

ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.

RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

CHAPTER I GENERAL PROVISIONS

Article 1 To ensure that the Board of Directors lawfully, independently, normatively and effectively exercises its powers, to ensure the efficient, normative operation and scientific decision-making of the Board of Directors, and to improve the corporate governance structure, these Rules are formulated in accordance with the Company Law of the People's Republic of China (2023 Revision), the Securities Law of the People's Republic of China (2019 Revision), the Trial Administrative Measures for the Overseas Securities Offering and Listing by Domestic Enterprises, and other relevant laws, administrative regulations, rules and regulatory documents (hereinafter referred to as "Laws and Regulations"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), and the Articles of Association of ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD. (hereinafter referred to as the "Articles of Association"), taking into account the actual circumstances of the Company.

Article 2 The Company shall set up a Board of Directors, which is responsible to the general meeting.

Board meetings are the primary form of procedure for the Board of Directors. Attending board meetings in accordance with provisions is the basic way for directors to perform their duties.

CHAPTER II COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

Section 1 Board of Directors

Article 3 The Board of Directors of the Company shall consist of twelve members, of which four shall be independent non-executive directors (hereinafter referred to as "Independent Directors") and at least one Independent Director shall have appropriate professional qualifications, or have appropriate accounting or related financial management expertise.

The Independent Directors referred to in the preceding paragraph mean directors who do not hold any position in the Company other than that of director and who have no relationship with the Company or its substantial shareholders that would preclude them from making independent and objective judgments. Independent Directors shall meet the independence requirements under Rule 3.13 of the Hong Kong Listing Rules.

Article 4 In all corporate communications which set out the names of the directors, the identity of the Independent Directors shall be stated. The Company shall make available on its website an updated list of the members of its Board of Directors identifying their roles and functions, and whether they are Independent Directors.

Each director shall, upon accepting appointment, disclose to the Company the number and nature of positions held in public companies or organizations and other significant commitments, and any changes thereto shall be disclosed in a timely manner thereafter. Additionally, the name of the public company or organization involved and the period during which such position was held shall also be disclosed. Subject to compliance with the Hong Kong Listing Rules, the Board of Directors shall decide on the disclosure period at its own discretion.

Article 5 Directors shall be elected, replaced or removed by the general meeting.

Article 6 Before the Company convenes a meeting for shareholders to nominate candidates to serve as directors, a period shall be reserved during which shareholders may send written notice to the Company to nominate candidates to serve as directors, and such candidates may send written notice to the Company indicating their willingness to accept the nomination. The aforesaid period shall be a minimum of seven days, and the commencement date shall be no earlier than the day on which the notice of such meeting is given, and the deadline shall be no later than seven days before the date of the meeting.

Article 7 The term of office of a director shall be calculated from the date of assuming office and shall expire upon the expiry of the term of office of the relevant board session. Each term of office is three years, and directors may be re-elected and may serve consecutively upon expiry of their term.

Any person appointed by the general meeting as a director to fill a casual vacancy on the Board or as an addition to the Board shall hold office until the next annual general meeting and shall be eligible for re-election at such meeting.

Where the directors are not re-elected in time upon expiry of their term, resulting in the number of board members falling below the statutory minimum, the original directors shall, before the newly elected director assumes office, continue to perform their duties as directors in accordance with the provisions of laws, administrative regulations, and the Articles of Association.

Article 8 The general meeting may, by resolution, remove a director from office. Such removal shall take effect as of the date of the resolution. If a director is removed before the expiry of his or her term without cause, such director shall be entitled to claim compensation from the Company.

Article 9 A director may resign before the expiry of his or her term of office. A director shall submit a written resignation report to the Board of Directors upon resignation.

Where the resignation of a director causes the number of board members of the Company to fall below the statutory minimum, the original directors shall, before the newly elected directors assume office, continue to perform their duties as directors in accordance with the provisions of laws, administrative regulations and the Articles of Association.

Save for the circumstances listed in the preceding paragraph, a director's resignation shall take effect when the resignation report is delivered to the Board of Directors.

Article 10 Upon the effectiveness of the resignation or expiry of the term of office of a director, such director shall complete all handover procedures with the Board of Directors, and his or her fiduciary duties to the Company and shareholders shall not necessarily terminate upon the expiry of the term of office and shall remain effective for one year after the expiry of the term of office. Before the Company's trade secrets become public information, the confidentiality obligations of a director shall remain effective after the termination of his or her term of office.

Article 11 The Board of Directors shall set up a Strategic Development Department responsible for the preparation, document drafting, and minute-taking of meetings of the general meeting, the Board of Directors, and special committees under the Board of Directors, as well as information disclosure, investor relations, and other daily affairs of the Board of Directors and the special committees under the Board of Directors.

The staff employed by the Strategic Development Department shall possess relevant professional knowledge to fully ensure the performance of their duties in assisting the Board of Directors.

Article 12 The Board of Directors shall exercise the following duties and powers:

- (1) to be responsible for convening general meetings and reporting its work to the general meeting;
- (2) to implement resolutions of the general meeting;
- (3) to decide on the Company's business plans and investment plans;
- (4) to decide on the Company's annual financial budgets and annual final accounting plans;
- (5) to formulate the Company's profit distribution plans and loss recovery plans;
- (6) to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of corporate bonds or other securities and listing plans;
- (7) to formulate the plans for significant acquisitions by the Company, the purchase by the Company of its own shares, and the merger, division, dissolution and other changes in corporate form of the Company;
- (8) to decide on the establishment of internal management departments of the Company;
- (9) to appoint or dismiss the General Manager and the Board Secretary and other senior management of the Company, and to determine their remuneration and terms of incentive and disciplinary measures; to appoint or dismiss, upon the nomination of the General Manager, the Deputy General Managers, the Chief Financial Officer and other senior officers of the Company and to determine their remuneration and terms of incentive and disciplinary measures;
- (10) to formulate the Company's basic management systems;
- (11) to formulate the proposals for the amendment of the Articles of Association;
- (12) to oversee and manage information disclosure matters;
- (13) to propose the engagement or replacement of an accounting firm which undertakes the audit business of the Company to the general meeting;
- (14) to receive work reports from the General Manager and examine the performance of the General Manager's duties;

- (15) to determine the purchase or sale of major assets of the Company within one year, or the amount of guarantee, which does not exceed 30% of the most recently audited total assets of the Company;
- (16) except as otherwise provided by the Laws and Regulations, the “Hong Kong Listing Rules” and the Articles of Association, to determine matters relating to the Company’s lendings and borrowings;
- (17) to approve the connected transactions which shall be approved by the Board in accordance with the requirements of the Laws and Regulations, the Hong Kong Listing Rules and the Articles of Association;
- (18) other duties and powers granted by the requirements of the Laws and Regulations, the Hong Kong Listing Rules and the general meeting.

For the acquisition or disposal of fixed assets in the ordinary course of operating lease businesses, as referred to in Item (15) of the preceding paragraph, the board of directors shall review and approve such transactions if the aggregate value of acquisitions or disposals within any twelve-month period exceeds twenty percent but does not exceed thirty percent of the Company’s total assets as shown in the most recent audited financial statements. The board of directors shall further review and approve any acquisition or disposal of fixed assets in connection with operating lease businesses with a single lessee and its affiliates, where the aggregate value within any twelve-month period exceeds ten percent of the Company’s net assets as shown in the most recent audited financial statements.

To the extent permitted by applicable Laws and Regulations and the rules of the securities regulatory body and the stock exchange in the Company’s listing jurisdiction, the board may empower the General Manager’s Office to approve various indirect debt financings and intercompany loans, except that no delegation of authority regarding external guarantees shall be permitted.

Save as otherwise provided by the Laws and Regulations, “Hong Kong Listing Rules” and the Articles of Association, resolutions by the Board on the matters referred to in Paragraph 1 of this Article shall be passed by the affirmative vote of a majority of all of the directors with the exception of resolutions to formulate the proposals on the increase or reduction of the Company’s registered capital and the proposals on the issuance of corporate bonds, to formulate the plans for merger, division and dissolution of the Company and to formulate the proposals for any amendment to the Articles of Association, which shall require the affirmative vote of at least two-thirds of all of the directors for adoption.

Article 13 The Board of Directors shall periodically review the Company’s development strategy to ensure that the development strategy aligns with changes in operational conditions and the market environment. The Board of Directors shall periodically evaluate the Company’s operating status, and comprehensively evaluate the performance of senior management based on the results of the evaluation.

Article 14 When performing its duties, the Board of Directors shall fully consider the opinions of external audit institutions, and may engage intermediary institutions or professionals to provide opinions, with the relevant expenses borne by the Company.

Section 2 Independent Directors

Article 15 The Company shall establish an Independent Director system. Independent Directors owe fiduciary duties of loyalty and diligence to the Company and all shareholders, and shall conscientiously perform their duties, safeguard the overall interests of the Company, and pay particular attention to ensuring that the legitimate rights and interests of minority shareholders are not damaged in accordance with the requirements of relevant Laws and Regulations and the Articles of Association.

Article 16 Independent Directors shall have high professional qualifications and a good reputation, and shall simultaneously meet the following conditions:

- (1) to be qualified to serve as a director of a listed company under the provisions of the Laws and Regulations and the securities regulatory authority and the stock exchange of the place of listing of the Company's shares;
- (2) to meet the independence requirements as prescribed in Article 6 of the Administrative Measures for Independent Directors of Listed Companies and Rule 3.13 of the Hong Kong Listing Rules;
- (3) to possess basic knowledge of the operation of listed companies and to be familiar with the relevant Laws and Regulations and rules;
- (4) to have at least five years of experience in law, accounting or economics necessary for performing the duties of an Independent Director;
- (5) to have good personal character, free from material dishonesty and other adverse records;
- (6) to have sufficient time and energy to effectively perform their duties and to undertake to abide by their fiduciary duties with diligence and dedication;
- (7) other conditions as prescribed by the laws, administrative regulations, the securities regulatory authority of the place of listing of the Company's securities, the business rules of the stock exchange and the Articles of Association.

Article 17 Independent Directors must be independent, and the following persons shall not serve as Independent Directors:

- (1) persons serving in the Company or its subsidiaries and connected parties, and their spouses, parents and children, main social relations and core connected persons as defined under the Hong Kong Listing Rules;
- (2) natural person shareholders who directly or indirectly hold 1% or more of the issued shares of the Company or are among the top ten shareholders of the Company, and their spouses, parents and children;

- (3) persons serving in shareholders that directly or indirectly holds 5% or more of the issued shares of the Company or persons who are serving among the top five shareholders of the Company, and their spouses, parents and children;
- (4) persons having material business dealings with the Company and its controlling shareholders, beneficial owner or their respective subsidiaries, or persons serving in entities that have material business dealings, or the controlling shareholders and beneficial owners of such entities;
- (5) persons providing financial, legal, consulting, sponsorship or other services to the Company and its controlling shareholders, beneficial owner or their respective subsidiaries, including but not limited to all members of the project team of the intermediary institution providing the services, all levels of reviewers, persons signing the reports, partners, directors, senior management and principal responsible persons;
- (6) persons who have fallen within any of the circumstances listed in items (1) to (5) in the most recent twelve months;
- (7) other persons as determined by the Laws and Regulations, the securities regulatory authority of the place of listing of the Company's securities, the stock exchange, other relevant regulatory authorities and the Articles of Association as not being independent.

The subsidiaries of the Company's controlling shareholders and beneficial owner referred to in items (4) to (5) of the preceding paragraph shall not include enterprises that are under the control of the same state-owned assets management institution as the Company and do not constitute a connected relationship with the Company in accordance with the relevant provisions.

The aforesaid main social relations refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of spouses of children, etc.

Article 18 The term of office of an Independent Director shall be the same as that of other directors of the Company. Upon expiry of the term, Independent Directors may be re-elected and may serve consecutively, provided that the period of consecutive appointment shall comply with the provisions of the Laws and Regulations and the Hong Kong Listing Rules.

Article 19 An Independent Director may resign before the expiry of his or her term of office. Save as otherwise provided in the Articles of Association, the resignation of an Independent Director shall take effect from the date on which the resignation report is delivered to the Board of Directors.

An Independent Director resigning from office shall submit a written resignation report to the Board of Directors, and shall issue an announcement in accordance with the requirements of the Hong Kong Listing Rules, explaining any circumstances relating to his or her resignation or which he or she considers necessary to bring to the attention of shareholders.

Article 20 An Independent Director shall be deemed to have committed gross negligence under any of the following circumstances:

- (1) disclosing trade secrets of the Company and damaging the legitimate interests of the Company;
- (2) accepting improper benefits in the process of performing duties, or exploiting the position of an Independent Director to seek personal gain;
- (3) knowingly failing to raise objections to a board resolution that violates the Laws and Regulations or the Articles of Association;
- (4) failing to exercise the right of veto where a connected transaction causes material losses to the Company;
- (5) other acts of gross negligence as determined by the relevant competent authorities.

Article 21 Where an Independent Director falls under any of the following circumstances, the Board of Directors shall have the right to propose to the general meeting for removal:

- (1) gross negligence;
- (2) failing to meet the qualification conditions for Independent Directors and failing to tender resignation on his or her own;
- (3) other circumstances as prescribed by the Laws and Regulations and regulatory documents as unsuitable for continuing to serve as an Independent Director.

Article 22 At annual general meetings, each Independent Director shall present a work report, which shall at least include the number of board meetings attended by the Independent Director, major details of attendance at past board meetings, objections raised by the Independent Director, and the handling status by the Board of Directors.

Article 23 Matters relating to the Independent Director system not provided for in these Rules shall be handled in accordance with the relevant provisions of relevant Laws and Regulations and the Hong Kong Listing Rules.

Section 3 Chairman of the Board

Article 24 The Board of Directors shall have one chairman, who shall be elected and removed by a majority of all directors. Unless prematurely removed from the position of chairman of the Board by the Board of Directors or ceasing to serve as a director of the Company, the term of office of the chairman of the Board shall be three years, and the chairman may be re-elected and serve consecutively.

Article 25 The chairman shall perform the following duties and powers:

- (1) to preside over the general meetings, and to convene and preside over board meetings;
- (2) to urge and inspect the implementation of the resolutions of the Board;
- (3) other duties and powers as granted by the Board of Directors.

When the chairman of the Board is unable to exercise his or her powers, one director may be jointly nominated by a majority of the directors to perform the duties.

Article 26 The chairman of the Board shall ensure that the Board of Directors operates effectively and performs its due responsibilities, and discusses all key and appropriate matters in a timely manner. The chairman of board meetings shall be primarily responsible for determining and approving the agenda for each board meeting.

Article 27 The chairman of the Board shall ensure that appropriate steps are taken to maintain effective communication with shareholders and that the views of shareholders are communicated to the Board of Directors as a whole.

The chairman of the Board shall be primarily responsible for ensuring that the Company establishes good corporate governance practices and procedures.

Section 4 Special Committees

Article 28 The Board of Directors shall establish special committees for audit, remuneration, nomination, etc. The Board of Directors may establish other special committees and adjust existing committees as needed. Each special committee under the Board of Directors shall be responsible to the Board of Directors, assist the Board in performing its duties under the authorization of the Board, and provide professional advice or make decisions on professional matters to the Board of Directors.

Article 29 The Board of Directors shall provide each special committee with sufficiently clear terms of reference to enable it to perform its functions properly. The terms of reference of each special committee shall stipulate that such committee shall report its decisions or recommendations to the Board of Directors, unless such reporting cannot be made due to legal or regulatory restrictions.

Article 30 After the establishment of the special committees of the Board of Directors, the Board of Directors shall formulate working rules and responsibilities for each special committee. Each special committee shall formulate an annual work plan and convene meetings as needed.

Section 5 Secretary to the Board of Directors

Article 31 The Company shall have one secretary to the Board of Directors, who shall be appointed or dismissed by the Board of Directors.

The secretary to the Board of Directors shall be a natural person with the requisite professional knowledge and experience. The secretary to the Board of Directors is a member of the senior management of the Company. The secretary to the Board of Directors shall be responsible to the Board of Directors and report on work.

Article 32 The main duties of the secretary to the Board of Directors shall include:

- (1) to be responsible for preparing for meetings of the general meeting and the Board of Directors, preparing the minutes of such meetings, and maintaining custody of the relevant documents;
- (2) to handle information disclosure matters, to ensure that the Company prepares and submits the reports and documents required by the competent institutions in accordance with laws;
- (3) to be responsible for the custody and administration of shareholders' information, to ensure the proper maintenance of the Company's register of members, and to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;
- (4) other duties as prescribed by the Laws and Regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 33 The qualification requirements for the secretary to the Board of Directors of the Company shall be implemented in accordance with the provisions of the Laws and Regulations and the Hong Kong Listing Rules. The accountant of the accounting firm engaged by the Company shall not concurrently serve as the secretary to the Board of Directors of the Company.

Where a director concurrently serves as the secretary to the Board of Directors, if an act is required to be performed by a director and the secretary to the Board of Directors separately, such person serving concurrently as director and secretary to the Board of Directors shall not perform the act in a dual capacity.

CHAPTER III PROCEDURES FOR BOARD MEETINGS

Section 1 Convening and Manner of Holding Meetings

Article 34 Board meetings are divided into regular board meetings and extraordinary board meetings.

Article 35 The Board of Directors shall hold at least four regular meetings each year, and each meeting shall be notified to all directors at least fourteen days before the meeting is held.

For each regular board meeting, a majority of directors entitled to attend shall attend in person, or actively participate through electronic communication.

Article 36 Under any of the following circumstances, the chairman of the Board shall convene an extraordinary board meeting within ten days of receiving the proposal:

- (1) a proposal by shareholders representing one-tenth or more of the voting rights;
- (2) a joint proposal by one-third or more of the directors;
- (3) a proposal by the Board Audit Committee.

Board meetings shall be convened and presided over by the chairman of the Board. When the chairman of the Board is unable or fails to perform duties, one director shall be jointly nominated by a majority of the directors to perform the duties.

After the general meeting conducts a re-election of the Board of Directors, the director who received the highest number of affirmative votes at the general meeting (if there are several, one of them shall be recommended) shall preside over the meeting to elect the chairman of the current session of the Board of Directors.

Section 2 Proposals and Notices

Article 37 The agenda and relevant meeting documents for regular board meetings shall be sent to the Strategic Development Department in full and in a timely manner, and the Strategic Development Department shall timely submit the relevant materials to all directors to ensure that all directors have the opportunity to propose items for discussion to be included in the agenda of the regular board meeting. The secretary to the Board of Directors shall be responsible for collecting draft proposals on the matters to be discussed at the meeting, and the proposer of each relevant proposal shall submit the proposal and the relevant explanatory materials twenty days before the meeting is held. The secretary to the Board of Directors shall, after collating the relevant materials, set out the venue, time and agenda of the board meeting and submit them to the chairman of the Board.

Article 38 Notice of regular board meetings shall be given to all directors and senior management fourteen days before the meeting is held. The Strategic Development Department shall deliver the written notice of the meeting to all directors and senior management by direct delivery, fax, express mail, registered mail or other electronic means of communication. Where the notice is not directly delivered, confirmation shall be made by telephone and corresponding records shall be kept.

Notice of an extraordinary board meeting shall be given at least three days in advance. In urgent situations where an extraordinary board meeting needs to be held as soon as possible, notice of the meeting may be given at any time by telephone or other verbal means, provided that the convenor shall give an explanation at the meeting.

Article 39 The contents of a meeting notice shall generally include:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the reasons for and topics of the meeting;
- (4) the date on which the notice is issued.

All persons required to attend shall, upon receiving the meeting notice, inform the secretary to the Board of Directors as soon as possible whether they will attend the meeting.

If a director has attended a meeting, and has not raised an objection regarding non-receipt of the meeting notice prior to or at the time of arrival at the meeting, notice of the meeting shall be deemed to have been served on such director.

Board meetings or extraordinary meetings may be held by teleconference or by means of similar communication equipment or other virtual means, provided that the directors participating in the meeting can hear the other directors clearly and communicate, and all directors participating in the meeting shall be deemed to have attended the meeting in person.

Article 40 Between the issuance of the meeting notice and the convening of the meeting, the secretary to the Board of Directors shall be responsible for or organize communication and contact with all directors, especially Independent Directors, to obtain their opinions or suggestions on the relevant proposals, and convey such opinions or suggestions to the proposers in a timely manner to refine their proposals. The secretary to the Board of Directors shall also promptly arrange for supplementary materials required by directors to make appropriate decisions on the matters to be discussed, including background information on the topics and other data that helps directors make reasonable, prompt, and prudent decisions.

Article 41 The chairman of the Board shall ensure that all directors present at the board meeting are appropriately briefed on current matters, and shall be responsible for ensuring that directors receive adequate information in a timely manner, which must also be accurate, clear, complete, and reliable.

Section 3 Attendance at Meetings

Article 42 A board meeting shall be held only when a majority of the directors (including directors who appoint other directors to attend on their behalf) are present.

When the Board of Directors considers matters relating to connected transactions, connected directors shall not participate in voting, nor shall they vote on behalf of other directors, and the number of voting rights held by them shall not be counted in the total number of valid votes; the board meeting may be held if a majority of unrelated directors attend, and the resolutions of the board meeting shall be passed by a majority of the unrelated directors, and the voting of non-connected directors shall be fully disclosed. If the number of unrelated directors attending the board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

Where there is a substantial shareholder (for the purposes of this section only, substantial shareholder means a shareholder individually or collectively holding ten percent or more of the total voting shares of the Company) or director who has a material conflict of interest in the matter to be considered by the Board of Directors, as determined by the Board to be material, the relevant matter shall be dealt with by holding a board meeting (rather than by written resolution). Independent Directors who themselves and their close associates (as defined in the Hong Kong Listing Rules) have no material interest in the transaction shall attend the relevant board meeting.

Article 43 Board meetings shall be attended by directors in person. If a director is unable to attend in person for any reason, he or she may appoint another director in writing to attend on his or her behalf. A director attending on behalf of another director shall exercise director rights within the scope of authorization.

A director who fails to attend a board meeting and does not appoint another director to attend on his or her behalf shall be deemed to have waived his or her voting rights at such meeting.

Article 44 The proxy form issued by a director appointing another director to attend a board meeting on his or her behalf shall specify the following:

- (1) the names and the identification document numbers of the appointor and the proxy;
- (2) the appointor's brief opinions on each proposal;
- (3) the scope of authorization of the appointor (including whether there is power to vote on extraordinary proposals) and instructions to vote in favour, against, or abstain on each matter under consideration;
- (4) the validity period of the proxy;
- (5) the signatures of the appointor and proxy, date, etc.

Article 45 The appointment and acceptance of proxy attendance for board meetings shall adhere to the following principles:

- (1) when considering connected transaction matters, non-connected directors shall not appoint connected directors to attend on their behalf, nor shall connected directors accept appointments from non-connected directors;
- (2) Independent Directors shall not appoint non-Independent Directors to attend on their behalf, and non-Independent Directors shall not accept the appointments from Independent Directors;
- (3) directors shall not give full discretionary authorization to other directors to attend without stating their personal opinions and voting intentions on the proposals, nor shall relevant directors accept full discretionary proxy or authorization with ambiguous scope;
- (4) a director shall not accept appointments from more than two directors, nor shall a director appoint a director who has already accepted appointments from two other directors to attend on his or her behalf.

Article 46 A director who fails to attend board meetings in person for two consecutive times and does not appoint another director to attend on his or her behalf shall be deemed unable to perform his or her duties, and the Board of Directors may suggest that the general meeting replace such director.

Article 47 The General Manager and the secretary to the Board of Directors shall attend board meetings as non-voting attendees, and senior management who are not members of the Board of Directors as well as persons relevant to the topics under discussion may attend meetings as non-voting attendees as needed. Persons attending as non-voting attendees have the right to express opinions on relevant topics, but have no voting rights.

Section 4 Voting and Resolutions

Article 48 Each director shall have one vote. When considering proposals submitted, the Board of Directors may vote by a show of hands or by open ballot. All directors present shall express opinions in favour, against, or abstain. Directors who do not cast a vote shall be deemed to abstain.

Article 49 Board meetings may be held in the form of on-site meetings or by written circular for signing. Where a board meeting is held in the form of an on-site meeting, convenience may be provided for directors to participate in the board meeting by telephone, video, or other means. Directors participating in the board meeting through the aforementioned means shall be deemed to have attended the on-site meeting.

Where a board meeting is held by teleconference or video conference, the number of directors attending shall be calculated based on directors confirming attendance in the teleconference or appearing on video; where held by written circular for signing, the number of attending directors shall be calculated based on valid votes actually received within the specified time limit.

Article 50 Regular board meetings shall not be held by written circular for signing.

Extraordinary board meetings may be held by written circular for signing, and resolutions on proposals may be adopted by sending them for consideration separately or circulating them for consideration. Directors shall explicitly write their opinions as in favour, against, or abstain on the resolutions.

Where directors cannot sign the meeting resolution immediately during a teleconference or video conference, they shall vote verbally. Resolutions of extraordinary board meetings shall take effect from the date the verbal vote is cast, but directors shall perform written signing procedures as soon as possible. A director's verbal vote shall have equal legal effect as a written signature, but the subsequent written signature must be consistent with the verbal vote at the meeting. In case of inconsistency between the written signature and the verbal vote, the verbal vote shall prevail.

If voting is conducted by written circular for signing, resolutions of extraordinary board meetings shall take effect from the date the written vote is cast. Voting by correspondence shall take the deadline specified in the meeting notice as the valid time limit for voting. Directors who have not expressed their opinions by the end of the last working day within the specified time limit shall be deemed to abstain.

The Strategic Development Department shall immediately report the compiled board meeting voting results to the chairman of the Board after verification and signing by the secretary to the Board of Directors, and provide feedback to all directors.

Article 51 Board meeting minutes are formal proof of resolutions on matters considered by the Board of Directors. Detailed meeting minutes shall be made for matters considered at board meetings. The directors or their authorized representatives attending the meeting as well as the recorder shall sign the meeting minutes.

Directors shall be responsible for the resolutions of the board meeting. If a resolution of the board meeting violates laws, administrative regulations, the Hong Kong Listing Rules, the Articles of Association or a resolution of the general meeting, causing serious loss to the Company, the directors who participated in such resolution shall bear compensation liability; provided that if it is proven that a director expressed dissent at the time of voting and such dissent was recorded in the minutes of the meeting, such director may be exempted from liability.

Article 52 Board meeting minutes shall include the following contents:

- (1) the date, venue, and convenor's name of the meeting;
- (2) the names of the directors attending the meeting and the names of the directors (proxies) appointed by others to attend the board meeting;
- (3) the meeting agenda;
- (4) the main points of directors' speeches (for meetings held by written circular for signing, subject to directors' written feedback);

- (5) the voting method and results for each resolution matter (voting results shall specify the number of votes in favour, against, or abstaining);
- (6) other circumstances that need to be recorded.

A duly appointed meeting secretary shall keep board meeting minutes for a retention period of not less than ten years. If any director gives reasonable notice, the relevant meeting minutes shall be made open for inspection during any reasonable time period.

CHAPTER IV IMPLEMENTATION AND FEEDBACK OF BOARD RESOLUTIONS

Article 53 Resolutions of the Board of Directors shall be executed by the General Manager or the executor designated in the resolutions, who shall report the implementation results to the chairman of the Board.

The secretary to the Board of Directors shall truthfully convey the opinions of the chairman of the Board to the relevant directors and other senior management of the Company.

Article 54 The chairman of the Board, the General Manager, or relevant personnel shall report to the Board of Directors on the implementation of past board resolutions; directors have the right to raise inquiries to executors regarding this.

CHAPTER V SUPPLEMENTARY PROVISIONS

Article 55 Unless otherwise specified, the terms used in these Rules shall have the same meanings as such terms in the Articles of Association.

Article 56 These Rules shall take effect upon being passed by the general meeting.

Article 57 Where matters are not provided for in these Rules or the provisions of these Rules conflict with or are inconsistent with the relevant Laws and Regulations on state-owned asset supervision and other applicable Laws and Regulations, and the relevant provisions of the securities regulatory authority or stock exchange of the place of listing of the Company's shares, as enacted, amended or implemented after the effectiveness of these Rules, the aforesaid Laws and Regulations, and the relevant provisions of the securities regulatory authority or stock exchange of the place of listing of the Company's shares in effect at the relevant time shall prevail.

Article 58 Amendments to these Rules shall take effect and be implemented upon being passed by a majority of directors of the Board of Directors and submitted to and passed by an ordinary resolution at the general meeting.

Article 59 Unless otherwise specified in these Rules or clear from the context, terms such as "above" and "before" in these Rules shall include the underlying number; "exceeding" shall exclude the underlying number.

Article 60 These Rules are written in Chinese and in English, both of which shall be equally valid. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Article 61 The right of interpretation of these Rules belongs to the Board of Directors.