conjunction with others;</p> <p>(III) to vote by hand or on a poll, provided that the proxy of a shareholder who has appointed more than one proxy may only vote on a poll.</p>

	Original	Amended
51.	<p>Article 69</p> <p>A shareholder shall appoint a proxy by an instrument in writing. The instrument of proxy shall be signed by the appointer or a representative authorized in writing by such appointer. Where the appointer is a legal person, the instrument of proxy shall bear the official stamp or the signatures of its directors, or persons or representatives duly authorized. If more than one proxies are appointed, the instrument of proxy shall specify the number of shares represented by each proxy.</p>	<p>Article 69<u>58</u></p> <p>A shareholder shall appoint a proxy by an instrument in writing. The instrument of proxy shall be signed by the appointer or a representative authorized in writing by such appointer. Where the appointer is a legal person, the instrument of proxy shall bear the official stamp or the signatures of its directors, or persons or representatives duly authorized. <u>The instrument of proxy shall specify the number of shares represented by the shareholder’s agent, the matters represented by the agent, the authority, and the deadline for the agent to act</u> If more than one proxies are appointed, the instrument of proxy shall specify the number of shares represented by each proxy.</p>

	Original	Amended
52.	<p data-bbox="323 300 437 325">Article 70</p> <p data-bbox="323 363 823 889">The instrument appointing a voting proxy shall be placed at the Company’s domicile or such other place as specified in the notice of the meeting at least twenty four hours prior to the time of the meeting at which the proxy is authorised to vote. Where such instrument is signed by another person authorized by the appointer, the power of attorney or other instrument authorising the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.</p> <p data-bbox="323 932 818 1157">Where the appointer is a legal person, its legal representative or the person authorised by resolution of its board of directors or other decision-making body shall be entitled to attend the Company’s shareholders’ meetings as the representative of such legal person.</p> <p data-bbox="323 1200 823 1753">If the shareholder in question is a recognized clearing house (hereinafter referred to as “recognized clearing house”) defined from time to time in the relevant clauses of Hong Kong laws or the proxy of the clearing house, it may appoint one or more person(s) as it thinks fit to act as its representative(s) at any shareholders’ general meeting or any class meeting. However, if more than one proxy are appointed, the instruments of proxy shall specify the number and class of shares that each proxy represents. Such duly-authorized persons may represent the recognized clearinghouse (or its proxy) to exercise the same powers as if he/she is an individual shareholder of the Company.</p>	<p data-bbox="852 300 991 325">Article 70<u>59</u></p> <p data-bbox="852 363 1351 889">The instrument appointing a voting proxy shall be placed at the Company’s domicile or such other place as specified in the notice of the meeting at least twenty four hours prior to the time of the meeting at which the proxy is authorised to vote. Where such instrument is signed by another person authorized by the appointer, the power of attorney or other instrument authorising the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.</p> <p data-bbox="852 932 1347 1157">Where the appointer is a legal person, its legal representative or the person authorised by resolution of its board of directors or other decision-making body shall be entitled to attend the Company’s shareholders’ meetings as the representative of such legal person.</p> <p data-bbox="852 1200 1342 1753">If the shareholder in question is a recognized clearing house (hereinafter referred to as “recognized clearing house”) defined from time to time in the relevant clauses of Hong Kong laws or the proxy of the clearing house, it may appoint one or more person(s) as it thinks fit to act as its representative(s) at any shareholders’ general meeting or any class meeting general meeting or <u>creditors’ meeting</u>. However, if more than one proxy are appointed, the instruments of proxy shall specify the number and class of shares that each proxy represents. Such duly-authorized persons may represent the recognized clearinghouse (or its proxy) to exercise the same powers as if he/she is an individual shareholder of the Company.</p>

	Original	Amended
53.	<p>Article 73</p> <p>The resolutions of shareholders' general meetings are divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders (including proxies) present at the meeting exercised in favour of the resolution.</p> <p>A special resolution of the shareholders' general meeting shall be adopted more than two thirds of the voting rights held by the shareholders (including proxies hereof) present at the meeting exercised in favour of the resolution.</p> <p>For the purpose of this Article, if any shareholder (or its proxy), while casting votes on a resolution, abstains from voting or fails to exercise his/her voting rights in respect of the shares he/she holds, such votes shall not be counted into the total votes of the shareholders present at the shareholders' general meeting with regard to the specific resolution under consideration.</p>	<p>Article 73<u>62</u></p> <p>The resolutions of shareholders' general meetings are divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders (including proxies) present at the meeting exercised in favour of the resolution.</p> <p>A special resolution of the shareholders' general meeting shall be adopted more than two thirds of the voting rights held by the shareholders (including proxies hereof) present at the meeting exercised in favour of the resolution.</p> <p>For the purpose of this Article, if any shareholder (or its proxy), while casting votes on a resolution, abstains from voting or fails to exercise his/her voting rights in respect of the shares he/she holds, <u>or the Listing Rules restrict any shareholder from voting for (or against) a certain resolution.</u> such votes shall not be counted into the total votes of the shareholders present at the shareholders' general meeting with regard to the specific resolution under consideration <u>if there is any violation of relevant regulations or restrictions.</u></p>

	Original	Amended
54.	<p>Article 74</p> <p>On a poll, shareholders (including proxies) shall cast votes based on the number of voting shares that they represent at a shareholders' general meeting. Each such share shall have one vote.</p> <p>Provided that all voting shall be subject to any privilege or restriction attached to the voting rights of any specific class of shares.</p>	<p>Article 74<u>63</u></p> <p>On a poll, shareholders (including proxies) shall cast votes based on the number of voting shares that they represent at a shareholders' general meeting. Each such share shall have one vote.</p> <p>Provided that all voting shall be subject to any privilege or restriction attached to the voting rights of any specific class of shares.</p>

	Original	Amended
55.	<p>Article 75</p> <p>Unless a poll is demanded by the following persons before or after a show of hands, the shareholders' general meeting shall vote by a show of hands:</p> <p>(I) by the chairman of the meeting;</p> <p>(II) by at least two shareholders with voting rights present in person or by proxies;</p> <p>(III) by one or more shareholders (including proxies) holding shares alone or jointly representing more than ten per cent(including ten per cent) of the shares with voting rights present at the meeting.</p> <p>Unless a poll is demanded, the chairman of the meeting shall announce whether the proposal has been adopted according to the results of the vote by a show of hands, and such results shall be recorded in the minutes of the meeting. An entry to that effect in the minutes shall be conclusive evidence in respect of the votes, without having to prove the number or proportion of the votes in favour or against the resolution adopted at the meeting. A demand for a poll may be withdrawn by the person who demanded it.</p>	<p>Article 75<u>64</u></p> <p>Unless a poll is demanded by the following persons before or after a show of hands, the shareholders' general meeting shall vote by a show of hands:</p> <p>(I) by the chairman of the meeting;</p> <p>(II) by at least two shareholders with voting rights present in person or by proxies;</p> <p>(III) by one or more shareholders (including proxies) holding shares alone or jointly representing more than ten per cent(including ten per cent) of the shares with voting rights present at the meeting.</p> <p>Unless a poll is demanded, the chairman of the meeting shall announce whether the proposal has been adopted according to the results of the vote by a show of hands, and such results shall be recorded in the minutes of the meeting. An entry to that effect in the minutes shall be conclusive evidence in respect of the votes, without having to prove the number or proportion of the votes in favour or against the resolution adopted at the meeting. A demand for a poll may be withdrawn by the person who demanded it.</p> <p><u>Unless the chairman makes a decision in good faith and allows the resolution on purely procedural or administrative matters to be voted by a show of hands, any voting made by shareholders at the shareholders' meeting must be conducted by voting.</u></p>

	Original	Amended
56.	<p>Article 76</p> <p>If the demand for a poll is on the election of the chairman or on an adjournment of the meeting, a poll shall be taken forthwith. If a poll is demanded on any other matter, such poll shall be taken at the time decided upon by the chairman, and the meeting may proceed with the discussion of other matters; the result of the poll shall still be deemed to be a resolution adopted at that meeting. The result of the poll shall be announced as early as possible.</p>	<p>Article 76<u>65</u></p> <p>If the demand for a poll is on the election of the chairman or on an adjournment of the meeting, a poll shall be taken forthwith. If a poll is demanded on any other matter, such poll shall be taken at the time decided upon by the chairman, and the meeting may proceed with the discussion of other matters; the result of the poll shall still be deemed to be a resolution adopted at that meeting. The result of the poll shall be announced as early as possible.</p>

	Original	Amended
57.	<p>Article 79</p> <p>The following matters shall be resolved by ordinary resolutions at the shareholders' general meetings:</p> <p>(I) the work reports of the Board and the Supervisory Committee;</p> <p>(II) the profit distribution plans and loss recovery plans formulated by the Board;</p> <p>(III) the removal of the members of the Board and the Supervisory Committee, their remuneration, and methods of payment of their remuneration,</p> <p>(IV) the annual budget, final accounts, balance sheet, profit statement and other financial statements of the Company;</p> <p>(V) other matters other than those prescribed by laws, administrative regulations, or these Articles to be passed by special resolutions.</p> <p>The remuneration set forth in the above item (III) shall include (but be not limited to) the compensation payable to any director or supervisor at the time of his/her removal as director or supervisor or retirement.</p>	<p>Article 79<u>68</u></p> <p>The following matters shall be resolved by ordinary resolutions at the shareholders' general meetings:</p> <p>(I) the work reports of the Board and the Supervisory Committee;</p> <p>(II) the profit distribution plans and loss recovery plans formulated by the Board;</p> <p>(III) the removal of the members of the Board and the Supervisory Committee, their remuneration, and methods of payment of their remuneration,</p> <p>(IV) the annual budget plan, and final accounts plan, balance sheet, profit statement and other financial statements of the Company <u>annual report of the Company</u>;</p> <p>(V<u>VI</u>) other matters other than those prescribed by laws, administrative regulations, or these Articles to be passed by special resolutions.</p> <p>The remuneration set forth in the above item (III) shall include (but be not limited to) the compensation payable to any director or supervisor at the time of his/her removal as director or supervisor or retirement.</p> <p><u>Regarding the election of each director and/or supervisor, each candidate for director and supervisor shall submit a single proposal.</u></p>

	Original	Amended
58.	<p>Article 80</p> <p>The following matters shall be resolved by special resolutions at a shareholders' general meetings:</p> <p>(I) the increase or reduction of the Company's share capital and the issue of any class of shares, warrants and other similar securities;</p> <p>(II) the issue of corporate bonds;</p> <p>(III) the split-up, merger, dissolution and liquidation of the Company;</p> <p>(IV) the amendments to these Articles;</p> <p>(V) other matters that are resolved at the shareholders' general meeting by ordinary resolutions and are considered by the shareholders to be material to the Company that are required to be passed by special resolutions.</p>	<p>Article 80<u>69</u></p> <p>The following matters shall be resolved by special resolutions at a shareholders' general meetings:</p> <p>(I) the increase or reduction <u>decrease of registered capital</u> of the Company's share capital and the issue of any class of shares, warrants and other similar securities;</p> <p>(II) the issue of corporate bonds;</p> <p>(III) the split-up, merger, dissolution and liquidation of the Company;</p> <p>(IVIII) the amendments to these Articles;</p> <p>(IV) other matters that <u>stipulated by laws, administrative regulations, listing rules or the Articles of Association, as well as those</u> are resolved at the shareholders' general meeting by ordinary resolutions and are considered by the shareholders to be material to the Company that are required to be passed by special resolutions.</p>

	Original	Amended
59.	<p>Article 81</p> <p>Shareholders demanding the convening of an extraordinary shareholders’ general meeting or a class meeting shall proceed in accordance with the following procedures:</p> <p>(I) Two or more shareholders holding more than ten per cent (including ten per cent) of the voting rights at the proposed meeting may submit one or more written request(s) of identical form and substance requesting the Board to convene an extraordinary shareholders’ general meeting or a class meeting and stating the business to be transacted at the meeting. The Board shall, upon receiving the aforesaid written request(s), convene an extraordinary shareholders’ general meeting or class meeting as soon as possible. The shareholding mentioned in the above shall be calculated as at the date on which the written request is made.</p> <p>(II) If the Board fails to issue a notice of the convention of any meeting herein above-mentioned within thirty days after having received the written request, the requesting shareholders may themselves convene such meetings within four months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders’ meetings are to be convened by the Board.</p> <p>Where shareholders convene and hold a meeting because the Board failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.</p>	<p>Article 81<u>70</u></p> <p>Shareholders demanding the convening of an extraordinary shareholders’ general meeting or a class meeting shall proceed in accordance with the following procedures:</p> <p>(I) Two or more Shareholders shareholders who individually or collectively hold holding more than ten per cent (including ten per cent) of the voting rights at the proposed meeting may submit one or more written request(s) of identical form and substance requesting have the right to request the Board to convene an extraordinary shareholders’ general meeting or a class meeting and stating the business to be transacted at the meeting, which shall be submitted to the Board in writing. The Board shall, upon receiving the aforesaid written request(s) in accordance with laws, administrative regulations and the Articles of Association, give written feedback on whether to agree or disagree to convene an extraordinary shareholders’ general meeting or class meeting as soon as possible within ten days after receiving the request. The shareholding mentioned in the above shall be calculated as at the date on which the written request is made.</p> <p><u>If the Board agrees to convene an shareholders’ extraordinary meeting, it shall issue a notice on the convening of the shareholders’ meeting within five days after the resolution of the Board is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</u></p>

	Original	Amended
		<p>(II) If the Board fails to issue a notice of the convention of any meeting herein above-mentioned within thirty days after having received the written request, the requesting shareholders may themselves convene such meetings within four months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the Board <u>If the Board does not agree to convene an shareholders' extraordinary meeting or fails to provide feedback within ten days after receiving the request, shareholders who individually or collectively hold more than ten percent of the company's shares have the right to propose to the Supervisory Committee to convene an shareholders' extraordinary meeting and shall submit a request in writing to the board of supervisors.</u></p> <p><u>If the Supervisory Committee agrees to convene an shareholder's extraordinary meeting, it shall issue a notice of convening the shareholders' meeting within five days of receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</u></p> <p>(III) <u>If the Supervisory Committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee has not convened and presided over the shareholders' meeting, and shareholders who individually or collectively hold more than ten percent of the company's shares for more than 90 consecutive days may convene and preside over it on their own.</u></p> <p>Where shareholders convene and hold a meeting because the Board failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.</p>

	Original	Amended
60.	<p>Article 82</p> <p>Shareholders' general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to attend the meeting for any reason, the meeting shall be convened and presided over by the vice chairman of the Board. Where both the chairman and vice chairman are unable to attend the meeting, the Board may appoint a director of the Company to convene and preside over the meeting on his/her behalf. Where no chairman of the meeting is appointed, the shareholders present at the meeting may elect one person to be the chairman. If for any reason, the shareholders are unable to elect a chairman, the shareholder(including proxy)holding the largest number of voting shares present at the meeting shall preside over the meeting.</p>	<p>Article 82<u>71</u></p> <p>Shareholders' general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to attend the meeting for any reason, the meeting shall be convened and presided over by the vice chairman of the Board. Where both the chairman and vice chairman are unable to attend the meeting, the Board may appoint a director of the Company jointly elected by more than half of the directors may to convene and preside over the meeting on his/her behalf <u>and serve as the chairman of the meeting.</u> Where no chairman of the meeting is appointed, the shareholders present at the meeting may elect one person to be the chairman. If for any reason, the shareholders are unable to elect a chairman, the shareholder (including proxy) holding the largest number of voting shares present at the meeting shall preside over the meeting.</p>
61.	<p>Article 83</p> <p>The chairman of the meeting shall be responsible for deciding whether or not a resolution of the shareholders' general meeting has been passed. The decision of the chairman shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.</p>	<p>Article 83<u>72</u></p> <p>The chairman of the meeting shall <u>announce the voting status and results of each proposal, be responsible for deciding and decide</u> whether or not a resolution of the shareholders' general meeting has been passed. The decision of the chairman shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.</p>

	Original	Amended
62.	<p>Article 85</p> <p>If counting of votes is held at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting. The minutes of the shareholders' general meeting together with the attendance records signed by the attending shareholders and instruments of proxy shall be kept at the Company's domicile. The aforesaid minutes, attendance records and instruments of proxy shall not be destroyed in ten years.</p>	<p>Article 85<u>74</u></p> <p>If counting of votes is held at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting. The minutes of the shareholders' general meeting together with the attendance records signed by the attending shareholders and instruments of proxy shall be kept at the Company's domicile. The aforesaid minutes, attendance records and instruments of proxy shall not be destroyed in ten years.</p>
63.	<p>Article 86</p> <p>Shareholders may examine copies of the minutes of meetings during the office hours of the Company free of charge. If any shareholder requests for a copy of any minutes, the Company shall send a copy to him within seven days after receipt of reasonable charges.</p>	<p>Article 86<u>75</u></p> <p>Shareholders may examine copies of the minutes of meetings during the office hours of the Company free of charge. If any shareholder requests for a copy of any minutes, the Company shall send a copy to him within seven days after receipt of reasonable charges.</p>
64.	<p>Chapter X Special Voting Procedures for Class Shareholder</p>	<p>Chapter X Special Voting Procedures for Class Shareholder (整章刪除)</p>
65.	<p>Article 87</p> <p>The holders of different classes of shares are class shareholders. All class shareholders shall enjoy rights and assume obligations according to the provisions of laws, administrative regulations and these Articles.</p>	<p>Article 87 (整條刪除)</p> <p>The holders of different classes of shares are class shareholders. All class shareholders shall enjoy rights and assume obligations according to the provisions of laws, administrative regulations and these Articles.</p>
66.	<p>Article 88</p> <p>Any variation or abrogation of the class rights of a class of shareholders shall be approved by special resolutions of shareholders' general meeting and passed at the shareholders' general meetings convened by the affected class shareholders in accordance with Articles 90 to 94.</p>	<p>Article 88 (整條刪除)</p> <p>Any variation or abrogation of the class rights of a class of shareholders shall be approved by special resolutions of shareholders' general meeting and passed at the shareholders' general meetings convened by the affected class shareholders in accordance with Articles 90 to 94.</p>

	Original	Amended
67.	<p>Article 89</p> <p>The following circumstances shall be deemed to be a variation or abrogation of the class rights of a class of shareholder:</p> <p>(I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having equal or more voting rights, rights to distribution or other privileges than such class of shares;</p> <p>(II) to convert all or part of shares of such class in to shares of other class(es), or convert all or part of any other class of shares into such class of shares, or confer aforesaid conversion rights;</p> <p>(III) to cancel or decrease such rights contained in the class of shares as receiving accrued dividends or cumulative dividends generated from such class of shares;</p> <p>(IV) to reduce or remove the preferential rights to receive dividends in respect of such class of shares or pre-emptive rights to property distribution in the course of liquidation;</p> <p>(V) to increase, cancel or reduce the conversion rights, option rights, voting rights, transfer rights, preferential allotment rights and the rights to acquire the securities of the Company contained in such class of shares;</p> <p>(VI) to cancel or reduce such rights contained in the class of shares to receive amounts payable by the Company in designated currencies;</p> <p>(VII) to create a new class of shares having voting or distribution rights or other privileges equal or superior to such class of shares;</p> <p>(VIII) to restrict or impose additional restrictions on the transfer or ownership of such class of shares;</p> <p>(IX) to issue rights to subscribe for, or convert into, shares of such class or another class;</p> <p>(X) to increase the rights and privileges of any other class of shares;(XI)to restructure the Company where the proposed restructuring will result in different classes of shareholders assuming a disproportionate liability in the restructuring of the Company;</p> <p>(XII) to amend or nullify any terms of these Articles.</p>	<p>Article 89 (整條刪除)</p> <p>The following circumstances shall be deemed to be a variation or abrogation of the class rights of a class of shareholder:</p> <p>(I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having equal or more voting rights, rights to distribution or other privileges than such class of shares;</p> <p>(II) to convert all or part of shares of such class in to shares of other class(es), or convert all or part of any other class of shares into such class of shares, or confer aforesaid conversion rights;</p> <p>(III) to cancel or decrease such rights contained in the class of shares as receiving accrued dividends or cumulative dividends generated from such class of shares;</p> <p>(IV) to reduce or remove the preferential rights to receive dividends in respect of such class of shares or pre-emptive rights to property distribution in the course of liquidation;</p> <p>(V) to increase, cancel or reduce the conversion rights, option rights, voting rights, transfer rights, preferential allotment rights and the rights to acquire the securities of the Company contained in such class of shares;</p> <p>(VI) to cancel or reduce such rights contained in the class of shares to receive amounts payable by the Company in designated currencies;</p> <p>(VII) to create a new class of shares having voting or distribution rights or other privileges equal or superior to such class of shares;</p> <p>(VIII) to restrict or impose additional restrictions on the transfer or ownership of such class of shares;</p> <p>(IX) to issue rights to subscribe for, or convert into, shares of such class or another class;</p> <p>(X) to increase the rights and privileges of any other class of shares;(XI)to restructure the Company where the proposed restructuring will result in different classes of shareholders assuming a disproportionate liability in the restructuring of the Company;</p> <p>(XII) to amend or nullify any terms of these Articles.</p>

	Original	Amended
68.	<p>Article 90</p> <p>Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meeting, shall have the right to vote at class meetings in respect of matters referred to in Items (II)-(VIII), (XI)-(XII) of Article 89, except that interested shareholders shall not have the right to vote at class meetings. For the purpose of the preceding paragraph, the term "interested shareholder" shall have the following meanings:</p> <p>(I) In the event that the Company makes are purchase offer to all shareholders in equal proportions according to the provisions of Article 32 herein, or repurchases its own shares through open transactions on a securities exchange, the "interested shareholder" shall be the controlling shareholder as defined in Article 57 herein.</p> <p>(II) In the event that subject to the provisions of Article 32 herein, the Company repurchases its shares by agreement outside the designated securities exchange, an "interested shareholder" means the shareholder to which the agreement relates</p> <p>(III) In the Company's restructuring scheme, "interested shareholder" means a shareholder who assumes liability in a proportion smaller than other shareholders of the same class or who has an interest in an restructuring scheme of the Company that is different from other shareholders in respect of such class of shares</p>	<p>Article 90 (整條刪除)</p> <p>Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meeting, shall have the right to vote at class meetings in respect of matters referred to in Items (II)-(VIII), (XI)-(XII) of Article 89, except that interested shareholders shall not have the right to vote at class meetings. For the purpose of the preceding paragraph, the term "interested shareholder" shall have the following meanings:</p> <p>(I) In the event that the Company makes are purchase offer to all shareholders in equal proportions according to the provisions of Article 32 herein, or repurchases its own shares through open transactions on a securities exchange, the "interested shareholder" shall be the controlling shareholder as defined in Article 57 herein.</p> <p>(II) In the event that subject to the provisions of Article 32 herein, the Company repurchases its shares by agreement outside the designated securities exchange, an "interested shareholder" means the shareholder to which the agreement relates</p> <p>(III) In the Company's restructuring scheme, "interested shareholder" means a shareholder who assumes liability in a proportion smaller than other shareholders of the same class or who has an interest in an restructuring scheme of the Company that is different from other shareholders in respect of such class of shares</p>

	Original	Amended
69.	<p>Article 91</p> <p>Subject to Article 90, any resolution at a class meeting shall be passed by more than two thirds of the voting rights by the shareholders of that class present at the class meeting.</p> <p>For the purpose of the preceding paragraph, if any shareholder (or proxy), while casting votes on a resolution, abstains from voting or does not exercise voting rights in respect of the shares he/she holds, such votes shall not be counted into the total votes of the shareholders present at the class meeting (with regard to the specific resolution under consideration).</p>	<p>Article 91 (整條刪除)</p> <p>Subject to Article 90, any resolution at a class meeting shall be passed by more than two thirds of the voting rights by the shareholders of that class present at the class meeting.</p> <p>For the purpose of the preceding paragraph, if any shareholder (or proxy), while casting votes on a resolution, abstains from voting or does not exercise voting rights in respect of the shares he/she holds, such votes shall not be counted into the total votes of the shareholders present at the class meeting (with regard to the specific resolution under consideration).</p>
70.	<p>Article 92</p> <p>When a class meeting is to be held, the Company shall give notice forty five days in advance in writing to all registered shareholders of that class, of the matters to be transacted at the meeting, and the date and place of the meeting. The shareholders who intend to attend the class meeting shall have their written replies delivered to the Company at least twenty days before the meeting is convened.</p> <p>Where the number of shares carrying voting rights to vote at the meeting represented by the holders intending to be present at the meeting reaches more than half of the total number of shares of such class with voting rights, the Company may convene the class meeting. If not, the Company shall within five days inform the class shareholders again of the matters proposed to be considered at the meeting and the date and place of the meeting by public announcement, upon which, the Company may convene the class meeting.</p>	<p>Article 92 (整條刪除)</p> <p>When a class meeting is to be held, the Company shall give notice forty five days in advance in writing to all registered shareholders of that class, of the matters to be transacted at the meeting, and the date and place of the meeting. The shareholders who intend to attend the class meeting shall have their written replies delivered to the Company at least twenty days before the meeting is convened.</p> <p>Where the number of shares carrying voting rights to vote at the meeting represented by the holders intending to be present at the meeting reaches more than half of the total number of shares of such class with voting rights, the Company may convene the class meeting. If not, the Company shall within five days inform the class shareholders again of the matters proposed to be considered at the meeting and the date and place of the meeting by public announcement, upon which, the Company may convene the class meeting.</p>

	Original	Amended
71.	<p>Article 93</p> <p>The notice of a class meeting need only be served on shareholders entitled to vote at such meeting.</p> <p>Any class meeting shall, as far as possible, follow the procedures of the general meetings. Provisions of these Articles relevant to procedures for the holding of a shareholders' general meeting shall apply to class meetings.</p>	<p>Article 93 (整條刪除)</p> <p>The notice of a class meeting need only be served on shareholders entitled to vote at such meeting.</p> <p>Any class meeting shall, as far as possible, follow the procedures of the general meetings. Provisions of these Articles relevant to procedures for the holding of a shareholders' general meeting shall apply to class meetings.</p>
72.	<p>Article 94</p> <p>Save and except for the holders of other classes of shares, the shareholders of domestic shares and non-listed foreign shares shall be deemed as the same class, but they shall be deemed to be of different classes from the holders of overseas-listed foreign shares.</p> <p>The special procedures for voting at a class meeting shall not apply to the following circumstances:</p> <p>(I) where the Company issues, upon approval by a special resolution of the shareholders' general meeting, either separately or concurrently once every twelve months, domestic shares and overseas-listed foreign shares, provided that the number of such shares to be issued shall not exceed twenty per cent of the issued and outstanding shares of such class;</p> <p>(II) where the Company's plan to issue domestic shares and overseas-listed foreign shares upon establishment is completed within fifteen months from the date of approval by the securities regulatory authorities under the State Council.</p>	<p>Article 94 (整條刪除)</p> <p>Save and except for the holders of other classes of shares, the shareholders of domestic shares and non-listed foreign shares shall be deemed as the same class, but they shall be deemed to be of different classes from the holders of overseas-listed foreign shares.</p> <p>The special procedures for voting at a class meeting shall not apply to the following circumstances:</p> <p>(I) where the Company issues, upon approval by a special resolution of the shareholders' general meeting, either separately or concurrently once every twelve months, domestic shares and overseas-listed foreign shares, provided that the number of such shares to be issued shall not exceed twenty per cent of the issued and outstanding shares of such class;</p> <p>(II) where the Company's plan to issue domestic shares and overseas-listed foreign shares upon establishment is completed within fifteen months from the date of approval by the securities regulatory authorities under the State Council.</p>

	Original	Amended
73.	<p>Article 96</p> <p>All directors shall be elected at shareholders' general meetings, whose tenure shall be three years commencing from the day when he/she is elected. Upon the expiration of the tenure, any director may be re-elected. A director shall not be removed from his/her office by the shareholders' general meeting before expiration of his/her tenure without reasons.</p> <p>The intention to nominate a director and the written notice of a nominee to indicate his/her willingness to accept the nomination shall be delivered to the Company no earlier than the next day after the dispatch of the notice of the shareholders' general meeting and no later than seven days prior to the date of such general meeting.</p> <p>Any executive director shall enter into a service contract with the Company, pursuant to which, either default party shall be held liable for breach of contract. The effective term of such service contract shall be three years and may be extended in accordance with law. Any non-executive director or independent non-executive director shall sign confirmation of appointment with the Company.</p> <p>Directors need not hold any share in the Company.</p> <p>The chairman and vice chairman of the Board shall be appointed or removed from office by more than half of all directors. The term of office of the chairman and vice chairman is three years and may be renewed upon re-election.</p> <p>Subject to applicable laws and administrative regulations, a general meeting of shareholders may pass any special resolution to remove any director whose term is still effective, including any director who in the meantime serves as a manager or other management positions of the Company, provided that such removal shall not be prejudicial to any claim for compensation in accordance with any contract.</p> <p>Any director may serve concurrently as a manager or other senior management officer of the Company (except as a supervisor).</p> <p>The Board shall have the power to appoint any person either to fill in the casual vacancy on the Board or as an addition to the existing Board. Any director thus appointed shall hold office until the next annual general meeting of shareholders after his/her appointment and be eligible for re-election at such meeting.</p>	<p>Article 96<u>77</u></p> <p>All directors shall be elected at or replaced at shareholders' general meetings, whose each tenure shall be three years commencing from the day when he/she is elected. Upon the expiration of the tenure, any director may be re-elected. A director shall not be removed from his/her office by the shareholders' general meeting before expiration of his/her tenure without reasons If there are special provisions in the listing rules or laws and regulations of the place where the company's shares are listed, such provisions shall prevail.</p> <p>The intention to nominate a director and the written notice of a nominee to indicate his/her willingness to accept the nomination shall be delivered to the Company no earlier than the next day after the dispatch of the notice of the shareholders' general meeting and no later than seven days prior to the date of such general meeting.</p> <p>Any executive director shall enter into a service contract with the Company, pursuant to which, either default party shall be held liable for breach of contract. The effective term of such service contract shall be three years and may be extended in accordance with law. Any non-executive director or independent non-executive director shall sign confirmation of appointment with the Company.</p> <p>Directors need not hold any share in the Company.</p> <p>The chairman and vice chairman of the Board shall be appointed or removed from office by more than half of all directors. The term of office of the chairman and vice chairman is three years and may be renewed upon re-election.</p> <p>Subject to applicable laws and administrative regulations, a general special ordinary meeting of shareholders may pass any special resolution to remove any director whose term is still effective, including any director who in the meantime serves as a manager or other management positions of the Company, provided that such removal shall not be prejudicial to any claim for compensation in accordance with any contract.</p> <p>Any director may serve concurrently as a manager or other senior management officer of the Company (except as a supervisor).</p> <p>The Board shall have the power to appoint any person either to fill in the casual vacancy on the Board or as an addition to the existing Board. Any director thus appointed shall hold office until the next annual general meeting of shareholders after his/her appointment and be eligible for re-election at such meeting.</p>

	Original	Amended
74.	<p>Article 97</p> <p>The Board shall be accountable to the shareholders' general meetings and shall exercise the following powers:</p> <p>(I) to convene shareholders' general meetings and present reports thereto;</p> <p>(II) to implement the resolutions adopted at the shareholders' general meetings;</p> <p>(III) to decide on the business plans and investment plans of the Company;</p> <p>(IV) to formulate the Company's annual financial budget and final accounts;</p> <p>(V) to formulate the Company's profit distribution plans and loss recovery plans;</p> <p>(VI) to formulate the Company's plans on the increase or reduction of registered capital and the issue of corporate bonds;</p> <p>(VII) to formulate the Company's plans on merger, split-up and dissolution;</p> <p>(VIII) to decide on the establishment of the Company's internal management organisation;</p> <p>(IX) to appoint or dismiss the manager of the Company; upon the nomination of the manager, to appoint or dismiss any deputy manager and financial officer; and to decide on their remuneration;</p>	<p>Article 97<u>78</u></p> <p>The Board shall be accountable to the shareholders' general meetings and shall exercise the following powers:</p> <p>(I) to convene shareholders' general meetings and present reports thereto;</p> <p>(II) to implement the resolutions adopted at the shareholders' general meetings;</p> <p>(III) to decide on the business policies, business plansand, investment plans and investment projects of the Company;</p> <p>(IV) to formulate decide the Company's annual financial budget and final accounts;</p> <p>(V) to formulate the Company's profit distribution plans and loss recovery plans;</p> <p>(VI) to formulate the Company's plans on the increase or reduction of registered capital and the issue of corporate bonds;</p> <p>(VII) to formulate the Company's plans on merger, split-upand, dissolution and <u>change of company form</u>;</p> <p>(VIII) to decide on the establishment of the Company's internal management organisation;</p> <p>(IX) to appoint or dismiss the manager of the Company; upon the nomination of the manager, to appoint or dismiss any deputy managerand, financial officer <u>and other senior management personnel according to the manager's nomination</u>; and to decide on their remuneration, <u>rewards and punishments</u>;</p>

	Original	Amended
	<p>(X) to establish the Company’s basic management system;</p> <p>(XI) to formulate proposal for the amendments to the Company’s Articles of Association;</p> <p>(XII) to draw up major acquisition or sale schemes of the Company;</p> <p>(XIII) to decide on and handle at its own discretion all matters related to the payment of interim dividends (provided that the total amount of interim dividends paid shall not exceed 30% of the Company’s net profits in the first half of that year. The interim dividends with excessive amount shall be submitted for resolution by the shareholders’ general meetings.)</p> <p>(XIV) subject to applicable laws, administrative regulations, rules and these Articles, to exercise the powers of fundraising and loan, decide on the mortgage, pledge, rent, sub-contracting, or transfer of the Company’s assets, and authorize the manager to exercise the aforesaid powers set forth herein within specified scope; and</p> <p>(XV) other powers conferred by the shareholders’ general meetings and these Articles.</p> <p>When the Board makes a resolution on any of the above-mentioned matters, except for the particulars specified in items(VI), (VII), (XI), and (XII) that require the approval of more than two thirds (including two thirds) directors or otherwise provided in Article 102, other matters maybe resolved with the consent of more than half (including half) of the directors.</p> <p>The Board shall exercise any power that is not specified in these Articles to be exercised by the general meetings of shareholders. The Board shall abide by the provisions of these Articles and the provisions formulated from time to time by the shareholders’ general meetings, provided that such provisions formulated by the general meetings shall not invalidate any act of the Board that was effective prior to such provisions.</p>	<p>(X) to establish the Company’s basic management system;</p> <p>(XI) to formulate proposal for the amendments to the Company’s Articles of Association;</p> <p>(XII) to draw up major acquisition or sale schemes of the Company;</p> <p>(XIII) to decide on and handle at its own discretion all matters related to the payment of interim dividends (provided that the total amount of interim dividends paid shall not exceed 30% of the Company’s net profits in the first half of that year. The interim dividends with excessive amount shall be submitted for resolution by the shareholders’ general meetings.)</p> <p>(XIV) subject to applicable laws, administrative regulations, rules and these Articles, to exercise the powers of fundraising and loan, decide on the mortgage, pledge, rent, sub-contracting, or transfer of the Company’s assets, and authorize the manager to exercise the aforesaid powers set forth herein within specified scope; and</p> <p>(XV) other powers conferred by the shareholders’ general meetings and these Articles.</p> <p>When the Board makes a resolution on any of the above-mentioned matters, except for the particulars specified in items (VI), (VII), (XI), and (XII) that require the approval of more than two thirds (including two thirds) directors or otherwise provided in Article 102 these Articles of Association, other matters maybe resolved with the consent of more than half (including half) of the directors.</p> <p><u>Before the Board of Directors makes a resolution on the following matters, it shall be approved by more than half of all members of the audit committee:</u></p> <p><u>(I) hiring and dismissing the accounting firm that undertakes the company’s audit business;</u></p> <p><u>(II) the appointment and dismissal of the person in charge of finance;</u></p> <p><u>(III) disclosing financial and accounting reports;</u></p> <p><u>(IV) Other matters stipulated by laws and administrative regulations.</u></p>

	Original	Amended
		<p>The Board shall exercise any power that is not specified in these Articles to be exercised by the general meetings of shareholders. The Board shall abide by the provisions of these Articles and the provisions formulated from time to time by the shareholders' general meetings, provided that such provisions formulated by the general meetings shall not invalidate any act of the Board that was effective prior to such provisions.</p>
75.	<p>Article 98</p> <p>The Board, in disposing of the Company's fixed assets, shall not without the prior approval of the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value or amount of consideration for the proposed disposition and any fixed assets of the Company which have been disposed of in the period of four months immediately preceding the proposed disposition exceeds thirty-three per cent. of the value of the Company's fixed assets as shown in the last balance sheet submitted to the shareholders in shareholders' general meeting.</p> <p>The disposal of fixed assets mentioned in this Article shall include an act involving some transfer of an interest in assets and exclude any act to use fixed assets as a security.</p> <p>The validity of any transaction in respect of the disposal of the Company's fixed assets shall not be affected by a breach of the first paragraph of this Article.</p>	<p>Article 98<u>79</u></p> <p>The Board, in disposing of the Company's fixed assets, shall not without the prior approval of the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value or amount of consideration for the proposed disposition and any fixed assets of the Company which have been disposed of in the period of four months immediately preceding the proposed disposition exceeds thirty-three percent of the value of the Company's fixed assets as shown in the last balance sheet submitted to the shareholders in shareholders' general meeting.</p> <p>The disposal of fixed assets mentioned in this Article shall include an act involving some transfer of an interest in assets and exclude any act to use fixed assets as a security.</p> <p>The validity of any transaction in respect of the disposal of the Company's fixed assets shall not be affected by a breach of the first paragraph of this Article.</p>

	Original	Amended
76.	<p>Article 99</p> <p>The chairman of the Board shall exercise the following powers:</p> <p>(I) to preside over the shareholders' general meetings, and convene and preside over the meetings of the Board;</p> <p>(II) to inspect the implementation of resolutions of the Board;</p> <p>(III) to endorse the securities issued by the Company;</p> <p>(IV) to endorse other important documents of the Company or to appoint one or more directors through a power of attorney to sign other important documents of the Company on its behalf;</p> <p>(V) other powers authorised by the Board.</p> <p>When the chairman of the Board is Unable to perform his duties, he may Appoint the vice chairman of the Board to exercise the powers on his behalf.</p>	<p>Article 99<u>80</u></p> <p>The chairman of the Board shall exercise the following powers:</p> <p>(I) to preside over the shareholders' general meetings, and convene and preside over the meetings of the Board;</p> <p>(II) to inspect the implementation of resolutions of the Board;</p> <p>(III) to endorse the securities issued by the Company;</p> <p>(IV) to endorse other important documents of the Company or to appoint one or more directors through a power of attorney to sign other important documents of the Company on its behalf;</p> <p>(V) other powers authorised by the Board.</p> <p>When the chairman of the Board is Unable to perform his duties, he may Appoint the vice chairman of the Board to exercise the powers on his behalf. <u>If the vice chairman is also unable to perform his duties, more than half of the directors can jointly elect a director to perform his duties.</u></p>

	Original	Amended
77.	<p>Article 100</p> <p>The Board shall hold at least two general meetings each year, which shall be convened by the chairman. Notice of such a meeting shall be given to all directors ten days prior to the meeting. In the event of urgent matter, upon the proposal by more than one third (including one third) of the directors jointly or the by the manager, an extraordinary meeting of the Board shall be held.</p>	<p>Article 100<u>81</u></p> <p>The Board shall hold at least two general meetings each year, which shall be convened by the chairman. Notice of such a meeting shall be given to all directors ten days prior to the meeting. In the event of urgent matter, upon the proposal by <u>Shareholders representing more than one-tenth of the voting rights</u>, more than one third (including one third) of the directors <u>or the Supervisory Committee</u> jointly or the by the manager, an extraordinary meeting of the Board shall be held.</p>

	Original	Amended
78.	<p>Article 102</p> <p>Any meeting of the Board shall be convened with the presence of more than half of the directors.</p> <p>Each director is entitled to one vote. Unless otherwise expressly provided in these Articles, any resolution by the Board shall be passed by more than half (including half) of the directors.</p> <p>In the case of an equality of votes, the chairman of the Board shall be entitled to a second vote.</p> <p>Any director shall not vote, nor represent another director to vote on any resolution of a meeting of the Board regarding the company or companies in which he/she is associated. Such a meeting of the Board shall be held upon the presence of more than half of all directors other than the director associated, and pass the relevant resolution with the approval of more than half of directors other than the director associated. When there are less than three non-associated directors present at the meeting of the Board, the aforesaid matter shall be referred to a general meeting of shareholders of the Company.</p>	<p>Article 102<u>83</u></p> <p>Any meeting of the Board shall be convened with the presence of more than half of the directors.</p> <p>Each director is entitled to one vote. Unless otherwise expressly provided in these Articles, any resolution by the Board shall be passed by more than half (including half) of the directors.</p> <p>In the case of an equality of votes, the chairman of the Board shall be entitled to a second vote.</p> <p>Any director shall <u>report to the Board of Directors in writing in time and may</u> not vote, nor represent another director to vote on any resolution of a meeting of the Board regarding the company or companies <u>or individual</u> in which he/she is associated. Such a meeting of the Board shall be held upon the presence of more than half of all directors other than the director associated, and pass the relevant resolution with the approval of more than half of directors other than the director associated. When there are less than three non-associated directors present at the meeting of the Board, the aforesaid matter shall be referred to a general meeting of shareholders of the Company.</p>

	Original	Amended
79.	<p>Article 106</p> <p>All directors shall be obliged to act in good faith, perform duties with due diligence, attend the meetings of the Board conscientiously, and express their opinions on all matters in discussion clearly.</p> <p>The Board shall keep full and complete minutes of the matters examined at a meeting, and such minutes shall be signed by all directors present at the meeting and the person taking the minutes of that meeting. All directors shall be liable for all the resolutions passed by the Board. If any of the Board resolution violates the laws, administrative regulations, or these Articles and causes serious damage to the Company, the directors who have participated in the resolution shall be liable for compensation to the Company, provided that any director who can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director may be exempted from liability. Any director, who abstained from voting or neither attended the meeting in person nor appointed a proxy to attend shall not be exempted from liability. Any director, who had objected to the resolution during discussion but did not vote against such resolution, shall not be exempted from such liability.</p>	<p>Article 106<u>87</u></p> <p>All directors shall be obliged to act in good faith, perform duties with due diligence, attend the meetings of the Board conscientiously, and express their opinions on all matters in discussion clearly.</p> <p>The Board shall keep full and complete minutes of the matters examined at a meeting, and such minutes shall be signed by all directors present at the meeting and the person taking the minutes of that meeting. All directors shall be liable for all the resolutions passed by the Board. If any of the Board resolution violates the laws, administrative regulations, or these Articles <u>and resolution of shareholders' meeting</u> and causes serious damage to the Company, the directors who have participated in the resolution shall be liable for compensation to the Company, provided that any director who can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director may be exempted from liability. Any director, who abstained from voting or neither attended the meeting in person nor appointed a proxy to attend shall not be exempted from liability. Any director, who had objected to the resolution during discussion but did not vote against such resolution, shall not be exempted from such liability.</p>

	Original	Amended
80.	<p>Article 107</p> <p>Any written resolution bearing the signatures of all directors shall be deemed to be equally valid with a resolution passed at a duly-convened meeting of the Board. Such a resolution may consist of several documents in the like form, each signed by one or more directors. For the purpose of this Article, any resolution bearing the signature or name of a director, sent to the Company by telegraph, post, fax, or in person shall be deemed to be signed by such director.</p> <p>The Board may from time to time set up a committee or panel consisting of two or more directors, and empower such committee or panel with some powers, authorities, and discretions vested in it. The committee or panel hereof shall perform duties within the scope of authorization and comply with the rules formulated from time to time by the Board, which may at anytime dissolve the committee or panel or change the scope of its authorization.</p> <p>The quorum of the meeting of the aforesaid committee or panel shall be two members thereof or more than half of its members, the highest of which prevails. The provisions applicable to the procedures and recording of the meetings of the Board in Article 101 and Article 106 of these Articles shall apply equally to the meetings of the committee or panel, unless the relevant provisions are replaced with rules formulated by the Board according to the preceding paragraph.</p>	<p>Article 107<u>788</u></p> <p>Any written resolution bearing the signatures of all directors shall be deemed to be equally valid with a resolution passed at a duly-convened meeting of the Board. Such a resolution may consist of several documents in the like form, each signed by one or more directors. For the purpose of this Article, any resolution bearing the signature or name of a director, sent to the Company by telegraph, post, fax, or in person shall be deemed to be signed by such director.</p> <p>The Board may from time to time set up a committee or panel consisting of two or more directors, and empower such committee or panel with some powers, authorities, and discretions vested in it. The committee or panel hereof shall perform duties within the scope of authorization and comply with the rules formulated from time to time by the Board, which may at anytime dissolve the committee or panel or change the scope of its authorization.</p> <p>The quorum of the meeting of the aforesaid committee or panel shall be two members thereof or more than half of its members, the highest of which prevails. The provisions applicable to the procedures and recording of the meetings of the Board in Article 101 and Article 106 of these Articles shall apply equally to the meetings of the committee or panel, unless the relevant provisions are replaced with rules formulated by the Board according to the preceding paragraph.</p> <p><u>The Board of Directors has established special committees such as the Audit Committee, Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, and Environmental, Social and Governance (ESG) Committee. The relevant committees are responsible to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Independent directors should constitute the majority of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. The Board of Directors is responsible for formulating relevant work procedures and standardizing its operations.</u></p>

	Original	Amended
81.	<p>Article 109</p> <p>The Company’s secretary shall be a natural person with necessary expertise and experience, who shall be appointed and removed by the Board. The main duties of the secretary shall be as set forth below:</p> <p>(I) to ensure that the Company’s constitutive documents and records are complete;</p> <p>(II) to ensure that the Company prepares and submits all reports and documents required by relevant authorities(including but not limited to the administrative authorities for industry and commerce);</p> <p>(III) to ensure that the Company establishes its register of shareholders properly, and persons entitled to receive relevant records and documents from the Company do receive such records and documents in time;</p> <p>(IV) to perform other duties of a secretary as provided bylaws and these Articles(including duties required reasonably by the Board).</p>	<p>Article 109<u>90</u></p> <p>The Company’s secretary shall be a natural person with necessary expertise and experience, who shall be appointed and removed by the Board. The main duties of the secretary shall be as set forth below:</p> <p>(I) to ensure that the Company’s constitutive documents and records are complete;</p> <p>(II) to ensure that the Company prepares and submits all reports and documents required by relevant authorities(including but not limited to the administrative authorities for industry and commerce);</p> <p>(III) to ensure that the Company establishes its register of shareholders properly, and persons entitled to receive relevant records and documents from the Company do receive such records and documents in time;</p> <p>(IV) to perform other duties of a secretary as provided bylaws and these Articles(including duties required reasonably by the Board).</p>

	Original	Amended
82.	<p>Article 112</p> <p>The manager of the Company shall be accountable to the Board and shall exercise the following powers:</p> <p>(I) to be in charge of the production, operation and management of the Company, and to organize the implementation of the resolutions of the Board;</p> <p>(II) to organize the implementation of the Company’s annual business plans and investment plans;</p> <p>(III) to draw up the plan of the Company’s internal management;</p> <p>(IV) to draw up the basic management system of the Company;</p> <p>(V) to formulate the basic rules and regulations of the Company;</p> <p>(VI) to propose the employment or removal of the deputy managers and financial officers;</p> <p>(VII) to appoint or remove senior management officers of the Company other than those to be appointed or removed by the Board;</p> <p>(VIII) to convene and preside over the managers’ office meetings(on his own or by a deputy manager appointed by him), which shall be attended by the manager, deputy managers, and other senior management officers;</p> <p>(IX) to decide on the rewards and penalties, promotion or demotion, pay rise or cut, appointment, employment, removal, and dismissal of employees of the Company;</p> <p>(X) other powers prescribed by these Articles and conferred by the Board.</p>	<p>Article 112<u>93</u></p> <p>The manager of the Company shall be accountable to the Board and shall exercise the following powers according to the provisions of the Articles of Association of the Company or the authorization of the Board of Directors:</p> <p>(I) to be in charge of the production, operation and management of the Company, andto organize the implementation of the resolutions of the Board, and report work to the Board ;</p> <p>(II) to organize the implementation of the Company’s annual business plans and investment plans;</p> <p>(III) to draw up the plan of the Company’s internal management;</p> <p>(IV) to draw up the basic management system of the Company;</p> <p>(V) to formulate the basic specific rules and regulations of the Company;</p> <p>(VI) to propose the employment or removal of the deputy managers and financial officers;</p> <p>(VII) to appoint or remove senior management officers of the Company other than those to be appointed or removed by the Board;</p> <p>(VIII) to convene and preside over the managers’ office meetings(on his own or by a deputy manager appointed by him), which shall be attended by the manager, deputy managers, and other senior management officers;</p> <p>(IX) to decide on the rewards and penalties, promotion or demotion, pay rise or cut, appointment, employment, removal, and dismissal of employees of the Company;</p> <p>(X) other powers prescribed by these Articles and conferred by the Board.</p>

	Original	Amended
83.	<p>Article 115</p> <p>The manager and deputy managers shall not, while exercising his/her powers, alter the resolutions of the general meetings of shareholders and the Board, nor transcend the scope of his/her powers.</p>	<p>Article 115<u>96</u></p> <p>The manager and deputy managers shall not, while exercising his/her powers, alter the resolutions of the general meetings of shareholders and the Board, nor transcend the scope of his/her powers.</p>
84.	<p>Article 117</p> <p>The Supervisory Committee shall consist of three supervisors, one of whom shall serve as the chairman of the Supervisory Committee. The tenure of office of a supervisor is three years and may serve consecutive terms if re-elected upon the expiration of his term.</p> <p>The appointment and removal of the chairman of the Supervisory Committee shall take effect upon a resolution adopted by more than two thirds (including two thirds) of the supervisors.</p>	<p>Article 117<u>98</u></p> <p>The Supervisory Committee shall consist of three supervisors, one of whom shall serve as the chairman of the Supervisory Committee. The tenure of office of a supervisor is three years and may serve consecutive terms if re-elected upon the expiration of his term.</p> <p>The appointment and removal of the chairman of the Supervisory Committee shall take effect upon a resolution adopted by more than two thirds (including two thirds) <u>half</u> of the supervisors.</p>
85.	<p>Article 118</p> <p>The Supervisory Committee shall consist of two members representing the shareholders and one member representing employees of the Company. The supervisor representing the shareholders shall be elected and removed at the general meetings of shareholders, and the supervisor representing the employees shall be democratically elected and removed from office by the employees of the company.</p>	<p>Article 118<u>99</u></p> <p>The Supervisory Committee shall consist of two members representing the shareholders and one member representing employees of the Company. The supervisor representing the shareholders shall be elected and removed at the general meetings of shareholders, and the supervisor representing the employees shall be democratically elected and removed from office by the employees of the company.</p>

	Original	Amended
86.	<p>Article 120</p> <p>The Supervisory Committee shall hold meetings at least twice a year, which shall be convened by the chairman of the Supervisory Committee.</p>	<p>Article 120<u>101</u></p> <p>The Supervisory Committee shall hold meetings at least twice a year, <u>and convene meetings at least once every six months,</u> which shall be convened by the chairman of the Supervisory Committee. <u>Supervisors may propose to hold an extraordinary meeting of the Supervisors Committee.</u></p>

	Original	Amended
87.	<p>Article 121</p> <p>The Supervisory Committee shall be accountable to the general meetings of shareholders and shall exercise the following powers in accordance with law:</p> <p>(I) to inspect the financial affairs of the Company;</p> <p>(II) to monitor the acts of the directors, the manager, and other senior management officers so as to guard against the violation of laws, administrative regulations, or these Articles of the Company in the course of the performance of their duties;</p> <p>(III) to require the directors, the manager, and other senior management officers to rectify their behaviour when their conduct is harmful to the interests of the Company;</p> <p>(IV) to verify the financial reports, business reports and profit distribution plans and other financial information proposed to be submitted by the Board to the general meetings of shareholders, and in the case of doubt, may appoint a certified public accountant and a certified auditor, in the name of the Company, to assist in reviewing the same;</p> <p>(V) to propose convening of extraordinary meetings of shareholders;</p> <p>(VI) to represent the Company in the negotiation with or bring a lawsuit against any director;</p> <p>(VII) other powers prescribed by these Articles of Association of the Company;</p> <p>The supervisors shall sit in on the meetings of the Board.</p>	<p>Article 121<u>102</u></p> <p>The Supervisory Committee shall be accountable to the general meetings of shareholders and shall exercise the following powers in accordance with law:</p> <p>(I) to inspect the financial affairs of the Company;</p> <p>(II) to monitor the acts of the directors, the manager, and other senior management officers so as to guard against the violation of laws, administrative regulations, or these Articles of the Company in the course of the performance of their duties;</p> <p>(III) to require the directors, the manager, and other senior management officers to rectify their behaviour when their conduct is harmful to the interests of the Company;</p> <p>(IV) to verify the financial reports, business reports and profit distribution plans and other financial information proposed to be submitted by the Board to the general meetings of shareholders, and in the case of doubt, may appoint a certified public accountant and a certified auditor, in the name of the Company, to assist in reviewing the same;</p> <p>(V) to propose convening of extraordinary meetings of shareholders;</p> <p>(VI) to represent the Company in the negotiation with or bring a lawsuit against any director;</p> <p>(VII) other powers prescribed by these Articles of Association of the Company;</p> <p>The supervisors shall sit in on the meetings of the Board.</p>

	Original	Amended
88.	<p>Article 122</p> <p>The general meetings of supervisors shall be convened upon the presence of more than two thirds(including two thirds) of the supervisors.</p> <p>The resolutions of the Supervisory Committee shall be passed upon the favorable votes of more than two thirds (including two thirds) of the supervisors.</p>	<p>Article 122<u>103</u></p> <p>The general meetings of supervisors shall be convened upon the presence of more than two thirds(including two thirds) of the supervisors.</p> <p>The resolutions of the Supervisory Committee shall be passed upon the favorable votes of more than two thirds (including two thirds) half of the supervisors.</p> <p><u>The voting on the resolution of the Supervisory Committee shall be one person, one vote.</u></p>

	Original	Amended
89.	<p>Article 126</p> <p>The following persons may not serve as a director, supervisor, manager or any other senior management officer of the Company in any of the following circumstances:</p> <p>(I) an individual who has no civil capacity or restricted civil capacity;</p> <p>(II) persons who were committed the offences of corruption, bribery, infringement of properties, misappropriation of properties, or sabotaging the social and economical order, and have been punished, or have been deprived of their political rights, in each case where less than five years have elapsed since the date of completion of the execution of such punishment or deprivation;</p> <p>(III) persons who were directors, or factory managers or manager of a company or enterprise which has become bankrupt and liquidated as a result of improper operation and mismanagement, and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the liquidation of such company or enterprise;</p> <p>(IV) persons who were a former legal representative of a company or enterprise which had its business license revoked due to a violation of law and who were personally liable, where less than three years have elapsed since the date of the revocation of such business license;</p>	<p>Article 126<u>107</u></p> <p>The following persons may not serve as a director, supervisor, manager or any other senior management officer of the Company in any of the following circumstances:</p> <p>(I) an individual who has no civil capacity or restricted civil capacity;</p> <p>(II) persons who were committed the offences of corruption, bribery, infringement of properties, misappropriation of properties, or sabotaging the social and economical order, and have been punished, or have been deprived of their political rights, in each case where less than five years have elapsed since the date of completion of the execution of such punishment or deprivation, <u>or have been sentenced to probation less than two years since the probation period expires;</u></p> <p>(III) persons who were directors, or factory managers or manager of a company or enterprise which has become bankrupt and liquidated as a result of improper operation and mismanagement, and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the liquidation of such company or enterprise;</p> <p>(IV) persons who were a former legal representative of a company or enterprise which had its business license revoked <u>or to be ordered to close</u> due to a violation of law and who were personally liable, where less than three years have elapsed since the date of the revocation of such business license <u>or be ordered to close;</u></p>

	Original	Amended
	<p>(V) persons who have a relatively large amount of debt outstanding and not repaid when due;</p> <p>(VI) persons who are under criminal investigation by the judicial authority for violation of the criminal law which is not yet concluded;</p> <p>(VII) persons who are ineligible for enterprise leadership according to laws and administrative regulations;</p> <p>(VIII) a non-natural person;</p> <p>(IX) persons who have been convicted by the competent authority of offences involving fraud or dishonesty in violation of the provision of the relevant securities regulations, where less than five years has elapsed since the date of such ruling; and</p> <p>(X) any public servants, unless permitted by laws and administrative regulations.</p>	<p>(V) persons <u>were listed as executor of dishonesty by the people’s court</u> who have a relatively large amount of debt outstanding and not repaid when due;</p> <p>(VI) persons who are under criminal investigation by the judicial authority for violation of the criminal law which is not yet concluded;</p> <p>(VII) persons who are ineligible for enterprise leadership according to laws and administrative regulations;</p> <p>(VIII) a non-natural person;</p> <p>(IX) persons who have been convicted by the competent authority of offences involving fraud or dishonesty in violation of the provision of the relevant securities regulations, where less than five years has elapsed since the date of such ruling; and</p> <p>(X) any public servants, unless permitted by laws and administrative regulations.</p> <p><u>If the Company elects, appoints directors, supervisors, or hires senior management personnel in violation of the provisions of the preceding paragraph, the election, appointment, or appointment shall be invalid.</u></p> <p><u>If a director, supervisor, or senior management member experiences any of the situations listed in the first paragraph of this Article of Association during their tenure, the Company shall dismiss them from their positions.</u></p>

	Original	Amended
90.	<p>Article 128</p> <p>In addition to the obligations imposed by laws, administrative regulations, or the listing rules of the securities exchange(s) where the Company's shares are listed, the directors, supervisors, the manager, and other senior management officers of the Company shall also have the following obligations towards each shareholder in the exercise of the powers granted to them by the Company:</p> <p>(I) not to cause the Company to act beyond the scope of business stipulated in its business license;</p> <p>(II) to act honestly in the best interests of the Company;</p> <p>(III) not to deprive the Company of its property in any way, including (but not limited to) any opportunity that is favorable to the Company;</p> <p>(IV) not to deprive the shareholders of their individual rights or interests, including (but not limited to) the rights to distribution and voting rights, except restructuring of the Company submitted for approval at a shareholders' general meeting according to these Articles.</p>	<p>Article 128<u>109</u></p> <p>In addition to the obligations imposed by laws, administrative regulations, or the listing rules of the securities exchange(s) where the Company's shares are listed, the directors, supervisors, the manager, and other senior management officers of the Company shall also have the following obligations towards each shareholder in the exercise of the powers granted to them by the Company:</p> <p>(I) not to cause the Company to act beyond the scope of business stipulated in its business license;</p> <p>(II) to act honestly in the best interests of the Company;</p> <p>(III) not to deprive the Company of its property in any way, including (but not limited to) any opportunity that is favorable to the Company;</p> <p>(IV) not to deprive the shareholders of their individual rights or interests, including (but not limited to) the rights to distribution and voting rights, except restructuring of the Company submitted for approval at a shareholders' general meeting according to these Articles.</p>

	Original	Amended
91.	<p>Article 129</p> <p>The directors, supervisors, the manager and other senior management officers of the Company shall have the obligation, in the exercise of their rights or the discharge of their obligations, to perform their due acts with care, diligence, and skills as a reasonable and prudent person shall do under similar circumstances.</p>	<p>Article 129<u>110</u></p> <p>The directors, supervisors, the manager and other senior management officers of the Company, <u>having a diligent obligation to the company</u>, shall have the obligation, in the exercise of their rights or the discharge of their obligations, to perform their due acts <u>and reasonable attention</u> with care, diligence, and skills <u>in the best interests of the company</u> as a reasonable and prudent person <u>and a management officer</u> shall do under similar circumstances.</p> <p><u>Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually carries out the Company's affairs, the provisions of the preceding two paragraphs shall apply.</u></p>

	Original	Amended
92.	<p data-bbox="323 293 448 321">Article 130</p> <p data-bbox="323 357 820 676">The directors, supervisors, manager and other senior management officers of the Company must, in the exercise of their duties, abide by the principles of honesty and credibility, and shall not place themselves in a position where their personal interests and duties may be in conflict with each other. This principle shall include (but not be limited to) the fulfillment of the following obligations:</p> <p data-bbox="323 710 820 772">(I) to act honestly in the best interests of the Company;</p> <p data-bbox="323 806 820 900">(II) to exercise their powers within the scope of functions and powers and not to act beyond such powers;</p> <p data-bbox="323 934 820 1219">(III) to personally exercise the discretions invested in him/her, not to allow himself/herself to be manipulated by another person, and not to delegate the discretions to another person unless otherwise permitted by laws and administrative regulations or with the consent of any shareholders' general meeting that has been informed;</p> <p data-bbox="323 1253 820 1347">(IV) to be impartial to both the holders of the same class and those of different classes;</p> <p data-bbox="323 1381 820 1634">(V) not to conclude a contract or enter into a transaction or arrangement with the Company, except as otherwise provided in these Articles of Association of the Company or with the consent of any shareholders' general meeting that has been informed;</p>	<p data-bbox="853 293 1018 321">Article 130<u>111</u></p> <p data-bbox="853 357 1326 836">The directors, supervisors, manager and other senior management officers of the Company must, <u>having a loyal obligation to the company,</u> in the exercise of their duties, abide by the principles of honesty and credibility, and shall not place themselves in a position where their personal interests and duties may be in conflict with each other <u>use their authority to seek illegitimate benefits where their personal interests conflict with the interests of the Company.</u> This principle shall include (but not be limited to) the fulfillment of the following obligations:</p> <p data-bbox="853 870 1326 932">(I) to act honestly in the best interests of the Company;</p> <p data-bbox="853 966 1326 1059">(II) to exercise their powers within the scope of functions and powers and not to act beyond such powers;</p> <p data-bbox="853 1093 1326 1410">(III) to personally exercise the discretions invested in him/her, not to allow himself/herself to be manipulated by another person, and not to delegate the discretions to another person unless otherwise permitted by laws and administrative regulations or with the consent of any shareholders' <u>general</u> meeting that has been informed;</p> <p data-bbox="853 1444 1326 1538">(IV) to be <u>impartial equally and fairly</u> to both the holders of the same class and those of different classes;</p> <p data-bbox="853 1572 1326 1825">(V) not to conclude a contract or enter into a transaction or arrangement with the Company, except as otherwise provided in these Articles of Association of the Company or with the consent of any shareholders' <u>general</u> meeting that has been informed;</p>

	Original	Amended
	<p>(VI) not to use the Company's property for his/her own benefits in any way without the consent of any shareholders' general meeting that has been informed;</p> <p>(VII) not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Company's properties in any way, including (but not limited to) any opportunity that is favourable to the Company;</p> <p>(VIII) not to accept commissions in connection with any transaction of the Company without the consent of the shareholders' general meeting that has been informed;</p> <p>(IX) to abide by the Articles of Association of the Company, perform duties faithfully, protect the interests of the Company, and not to use his/her position and powers in the Company to seek personal gains;</p> <p>(X) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;</p> <p>(XI) not to embezzle the Company's funds or lend them to others, not to deposit the Company's assets in any account opened in his/her own or in any other person's name, not to use the Company's assets as security for the debts of the Company's shareholder or other individual;</p> <p>(XII) not to disclose any confidential information in relation to the Company that is acquired by him/her during his/her office without the consent of any shareholders' general meeting that has been informed, and not to use such information for any purpose other than the interests of the Company. Provided that such information may be disclosed to the court or other government authorities in any of the following circumstances:</p> <p>(1) provided bylaws;</p> <p>(2) required for public interest;</p> <p>(3) required in the own interests of such director, supervisor, manager or other senior management officers of the Company;</p>	<p>(VI) not to use the Company's property for his/her own benefits in any way without the consent of any shareholders' general meeting that has been informed;</p> <p>(VII) not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Company's properties in any way, including (but not limited to) any opportunity that is favourable to the Company;</p> <p>(VIII) not to accept commissions in connection with any transaction of the Company without the consent of the shareholders' general meeting that has been informed;</p> <p>(IX) to abide by the Articles of Association of the Company, perform duties faithfully, protect the interests of the Company, and not to use his/her position and powers in the Company to seek personal gains;</p> <p>(X) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;</p> <p>(XI) not to embezzle the Company's funds or lend them to others, not to deposit the Company's assets in any account opened in his/her own or in any other person's name, not to use the Company's assets as security for the debts of the Company's shareholder or other individual;</p> <p>(XII) not to disclose any confidential information in relation to the Company that is acquired by him/her during his/her office without the consent of any shareholders' general meeting that has been informed, and not to use such information for any purpose other than the interests of the Company. Provided that such information may be disclosed to the court or other government authorities in any of the following circumstances:</p> <p>(1) provided bylaws;</p> <p>(2) required for public interest;</p> <p>(3) required in the own interests of such director, supervisor, manager or other senior management officers of the Company;</p>

	Original	Amended
93.	<p>Article 133</p> <p>Any director, supervisor, the manager or other senior management officers of the Company may be relieved from the liability for a specific breach of obligations after the shareholders' general meeting has been informed, except in circumstances as specified in Article 56 hereof.</p>	<p>Article 133<u>114</u></p> <p>Any director, supervisor, the manager or other senior management officers of the Company may be relieved from the liability for a specific breach of obligations after the shareholders' genera meeting has been informed, except in circumstances as specified in Article 56<u>45</u> hereof.</p>

	Original	Amended
94.	<p>Article 134</p> <p>If a director, supervisor, the manager or other senior management officers of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement (except the employment contracts between such persons and the Company) that the Company has concluded or plans to conclude, he/she shall disclose the nature and extent of the interest to the Board at the earliest opportunity, whether or not the matter concerned is normally subject to the approval of the Board.</p> <p>A director shall not vote on the resolution of any meeting of the Board in respect of the contract, transaction or arrangement that he/she or his/her associate is materially interested, nor be counted into the quorum of such meeting.</p> <p>Unless the interested director, supervisor, manager, or other senior management officers of the Company has disclosed such interest to the Board as required under the preceding paragraph hereof, and the matter interested has been approved by the Board at a meeting where he/she neither voted nor was counted into the quorum, the Company shall have the right to void the contract, transaction or arrangement, except that the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, manager, or any other senior management officers concerned.</p> <p>Any director, supervisor, manager, or other senior management officers of the Company shall be deemed to be interested in any contract, or transaction, or arrangement in which a connected person of such director, supervisor, manager or other senior management officers has an interest.</p>	<p>Article 134<u>115</u></p> <p>If a director, supervisor, the manager or other senior management officers of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement (except the employment contracts between such persons and the Company) that the Company has concluded or plans to conclude, he/she shall disclose the nature and extent of the interest to the Board at the earliest opportunity, whether or not the matter concerned is normally subject to the approval of the Board, <u>and be approved by the Board of Directors or shareholders' meeting in accordance with the provisions of the Articles of Association of the Company.</u></p> <p><u>Directors, supervisors, managers, and other senior management officers of the Company shall not use their positions to seek business opportunities belonging to the Company for themselves or others, except for any of the following situations:</u></p> <p><u>(I) report to the Board of Directors or shareholders and approve the resolution in accordance with the provisions of the Articles of Association Company;</u></p> <p><u>(II) the Company cannot take advantage of this business opportunity according to laws, administrative regulations, or the articles of association the Company.</u></p> <p>A<u>The interested</u> director shall not vote on the resolution of any meeting of the Board in respect of the contract, transaction, <u>seeking business opportunities</u> or arrangement that he/she or his/her associate is materially interested, nor be counted into the quorum of such meeting.</p>

	Original	Amended
		<p>Unless the interested director, supervisor, manager, or other senior management officers of the Company has disclosed such interest to the Board as required under the preceding paragraph hereof, and the matter interested has been approved by the Board at a meeting where he/she neither voted nor was counted into the quorum, the Company shall have the right to void the contract, transaction or arrangement, except that the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, manager, or any other senior management officers concerned.</p> <p><u>If the number of disinterested Directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for review.</u></p> <p><u>If spouses, parents, children and siblings of any Any director, supervisor, manager, or other senior management officers of the Company, as well as companies directly or indirectly controlled by the aforementioned persons, as well as other related relationships with such director, supervisor, manager, or other senior management officers of the Company, have an interest in entering into a contract, conducting transactions or arranging arrangements with the Company, the provisions of the preceding paragraph shall apply shall be deemed to be interested in any contract, or transaction, or arrangement in which a connected person of such director, supervisor, manager or other senior management officers has an interest.</u></p>

	Original	Amended
95.	<p>Article 135</p> <p>If a director, supervisor, the manager or other senior management officers of the Company gives a written notice to the Board before the conclusion of any contract, transaction, or arrangement is first considered by the Company, stating that due to the contents listed in the notice, he/she is interested in such contract, transaction, or arrangement to be made subsequently by the Company, such director, supervisor, manager, or other senior management officers shall be deemed, in so far as what is stated in the notice, to have made the disclosure provided n Article 134 hereof.</p>	<p>Article 135<u>116</u></p> <p>If a director, supervisor, the manager or other senior management officers of the Company gives a written notice to the Board before the conclusion of any contract, transaction, or arrangement is first considered by the Company, stating that due to the contents listed in the notice, he/she is interested in such contract, transaction, or arrangement to be made subsequently by the Company, such director, supervisor, manager, or other senior management officers shall be deemed, in so far as what is stated in the notice, to have made the disclosure provided in Article 134 <u>the Articles of Association</u> hereof.</p>

	Original	Amended
96.	<p>Article 137</p> <p>The Company shall not, directly or indirectly, provide a loan to or loan security for any director, supervisor, manager or other senior management officers of the Company or its parent Company, or any connected person of the aforesaid person. The provisions of the preceding paragraph shall not apply to the following circumstances:</p> <p>(I) the provision by the Company of a loan to or loan security for its subsidiaries;</p> <p>(II) the provision of a loan to, or loan security, or other funds by the Company for a director, supervisor, the manager, or other senior management officers of the Company under an employment contract between such person and the Company approved by a shareholders' general meeting, so as to enable him/her to pay the expenses incurred for the sake of the Company or for the performance of duties herein prescribed;</p> <p>(III) the provision of a loan to or loan security by the Company for a relevant director, supervisor, the manager, or other senior management officers of the Company or for a connected person thereof on normal commercial terms if the ordinary business scope of the Company includes the lending of money or the provision of loan security.</p>	<p>Article 137<u>118</u></p> <p>The Company shall not, directly or indirectly, provide a loan to or loan security for any director, supervisor, manager or other senior management officers of the Company or its parent Company, or any connected person of the aforesaid person. The provisions of the preceding paragraph shall not apply to the following circumstances:</p> <p>(I) the provision by the Company of a loan to or loan security for its subsidiaries;</p> <p>(II) the provision of a loan to, or loan security, or other funds by the Company for a director, supervisor, the manager, or other senior management officers of the Company under an employment contract between such person and the Company approved by a shareholders' general meeting, so as to enable him/her to pay the expenses incurred for the sake of the Company or for the performance of duties herein prescribed;</p> <p>(III) the provision of a loan to or loan security by the Company for a relevant director, supervisor, the manager, or other senior management officers of the Company or for a connected person thereof on normal commercial terms if the ordinary business scope of the Company includes the lending of money or the provision of loan security.</p>

	Original	Amended
97.	<p>Article 139</p> <p>The Company shall not be forced to perform a loan security provided in violation of the first paragraph of Article 137, except:</p> <p>(I) where the loan is provided to a connected person of a director, supervisor, the manager or other senior management officers of the Company or its parent company and the loan provider is not aware of the fact;</p> <p>(II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.</p>	<p>Article 139<u>120</u></p> <p>The Company shall not be forced to perform a loan security provided in violation of the first paragraph of Article 137 <u>the Articles of Association of the Company</u>, except:</p> <p>(I) where the loan is provided to a connected person of a director, supervisor, the manager or other senior management officers of the Company or its parent company and the loan provider is not aware of the fact;</p> <p>(II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.</p>

	Original	Amended
98.	<p>Article 141</p> <p>If a director, supervisor, the manager or other senior management officers of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws and administrative regulations, have the right to:</p> <p>(I) require the relevant director, supervisor, manager, or other senior management officers to compensate for any loss sustained by the Company as a consequence of his/her dereliction of duties;</p> <p>(II) rescind any contract or transaction concluded by the Company with the relevant director, supervisor, manager or other senior management officers, or with a third party (where such third party is aware or should be aware that the director, supervisor, manager or other senior management officers representing the Company was in breach of his obligations to the Company);</p> <p>(III) require the relevant director, supervisor, manager or other senior management officers to surrender the gains derived from the breach of his/her obligations;</p> <p>(IV) to recover any funds received by the relevant director, supervisor, manager or other senior management officers that should have been received by the Company, including (but not limited to) commissions;</p> <p>(V) require the relevant director, supervisor, manager, or other senior management officers to return the interest earned or to be possibly earned on the funds that should have been given to the Company;</p> <p>(VI) take legal proceedings to rule that any property obtained by the relevant director, supervisor, manager, or other senior management officers as a result of breach of his/her obligations shall belong to the Company.</p>	<p>Article 141<u>122</u></p> <p>If a director, supervisor, the manager or other senior management officers of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws and administrative regulations, have the right to:</p> <p>(I) require the relevant director, supervisor, manager, or other senior management officers to compensate for any loss sustained by the Company as a consequence of his/her dereliction of duties;</p> <p>(II) rescind any contract or transaction concluded by the Company with the relevant director, supervisor, manager or other senior management officers, or with a third party (where such third party is aware or should be aware that the director, supervisor, manager or other senior management officers representing the Company was in breach of his obligations to the Company);</p> <p>(III) require the relevant director, supervisor, manager or other senior management officers to surrender the gains derived from the breach of his/her obligations;</p> <p>(IV) to recover any funds received by the relevant director, supervisor, manager or other senior management officers that should have been received by the Company, including (but not limited to) commissions;</p> <p>(V) require the relevant director, supervisor, manager, or other senior management officers to return the interest earned or to be possibly earned on the funds that should have been given to the Company;</p> <p>(VI) take legal proceedings to rule that any property obtained by the relevant director, supervisor, manager, or other senior management officers as a result of breach of his/her obligations shall belong to the Company.</p>

	Original	Amended
99.	<p>Article 142</p> <p>The Company shall conclude a written contract with each director and supervisor of the Company in respect of his/her remunerations, subject to the prior approval of the shareholders' general meeting. The aforesaid remunerations hereof shall include:</p> <p>(I) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of the Company;</p> <p>(II) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of a subsidiary of the Company;</p> <p>(III) remunerations otherwise in connection with the management of the Company or any subsidiary thereof;</p> <p>(IV) funds as compensation for his/her loss of office or retirement to the aforementioned directors and supervisors. A director or supervisor may not sue the Company for any benefits due to him/her on the basis of the above-mentioned matters, except under an aforesaid contract.</p>	<p>Article 142<u>123</u></p> <p>The Company shall conclude a written contract with each director and supervisor of the Company in respect of his/her remunerations, subject to the prior approval of the shareholders' general meeting. The aforesaid remunerations hereof shall include:</p> <p>(I) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of the Company;</p> <p>(II) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of a subsidiary of the Company;</p> <p>(III) remunerations otherwise in connection with the management of the Company or any subsidiary thereof;</p> <p>(IV) funds as compensation for his/her loss of office or retirement to the aforementioned directors and supervisors. A director or supervisor may not sue the Company for any benefits due to him/her on the basis of the above-mentioned matters, except under an aforesaid contract.</p>

	Original	Amended
100.	<p>Article 143</p> <p>The Company shall specify in the contract concluded with any of its director or supervisor in respect of his/her remunerations that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of a shareholders’ general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term “a takeover of the Company” shall refer to any of the following circumstances:</p> <p>(I) any person makes a general offer of takeover to all the shareholders;</p> <p>(II) any person makes a general offer of takeover so that the offer or becomes a controlling shareholder as defined in Article 57 hereof.</p> <p>If the relevant director or supervisor fails to comply with this Article, any fund received by him/her shall belong to the shareholders that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such funds.</p>	<p>Article 143<u>124</u></p> <p>The Company shall specify in the contract concluded with any of its director or supervisor in respect of his/her remunerations that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of a shareholders’ general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term “a takeover of the Company” shall refer to any of the following circumstances:</p> <p>(I) any person makes a general offer of takeover to all the shareholders;</p> <p>(II) any person makes a general offer of takeover so that the offer or becomes a controlling shareholder as defined in Article 57<u>46</u> hereof.</p> <p>If the relevant director or supervisor fails to comply with this Article, any fund received by him/her shall belong to the shareholders that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such funds.</p>

	Original	Amended
101.		<p><u>Article126</u> (新增條款)</p> <p><u>If the Directors, managers, and other senior management officers of the Company perform their duties and cause damage to others, the Company shall bear the liability for compensation; If the directors, managers, and other senior management officers of the Company have intentional or gross negligence, they shall also be liable for compensation.</u></p>
102.		<p><u>Article127</u> (新增條款)</p> <p><u>If the controlling shareholder or actual controller of the Company instructs the directors, managers and other senior management officers of the Company to engage in acts that harm the interests of the Company or shareholders, they shall be jointly and severally liable with the directors, managers and other senior management officers of the Company.</u></p>
103.	<p>Article 145</p> <p>The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, and the accounting standards of China formulated by the authorities under the State Council in charge of finance.</p>	<p>Article 145<u>128</u></p> <p>The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, and the accounting standards of China formulated by the authorities under the State Council in charge of finance <u>provisions of relevant state departments.</u></p>
104.	<p>Article 146</p> <p>The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be examined and verified in accordance with law.</p>	<p>Article 146<u>129</u></p> <p>The Company shall prepare financial <u>accounting</u> reports at the end of each fiscal year. Such reports shall be examined and verified <u>audited by an accounting firm</u> in accordance with law.</p>

	Original	Amended
105.	<p>Article 149</p> <p>The Board of the Company shall place before the shareholders at each shareholders' annual general meeting such financial reports as relevant laws, administrative regulations, and normative documents promulgated by the local government and the competent authorities require the Company to prepare.</p>	<p>Article 149<u>132</u></p> <p>The Board of the Company shall place before the shareholders at each shareholders' annual general meeting such financial reports as relevant laws, administrative regulations, and normative documents promulgated by the local government and the competent authorities require the Company to prepare.</p>
106.	<p>Article 150</p> <p>The financial reports of the Company shall be made available in the Company for inspection by shareholders twenty days prior to an annual general meeting of shareholders. Each shareholder of the Company shall have the right to obtain a copy of such financial reports referred to herein.</p> <p>The Company shall send the aforesaid reports, at least twenty-one days prior to a shareholders' annual general meeting by pre-paid mail by post to all shareholders of overseas-listed foreign shares at the address of each shareholder recorded in the register of shareholders.</p>	<p>Article 150<u>133</u></p> <p>The financial reports of the Company shall be made available in the Company for inspection by shareholders twenty days prior to an annual general meeting of shareholders. Each shareholder of the Company shall have the right to obtain a copy of such financial reports referred to herein.</p> <p>The Company shall send the aforesaid reports, at least twenty-one days prior to a shareholders' annual general meeting by pre-paid mail by post to all shareholders of overseas-listed foreign shares at the address of each shareholder recorded in the register of shareholders.</p>

	Original	Amended
107.	<p>Article 155</p> <p>The capital common reserve shall include the following funds:</p> <p>(I) the premium obtained from the issue of shares in excess of the par value;</p> <p>(II) other revenue required by the authorities under the State Council in charge of finance to be included in the capital common reserve.</p>	<p>Article 155<u>138</u></p> <p>The capital common reserve shall include the following funds:</p> <p>(I) the premium obtained from the issue of shares in excess of the par value;</p> <p>(II) <u>the amount of proceeds from the issuance of shares with no par value are not included in the registered capital;</u></p> <p>(HII) other revenue required by the authorities under the State Council in charge of finance to be included in the capital common reserve.</p>
108.	<p>Article 158</p> <p>The Company shall appoint an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company.</p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting of shareholders. Such accounting firm shall hold office until the conclusion of the first annual general meeting.</p> <p>If the inaugural meeting does not exercise its powers under the preceding paragraph, the Board shall exercise such powers.</p>	<p>Article 158<u>141</u></p> <p>The Company shall appoint an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company.</p> <p>The first accounting firm of the Company may be appointed by the inaugural<u>first founding</u> meeting prior to the first annual general meeting of shareholders. Such accounting firm shall hold office until the conclusion of the first annual general meeting <u>of shareholders</u>.</p> <p>If the inaugural<u>founding</u> meeting does not exercise its powers under the preceding paragraph, the Board shall exercise such powers.</p>

	Original	Amended
109.	<p>Article 159</p> <p>The term of office of an accounting firm appointed by the Company shall commence from the end of the annual general meeting of shareholders on which the accounting firm is appointed until the end of the next annual general meeting.</p>	<p>Article 159<u>142</u></p> <p>The term of office of an accounting firm appointed by the Company shall commence from the end of the annual general meeting of shareholders on which the accounting firm is appointed until the end of the next annual general meeting <u>of shareholders.</u></p>
110.	<p>Article 160</p> <p>Any accounting firm appointed by the Company shall enjoy the following rights:</p> <p>(I) the rights of access at any time to account books, records, or vouchers of the Company and the right to require directors, the manager or other senior management officers of the Company to provide relevant information and explanations;</p> <p>(II) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform duties;</p> <p>(III) the right to attend shareholders' meeting, receive the notice or other information in respect of such meetings that the shareholders are entitled to receive, and to be heard at any shareholders' meeting on any matter which concerns it as the accounting firm of the Company.</p>	<p>Article 160<u>143</u></p> <p>Any accounting firm appointed by the Company shall enjoy the following rights:</p> <p>(I) the rights of access at any time to account books, records, or vouchers of the Company and the right to require directors, the manager or other senior management officers of the Company to provide relevant information and explanations;</p> <p>(II) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform duties;</p> <p>(III) the right to attend shareholders' meeting, receive the notice or other information in respect of such meetings that the shareholders are entitled to receive, and to be heard at any shareholders' meeting on any matter which concerns it as the accounting firm of the Company</p> <p><u>The Company's appointment and dismissal of an accounting firm must be decided by the shareholders' meeting, and the Board shall not appoint an accounting firm before the decision of the shareholders' meeting.</u></p>

	Original	Amended
111.	<p>Article 161</p> <p>If the position of an accounting firm of the Company becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a shareholders' general meeting is held. If there are other accounting firms serving as the accounting firm of the Company while such a vacancy exists, such accounting firms shall continue to act.</p>	<p>Article 161 (整條刪除)</p> <p>If the position of an accounting firm of the Company becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a shareholders' general meeting is held. If there are other accounting firms serving as the accounting firm of the Company while such a vacancy exists, such accounting firms shall continue to act.</p>
112.	<p>Article 162</p> <p>A shareholders' general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of office, notwithstanding any provisions in the contract between the accounting firm and the Company, but without prejudice to the right of such accounting firm, if any, to claim damages from the Company in respect of such dismissal.</p>	<p>Article 162 (整條刪除)</p> <p>A shareholders' general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of office, notwithstanding any provisions in the contract between the accounting firm and the Company, but without prejudice to the right of such accounting firm, if any, to claim damages from the Company in respect of such dismissal.</p>
113.	<p>Article 163</p> <p>The remuneration or method of determining remuneration for an accounting firm shall be decided upon by a shareholders' general meeting. The remuneration for the accounting firm appointed by the Board shall be determined by the Board.</p>	<p>Article 163<u>144</u></p> <p>The remuneration, audit fees or method of determining remuneration for an accounting firm shall be decided upon by a shareholders' general meeting. The remuneration for the accounting firm appointed by the Board shall be determined by the Board.</p>

	Original	Amended
114.	<p data-bbox="323 285 448 310">Article 164</p> <p data-bbox="323 338 810 497">The appointment, dismissal, or non-renewal of the appointment of an accounting firm shall be decided upon by the shareholders' general meetings and reported to the competent securities authorities under the State Council for the record.</p> <p data-bbox="323 525 810 793">Any shareholders' general meeting shall comply with the following provisions when it plans to pass a resolution to appoint an accounting firm other than the existing accounting firm in office so as to fill an vacancy, or to continue to appoint an accounting firm appointed by the Board so as to fill an vacancy, or to dismiss an accounting firm whose term of office has not expired:</p> <p data-bbox="323 821 810 1112">(I) the proposal in respect of such appointment or dismissal shall be delivered to the accounting firm to be appointed or dismissed, or the accounting firm that has left office in the relevant fiscal year (leaving office hereof includes dismissal, resignation, and retirement), before the notice of relevant shareholders' general meeting on which such proposal is to be considered;</p> <p data-bbox="323 1140 810 1325">(II) if the accounting firm that is going to leave office makes a written statement and requests such statement to be informed to all shareholders, the Company shall take the following actions unless it receives the statement too late to take the actions:</p> <p data-bbox="384 1353 810 1513">(1) to make it clear, in the notice of the shareholders' general meeting for the purpose of making a relevant resolution, that the leaving accounting firm has made such an statement;</p> <p data-bbox="384 1540 810 1859">(2) to deliver a copy of the statement as an attachment to the notice hereof to all shareholders in the ways provided by these Articles;(III) If the Company fails to deliver the statement of the leaving accountant firm according to item (II) herein, the accounting firm may request such statement to be read and make further appeal at the shareholders' general meeting concerned.</p>	<p data-bbox="853 285 1114 310">Article 164 (整條刪除)</p> <p data-bbox="853 338 1340 523">The appointment, dismissal, or non-renewal of the appointment of an accounting firm shall be decided upon by the shareholders' general meetings and reported to the competent securities authorities under the State Council for the record.</p> <p data-bbox="853 551 1348 819">Any shareholders' general meeting shall comply with the following provisions when it plans to pass a resolution to appoint an accounting firm other than the existing accounting firm in office so as to fill an vacancy, or to continue to appoint an accounting firm appointed by the Board so as to fill an vacancy, or to dismiss an accounting firm whose term of office has not expired:</p> <p data-bbox="853 846 1348 1138">(I) the proposal in respect of such appointment or dismissal shall be delivered to the accounting firm to be appointed or dismissed, or the accounting firm that has left office in the relevant fiscal year (leaving office hereof includes dismissal, resignation, and retirement), before the notice of relevant shareholders' general meeting on which such proposal is to be considered;</p> <p data-bbox="853 1166 1332 1378">(II) if the accounting firm that is going to leave office makes a written statement and requests such statement to be informed to all shareholders, the Company shall take the following actions unless it receives the statement too late to take the actions:</p> <p data-bbox="853 1406 1348 1566">(1) to make it clear, in the notice of the shareholders' general meeting for the purpose of making a relevant resolution, that the leaving accounting firm has made such an statement;</p> <p data-bbox="853 1593 1348 1885">(2) to deliver a copy of the statement as an attachment to the notice hereof to all shareholders in the ways provided by these Articles;(III) If the Company fails to deliver the statement of the leaving accountant firm according to item (II) herein, the accounting firm may request such statement to be read and make further appeal at the shareholders' general meeting concerned.</p>

	Original	Amended
	<p>(IV) The leaving accounting firm shall have the right to be present at the following meetings:</p> <p>(1) the shareholders' general meeting at which its term would otherwise have expired;</p> <p>(2) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;</p> <p>(3) the shareholders' general meeting convened because of its voluntary resignation;</p> <p>The leaving accounting firm is entitled to receive all notices or other information in respect of the aforesaid meetings, and speak on any matter related to its services as the former accounting firm of the Company at such meetings.</p>	<p>(IV) The leaving accounting firm shall have the right to be present at the following meetings:</p> <p>(1) the shareholders' general meeting at which its term would otherwise have expired;</p> <p>(2) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;</p> <p>(3) the shareholders' general meeting convened because of its voluntary resignation;</p> <p>The leaving accounting firm is entitled to receive all notices or other information in respect of the aforesaid meetings, and speak on any matter related to its services as the former accounting firm of the Company at such meetings.</p>

	Original	Amended
115.	<p data-bbox="323 289 448 314">Article 165</p> <p data-bbox="323 342 823 644">When the Company dismisses or does not renew the appointment of an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views to the shareholders' general meeting on which such dismissal is considered. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meeting of whether there is any irregularity in the Company.</p> <p data-bbox="323 672 823 917">An accounting firm of the Company may resign from its office by depositing a written notice of resignation to that effect at the legal address of the Company. Any such notice shall become effective on the day when it is deposited at the Company's legal address, or on a later date as specified in the notice. Such notice shall include the following statements:</p> <p data-bbox="323 944 823 1108">(I) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders or creditors of the Company;</p> <p data-bbox="323 1136 823 1193">(II) a representation on any such circumstances.</p> <p data-bbox="323 1221 823 1332">The Company shall, within 14 days after the receipt of the aforesaid written notice, send a copy of the notice to the competent authority in charge.</p> <p data-bbox="323 1359 823 1902">If the notice contains the representation mentioned in item (II) of the preceding paragraph, the Company shall deposit a duplicate copy of the representation at the Company for inspection by shareholders, and the Company shall also deliver the aforesaid duplicate copy of the representation by post with postage pre-paid to each holder of overseas-listed foreign shares at their respective address recorded in the register of shareholders. If the notice of resignation of the accounting firm contains a statement on any circumstance to be accountable for, the accounting firm may require the Board to convene an extraordinary general meeting of shareholders to hear the explanations of the circumstances connected with its resignation.</p>	<p data-bbox="853 289 1018 314">Article 165<u>145</u></p> <p data-bbox="853 342 1353 644">When the Company dismisses or does not renew the appointment of an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views to the shareholders' general meeting on which such dismissal is considered. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meeting of whether there is any irregularity in the Company.</p> <p data-bbox="853 672 1353 917">An accounting firm of the Company may resign from its office by depositing a written notice of resignation to that effect at the legal address of the Company. Any such notice shall become effective on the day when it is deposited at the Company's legal address, or on a later date as specified in the notice. Such notice shall include the following statements:</p> <p data-bbox="853 944 1353 1108">(I) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders or creditors of the Company;</p> <p data-bbox="853 1136 1353 1193">(II) a representation on any such circumstances.</p> <p data-bbox="853 1221 1353 1332">The Company shall, within 14 days after the receipt of the aforesaid written notice, send a copy of the notice to the competent authority in charge.</p> <p data-bbox="853 1359 1353 1902">If the notice contains the representation mentioned in item (II) of the preceding paragraph, the Company shall deposit a duplicate copy of the representation at the Company for inspection by shareholders, and the Company shall also deliver the aforesaid duplicate copy of the representation by post with postage pre-paid to each holder of overseas-listed foreign shares at their respective address recorded in the register of shareholders. If the notice of resignation of the accounting firm contains a statement on any circumstance to be accountable for, the accounting firm may require the Board to convene an extraordinary general meeting of shareholders to hear the explanations of the circumstances connected with its resignation.</p>

	Original	Amended
116.	<p>Article 178</p> <p>The employees of the Company have the right to set up a Trade Union and engage in the activities of the Trade Union in accordance with the Trade Union Law of the People's Republic of China. The activities organized by the Trade Union shall be carried out beyond the normal working hours unless otherwise specified by the Board.</p>	<p>Article 178<u>158</u></p> <p>The employees of the Company have the right to set up a Trade Union and engage in the activities of the Trade Union in accordance with the Trade Union Law of the People's Republic of China. The activities organized by the Trade Union shall be carried out beyond the normal working hours unless otherwise specified by the Board.</p> <p><u>When the Company studies and decides on major issues related to restructuring, dissolution, bankruptcy application, or business operations, and formulates important rules and regulations, it should listen to the opinions of the trade union of the Company, and listen to the opinions and suggestions of employees through the employee representative assembly or other forms.</u></p>

	Original	Amended
117.	<p>Article 179</p> <p>The merger or split-up of the Company shall require the preparation of a proposal by the Board, which after being adopted in accordance with the procedures specified in these Articles, shall go through relevant examination and approval procedures in accordance with law. Shareholders that oppose such merger or split-up proposal shall be entitled to require the Company or shareholders who are in favour of such proposal to purchase their shares at a fair price. The content of the resolutions approving the merger or split-up of the Company shall be compiled in a special document or inspection by shareholders.</p> <p>The aforesaid document shall be delivered, twenty one days prior to the relevant shareholders' general meeting, by post with postage pre-paid to all holders of overseas-listed foreign shares at the address of each recipient recorded in the register of shareholders.</p>	<p>Article 179<u>159</u></p> <p>The merger or split-up of the Company shall require the preparation of a proposal by the Board, which after being adopted in accordance with the procedures specified in these Articles, shall go through relevant examination and approval procedures in accordance with law. Shareholders that oppose such merger or split-up proposal shall be entitled to require the Company or shareholders who are in favour of such proposal to purchase their shares at a fair price. The content of the resolutions approving the merger or split-up of the Company shall be compiled in a special document or inspection by shareholders.</p> <p>The aforesaid document shall be delivered, twenty one days prior to the relevant shareholders' general meeting, by post with postage pre-paid to all holders of overseas-listed foreign shares at the address of each recipient recorded in the register of shareholders.</p> <p><u>If the price paid by the Company for merger does not exceed 10% of the Company's net assets, it may not be decided by the shareholders' meeting, but it shall be decided by the Board of Directors.</u></p>

	Original	Amended
118.	<p>Article 180</p> <p>The merger of the Company may take the form of either merger by absorption or merger by new establishment.</p> <p>In the case of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a property list in respect of the Company. Furthermore, the Company shall notify its creditors within a period of ten days from the date on which the merger resolution is passed and publish announcements on such merger on newspapers for at least three times within thirty days thereafter.</p>	<p>Article 180<u>160</u></p> <p>The merger of the Company may take the form of either merger by absorption or merger by new establishment.</p> <p>In the case of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a property list in respect of the Company. Furthermore, the Company shall notify its creditors within a period of ten days from the date on which the merger resolution is passed and publish announcements on such merger on newspapers <u>or the National Enterprise Credit Information Publicity System</u> for at least three times within thirty days thereafter.</p> <p><u>When the Company is merged, the creditor's rights and debts of the merged parties shall be inherited by the surviving or newly established company after the merger.</u></p>

	Original	Amended
119.	<p>Article 181</p> <p>Where the Company is to be split up, its property shall be divided accordingly.</p> <p>In the case of the split-up of the Company, the parties to the split-up shall enter into a division agreement and prepare balance sheets and a property list in respect of the Company. The Company shall notify its creditors within a period often days from the date on which the split-up resolution is passed and publish announcements on such split-up on newspapers for at least three times within thirty days thereafter.</p> <p>Debts owed by the Company prior to the split-up shall be assumed by the companies inexistence as a result of the split-up in accordance with the agreement concluded.</p>	<p>Article 181<u>161</u></p> <p>Where the Company is to be split up, its property shall be divided accordingly.</p> <p>In the case of the split-up of the Company, the parties to the split-up shall enter into a division agreement and prepare balance sheets and a property list in respect of the Company. The Company shall notify its creditors within a period often days from the date on which the split-up resolution is passed and publish announcements on such split-up on newspapers <u>or the National Enterprise Credit Information Publicity System</u> for at least three times within thirty days thereafter.</p> <p>Debts owed by the Company prior to the split-up shall be assumed by the companies inexistence as a result of the split-up in accordance with the agreement concluded. <u>However, unless otherwise agreed in the written agreement reached between the Company and creditors on debt settlement before division.</u></p>

	Original	Amended
120.	<p>Article 183</p> <p>The Company shall be dissolved and liquidated in accordance with law in any of the following circumstances:</p> <p>(I) if a shareholders' general meeting resolves to dissolve the Company;</p> <p>(II) if dissolution is necessary as a result of the merger or split-up of the Company;</p> <p>(III) if the Company is declared bankrupt in accordance with law due to inability to repay its debts when due;</p> <p>(IV) if the Company is lawfully ordered to close down as a result of violation of laws or administrative regulations.</p>	<p>Article 183<u>163</u></p> <p>The Company shall be dissolved and liquidated in accordance with law in any of the following circumstances:</p> <p><u>(I) if the business period specified in the Articles of Association expires or other reasons for dissolution specified in the Articles of Association occur;</u></p> <p><u>(II)</u> if a shareholders' general meeting resolves to dissolve the Company;</p> <p><u>(III)</u> if dissolution is necessary as a result of the merger or split-up of the Company;</p> <p><u>(IV)</u> if <u>the business license of the</u> Company is <u>revoked, ordered to close down or revoked</u> declared bankrupt in accordance with law due to inability to repay its debts when due;</p> <p><u>(V)</u> if the Company <u>encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, which cannot be resolved through other means, shareholders holding more than ten percent of the voting rights of all shareholders of the Company may request the people's court to dissolve the</u> Company is lawfully ordered to close down as a result of violation of laws or administrative regulations.</p> <p><u>In the event of the dissolution of the Company as specified in the preceding paragraph, it shall announce the dissolution of the Company through the National Enterprise Credit Information Publicity System within ten days.</u></p>

	Original	Amended
121.	<p>Article 184</p> <p>Where the Company is to be dissolved pursuant to item (I) of the preceding Article, it shall establish a liquidation committee within fifteen days. The members of such liquidation committee shall be determined at a shareholders' general meeting by way of an ordinary resolution.</p> <p>Where the Company is to be dissolved pursuant to item (III) of the preceding Article, the people's court shall, in accordance with the requirements of relevant laws, arrange for the shareholders, relevant authorities, and relevant professionals to establish a liquidation committee to carry out liquidation.</p> <p>Where the Company is to be dissolved pursuant to item (IV) of the preceding Article, the relevant authorities in charge shall arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.</p>	<p>Article 184<u>164</u></p> <p>Where the Company is to be dissolved pursuant to item (I), <u>item (II), item (IV) and item (V)</u> of the preceding Article, <u>the Board of Directors shall be the Company's liquidation obligor</u>, it shall establish a liquidation committee within fifteen days <u>from the date when the cause of dissolution appears, and the liquidation shall begin. The liquidation committee is composed of directors, unless the shareholders' meeting decides to elect another person.</u></p> <p><u>If the liquidation obligor fails to perform liquidation obligations in a timely manner and causes losses to the company or creditors, he shall be liable for compensation.</u></p> <p><u>If a liquidation committee is not established for liquidation within the time limit or failure to liquidate after establishing a liquidation committee, interested parties may apply to the people's court to designate relevant personnel to form a liquidation committee for liquidation. The people's court shall accept the application and promptly organize a liquidation committee to carry out the liquidation. The members of such liquidation committee shall be determined at a shareholders' general meeting by way of an ordinary resolution.</u></p> <p><u>If the Company falls under the circumstances specified in item (1) and item (2) of the preceding Article, and the property has not been distributed to shareholders, it may continue to exist by amending its Articles of Association or by resolution of the shareholders' meeting.</u></p> <p><u>Amendments to the Company's Articles of Association or resolution of the shareholders' meeting in accordance with the provisions of the preceding paragraph shall be approved by a special resolution of the shareholders attending the shareholders' meeting.</u></p>

	Original	Amended
		<p>Where the Company is to be dissolved pursuant to item (III) of the preceding Article, the people's court shall, in accordance with the requirements of relevant laws, arrange for the shareholders, relevant authorities, and relevant professionals to establish a liquidation committee to carry out liquidation.</p> <p>Where the Company is to be dissolved pursuant to item (IV) of the preceding Article, the relevant authorities in charge shall arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.</p>
122.	<p>Article 185</p> <p>If the Board decides that the Company shall be liquidated (except liquidation as a result of the Company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board holds the opinion that the Company can pay its debts in full within twelve months after the commencement of liquidation.</p> <p>The powers of the Board of the Company shall terminate immediately upon a resolution being adopted by a shareholders' general meeting to carry out liquidation.</p> <p>The liquidation committee shall take instructions from the shareholders' general meetings and make a report at least once a year to the shareholders' general meeting on the committee's income and expenditure, the business of the Company, and the progress of the liquidation. Upon the completion of the liquidation, it shall make a final report to the shareholders' general meeting.</p>	<p>Article 185 (整條刪除)</p> <p>If the Board decides that the Company shall be liquidated (except liquidation as a result of the Company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board holds the opinion that the Company can pay its debts in full within twelve months after the commencement of liquidation.</p> <p>The powers of the Board of the Company shall terminate immediately upon a resolution being adopted by a shareholders' general meeting to carry out liquidation.</p> <p>The liquidation committee shall take instructions from the shareholders' general meetings and make a report at least once a year to the shareholders' general meeting on the committee's income and expenditure, the business of the Company, and the progress of the liquidation. Upon the completion of the liquidation, it shall make a final report to the shareholders' general meeting.</p>

	Original	Amended
123.	<p>Article 186</p> <p>The liquidation committee shall notify creditors within a period of ten days from the date of its establishment and publish announcements on newspapers on the liquidation at least three times within sixty days. The creditors' rights shall be registered by the liquidation committee.</p>	<p>Article 186<u>165</u></p> <p>The liquidation committee shall notify creditors within a period of ten days from the date of its establishment and publish announcements on newspapers or the <u>National Enterprise Credit Information Publicity System</u> on the liquidation at least three times within sixty days. The creditors' rights shall be registered by the liquidation committee.</p> <p><u>During the period of declaring creditor's rights, the liquidation committee shall not pay off creditors.</u></p>
124.	<p>Article 187</p> <p>The liquidation committee shall exercise the following powers during the liquidation:</p> <p>(I) to thoroughly examine the property of the Company and prepare a balance sheet and property list respectively;</p> <p>(II) to notify the creditors by a notice or public announcement;</p> <p>(III) to dispose of and liquidate relevant unfinished business of the Company;</p> <p>(IV) to pay all outstanding taxes in full;</p> <p>(V) to clear up claims and debts;</p> <p>(VI) to deal with the residual property after full payment of the Company's debts;</p> <p>(VII) to participate in any civil litigation on behalf of the Company.</p>	<p>Article 187<u>166</u></p> <p>The liquidation committee shall exercise the following powers during the liquidation:</p> <p>(I) to thoroughly examine the property of the Company and prepare a balance sheet and property list respectively;</p> <p>(II) to notify the creditors by a notice or <u>and</u> public announcement;</p> <p>(III) to dispose of and liquidate relevant unfinished business of the Company;</p> <p>(IV) to pay all outstanding taxes in full <u>and taxes incurred during the liquidation process;</u></p> <p>(V) to clear up claims and debts;</p> <p>(VI) to deal with <u>distribute</u> the residual property after full payment of the Company's debts;</p> <p>(VII) to participate in any civil litigation on behalf of the Company.</p>

	Original	Amended
125.	<p>Article 188</p> <p>After the liquidation committee has thoroughly examined the company's property and prepared a balance sheet and a property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or relevant authorities in charge for confirmation. Payment of debts out of the Company's property shall be made in the following order of priority:</p> <p>(I) payment of all liquidation expenses;</p> <p>(II) payment of wages and labor insurance expenses;</p> <p>(III) payment of all outstanding taxes in full;</p> <p>(IV) to clear up the Company's debts.</p> <p>The Company's residual property after full payment in accordance with the provisions of the preceding paragraph shall be distributed to shareholders pursuant to the class and proportion of shares held by each shareholder.</p> <p>During liquidation, the Company shall not engage in new business activities.</p>	<p>Article 188<u>167</u></p> <p>After the liquidation committee has thoroughly examined the company's property and prepared a balance sheet and a property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or relevant authorities <u>the people's court</u> in charge for confirmation. Payment of debts out of the Company's property shall be made in the following order of priority:</p> <p>(I) payment of all liquidation expenses;</p> <p>(II) payment of wages and, labor social insurance expenses <u>and statutory compensation</u>;</p> <p>(III) payment of all outstanding taxes in full;</p> <p>(IV) to clear up the Company's debts.</p> <p>The Company's residual property after full payment in accordance with the provisions of the preceding paragraph shall be distributed to shareholders pursuant to the class and proportion of shares held by each shareholder.</p> <p>During liquidation, the Company <u>shall survive, but</u> shall not engage in new business activities <u>unrelated to liquidation. The Company's property shall not be distributed to shareholders before it is paid off in accordance with the provisions of the preceding paragraph.</u></p>

	Original	Amended
126.	<p>Article 189</p> <p>If the Company is liquidated due to dissolution and the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and a property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the people's court for declaration of bankruptcy.</p> <p>After the Company is declared bankrupt by the ruling of the people's court, the liquidation committee of the Company shall refer the liquidation matters to the people's court.</p>	<p>Article 189<u>168</u></p> <p>If the Company is liquidated due to dissolution and the The liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and a property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the people's court for declaration of <u>bankruptcy liquidation according to law.</u></p> <p>After the Company is declared bankrupt by the ruling of the people's court, the liquidation committee of the Company shall refer the liquidation matters to the people's court <u>people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.</u></p>
127.	<p>Article 190</p> <p>Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, an income and expenditure statement and financial account books in respect of the liquidation period and, upon verification thereof by a certified public accountant registered in China, submit the same to the shareholders' general meeting or the competent authorities for confirmation.</p> <p>Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant competent authorities, the liquidation committee shall deliver the same to the registration authorities of the Company, apply for cancellation of the Company's registration, and publicly announce the Company's termination.</p>	<p>Article 190<u>169</u></p> <p>Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, an income and expenditure statement and financial account books in respect of the liquidation period and, upon verification thereof by a certified public accountant registered in China, submit the <u>same liquidation report</u> to the shareholders' general meeting or the competent authorities <u>people's court</u> for confirmation.</p> <p>Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant competent authorities, <u>and</u> the liquidation committee shall deliver the <u>same liquidation report</u> to the registration authorities of the Company, apply for cancellation of the Company's registration, and publicly announce the Company's termination.</p>

	Original	Amended
128.	–	<p><u>Article 170</u> (新增條款)</p> <p><u>Members of the liquidation committee shall perform liquidation duties, and have the obligation of loyalty and diligence.</u></p> <p><u>Members of the liquidation committee who neglects to perform liquidation duties and causes losses to the company shall be liable for compensation; Members of the liquidation committee shall be liable for compensation if they cause losses to the Company or creditors due to intentional or gross negligence.</u></p>
129.	–	<p><u>Article 171</u> (新增條款)</p> <p><u>If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.</u></p>
130.	Chapter XXIII Procedures for Amendments to the Articles of Association	Chapter XXIIIXXII Procedures for Amendments to the Articles of Association
131.	<p>Article 192</p> <p>Where an amendment to the Company's Articles of Association involves matters provided for in the <i>Prerequisite Clauses on the Articles of Association of Companies Seeking a Listing Outside the PRC</i> ("Prerequisite Clauses"), it shall become effective upon the approval of relevant company examination and approval authorities authorised by the State Council and the securities regulatory authorities under the State Council. Where an amendment thereto involves matters of company registration, any change in registration shall be handled in accordance with law.</p>	<p>Article 192173</p> <p>Where an amendment to the Company's Articles of Association involves matters provided for in the Prerequisite Clauses on the Articles of Association of Companies Seeking a Listing Outside the PRC ("Prerequisite Clauses"), it shall become effective upon the approval of relevant company examination and approval authorities authorised by the State Council and the securities regulatory authorities under the State Council. Where an amendment thereto involves matters of company registration, any change in registration shall be handled in accordance with law.</p>

	Original	Amended
132.	<p>Article 193</p> <p>The Company shall comply with the following rules in the settlement of disputes:</p> <p>(I) If any dispute or claim concerning the business of the Company on the basis of the rights or obligations provided for in these Articles, or the <i>Company Law</i>, or in relevant laws or administrative regulations arises between a holder of overseas-listed foreign shares and the Company, or between a holder of overseas-listed foreign shares and a director, or a supervisor, or the manager, or other senior management officers of the Company, or between a holder of overseas-listed foreign shares and a holder of domestic shares or non-listed foreign shares, such dispute or claim shall be referred by the parties concerned to arbitration for settlement.</p> <p>When a dispute or claim as described above herein is referred to arbitration, such dispute or claim shall be in its entirety, and all persons, being the Company, or any shareholders, directors, supervisors, the manger, or other senior management officers of the Company, that have a cause of action due to the same facts or whose involvement is necessary for the settlement of such dispute or claim, shall abide by arbitration.</p> <p>Disputes concerning the definition of shareholders and the register of shareholders may not be required to be settled by means of arbitration.</p> <p>(II) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by 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 securities arbitration rules. After the arbitration applicant submits the dispute or claim for arbitration, the other party concerned shall carry out arbitration in the arbitration institution selected by the applicant.</p> <p>If the arbitration applicant elects arbitration by the Hong Kong International Arbitration Centre, either party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.</p> <p>(III) If any disputes or claims referred to in item (I) herein are settled by way of arbitration, the laws of China shall apply, save as otherwise provided in laws and administrative regulations.</p> <p>(IV) The decision of the arbitration institution shall be final and binding on all parties.</p>	<p>Article 193174</p> <p>The Company shall comply with the following rules in the settlement of disputes:</p> <p>(I) If any dispute or claim concerning the business of the Company on the basis of the rights or obligations provided for in these Articles, or the <i>Company Law</i>, or in relevant laws or administrative regulations arises between a holder of overseas-listed foreign shares and the Company, or between a holder of overseas-listed foreign shares and a director, or a supervisor, or the manager, or other senior management officers of the Company, or between a holder of overseas-listed foreign shares and a holder of domestic shares or non-listed foreign shares, such dispute or claim shall be referred by the parties concerned to arbitration for settlement.</p> <p>When a dispute or claim as described above herein is referred to arbitration, such dispute or claim shall be in its entirety, and all persons, being the Company, or any shareholders, directors, supervisors, the manger, or other senior management officers of the Company, that have a cause of action due to the same facts or whose involvement is necessary for the settlement of such dispute or claim, shall abide by arbitration.</p> <p>Disputes concerning the definition of shareholders and the register of shareholders may not be required to be settled by means of arbitration.</p> <p>(II) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by 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 securities arbitration rules. After the arbitration applicant submits the dispute or claim for arbitration, the other party concerned shall carry out arbitration in the arbitration institution selected by the applicant.</p> <p>If the arbitration applicant elects arbitration by the Hong Kong International Arbitration Centre, either party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.</p> <p>(III) If any disputes or claims referred to in item (I) herein are settled by way of arbitration, the laws of China shall apply, save as otherwise provided in laws and administrative regulations.</p> <p>(IV) The decision of the arbitration institution shall be final and binding on all parties.</p>

	Original	Amended
133.	<p>Article 196</p> <p>Any notices, documents, information or written statement from the shareholders or directors to the Company shall be delivered personally or sent by registered mail to the legal address of the Company.</p>	<p>Article 196<u>177</u></p> <p>Any notices, documents, information or written statement from the shareholders or directors to the Company shall be delivered personally or sent by registered mail to the legal address of the Company.</p>
134.	<p>Article 197</p> <p>The shareholders or directors of the Company who want to prove that certain notices, documents, materials, or written statements have been sent to the Company shall provide evidential materials showing that such notices, documents, materials, or written statements have been sent to the Company by normal methods prescribed in Article 194 hereof within designated time, specifically, the provision of receipt confirmation in the case of delivery by person, and in the case of delivery by post, the provision of evidence showing that the relevant mail, clearly addressed, with recipient's name clearly written and the postage pre-paid, has been sent to the right address.</p>	<p>Article 197<u>178</u></p> <p>The shareholders or directors of the Company who want to prove that certain notices, documents, materials, or written statements have been sent to the Company shall provide evidential materials showing that such notices, documents, materials, or written statements have been sent to the Company by normal methods prescribed in Article 194 <u>the Articles of Association</u> hereof within designated time, specifically, the provision of receipt confirmation in the case of delivery by person, and in the case of delivery by post, the provision of evidence showing that the relevant mail, clearly addressed, with recipient's name clearly written and the postage pre-paid, has been sent to the right address.</p>

	Original	Amended
135.	<p>Article 198</p> <p>These Articles of Association are made and shall be interpreted in accordance with the <i>Company Law, the Prerequisite Clauses, the Opinions, Proposals, Listing Rules</i> and other applicable laws and administrative regulations. If any term herein is in contradiction to the aforesaid laws and administrative regulations, the provisions of such laws and administrative regulations shall prevail.</p> <p>The right to interpret these Articles shall be vested in the Board of the Company. Matters not covered in these Articles shall be submitted by the Board to the general meetings of shareholders for resolution.</p>	<p>Article 198<u>179</u></p> <p>These Articles of Association are made and shall be interpreted in accordance with the <i>Company Law, the Prerequisite Clauses, the Opinions, Proposals, Listing Rules</i> and other applicable laws and administrative regulations. If any term herein is in contradiction to the aforesaid laws and administrative regulations, the provisions of such laws and administrative regulations shall prevail.</p> <p>The right to interpret these Articles shall be vested in the Board of the Company. Matters not covered in these Articles shall be submitted by the Board to the general meetings of shareholders for resolution.</p>

A. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

B. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

C. DISCLOSURE OF INTERESTS**1. Interests of Directors**

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executive of the Company had interests and short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, Supervisor or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

2. Directors' positions in the substantial Shareholders

As at the Latest Practicable Date, each of Bailian Group and Shanghai Bailian was a company with interests which fell to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, (i) Mr. Pu Shao-hua, the chairman of the Board of the Company and a non-executive Director, is the president and deputy secretary of the Party Committee of Bailian Group; (ii) Ms. Zhang Hui-qin, the vice chairman of the Company and an executive Director, is the chairman of Lianhua Huashang; (iii) Mr. Chong Xiao-bing, the general manager of the Company and an executive Director, is the chairman of the board of directors of Hualian GMS and a director of Bailian Financial Services; (iv) Ms. Zhang Shen-yu, a non-executive Director, is a director and the general manager of Shanghai Bailian; (v) Mr. Dong Xiao-chun, a non-executive Director, is a director, chief financial officer and secretary of the board of directors of Shanghai Bailian; (vi) Mr. Li Feng, a Supervisor and the chairman of the supervisory committee of the Company, is the senior director of audit and risk control center of Bailian Group, a supervisor of Shanghai Bailian and the chairman of the supervisory committee of First Pharmaceutical; and (vii) Mr. Luo Yang-hong, a Supervisor, is the deputy general manager of Shanghai Bailian.

Save as disclosed above, none of the Directors, proposed Director and Supervisors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

D. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

E. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors or Supervisors of the Company had any direct or indirect interest in any assets which have since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

F. COMPETING INTERESTS

As at the Latest Practicable Date, according to the Listing Rules, other than the Director disclosed below, none of the Directors had any interest in any businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group.

Name of Director	Name of entity whose business are considered to complete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Hu Xiao	Suning.com Co., Ltd.	Online retail sale, specialised home appliance stores, hypermarkets, membership stores, selected store	Non-independent director

G. EXPERT'S CONSENT AND QUALIFICATIONS

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

Name	Qualifications
VBG Capital	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

VBG Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which it is included.

The letter and recommendation given by VBG Capital are given as of the date of this circular for incorporation herein.

VBG Capital confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

H. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://lianhua.todayir.com/en/index.php>) for a period of 14 days from the date of this circular:

- (a) the Supplemental Tenancy Agreement;
- (b) the Financial Services Agreement;
- (c) the material contracts referred to in the paragraph headed “J. Material Contracts” in this Appendix;
- (d) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 32 to 33 of this circular;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages 34 to 49 of this circular; and
- (f) the Independent Financial Adviser’s consent letter mentioned in the “G. Expert’s Consent and Qualifications” of the Appendix IV to this circular.

I. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group or to which any member of the Group may become a party.

J. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contract, not being contracts entered into the ordinary course of business, were entered into by the Company or any of its subsidiaries which are or may be material:

- a) On 27 September 2023, Lianhua Huashang, Shanghai Securities and the custodian bank entered into a supplemental agreement to the single asset management contract entered into between Lianhua Huashang, Shanghai Securities and the custodian bank dated 8 July 2021, pursuant to which, Shanghai Securities will invest and manage the entrusted assets by Lianhua Huashang, on a discretionary basis, in accordance with the requirements of the applicable laws and regulations, regulatory requirements and investment guidelines thereunder, for an extended term commencing from 1 January 2024 to 31 December 2026.

K. GENERAL

The company secretary is Ms. Xu Xiao-yi. Ms. Xu Xiao-yi is a senior accountant and certified public accountant.

L. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.

NOTICE OF ANNUAL GENERAL MEETING

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

(Stock Code: 00980)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**AGM**”) of Lianhua Supermarket Holdings Co., Ltd. (the “**Company**”) for the year 2023 will be held at 9:30 a.m. on Thursday, 20 June, 2024 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the People's Republic of China (the “**PRC**”), to consider and, if thought fit, pass the following resolutions of the Company (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 6 May 2024 (the “**Circular**”) containing the details of the following resolutions):

ORDINARY RESOLUTIONS

1. To approve the work report of the board of directors of the Company (the “**Board**”) for the year ended 31 December 2023;
2. To approve the work report of the supervisory committee of the Company (the “**Supervisory Committee**”) for the year ended 31 December 2023;
3. To approve the consolidated audited financial statements of the Company and the report of the international auditors for the year ended 31 December 2023;
4. To approve the profit distribution proposal of the Company for the year ended 31 December 2023 for not distributing final dividend;
5. To approve the re-appointment of Shanghai Certified Public Accountants as the Company's PRC auditors and Deloitte Touche Tohmatsu as the Company's international auditors for the period from the conclusion of the annual general meeting of the Company for the year 2023 to the conclusion of the annual general meeting of the Company for the year 2024 and to authorize the Board to fix their respective remuneration;
6. To approve the appointment of Ms. Zhang Hui-qin as an executive director of the eighth session of the Board;

NOTICE OF ANNUAL GENERAL MEETING

7. To approve the Supplemental Tenancy Agreement dated 7 April 2024 entered into between Century Lianhua Nanhui, a subsidiary of the Company, as the Tenant, Tengteng, as the Landlord, and Shanghai Jiaping, as the property management service provider; and
8. To approve the Financial Services Agreement dated 7 April 2024 entered into between the Company, Bailian Group and Bailian Finance, a subsidiary of Bailian Group, in relation to the provision of deposit services, loan services and other financial services by Bailian Finance.

SPECIAL RESOLUTION

9. To approve the Proposed Amendments to the Articles of Association of Lianhua Supermarket Holdings Co., Ltd.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

Shanghai, the PRC, 6 May 2024

Notes:

1. Please refer to the Circular for (i) the details of the Supplemental Tenancy Agreement and the transactions contemplated thereunder; (ii) the details of the Financial Services Agreement and the transactions contemplated thereunder; and (iii) the details of the Proposed Amendments to the Articles of Association.
2. Please refer to Appendix I of the Circular for details of Ms. Zhang Hui-qin.
3. The H shares share registrar of the Company will be closed from Monday, 20 May 2024 to Thursday, 20 June 2024 (both days inclusive), during which no transfer of H shares of the Company (“**H Shares**”) will be effected. Any holders of H Shares, whose names appear on the Company’s Register of Members on Thursday, 20 June 2024, are entitled to attend and vote at the AGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the AGM, persons holding H Shares shall lodge share transfer documents and the relevant share certificates with the H Shares share registrar not later than 4:30 p.m. on Friday, 17 May 2024.
4. The address of the Company’s share registrar for share transfer of H Shares in Hong Kong is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

5. Holders of H Shares, domestic Shares and unlisted foreign Shares, who intend to attend the AGM, must complete the reply slips for attending the AGM and return them to the office of the secretary to the Board not later than 20 days before the date of the AGM. Details of the office of the secretary to the Board are as follows:
- 13th Floor
Bailian Central Plaza
1258 Zhen Guang Lu
Shanghai
The PRC
Tel: (8621) 5278 9576
Fax: (8621) 5279 7976
6. Each holder of H Shares who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her/its behalf at the AGM. A shareholder of the Company who has appointed more than one proxy may only vote by poll. Each shareholder of the Company who wished to appoint one or more proxies should first review the annual report of the Company for the year ended 31 December 2023.
7. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified.
8. In the case of holder of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the AGM, or any adjournment thereof, in order for such documents to be valid.
9. Each holder of domestic shares of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in Renminbi (the "**Domestic Shares**") and of unlisted foreign shares of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in foreign currency (the "**Unlisted Foreign Shares**") is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her/its behalf at the AGM. Notes (5) to (6) also apply to holders of the Domestic Shares and Unlisted Foreign Shares, except that the proxy form or other documents of authority must be delivered to the office of the secretary to the Board, the address of which is set out in Note (5) above, not less than 24 hours before the time for holding the AGM, or any adjournment thereof, in order for such documents to be valid.
10. Shareholders shall produce their identity documents when attending the meeting. If a proxy attends the AGM on behalf of a shareholder of the Company, he/she should produce his/her identity card and the instrument signed by the shareholder or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person shareholder attends the AGM, such legal representative should produce his/her identity card and valid documents evidencing his/her capacity as such legal representative. If a legal person shareholder appoints a representative other than its legal representative to attend the AGM, such representative should produce his/her identity card and an authorization instrument affixed with the seal of the legal person shareholder and duly signed by its legal representative.
11. The AGM is expected to last for half a day. Shareholders of the Company attending the AGM are responsible for their own transportation and accommodation expenses.

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, the directors of the Company are:

Executive directors:

Chong Xiao-bing and Zhang Hui-qin;

Non-executive directors:

Pu Shao-hua, Hu Xiao, Zhang Shen-yu,
Dong Xiao-chun and Wong Tak Hung;

Independent non-executive directors:

Xia Da-wei, Lee Kwok Ming, Don, Chen Wei
and Zhao Xin-sheng.

NOTICE OF CLASS MEETING OF HOLDERS OF DOMESTIC SHARES AND UNLISTED FOREIGN SHARES

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(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00980)

NOTICE OF CLASS MEETING OF HOLDERS OF DOMESTIC SHARES AND UNLISTED FOREIGN SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting of holders of Domestic Shares and Unlisted Foreign Shares (the “**Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares**”) of Lianhua Supermarket Holdings Co., Ltd. (the “**Company**”) for the year 2023 will be held at 10:30 a.m. on Thursday, 20 June 2024 (or immediately after the conclusion or adjournment of the annual general meeting of the Company which will be held at the same place and on the same date), or any adjournment thereof, at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the People's Republic of China (the “**PRC**”), to consider and, if thought fit, pass the following special resolution (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 6 May 2024 (the “**Circular**”) containing the details of the following special resolution):

SPECIAL RESOLUTION

1. To approve the Proposed Amendments to the Articles of Association of Lianhua Supermarket Holdings Co., Ltd.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

Shanghai, the PRC, 6 May 2024

NOTICE OF CLASS MEETING OF HOLDERS OF DOMESTIC SHARES AND UNLISTED FOREIGN SHARES

Notes:

1. Please refer to the Circular for details of the Proposed Amendments to Articles of Association.
2. Holders of Domestic Shares and Unlisted Foreign Shares, who intend to attend the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares, must complete the reply slips for attending the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares and return them to the office of the secretary to the Board not later than 20 days before the date of the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares. Details of the office of the secretary to the Board are as follows:

13th Floor
Bailian Central Plaza
1258 Zhen Guang Lu
Shanghai
The PRC
Tel: (8621) 5278 9576
Fax: (8621) 5279 7976

3. Each holder of Domestic Shares and Unlisted Foreign Shares who has the right to attend and vote at the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her/its behalf at the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares. A shareholder of the Company who has appointed more than one proxy may only vote by poll.
4. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified.
5. The proxy form or other documents of authority must be delivered to the office of the secretary to the Board, the address of which is set out in Note (2) above, not less than 24 hours before the time for holding the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares or any adjournment, thereof in order for such documents to be valid.
6. Shareholders shall produce their identity documents when attending the meeting. If a proxy attends the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares on behalf of a shareholder of the Company, he/she should produce his/her identity card and the instrument signed by the shareholder or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person share shareholder attends the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares, such legal representative should produce his/her identity card and valid documents evidencing his/her capacity as such legal representative. If a legal person share shareholder appoints a representative of the company other than its legal representative to attend the Class Meeting of Holders of Domestic Shares and Unlisted Foreign Shares, such representative should produce his/her identity card and an authorization instrument affixed with the seal of the legal person share shareholder and duly signed by its legal representative.

As at the date of this notice, the directors of the Company are:

Executive directors: Chong Xiao-bing and Zhang Hui-qin;

Non-executive directors: Pu Shao-hua, Hu Xiao, Zhang Shen-yu,
Dong Xiao-chun and Wong Tak Hung;

Independent non-executive directors: Xia Da-wei, Lee Kwok Ming, Don, Chen Wei
and Zhao Xin-sheng.

NOTICE OF H SHAREHOLDERS CLASS MEETING

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

(Stock Code: 00980)

NOTICE OF H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN THAT a class meeting of holders of H Shares (the “**H Shareholders Class Meeting**”) of Lianhua Supermarket Holdings Co., Ltd. (the “**Company**”) for the year 2023 will be held at 11:00 a.m. on Thursday, 20 June 2024 (or immediately after the conclusion or adjournment of the class meeting of holders of Domestic Shares and Unlisted Foreign Shares of the Company which will be held at the same place and on the same date), or any adjournment thereof, at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the People's Republic of China (the “**PRC**”), to consider and, if thought fit, pass the following special resolution (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 6 May 2024 (the “**Circular**”) containing the details of the following special resolution):

SPECIAL RESOLUTION

1. To approve the Proposed Amendments to the Articles of Association of Lianhua Supermarket Holdings Co., Ltd.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

Shanghai, the PRC, 6 May 2024

NOTICE OF H SHAREHOLDERS CLASS MEETING

Notes:

1. Please refer to the Circular for details of the Proposed Amendments to Articles of Association.
2. The H shares share registrar of the Company will be closed from Monday, 20 May 2024 to Thursday, 20 June 2024 (both days inclusive), during which no transfer of H shares of the Company (“**H Shares**”) will be effected. Any holders of H Shares, whose names appear on the Company’s Register of Members on Thursday, 20 June 2024, are entitled to attend and vote at the H Shareholders Class Meeting after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the H Shareholders Class Meeting, persons holding H Shares shall lodge share transfer documents and the relevant share certificates with the H Shares share registrar not later than 4:30 p.m. on Friday, 17 May 2024.
3. The address of the Company’s share registrar for share transfer of H Shares in Hong Kong is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong
4. Holders of H Shares, who intend to attend the H Shareholders Class Meeting, must complete the reply slips for attending the H Shareholders Class Meeting and return them to the office of the secretary to the Board not later than 20 days before the date of the H Shareholders Class Meeting. Details of the office of the secretary to the Board are as follows:

13th Floor
Bailian Central Plaza
1258 Zhen Guang Lu
Shanghai
The PRC
Tel: (8621) 5278 9576
Fax: (8621) 5279 7976
5. Each holder of H Shares who has the right to attend and vote at the H Shareholders Class Meeting is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her/its behalf at the H Shareholders Class Meeting. A shareholder of the Company who has appointed more than one proxy may only vote by poll.
6. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified.

NOTICE OF H SHAREHOLDERS CLASS MEETING

7. The proxy form or other documents of authority must be delivered to the office of the secretary to the Board, the address of which is set out in Note (3) above, not less than 24 hours before the time for holding the H Shareholders Class Meeting or any adjournment, thereof in order for such documents to be valid.
8. Shareholders shall produce their identity documents when attending the meeting. If a proxy attends the H Shareholders Class Meeting on behalf of a shareholder of the Company, he/she should produce his/her identity card and the instrument signed by the shareholder or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person share shareholder attends the H Shareholders Class Meeting, such legal representative should produce his/her identity card and valid documents evidencing his/her capacity as such legal representative. If a legal person shareholder appoints a representative of the company other than its legal representative to attend the H Shareholders Class Meeting, such representative should produce his/her identity card and an authorization instrument affixed with the seal of the legal person share shareholder and duly signed by its legal representative.

As at the date of this notice, the directors of the Company are:

Executive directors: Chong Xiao-bing and Zhang Hui-qin;

Non-executive directors: Pu Shao-hua, Hu Xiao, Zhang Shen-yu,
Dong Xiao-chun and Wong Tak Hung;

Independent non-executive directors: Xia Da-wei, Lee Kwok Ming, Don, Chen Wei
and Zhao Xin-sheng.