JIANGSU HORIZON CHAIN SUPERMARKET COMPANY LIMITED
江蘇宏信超市連鎖股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2625)

RULES OF PROCEDURE FOR SHAREHOLDERS' MEETINGS

Chapter 1 General Provisions

Article 1 The shareholders' meeting is the organ of highest authority of the Company. In order to ensure that the shareholders' meeting can exercise its functions and powers in accordance with the law, these Rules are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law") and other relevant laws, regulations and normative documents, as well as the Articles of Association of Jiangsu Horizon Chain Supermarket Company Limited (hereinafter referred to as the "Articles of Association").

Article 2 The Company shall convene shareholders' meetings in strict accordance with the laws, administrative regulations, the Articles of Association and the relevant provisions of these Rules to ensure that shareholders can exercise their rights in accordance with the law.

The Board of the Company shall earnestly perform its duties and organize shareholders' meetings carefully and on time. All directors of the Company shall perform their duties with diligence to ensure the normal convening of the shareholders' meetings and the exercise of its powers in accordance with the law.

Article 3 The shareholders' meeting shall exercise its functions and powers within the scope prescribed in the Company Law and the Articles of Association.

Article 4 Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year within six months after the end of the previous accounting year. Extraordinary shareholders' meetings are convened from time to time. In any of the circumstances for convening an extraordinary shareholders' meeting as stipulated in the Company Law and the Articles of Association, an extraordinary shareholders' meeting shall be convened within two months from the date of occurrence of the circumstance.

If the Company is unable to hold a shareholders' meeting within the aforesaid period, it shall report to the stock exchange on which the Company's shares are listed for trading (hereinafter referred to as the "Stock Exchange"), explain the reasons and make an announcement.

Article 5 When holding a shareholders' meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:

(1) whether the procedures of convening and holding the meeting comply with requirements of the laws, administrative regulations and the Articles of Association;

(2) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;

(3) whether the voting procedure and results of the meeting are lawful and valid;

(4) legal opinions on other relevant matters upon request by the Company.

Chapter 2 Summoning of Shareholders' Meetings

Article 6 The Board shall summon shareholders' meetings on time within the time limit as prescribed in Article 4 of these Rules.

Article 7 The independent non-executive Directors (hereinafter also referred to as the "Independent Director(s)") are entitled to propose to the Board to convene an extraordinary shareholders' meeting. In response to a proposal by independent non-executive Directors to convene an extraordinary shareholders' meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the extraordinary shareholders' meeting within 10 days after receiving the proposal.

If the Board agrees to convene the extraordinary shareholders' meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed; if the Board does not agree to convene the extraordinary shareholders' meeting, it shall explain the reasons and make an announcement.

Article 8 The Audit Committee shall have the right to propose to the Board to convene an extraordinary shareholders' meeting in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary shareholders' meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board is passed. Any changes to the original proposal made in the notice shall be approved by the Audit Committee.

If the Board does not agree to convene the extraordinary shareholders' meeting or fails to give a written reply within 10 days after receiving the proposal, the Board shall be deemed to be unable or fail to perform the duty of convening the shareholders' meeting, and the Audit Committee may summon and preside over the meeting on its own.

Article 9 Shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to request the Board to convene an extraordinary shareholders' meeting and shall submit to the Board in writing the subject of the meeting and proposals with complete contents. The Board shall, in accordance with the laws, administrative regulations, the securities listing rules of the place where the shares of the Company are listed and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders' meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary shareholders' meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. Any change to the original request made in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary shareholders' meeting or does not reply within 10 days upon receipt of the proposal, the shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting, and such proposal shall be made in writing.

If the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the shareholders' meeting, and shareholders individually or jointly holding 10% or more of the Company's shares for 90 consecutive days or more may summon and preside over the meeting by themselves.

Article 10 If the Audit Committee or the shareholders have decided to convene a shareholders' meeting on their own initiative, they shall notify the Board in writing and file the same in accordance with the requirements of the Stock Exchange on which the Company's shares are listed.

The shareholding of the summoning shareholders shall not be less than 10% before the announcement of the resolution of the shareholders' meeting.

The Audit Committee and the summoning shareholders shall submit the relevant supporting documents in accordance with the requirements of the Stock Exchange on which the Company's shares are listed when giving notice of the shareholders' meeting and when announcing the resolutions of the shareholders' meeting.

Article 11 The Board and the secretary to the Board shall cooperate with the shareholders' meeting that is summoned by the Audit Committee or the shareholders on their own initiative.

The Board will provide the register of members as at the shareholding record date. Where the Board does not provide the register of members, the convener may request the register of members from the securities registration and clearing institution by presenting the relevant announcement regarding notice of shareholders' meeting. The register of members so obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.

Article 12 For shareholders' meetings summoned by the Audit Committee or the shareholders on their own initiative, the expenses necessary for the meeting shall be borne by the Company.

Chapter 3 Proposals and Notices of Shareholders' Meeting

Article 13 The content of the proposals shall fall within the scope of powers of the shareholders' meeting, set out clear issues and specific matters on which resolutions are to be made, and meet the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 14 When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or jointly holding 1% or more of the Company's shares shall have the right to submit proposals to the Company and the Company shall include matters of such proposals that are within the terms of reference of shareholders' meetings in the agenda of such meeting.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals in writing to the convener 10 days before a shareholders' meeting is convened. The convener shall issue a supplementary notice of the shareholders' meeting within two days upon receipt of the proposal to announce the contents of the ad hoc proposal.

Except as provided in the preceding paragraph or pursuant to the securities regulatory rules of the place where the Company's shares are listed, the convener shall not amend the proposals set out in the notice of the shareholders' meeting or add any new proposals after issuing the notice of the shareholders' meeting.

Proposals not specified in the notice of shareholders' meeting or not in compliance with the provisions of Article 13 of these Rules shall not be voted on and resolved by the shareholders' meeting.

Article 15 When the Company convenes an annual shareholders' meeting, a written notice of the meeting shall be given 21 days before the meeting is convened to notify all registered shareholders of the matters to be considered at the meeting and the date and place of the meeting.

When the Company convenes an extraordinary shareholders' meeting, a written notice of the meeting shall be given 15 days before the meeting is convened to notify all registered shareholders of the matters to be considered at the meeting and the date and place of the meeting.

In calculating the notice period, the date of meeting shall be excluded.

After the notice of the shareholders' meeting has been given, the place of the on-site meeting of the shareholders' meeting shall not be changed without justifiable reasons. If there is a need to change, the convener shall announce and explain the reasons at least two working days before the date of the on-site meeting.

Article 16 Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose all the specific contents of all proposals, as well as all information or explanations necessary for the shareholders to make a reasonable judgment on the matters to be discussed. Where the opinions of an Independent Director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of shareholders' meetings are issued.

Article 17 Where the election of directors is proposed to be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall adequately disclose the detailed information of the candidates for directors, which shall at least include:

(1) personal particulars, including educational background, work experience, professional background, industry experience and part time jobs;

(2) any related party relationship with the Company or its controlling shareholders and de facto controllers;

(3) the number of shares held in the Company;

(4) whether they have been penalized by the CSRC and other relevant authorities and subject to the disciplinary actions imposed by the Stock Exchange;

(5) other information required to be disclosed pursuant to the Company Law and/or the relevant laws, regulations, and the relevant requirements of the stock exchange and regulatory authorities of the place where the Company's shares are listed.

Unless a director is elected via the cumulative voting system, each candidate for director shall be proposed via a single proposal.

Article 18 The notice of the shareholders' meeting shall be made in writing and include the following contents:

(1) the time, venue, and duration of the meeting;

(2) the matters and proposals to be discussed at the meeting;

(3) a prominent statement stating that all shareholders are entitled to attend the shareholders' meetings and appoint a proxy in writing to attend and vote on their behalf, and such proxy need not be a shareholder of the Company;

(4) the shareholding registration date of shareholders entitled to attend the shareholders' meeting;

(5) the name and phone number of standing contact person for meeting services;

(6) the voting time and voting procedures through the internet or other means;

(7) other matters required to be disclosed by laws, administrative regulations, departmental rules, or the Hong Kong Stock Exchange Listing Rules.

Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose all the specific contents of all proposals. Where the opinions of an Independent Director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of shareholders' meetings are issued.

The interval between the shareholding record date and the date of the meeting shall not be more than seven working days. The shareholding record date shall not be changed once confirmed.

Article 19 After the notice of shareholders' meeting is given, the shareholders' meeting shall not be postponed or cancelled and the proposals set out in the notice of the shareholders' meeting shall not be cancelled without proper reasons. In the event of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefor at least two working days prior to the date on which the meeting is originally scheduled.

Article 20 The notice of the shareholders' meeting shall be sent to shareholders by way of announcement, by hand or by prepaid mail. In the case of delivery by hand or by prepaid mail, the address of the recipient shall be the address registered in the register of members.

The announcement referred to in the preceding paragraph, including announcements, notices and circulars of shareholders' meetings, shall be issued through the websites of the Hong Kong Stock Exchange and the Company or published in one or more newspapers designated by it within the time limit for the notice of the shareholders' meeting as prescribed in Article 15 of these Rules. Once the announcement is made, all shareholders shall be deemed to have received the relevant notice of the shareholders' meeting.

Article 21 The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to notice shall not invalidate the meeting or the resolution made thereat.

Chapter 4 Convening of Shareholders' Meetings

Article 22 The Company may choose to hold a shareholders' meeting at the domicile of the Company or a place designated in the notice of the shareholders' meeting.

Where the shareholders' meeting is held in the form of an on-site meeting, a venue shall be set up. The Company shall provide convenience for shareholders to participate in the shareholders' meeting through safe, economic and convenient network or other means. Shareholders participating in the shareholders' meeting through the above means shall be deemed to be present.

Article 23 The Company shall clearly specify the voting time and voting procedures through the internet or other means in the notice of the shareholders' meeting.

The commencement time of voting by network or other means at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day before the on-site shareholders' meeting and shall not be later than 9:30 a.m. on the day of the on-site shareholders' meeting, and such voting shall not end earlier than 3:00 p.m. on the day the on-site shareholders' meeting concludes.

Article 24 The Board and other conveners shall take necessary measures to ensure the proper order of the shareholders' meeting. Measures shall be taken to stop any act disturbing the shareholders' meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, which shall be promptly reported to the relevant authorities for investigation and handling.

Article 25 All shareholders of the Company registered on the shareholding record date or their proxies are entitled to attend the shareholders' meeting. The Company and the convener shall not refuse their attending for any reason.

Article 26 Shareholders may attend the shareholders' meeting in person and exercise their voting rights, or appoint a proxy to attend and exercise their voting rights within the scope of authorization on their behalf.

Any shareholder entitled to attend and vote at the shareholders' meeting shall be entitled to appoint one or more persons (who need not be a shareholder) as his/her proxy to attend and vote on his/her behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization by that shareholder:

(1) the right to speak at the shareholders' meeting;

(2) the right to demand a poll alone or jointly with others;

(3) the right to exercise voting rights by a show of hands or by a poll.

Article 27 The power of attorney issued by a shareholder to appoint a proxy to attend a shareholders' meeting shall specify:

(1) the name of the proxy;

(2) whether or not the proxy has any voting right;

(3) directive to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the shareholders' meeting;

(4) the date of issue and validity period of the power of attorney;

(5) signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

The power of attorney in any form issued to a shareholder by the Board of the Company for appointing a proxy of shareholder shall allow the shareholder to freely instruct the proxy to cast an affirmative or negative vote and to give separate instructions on each matter to be voted at the meeting. The power of attorney shall state that a proxy of shareholder may vote at his/her own discretion in the absence of any indication from the shareholder.

Article 28 Shareholders shall appoint a proxy by written instrument which is signed by the principal or his/her proxy so authorized in writing; if the principal is a legal person, such instrument shall be signed by its legal representative or such person as authorized by resolution of its board of directors or other governing body. Such instrument shall specify the number of shares represented by the proxy. If several persons are appointed as proxies, the instrument shall specify the number of shares represented by each proxy. A vote given by a proxy in accordance with an proxy form shall be valid notwithstanding the death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid has been received by the Company before the commencement of the meeting.

Article 29 If the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents and the instrument appointing a proxy shall be placed at the domicile of the Company or at such other place as specified in the notice convening the meeting.

If the principal is a legal person, its legal representative or such person as authorized by resolution of its Board or other governing body to act as its representative may attend the shareholders' meeting of the Company.

If such shareholder is Hong Kong Securities Clearing Company Limited, such shareholder is entitled to appoint one or more proxies or corporate representatives to attend shareholders' meetings and meetings of creditors, and such proxies or corporate representatives have the same statutory rights as other shareholders, including the right to speak and vote. If two or more persons are so authorized, the power of attorney or authorization letter shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may exercise rights on behalf of Hong Kong Securities Clearing Company Limited (or its nominees) without the need to produce the shareholding certificates, notarized authorization letter and/or further evidence of the due authorization, as if such person is an individual shareholder of the Company.

Article 30 Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity; proxies of individual shareholders shall produce their valid identity cards and the power of attorney of the shareholder.

Shareholder that is a legal person may be represented at the meeting by its legal representative or a proxy appointed by it. If a legal representative attends the meeting, he/she should produce his/her identity card and valid proof that he/she is a legal representative; if a proxy attends the meeting, the proxy should produce his/her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder.

Shareholder that is organized by non-legal person, the person in charge of the organization or a proxy authorized by the person in charge shall attend the meeting. Such person in charge of the organization attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the person in charge. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney lawfully issued by the person in charge of the organization.

Article 31 The register of meetings for those attending the meeting shall be produced by the Company. The register of meetings shall contain the names (or names of entities), identity card number, addresses of the attendees, the number of shares held or represented with voting rights, and the names (or names of entities) of appointing shareholder, etc.

Article 32 The convener and the lawyer (if applicable) shall verify the legality of the shareholders' capacity according to the register of members provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the number of their voting shares. Registration of the meeting shall be closed before the presiding officer announces the number of shareholders and proxies present at the meeting and the total number of their voting shares.

Article 33 When a shareholders' meeting is convened by the Company, all directors and the secretary to the Board shall attend the meeting, and the General Manager and other senior management shall be present at the meeting.

Article 34 A shareholders' meeting shall be convened by the Board and chaired by the chairman of the Board. In the event that the chairman of the Board is unable to attend the meeting for whatever reasons, the vice chairman shall chair the meeting. In the event that the chairman and the vice chairman of the Board are unable to perform their duties, a director jointly elected by more than half of the directors shall chair the meeting.

A shareholders' meeting convened by the Audit Committee on its own shall be chaired by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable to or fails to perform his duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall chair the meeting.

The shareholders' meeting convened by Shareholders on their own initiative shall be presided over by the representative nominated by the convener.

If the host of the shareholders' meeting breaches these Rules of Procedure, which makes it unable to proceed the shareholders' meeting, subject to consents of over half of shareholders with voting rights attending the shareholders' meeting, the shareholders' meeting may nominate a person to act as the host of the meeting and such meeting may continue.

Article 35 At an annual shareholders' meeting, the Board shall make a report to the shareholders' meeting on their work for the past year. Each independent non-executive director shall also make a report on his or her duties.

Article 36 Directors and senior management shall give explanations and clarifications in response to shareholders' queries at shareholders' meetings.

In case of any of the following, they may refuse to answer the queries, but shall explain the reasons to the questioner:

(1) queries are irrelevant to the subject topic;

(2) the matters inquired are under investigation;

(3) answering queries will reveal the Company's trade secrets or significantly damage the common interests of shareholders;

(4) other important reasons.

Article 37 The presiding officer of the meeting shall, prior to voting, announce the number of attending shareholders and proxies and the total number of their voting shares. The number of attending shareholders and proxies and the total number of their voting shares shall be based on the registration of the meeting.

Article 38 Minutes of the meeting shall be prepared for shareholders' meetings by the secretary to the Board. The minutes of the meeting shall state the following contents:

(1) the time, venue and agenda of the meeting and the name of the convener;

(2) the name of the presiding officer of the meeting and the names of the directors, general managers and other senior management attending or present at the meeting;

(3) the number of shareholders and proxies attending the meeting, total number of voting shares they represent, and the percentages of their voting shares to the total share capital of the Company for each shareholder;

(4) the process of review and discussion, summary of any speech, and voting results of each proposal;

(5) the shareholders' queries, opinions, suggestions and corresponding responses or explanations;

(6) the names of vote counters and scrutinizer(s) of the voting;

(7) such other matters as specified in the Articles of Association that shall be included in the minutes of the meeting.

The directors, the secretary to the Board, the convener or his representative attending the meeting and the presiding officer shall sign the minutes, and shall ensure that the minutes of the meeting are true, accurate and complete. The minutes shall be kept together with the signed attendance record of attending shareholders, proxy forms and the valid information on voting status by network and other means for a period of not less than ten years.

Chapter 5 Voting and Resolutions of Shareholders' Meeting

Article 39 Voting at shareholders' meetings shall be conducted in registered ballot.

Article 40 A vote may only be cast by either on-site, online or other voting methods. In the event one vote is cast by more than one method, the result of the first vote shall prevail.

Article 41 The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

(1) work reports of the Board;

(2) profit distribution plans and loss recovery plans formulated by the Board;

(3) appointment and removal of members of the Board, their remuneration and method of payment;

(4) annual reports of the Company;

(5) hiring, dismissal, or non-renewal of the engagement of an accounting firm and its compensation;

(6) other matters other than those required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be adopted by special resolution.

Article 42 The following matters shall be approved by special resolutions at a shareholders' meeting:

(1) increase or reduction of the registered capital of the Company;

(2) division, merger, dissolution and liquidation of the Company;

(3) amendments to the Articles of Association;

(4) purchase or disposal of material assets or provision of guarantee by the Company within 1 year with an amount exceeding 30% of the latest audited total assets of the Company;

(5) share incentive scheme;

(6) issuance of corporate bonds;

(7) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and other matters which, as determined by the shareholders' meeting by way of ordinary resolution, have a material impact on the Company and need to be approved by special resolution.

Article 43 Unless the Company is in a crisis or other exceptional circumstances, the Company shall not enter into contracts with persons other than directors, general manager and other senior management to hand over the management of the Company's entire or important business to such persons without the approval by a special resolution at a shareholders' meeting.

Article 44 Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights they represent, and each share shall have one vote.

The separate votes should be counted for the votes of small and medium-sized investors, when the shareholders' meeting is reviewing the major matter that affects the interests of small and medium-sized investors. The results of the separate vote counting should be promptly and publicly disclosed.

No voting rights shall attach to the shares held by the Company, and such shares shall not be counted towards the total number of voting shares present at a shareholders' meeting.

If a shareholder purchases shares in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

The Board of the Company, independent non-executive directors, shareholders holding one per cent or more of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall provide full disclosure of information such as specific voting intentions to the solicited person. The solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

Article 45 The related shareholders shall not participate in voting, with its number of shares with voting rights represented by them not to be counted in the total number of valid votes, when the shareholders' meeting is reviewing the relevant related party transaction; the announcement of the resolution of the shareholders' meeting shall fully disclose the votes of the non-related shareholders.

The procedures for abstention and voting of related shareholders are as follows:

(1) When the shareholders' meeting considers a related party transaction, the presiding officer shall announce the list of related shareholders and the proportion of the total number of voting shares held by the non-related parties present at the meeting to the total shares of the Company.

(2) Related shareholders shall proactively propose to the Board to refrain from and abstain from voting, and the presiding officer shall request the representatives of the related shareholders to refrain from and abstain from voting.

(3) If the chairman of the Board attends the meeting as a representative of a related shareholder, he/she shall authorize a vice chairman or another director to preside over the meeting when the relevant related party transaction is being considered and voted upon.

(4) If a related shareholder has any objection to the decision of the convener, he/she shall have the right to report to the relevant securities regulatory authorities, or apply to a people's court or other competent authorities for a ruling on whether a related relationship exists and whether he/she is entitled to voting rights. However, before a final and effective ruling is made by the securities regulatory authorities, the people's court or other competent authorities, the shareholder shall not participate in the voting, and the number of shares with voting rights represented by him/her shall not be counted towards the total number of valid votes.

(5) Related shareholders who shall refrain from voting may participate in the discussion of the related party transaction involving themselves and may provide explanations and clarifications to the shareholders' meeting regarding the reasons for the related party transaction, the basic information of the transaction, and fairness and legality of the transaction.

Article 46 Lists of nominations for the candidates for directors shall be put forward for voting at the shareholders' meeting by way of a proposal. The methods and procedures for the nomination of directors are as follows:

(1) the Board and shareholders individually or jointly holding 3% or more of the Company's shares shall be entitled to submit the nomination of candidates for directors (excluding independent non-executive directors) to the Board. The Board shall submit the proposal to the shareholders' meeting after asking for opinions of the nominees and examining their qualifications.

(2) the Board and shareholders individually or jointly holding 1% of the Company's shares in issue shall be entitled to submit the nomination of candidates for independent non-executive directors.

When a voting is made on election of directors at a shareholders' meeting, the cumulative voting system may be adopted in accordance with the provisions of the Articles of Association. The cumulative voting system shall be used when the proportion of shares in which a single shareholder and persons acting in concert with him are interested reached thirty per cent or more.

The cumulative voting system mentioned in the preceding paragraph means that when electing directors at a shareholders' meeting, each share shall carry the same number of voting rights as the number of directors to be elected, and the shareholders may either concentrate their votes at the election.

Article 47 Except for the cumulative voting system, voting for all resolutions proposed to a shareholders' meeting shall be conducted on a case-by-case basis, and if there are different resolutions on the same matter, voting related thereto shall be conducted based on the chronological order in which they are proposed. Unless a shareholders' meeting is suspended or fails to reach a resolution due to force majeure or other special reasons, voting of such proposals shall neither be put on hold nor voting by-passed at the shareholders' meeting.

Article 48 The proposal shall not be amended when it is considered at the shareholders' meeting. Otherwise, the change in question shall be considered as a new proposal and cannot be voted on at the shareholders' meeting for the time being.

Article 49 Before voting on a proposal at a shareholders' meeting, two shareholders' representatives shall be elected to participate in vote counting and monitoring. Where these shareholders are interested in the matters to be considered, the relevant shareholders and their proxies shall not participate in the vote counting or monitoring.

When the proposals are being voted at the shareholders' meeting, lawyers and shareholders representatives shall be jointly responsible for vote counting and scrutinizing and announcing the voting results on-site, while poll result of the resolution shall be recorded in the minutes of the meeting.

Shareholders of the listed company or their proxies voting through the internet or other means shall have the right to check their own votes cast through the relevant voting system.

Article 50 An on-site shareholders' meeting shall not end earlier than the one held through internet or by other methods. The presiding officer of the meeting shall announce the outcome and results of the vote on each proposal on-site and announce whether each such proposal has been passed based on the results of the votes.

Until the formal announcement of the voting results, relevant parties, such as the vote counters, scrutineers, major shareholders, internet service provider and the Company involved in the on-site, internet and other voting methods of the shareholders' meeting shall bear an obligation of confidentiality in respect of the voting.

Article 51 Shareholders attending the shareholders' meeting shall present one of the following views on the proposals submitted for voting: for, against or abstention. The securities registration and settlement institution, acting as the nominal holder of shares under the Stock Connect Mechanism in the Mainland China and Hong Kong Stock Markets, shall report in accordance with the actual holder's intention.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain".

Where any shareholder is required to abstain from voting or is restricted to voting for or against any individual resolution in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote by the shareholder (or proxies) in contravention thereof shall not be counted into the voting result.

Article 52 In the event that the presiding officer of the meeting has any doubts as to the result of the vote on any resolution proposed for voting, he/she may have the votes counted. In the event that the presiding officer of the meeting fails to have the votes counted, any attending shareholder or proxy who disagrees with the results announced by the presiding officer of the meeting shall have the right to request counting of the votes immediately after the voting results are announced, in which case the presiding officer of the meeting shall have the votes counted immediately.

Article 53 If counting of the votes is conducted at a shareholders' meeting, the results of the counting shall be recorded in the minutes of the meeting.

The minutes of the meeting, together with the sign-in register of attending shareholders and the proxy form, shall be kept at the domicile of the Company.

Article 54 Shareholders may inspect copies of the minutes of the meeting free of charge during the office hours of the Company. Upon receiving a request from any shareholder for copies of meeting minutes, the Company shall deliver such copies within seven days after receipt of reasonable fees.

Article 55 Resolutions of the shareholders' meeting shall be announced in a timely manner. The announcement shall specify the number of shareholders and proxies attending the meeting, the total number of shares with voting rights and the proportion to the total number of shares with voting rights of the Company, the form of voting, the voting result of each resolution (including the results of the separate vote counting for small and medium-sized investors (if applicable)) and the detailed content of each resolution adopted, as well as other information required by the Stock Exchange on which the Company's shares are listed.

Article 56 Where a proposal is not passed, or the resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, a special reminder shall be included in the announcement of the resolution of shareholders' meeting.

Article 57 The convener shall ensure that the shareholders' meeting is held continuously until final resolutions are reached. If the shareholders' meeting is suspended or fails to reach any resolution due to force majeure and other special reasons, the necessary measures shall be taken to resume the shareholders' meeting as soon as possible or to terminate such shareholders' meeting outright and an announcement shall be made promptly.

Article 58 Where a proposal for the election of directors is passed at the shareholders' meeting, the new directors shall assume office in accordance with the provisions of the Articles of Association.

Article 59 Where a proposal on distribution of cash dividend, share bonus or capitalization of capital reserves is passed at the shareholders' meeting, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting.

Article 60 The Company's resolutions of shareholders' meetings shall be invalid if they violate laws and administrative regulations.

If the convening procedure or the form of voting at a shareholders' meeting is in violation of laws and administrative regulations or the Articles of Association, or if a resolution is in violation of the Articles of Association, the shareholders shall be entitled to request the people's court for revocation within 60 days from the date of the adoption of such resolution.

Chapter 6 Supplemental Provisions

Article 61 These Rules are an annex to the Articles of Association.

Article 62 These Rules shall be amended from time to time in accordance with the amendments to the relevant laws, regulations, normative documents and the Articles of Association. In the event of any conflict between the provisions of these Rules and the provisions of the relevant laws, regulations, normative documents and the Articles of Association, the relevant provisions of the relevant laws, regulations, normative documents and the Articles of Association shall prevail.

Article 63 Announcements, notices and circulars referred to in these Rules refer to the relevant information disclosure content issued through the websites of the Hong Kong Stock Exchange and the Company or published in one or more newspapers designated by it.

Article 64 All references in these Rules to "or more" and "within" shall include the relevant number itself; references to "over", "lower than" and "more than" shall not include the relevant number itself.

Article 65 The Board shall be responsible for the interpretation of these Rules.