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Xi'an Kingfar Property Services Co., Ltd.
西安經發物業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1354)

**PROPOSED CHANGE OF AUDITORS,
PROPOSED ABOLISHMENT OF THE SUPERVISORY COMMITTEE
AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

PROPOSED CHANGE OF AUDITORS

The Board hereby announces that Xigema Certified Public Accountants (Special General Partnership) and KPMG had resigned as the auditors of the Company with effect from 22 October 2025 and the Board proposes to appoint SHINEWING Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the new domestic and overseas auditors of the Company for the year of 2025, subject to the approval by the Shareholders at the EGM.

**PROPOSED ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In order to improve corporate governance, the Company intends and the Board proposes to abolish the Supervisory Committee in accordance with the newly revised Company Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies (revised in 2025), the Administrative Measures for Independent Directors of Listed Companies and other relevant laws, regulations, normative documents and regulatory requirements, and certain functions and powers of the Supervisory Committee as stipulated in the laws and regulations shall be undertaken by the Audit Committee, and the rules of procedure of the Supervisory Committee of the Company shall be abolished accordingly. Meanwhile, the Board proposes to amend relevant articles of the Articles of Association.

GENERAL

A circular containing, among other things, (i) details of the proposed change of auditors, (ii) details of the proposed abolishment of the Supervisory Committee, and (iii) full provisions of the proposed amendments to the Articles of Association, together with a notice convening the EGM will be despatched to Shareholders in due course.

PROPOSED CHANGE OF AUDITORS

On 30 September 2025, in view of the recent public information and considering the Company's existing business situation, the Company's upgrade of strategy and management and the cost management, and the demand for audit services, the board (the "**Board**") of directors (the "**Directors**") of Xi'an Kingfar Property Services Co., Ltd. (the "**Company**") resolved, according to the tender results with respect to the engagement of the auditor of the Company and with the recommendation from the audit committee of the Company (the "**Audit Committee**"), to propose the appointment of SHINEWING Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the new domestic and overseas auditors of the Company for the year of 2025 (the "**Proposed Appointment**") for the approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting (the "**EGM**") to be convened and held by the Company on 22 October 2025 for a term up to the conclusion of the next annual general meeting of the Company.

The Company has communicated with the original auditors, Xigema Certified Public Accountants (Special General Partnership) and KPMG ("**KPMG**"), in relation to the proposed change of auditors. Xigema Certified Public Accountants (Special General Partnership) and KPMG had considered the above considerations of the Company and agreed to resign as auditors of the Company with effect from 22 October 2025. Xigema Certified Public Accountants (Special General Partnership) and KPMG, in their resignation letter, confirmed there are no matters that need to be brought to the attention of the Shareholders and the creditors of the Company. The Board and the Audit Committee confirm that there is no disagreement or outstanding matters between Xigema Certified Public Accountants (Special General Partnership) and KPMG and the Company, and there are no matters relating to the proposed change of auditors that need to be brought to the attention of the Shareholders and the creditors of the Company.

For the Proposed Appointment of SHINEWING Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the new domestic and overseas auditors of the Company, the Audit Committee has considered a number of factors, including but not limited to (i) its experience in providing audit services to companies whose shares are listed on the Stock Exchange; (ii) its industry knowledge, technical competence and performance capability; (iii) its resources allocation, quality and capability including but not limited to manpower and time; (iv) its independence and objectivity; (v) its audit fee; (vi) its market reputation; (vii) its audit plan; and (viii) the guidelines issued by the Accounting and Financial Reporting Council. Based on the above, the Board and the Audit Committee have assessed and considered that SHINEWING Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited are independent and capable to perform a high quality audit and are qualified and suitable to act as the new domestic and overseas auditors of the Company.

The Board would like to express its sincere gratitude for the services provided by Xigema Certified Public Accountants (Special General Partnership) and KPMG to the Company in the past years.

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

The Company announces that, in order to improve corporate governance, the Company intends and the Board proposes to abolish the supervisory committee of the Company (the “**Supervisory Committee**”) in accordance with the newly revised Company Law of the People’s Republic of China, the Guidelines for Articles of Association of Listed Companies (revised in 2025), the Administrative Measures for Independent Directors of Listed Companies and other relevant laws, regulations, normative documents and regulatory requirements, and certain functions and powers of the Supervisory Committee as stipulated in the laws and regulations shall be undertaken by the Audit Committee, and the rules of procedure of the Supervisory Committee of the Company shall be abolished accordingly. Meanwhile, the Board proposes to amend relevant articles of the articles of association of the Company (the “**Articles of Association**”). The details of proposed amendments to the Articles of Association are set out in the appendix to this announcement. Save for the contents stated in the Appendix, the expression of “shareholders’ meeting” in the Articles of Association shall also be adjusted to the “general meeting”, the expressions of the “supervisory committee” and the “supervisors” in the Articles of Association shall be deleted and certain functions and powers of the supervisory committee shall be exercised by the Audit Committee.

Save for the proposed amendments to the Articles of Association, other articles of the Articles of Association shall remain unchanged. The proposed amendments to the Articles of Association were prepared in the Chinese language. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

The proposed amendments to the Articles of Association shall be subject to the approval by the Shareholders at the EGM by way of a special resolution.

GENERAL

A circular containing (i) details of the proposed change of auditors, and (ii) details of the proposed abolishment of the Supervisory Committee and full provisions of the proposed amendments to the Articles of Association, together with a notice convening the EGM will be despatched to the Shareholders in due course. Shareholders are accordingly advised to read the details of the proposed amendments to the Articles of Association as set out in appendix to the circular.

By order of the Board
Xi’an Kingfar Property Services Co., Ltd.
Mr. Wu Suozheng
Chairman of the Board and Executive Director

Hong Kong, 30 September 2025

As at the date of this announcement, the Board comprises: (i) Mr. Wu Suozheng, Mr. Sun Qi and Mr. Cheng Hongrang as executive Directors; (ii) Mr. Zhao Junping, Mr. Yang Gang and Ms. Li Lingxiao as non-executive Directors; and (iii) Mr. Lam Siu Wing, Dr. Jiang Li and Mr. Cao Yang as independent non-executive Directors.

APPENDIX

Existing Provisions	Amended Provisions
Article 9 The Articles of Association were adopted by a resolution at the shareholders' general meeting of the Company held on May 15, 2023, and shall come into effect from the date on which the H Shares issued by the Company are listed and traded on the Hong Kong Stock Exchange. Since the effective date, the Articles of Association shall become a legally binding document governing the organization and conduct of the Company, and the rights and obligations between the Company and its shareholders and among shareholders, and shall be a legally binding document governing on the Company, its shareholders, directors, supervisors and senior management. The aforesaid personnel shall have the right to propose claims concerning the affairs of the Company in accordance with the Articles of Association. The Company shall assume the primary responsibility for handling shareholders' complaints, improve the complaint handling mechanism and disclose the handling procedures and status, and effectively protect the shareholders' rights such as right to profit, right to know, right to participate, right to supervise and right to claim in accordance with the laws. According to the Articles of Association, shareholders may sue other shareholders, the Company's directors, supervisors, general manager and other senior management and the Company. The Company may sue shareholders, directors, supervisors, general manager and other senior management.	Article 9 The Articles of Association <u>shall come into effect from the date of approval by a resolution at the</u>were adopted by a resolution at the shareholders' general meeting of the Company held on May 15, 2023 <u>[•] 2025</u>, and shall come into effect from the date on which the H Shares issued by the Company are listed and traded on the Hong Kong Stock Exchange. Since the effective date, the Articles of Association shall become a legally binding document governing the organization and conduct of the Company, and the rights and obligations between the Company and its shareholders and among shareholders, and shall be a legally binding document governing on the Company, its shareholders, directors, supervisors and senior management. The aforesaid personnel shall have the right to propose claims concerning the affairs of the Company in accordance with the Articles of Association. The Company shall assume the primary responsibility for handling shareholders' complaints, improve the complaint handling mechanism and disclose the handling procedures and status, and effectively protect the shareholders' rights such as right to profit, right to know, right to participate, right to supervise and right to claim in accordance with the laws. According to the Articles of Association, shareholders may sue other shareholders, the Company's directors, supervisors, general manager and other senior management and the Company. The Company may sue shareholders, directors, supervisors, general manager and other senior management.

Existing Provisions	Amended Provisions
Article 43 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to laws: (I) to decide the business operation guidelines and investment plans for the Company; (II) to elect and change directors and supervisors who are not employees' representatives, and determine the remunerations of directors and supervisors; (III) to consider and approve reports of the Board; (IV) to consider and approve reports of the Supervisory Committee; (V) to consider and approve the annual financial budgets and final accounting proposals of the Company; (VI) to consider and approve the Company's profit distribution plans and loss recovery plans; (VII) to resolve on the increase or reduction of the registered capital of the Company; (VIII) to resolve on the issuance of bonds of the Company, other securities and on listing matters; (IX) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company; (X) to amend the Articles of Association;	Article 43 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to laws: (I) to decide the business operation guidelines and investment plans for the Company; (II) to elect and change directors and supervisors who are not employees' representatives, and determine the remunerations of directors and supervisors; (III) to consider and approve reports of the Board; (IV) to consider and approve reports of the Supervisory Committee; (V) to consider and approve the annual financial budgets and final accounting proposals of the Company; (VI) to consider and approve the Company's profit distribution plans and loss recovery plans; (VII) to resolve on the increase or reduction of the registered capital of the Company; (VIII) to resolve on the issuance of bonds of the Company, other securities and on listing matters; (IX) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company; (X) to amend the Articles of Association;

Existing Provisions	Amended Provisions
(XI) to determine the Company's engagement, removal, discontinuance of engagement of accounting firms and the remunerations of accounting firms;	<u>(VIII)</u> <u>to authorize the Board of directors to make resolutions on the issuance of bonds of the Company;</u>
(XII) to consider and approve the external guarantees which shall be approved at general meeting;	(XI) to determine the Company's engagement, removal, discontinuance of engagement of accounting firms and the remunerations of accounting firms; <u>(IX)</u>
(XIII) to consider and approve the Company's purchase or disposal of major assets within one year with the aggregate amount exceeding 30% of the latest audited total assets of the Company;	(XII) to consider and approve the external guarantees which shall be approved at general meeting; <u>(X)</u>
(XIV) to consider and approve matters relating to the changes in the use of proceeds;	(XIII) to consider and approve the Company's purchase or disposal of major assets within one year with the aggregate amount exceeding 30% of the latest audited total assets of the Company; <u>(XI)</u>
(XV) to consider and approve connected transactions, external investments, asset pledges, external financing and external donations which shall be approved at general meeting as stipulated by the Hong Kong Listing Regulatory Rules;	(XIV) to consider and approve matters relating to the changes in the use of proceeds; <u>(XII)</u>
(XVI) to consider and approve equity incentive plan and employee stock ownership plan;	(XV) to consider and approve connected transactions, external investments, asset pledges, external financing and external donations which shall be approved at general meeting as stipulated by the Hong Kong Listing Regulatory Rules; <u>(XIII)</u>
(XVII) to consider other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the Articles of Association and Hong Kong Listing Rules.	(XVI) to consider and approve equity incentive plan and employee stock ownership plan; <u>(XIV)</u>

Existing Provisions	Amended Provisions
The aforementioned functions and powers of the general meeting shall not be exercised by the Board of directors or other institutions and individuals through any form of authorization.	(XVII) to consider other matters required to <u>(XV)</u> be resolved at the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the Articles of Association and Hong Kong Listing Rules. The aforementioned functions and powers of the general meeting shall not be exercised by the Board of directors or other institutions and individuals through any form of authorization.

Existing Provisions	Amended Provisions
Article 55 When a shareholders' general meeting is convened by the Company, the board of directors, the Supervisory Committee or shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to raise proposals to the Company. Shareholders who individually or collectively hold more than 3% of the shares of the Company may put forward an interim proposal and submit it in writing to the convener within the time limit prescribed in the Hong Kong Listing Rules prior to the shareholders' general meeting. The convener shall, in accordance with the Hong Kong Listing Rules, issue a supplementary notice of the shareholders' general meeting upon receipt of the proposal to inform the contents of the provisional proposal. Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the shareholders' general meeting, shall neither modify the proposals stated in the notice of shareholders' general meeting nor add new proposals. The shareholders' general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice or are inconsistent with Article 53 hereof.	Article 55 When a shareholders' general meeting is convened by the Company, the board of directors, the Supervisory Committee <u>Audit Committee</u> or shareholders individually or jointly holding <u>13%</u> or more of the shares of the Company shall be entitled to raise proposals to the Company. Shareholders who individually or collectively hold more than <u>13%</u> of the shares of the Company may put forward an interim proposal and submit it in writing to the convener within the time limit prescribed in the Hong Kong Listing Rules prior to the shareholders' general meeting. The convener shall, in accordance with the Hong Kong Listing Rules, issue a supplementary notice of the shareholders' general meeting upon receipt of the proposal to inform the contents of the provisional proposal, <u>and submit the provisional proposal to the general meeting for consideration, unless the provisional proposal violates the provisions of laws, administrative regulations or the Company's Articles of Association, or falls outside the scope of the general meeting's authority.</u> Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the shareholders' general meeting, shall neither modify the proposals stated in the notice of shareholders' general meeting nor add new proposals. The shareholders' general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice or are inconsistent with Article 53 hereof.

Existing Provisions	Amended Provisions
Article 82 The following matters shall be resolved by way of ordinary resolutions at a Shareholders' general meeting: (I) to decide on the Company's business policies and investment plans; (II) to elect and replace directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors; (III) to consider and approve the reports of the board of directors; (IV) to consider and approve the report of the board of supervisors; (V) to consider and approve the annual financial budgets and final accounts of the Company; (VI) to consider and approve the Company's profit distribution plans and loss recovery plans; (VII) to make resolutions on the engagement, removal, discontinuance of engagement of accounting firms by the Company and remuneration matters of the accounting firms; (VIII) to consider and approve matters concerning external guarantees other than paragraph 4 of Article 44 which shall be approved by the Shareholders' general meeting; (IX) to consider and approve the change in use of proceeds;	Article 82 The following matters shall be resolved by way of ordinary resolutions at a Shareholders' general meeting: (I) to decide on the Company's business policies and investment plans; (II) to elect and replace directors and <u>(I)</u> supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors; (III) to consider and approve the reports of <u>(II)</u> the board of directors; (IV) to consider and approve the report of the board of supervisors; (V) to consider and approve the annual financial budgets and final accounts of the Company; (VI) to consider and approve the Company's <u>(III)</u> profit distribution plans and loss recovery plans; (VII) to make resolutions on the engagement, <u>(IV)</u> removal, discontinuance of engagement of accounting firms by the Company and remuneration matters of the accounting firms; (VIII) to consider and approve matters concerning external guarantees other than paragraph 4 of Article 44 which shall be approved by the Shareholders' general meeting; (IX) to consider and approve the change in <u>(VI)</u> use of proceeds;

Existing Provisions	Amended Provisions
(X) to consider and approve connected transactions, foreign investment, asset mortgage, foreign financing and foreign donation that should be approved by the Shareholders' general meeting as stipulated in the Hong Kong listing regulatory rules; (XI) to consider share incentive schemes and employee share ownership schemes; (XII) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, the listing regulatory rules of the Hong Kong Listing Rules or the Articles of Association.	(X) to consider and approve connected <u>(VII)</u> transactions, foreign investment, asset mortgage, foreign financing and foreign donation that should be approved by the Shareholders' general meeting as stipulated in the Hong Kong listing regulatory rules; (XI) to consider share incentive schemes <u>(VIII)</u> and employee share ownership schemes; (XII) matters other than those requiring <u>(IX)</u> approval by special resolutions in accordance with laws, administrative regulations, the listing regulatory rules of the Hong Kong Listing Rules or the Articles of Association.
Article 83 The following matters shall be resolved by way of special resolutions at a Shareholders' general meeting: (I) to resolve on the increase or reduction of the registered capital of the Company; (II) to make resolutions on the issuance of corporate bonds and other securities and the listing; (III) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company; (IV) to amend the Articles of Association; (V) to examine the matters relating to the purchases and disposals of the Company's material assets within one year with an amount exceeding thirty percent of the Company's latest audited total assets;	Article 83 The following matters shall be resolved by way of special resolutions at a Shareholders' general meeting: (I) to resolve on the increase or reduction of the registered capital of the Company; (II) to make resolutions on the issuance of corporate bonds, and other securities and the listing; (III) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company; (IV) to amend the Articles of Association; (V) <u>to authorize the Board of directors to make resolutions on the issuance of bonds of the Company;</u>

Existing Provisions	Amended Provisions
(VI) to consider and approve matters concerning external guarantees other than paragraph 4 of Article 44 which shall be approved by the Shareholders' general meeting; (VII) other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a Shareholders' general meeting, will have a material impact on the Company and need to be approved by way of a special resolution.	(VI) to examine the matters relating to the purchases and disposals of the Company's material assets within one year with an amount exceeding thirty percent<u>30%</u> of the Company's latest audited total assets; (VII) to consider and approve matters concerning external guarantees other than paragraph 4 of Article 44 which shall be approved by the Shareholders' general meeting; <u>(VIII)</u> other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a Shareholders' general meeting, will have a material impact on the Company and need to be approved by way of a special resolution.

Existing Provisions	Amended Provisions
Article 99 The directors of the Company shall be natural persons. A person who falls under any of the following circumstances may not serve as a director of the Company: (I) a person who has no civil capacity or has limited civil capacity; (II) a person who has been subject to criminal penalties due to corruption, bribery, embezzlement or misappropriation of property or sabotaging the socialist market economic order, and is within five years of the expiry date of punishment, or has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence; (III) a person who served as a director, the factory chief, or the manager of a company or enterprise bankrupt or liquidated, and was held personally liable for the bankruptcy, and is within three years of the date of completion of the bankruptcy or liquidation of such company or enterprise;	Article 99 The directors of the Company shall be natural persons. A person who falls under any of the following circumstances may not serve as a director of the Company: (I) a person who has no civil capacity or has limited civil capacity; (II) a person who has been subject to criminal penalties due to corruption, bribery, embezzlement or misappropriation of property or sabotaging the socialist market economic order, <u>or who has been deprived of political rights due to criminal offences,</u> and is within five years of the expiry date of punishment, <u>or has been declared to be subject to suspended sentence, or has been</u> deprived of political rights because of this conviction and is within five years of the expiry date of the sentence; <u>where not more than two years have elapsed from the date of expiry of the probationary period for suspended sentence;</u> (III) a person who served as a director, the factory chief, or the manager of a company or enterprise bankrupt or liquidated, and was held personally liable for the bankruptcy, and is within three years of the date of completion of the bankruptcy or liquidation of such company or enterprise;

Existing Provisions	Amended Provisions
(IV) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and was held personally liable for the revocation, and is within three years of the date on which the business license of such company or enterprise was revoked; (V) a person who has defaulted on a personal debt in a significant amount; (VI) a person who has been banned from entering the securities market by the CSRC and the ban has not expired; (VII) a person who is banned from doing so as prescribed by laws, administrative regulations, departmental rules or relevant rules of securities regulatory institutions of the place where the Company's shares are listed.	(IV) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and was held personally liable for the revocation, and is within three years of the date on which the business license of such company or enterprise was revoked <u>or was ordered to close down</u>; (V) a person who has defaulted on a personal debt in a significant amount <u>and has been listed as a dishonest person subject to enforcement by the people's court</u>; (VI) a person who has been banned from entering the securities market by the CSRC and the ban has not expired; (VII) a person who is banned from doing so as prescribed by laws, administrative regulations, departmental rules or relevant rules of securities regulatory institutions of the place where the Company's shares are listed.

Existing Provisions	Amended Provisions
A person who falls under any of the following circumstances may not serve as an independent non-executive director of the Company: (I) a person who works in listed companies or subsidiaries of major businesses and their immediate family members, (immediate family members shall include spouse, parents and children); (II) a person who directly or indirectly holds 1% or more of the issued share capital of the listed company or is one of the top ten individual shareholders of the listed company or is a lineal relative of such individual shareholder; (III) a person who is an employee of an institutional shareholder which directly or indirectly holds 5% or more of the issued share capital of the listed company or is a lineal relative of such employee, or is an employee of one of the top five institutional shareholders of the listed company or is a lineal relative of such employee; (IV) has any of the three factors listed above in the past one year; (V) provides financial, legal, consulting services to the listed company or their respective subsidiaries; (VI) other personnel required by laws, administrative regulations and departmental rules;	A person who falls under any of the following circumstances may not serve as an independent non-executive director of the Company: (I) a person who works in listed companies or subsidiaries of major businesses and their immediate family members, (immediate family members shall include spouse, parents and children); (II) a person who directly or indirectly holds 1% or more of the issued share capital of the listed company or is one of the top ten individual shareholders of the listed company or is a lineal relative of such individual shareholder; (III) a person who is an employee of an institutional shareholder which directly or indirectly holds 5% or more of the issued share capital of the listed company or is a lineal relative of such employee, or is an employee of one of the top five institutional shareholders of the listed company or is a lineal relative of such employee; (IV) has any of the three factors listed above in the past one year; (V) provides<u>personnel who provide</u> financial, legal, consulting services to the listed company or their respective subsidiaries; (VI) other personnel required by laws, administrative regulations and departmental rules;

Existing Provisions	Amended Provisions
(VII) other personnel as stipulated in the Articles of Association; (VIII) other personnel recognized by the CSRC or the listing regulatory rules of the place where the Company's shares are listed. If a director is elected or appointed in violation of the provisions of this Article, such election, appointment or employment shall be null and void. The Company shall dismiss a director from office if the circumstances under this Article arise during his or her term of office.	(VII) other personnel as stipulated in the Articles of Association; (VIII) other personnel recognized by the CSRC or the listing regulatory rules of the place where the Company's shares are listed. If a director is elected or appointed in violation of the provisions of this Article, such election, appointment or employment shall be null and void. The Company shall dismiss a director from office if the circumstances under this Article arise during his or her term of office.
Article 113 The Board of directors exercises the following functions and powers: (I) to be responsible for the convening of general meetings and report its work to the general meetings; (II) to implement resolutions of the general meetings; (III) to decide on the Company's business plans and investment plans; (IV) to formulate the Company's annual financial budgets and final accounts; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;	Article 113 The Board of directors exercises the following functions and powers: (I) to be responsible for the convening of general meetings and report its work to the general meetings; (II) to implement resolutions of the general meetings; (III) to decide on the Company's business <u>plans policies</u> and investment plans; (IV) to <u>formulate review and approve the</u> Company's annual financial budgets and final accounts; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;

Existing Provisions	Amended Provisions
(VII) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company; (VIII) to examine and approve connected transactions, foreign investment, asset mortgage, foreign financing and foreign donation that should be approved by the Board of directors as stipulated in the Hong Kong listing regulatory rules; (IX) to examine external guarantee matters other than those that need to be examined and approved by the General Meeting of the Company; (X) to review the purchase and sale of assets other than those that require review and approval by the General Meeting of the Company; (XI) to decide on establishment of the Company's internal management organizations; (XII) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;	(VII) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company; (VIII) <u>to review and approve the reports of special committees;</u> (IX) to examine and approve connected transactions, foreign investment, asset mortgage, foreign financing and foreign donation that should be approved by the Board of directors as stipulated in the Hong Kong listing regulatory rules; (X) to examine external guarantee matters other than those that need to be examined and approved by the Ggeneral Mmeeting of the Company; (XI) to review the purchase and sale of assets other than those that require review and approval by the Ggeneral Mmeeting of the Company; (XII) <u>to resolve on the issuance of bonds by the Company;</u>

Existing Provisions	Amended Provisions
(XIII) to formulate the basic management system of the Company; (XIV) to formulate plans for the establishment of special committees under the Board of directors and submit them to the General Meeting for approval, and to decide on the selection and appointment of personnel of the special committees under the Board of directors; (XV) to formulate proposals for any amendment to the Articles of Association; (XVI) to manage the information disclosure of the Company; (XVII) to propose to the General Meeting the appointment or replacement of an accounting firm that audits the Company; (XVIII) to listen to the work report of the general manager of the Company and inspect the work of the general manager;	(XIII) to decide on establishment of the Company's internal management organizations; (XIV) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments; (XV) to formulate the basic management system of the Company; (XVI) to formulate plans for the establishment of special committees under the Board of directors and submit them to the General Meeting for approval, and to decide on the selection and appointment of personnel of the special committees under the Board of directors; (XVII) to formulate proposals for any amendment to the Articles of Association; (XVIII) to manage the information disclosure of the Company;

Existing Provisions	Amended Provisions
(XIX) other functions and powers conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association. Matters beyond the scope of authorization of the General Meeting as prescribed in the preceding paragraph of this Article, as well as matters required to be submitted to the General Meeting for consideration and approval pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association shall be submitted by the Board of directors to the General Meeting for consideration and approval.	(XIX) to propose to the Ggeneral Mmeeting the appointment or replacement of an accounting firm that audits the Company; (XX) to listen to the work report of the general manager of the Company and inspect the work of the general manager; (XXI) other functions and powers conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association. Matters beyond the scope of authorization of the Ggeneral Mmeeting as prescribed in the preceding paragraph of this Article, as well as matters required to be submitted to the Ggeneral Mmeeting for consideration and approval pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association shall be submitted by the Board of directors to the Ggeneral Mmeeting for consideration and approval.

Existing Provisions	Amended Provisions
Article 132 The Board of directors of the Company has established an Audit Committee, a nomination committee and a remuneration committee. These special committees are accountable to the Board of directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of directors. Proposals shall be submitted to the board for deliberation and decision. The members of the special committees are all Directors. The chairman of the Audit Committee shall be appointed by the Board of directors and shall be an independent non-executive director. The chairman of the Audit Committee shall be an accounting professional and has the appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules. The chairman of the nomination committee must be the chairman of the Board of directors or an independent non-executive director among the members of the nomination committee and appointed by the Board of directors. The chairman of the remuneration committee shall be appointed by the Board of directors and must be an independent non-executive director. The Board of directors is responsible for formulating the working procedures of the special committees and regulating the operation of the special committees.	Article 132 The Board of directors of the Company has established an Audit Committee, a nomination committee and a remuneration committee. These special committees are accountable to the Board of directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of directors. Proposals shall be submitted to the board for deliberation and decision. The members of the special committees are all Directors. <u>In particular, the Audit Committee shall comprise three members who are directors not serving as senior management of the Company, of which two shall be independent Directors.</u> The chairman of the Audit Committee shall be appointed by the Board of directors and shall be an independent non-executive director. The chairman of the Audit Committee shall be an accounting professional and has the appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules. The chairman of the nomination committee must be the chairman of the Board of directors or an independent non-executive director among the members of the nomination committee and appointed by the Board of directors. The chairman of the remuneration committee shall be appointed by the Board of directors and must be an independent non-executive director. The Board of directors is responsible for formulating the working procedures of the special committees and regulating the operation of the special committees.

Existing Provisions	Amended Provisions
	Adding Articles 133 to 135:
	<u>Article 133 The Audit Committee among the special committees shall exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law.</u>
	<u>Article 134 The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the board of directors for consideration after obtaining the consent of more than half of all members of the Audit Committee:</u>
	(1) <u>disclosure of financial information in financial and accounting reports and internal control evaluation reports;</u>
	(2) <u>engaging or dismissing accounting firms undertaking audit business for listed companies;</u>
	(3) <u>appointing or dismissing the chief financial officer of the listed company;</u>
	(4) <u>making changes to accounting policies and accounting estimates or material accounting error corrections for reasons other than changes in accounting standards;</u>
	(5) <u>other matters stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these Articles of Association.</u>

Existing Provisions	Amended Provisions
	Article 135 <u>The Audit Committee shall convene at least one meeting per quarter. Interim meetings may be convened when proposed by two and more members or when the convener deems it necessary. An Audit Committee meeting may only be held with the attendance of more than two-thirds of the members.</u> <u>Resolutions of the Audit Committee shall be passed by more than half of the Audit Committee members.</u> <u>Voting on Audit Committee resolutions shall be conducted on the basis of one person, one vote.</u> <u>Minutes shall be prepared for Audit Committee resolutions in accordance with regulations, and Audit Committee members attending the meeting shall sign the minutes.</u> <u>The board of directors is responsible for formulating the working procedures of the Audit Committee.</u>

Existing Provisions	Amended Provisions
Article 173 The Company shall, when distributing its after-tax profits of the year, withdraw 10% of the profits into the Company’s statutory reserve fund. The Company may not withdraw a statutory reserve fund if the cumulative amount has reached 50% or more of the Company’s registered capital. If the Company’s statutory reserve fund could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing, according to the foregoing provision, the statutory reserve fund. After the Company has withdrawn the statutory reserve fund from the after-tax profits, the Company may also withdraw discretionary statutory reserve fund from the after-tax profits upon the approval of the General Meeting. After losses have been covered and the statutory reserve fund has been allocated, if any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association. Where the General Meeting distributes profits to shareholders before losses have been covered and the statutory reserve fund has been allocated, which is in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision. The shares of the Company held by the Company shall not be subject to profit distribution.	Article 173 The Company shall, when distributing its after-tax profits of the year, withdraw 10% of the profits into the Company’s statutory reserve fund. The Company may not withdraw a statutory reserve fund if the cumulative amount has reached 50% or more of the Company’s registered capital. If the Company’s statutory reserve fund could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing, according to the foregoing provision, the statutory reserve fund. <u>Where losses still cannot be made up, capital reserve fund may be used in accordance with regulations.</u> After the Company has withdrawn the statutory reserve fund from the after-tax profits, the Company may also withdraw discretionary statutory reserve fund from the after-tax profits upon the approval of the Ggeneral Mmeeting. After losses have been covered and the statutory reserve fund has been allocated, if any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association. Where the Ggeneral Mmeeting distributes profits to shareholders before losses have been covered and the statutory reserve fund has been allocated, which is in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision. The shares of the Company held by the Company shall not be subject to profit distribution.

Existing Provisions	Amended Provisions
Article 202 Where the Company is dissolved pursuant to sub-paragraph (I), (II), (IV) or (V) of Article 198 hereof, it shall establish a liquidation committee within 15 days as of the dissolution circumstance arises. And the liquidation shall be thereby started. The liquidation committee shall comprise directors or those determined by the General Meeting. If a liquidation committee is not established within the time limit, the creditors may apply to the people’s court to designate relevant personnel to form a liquidation committee to carry out liquidation.	Article 202 Where the Company is dissolved pursuant to sub-paragraph (I), (II), (IV) or (V) of Article 198 hereof, it shall establish a liquidation committee within 15 days as of the dissolution circumstance arises. And the liquidation shall be thereby started. <u>Directors are the liquidation obligors of the company.</u> The liquidation committee shall comprise directors or those determined by the Ggeneral Mmeeting. If a liquidation committee is not established within the time limit, the creditors may apply to the people’s court to designate relevant personnel to form a liquidation committee to carry out liquidation.
Article 218 The accounting firm referred to in the Articles of Association has the same meaning as the “auditor”.	Article 218 The accounting firm referred to in the Articles of Association has the same meaning as the “auditor”. <u>The Audit Committee referred to in the Articles of Association has the same meaning as “Audit Committee”.</u>
Article 220 Appendixes to the Articles of Association include the rules of procedure of the General Meeting, the rules of procedure of the board of directors and the rules of procedure of the supervisory committee.	Article 220 Appendixes to the Articles of Association include the rules of procedure of the Ggeneral Mmeeting, the rules of procedure of the board of directors and the rules of procedure of the supervisory committee.

Existing Provisions	Amended Provisions
Article 221 Upon review and approval by the General Meeting, the Articles of Association shall take effect from the date of the listing of H Share of the Company on the Main Board of Hong Kong Stock Exchange. The original Articles of Association of the Company shall be invalid automatically upon the effective date of the Articles of Association.	Article 221 Upon review and approval by the General Meeting, the Articles of Association shall take effect from the date of the listing of H Share of the Company on the Main Board of Hong Kong Stock Exchange. The original Articles of Association of the Company shall be invalid automatically upon the effective date of the Articles of Association.