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If you are in any doubt as to this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in **Changsha Broad Homes Industrial Group Co., Ltd.**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Changsha Broad Homes Industrial Group Co., Ltd.

長沙遠大住宅工業集團股份有限公司

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

(Stock Code: 2163)

**MATTERS TO BE RESOLVED AT ANNUAL GENERAL MEETING AND
NOTICE OF ANNUAL GENERAL MEETING**

The AGM of Changsha Broad Homes Industrial Group Co., Ltd. will be held at the Meeting Room of Broad Academy, No. 826 Lusong Road, High-tech Development Zone, Changsha, Hunan Province, the PRC at 10:00 a.m. on Friday, April 29, 2022. Notice of the AGM is set out on pages 104 to 107 of this circular.

If you intend to attend the AGM by proxy, you are required to return the duly completed form of proxy attached hereto according to the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM (i.e. before 10:00 a.m. on Thursday, April 28, 2022) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (and any adjournment thereof) if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

March 31, 2022

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DEFINITIONS

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

“AGM”	the 2021 annual general meeting of the Company to be held at the Meeting Room of Broad Academy, No. 826 Lusong Road, High-tech Development Zone, Changsha, Hunan Province, the PRC at 10:00 a.m. on Friday, April 29, 2022 and any adjournment thereof (if any), the notice of which is set out in this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“Company”	Changsha Broad Homes Industrial Group Co., Ltd. (長沙遠大住宅工業集團股份有限公司), which was established in the PRC on April 30, 2006 as a limited liability company and was converted into a joint stock company with limited liability in the PRC on December 10, 2015, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 2163)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic unlisted ordinary share(s) in the share capital of the Company with a par value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“H Share(s)”	overseas listed foreign investment share(s) of the Company with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	March 24, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular

DEFINITIONS

“RMB” or “Renminbi”	the lawful currency of the PRC
“Rules of Procedure of Board of Directors”	the rules of procedure of board of directors of the Company, as amended from time to time
“Rules of Procedure of General Meetings”	the rules of procedure of general meetings of the Company, as amended from time to time
“Rules of Procedure of Supervisory Committee”	the rules of procedure of supervisory committee of the Company, as amended from time to time
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

LETTER FROM THE BOARD



Changsha Broad Homes Industrial Group Co., Ltd.

長沙遠大住宅工業集團股份有限公司

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

(Stock Code: 2163)

Executive Directors:

Mr. Zhang Jian (*Chairman*)

Ms. Tang Fen

Ms. Shi Donghong

Mr. Zhang Kexiang

Mr. Tan Xinming

Non-executive Directors:

Mr. Zhang Quanxun

Ms. Hu Keman

Independent Non-executive Directors:

Mr. Chen Gongrong

Mr. Li Zhengnong

Mr. Wong Kai Yan Thomas

Mr. Zhao Zhengting

Registered Office:

Intersection of Lusong Road and

Dongfanghong Road

Changsha High-tech Development Zone

Changsha

Hunan Province

PRC

Principal Place of Business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

March 31, 2022

To the Shareholders

Dear Sir/Madam,

MATTERS TO BE RESOLVED AT ANNUAL GENERAL MEETING AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with notice of the AGM as set out on pages 104 to 107 of this circular and reasonable information required for you to make an informed decision regarding the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

MATTERS TO BE RESOLVED AT THE AGM

The resolutions to be proposed at the AGM for approval by way of ordinary resolutions include:

1. To consider and approve the report of the Board of Directors of the Company for the year 2021;
2. To consider and approve the report of the Supervisory Committee of the Company for the year 2021;
3. To consider and approve the financial report of the Company for the year 2021;
4. To consider and approve the final financial statements of the Company for the year 2021;
5. To consider and approve the financial budget report of the Company for the year 2022;
6. To consider and approve the resolution in relation to profit distribution of the Company for the year 2021;
7. To consider and approve the resolution in relation to remunerations of Directors and Supervisors of the Company for the year 2021;
8. To consider and approve the resolution in relation to the financing and guarantee limit of the Company and its subsidiaries for the year 2022;
9. To consider and approve the resolution in relation to the engagement of auditors of the Company for the year 2022;
10. To consider and approve the resolution on amendments to the Rules of Procedure of General Meetings of Changsha Broad Homes Industrial Group Co., Ltd.;
11. To consider and approve the resolution on amendments to the Rules of Procedure of Board of Directors of Changsha Broad Homes Industrial Group Co., Ltd.;
12. To consider and approve the resolution on amendments to the Rules of Procedure of Supervisory Committee of Changsha Broad Homes Industrial Group Co., Ltd.;
13. To consider and approve the resolution on amendments to and addition of internal management policies of the Company;

LETTER FROM THE BOARD

14. To consider and approve the resolutions on election of Directors of the third session of the Board of Directors of the Company, including:
 - 14.1 To consider and approve the election of Mr. Zhang Jian as an executive Director of the third session of the Board of Directors of the Company;
 - 14.2 To consider and approve the election of Ms. Tang Fen as an executive Director of the third session of the Board of Directors of the Company;
 - 14.3 To consider and approve the election of Mr. Hu Shengli as an executive Director of the third session of the Board of Directors of the Company;
 - 14.4 To consider and approve the election of Ms. Shi Donghong as an executive Director of the third session of the Board of Directors of the Company;
 - 14.5 To consider and approve the election of Mr. Zhang Kexiang as an executive Director of the third session of the Board of Directors of the Company;
 - 14.6 To consider and approve the election of Mr. Tan Xinming as an executive Director of the third session of the Board of Directors of the Company;
 - 14.7 To consider and approve the election of Mr. Zhang Quanzun as a non-executive Director of the third session of the Board of Directors of the Company;
 - 14.8 To consider and approve the election of Mr. Chen Gongrong as an independent non-executive Director of the third session of the Board of Directors of the Company;
 - 14.9 To consider and approve the election of Mr. Li Zhengnong as an independent non-executive Director of the third session of the Board of Directors of the Company;
 - 14.10 To consider and approve the election of Mr. Wong Kai Yan Thomas as an independent non-executive Director of the third session of the Board of Directors of the Company;
and
 - 14.11 To consider and approve the election of Mr. Zhao Zhengting as an independent non-executive Director of the third session of the Board of Directors of the Company.

LETTER FROM THE BOARD

15. To consider and approve the resolutions on election of Shareholder representative Supervisors of the third session of the Supervisory Committee of the Company, including:
 - 15.1 To consider and approve the election of Mr. Zhou Feng as a Shareholder representative Supervisor of the third session of the Supervisory Committee of the Company; and
 - 15.2 To consider and approve the election of Mr. Li Gen as a Shareholder representative Supervisor of the third session of the Supervisory Committee of the Company.

The resolution to be proposed at the AGM for approval by way of a special resolution includes:

16. To consider and approve the resolution on amendments to the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd.

To enable you to get a better understanding of the resolutions to be proposed at the AGM and make an informed decision with adequate and necessary information, we have provided for the Shareholders in this circular explanatory information on matters to be considered and approved thereat (please refer to Appendix I). In addition, the full text of the report of the Board of Directors for the year 2021 and the report of the Supervisory Committee for the year 2021, and details regarding the financial report and final financial statements for 2021 and remuneration of the Directors and Supervisors for 2021 of the Company are set out in the 2021 annual report of the Company despatched to the Shareholders on March 31, 2022.

AGM

The AGM will be held at the Meeting Room of Broad Academy, No. 826 Lusong Road, High-tech Development Zone, Changsha, Hunan Province, the PRC at 10:00 a.m. on Friday, April 29, 2022, for the purpose of considering and, if thought fit, passing resolutions regarding the above matters. The notice of the AGM is set out on pages 104 to 107 of this circular.

As set out in the notice of the AGM, in order to ascertain Shareholders' entitlement to attend the AGM, the register of members of the Company will be closed from Tuesday, April 26, 2022 to Friday, April 29, 2022 (both days inclusive). Shareholders whose names appear on the register of members of the Company on Friday, April 29, 2022 are entitled to attend and vote at the AGM.

If you intend to attend the AGM by proxy, you are required to return the duly completed form of proxy attached hereto according to the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM (i.e. before 10:00 a.m. on Thursday, April 28, 2022) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (and any adjournment thereof) if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to relevant requirements of the Hong Kong Listing Rules, voting at the AGM will be taken by poll. The announcement of poll results of the meeting will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.bhome.com.cn). To the best of the Directors' knowledge, information and belief, none of the Shareholders will be required to abstain from voting at the AGM according to the Hong Kong Listing Rules.

RECOMMENDATIONS

The Board (including the independent non-executive Directors) are of the opinion that, all of the resolutions as set out in the notice of the AGM for Shareholders' consideration and approval are in the interests of the Company and the Shareholders as a whole, and therefore, recommended Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

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

Yours faithfully,

On behalf of the Board

Changsha Broad Homes Industrial Group Co., Ltd.

Zhang Jian

Chairman

Explanatory information of matters to be considered and approved at the AGM is set out below:

RESOLUTION IN RELATION TO PROFIT DISTRIBUTION FOR THE YEAR 2021

Taking into account the Company's long-term development strategy and short-term operating conditions, the Company's existing and future investment capital requirements, working capital and other significant capital arrangements, as well as the need to meet the liquidity requirements of the Company in view of the COVID-19 pandemic and the current situation of the real estate industry, the Board proposed not to make any profit distribution for 2021 in order to ensure the smooth implementation of the Company's development strategy and better safeguard the long-term interests of all Shareholders

The resolution has been considered and approved by the Board and is hereby proposed for consideration by the Shareholders and Shareholder proxies at the AGM by way of an ordinary resolution.

RESOLUTION IN RELATION TO FINANCIAL BUDGET FOR THE YEAR 2022

Based on the operating results of the Group in 2021 and relevant data, the budget for proposed investment amount of the Group for 2022 was RMB153 million, which will be used for construction of factory projects in Zhengzhou, Weifang and Zhenjiang and the project of parking building in Lugu.

The resolution has been considered and approved by the Board and is hereby proposed for consideration by the Shareholders and Shareholder proxies at the AGM by way of an ordinary resolution.

RESOLUTION IN RELATION TO ENGAGEMENT OF AUDITORS OF THE COMPANY FOR THE YEAR 2022

The Board proposes to re-appoint KPMG and KPMG Huazhen LLP to be our auditors under the International Financial Reporting Standards and the China Accounting Standards for Business Enterprises for the year 2022, respectively, to audit the Company's 2022 annual financial statements and review the 2022 interim financial statements, with a term commencing from approval at the 2021 annual general meeting till the next annual general meeting. Meanwhile, the Board proposes to submit to the AGM to authorize the Board to delegate chairman of the Board to determine the auditors' remunerations pursuant to market principle.

The resolution has been considered and approved by the Board and is hereby proposed for consideration by the Shareholders and Shareholder proxies at the AGM by way of an ordinary resolution.

RESOLUTION IN RELATION TO THE FINANCING AND GUARANTEE LIMIT OF THE COMPANY AND ITS SUBSIDIARIES FOR THE YEAR 2022

The Company and its subsidiaries propose to apply to financial institutions for actual credit facilities (including new credit facilities and extensions upon maturity of original credit facilities) of not more than RMB6 billion in 2022, which does not represent the financing amount of the Company. The actual financing amount shall be within the credit facilities and subject to that actually incurred between the Company and financial institutions and the actual specific financing amount shall be determined based on the actual demand for working capital of the Company and its subsidiaries. Subject to the above-mentioned credit facilities, the Company may adjust allocations as required. Guarantee and counter-guarantee within the credit facilities of RMB6 billion may be provided between the Company and its subsidiaries and among subsidiaries.

The above-mentioned financing and guarantee limit shall be valid for a term commencing from consideration and approval at the AGM till the next annual general meeting. The Board proposes to authorize Mr. Zhang Jian, the chairman, to implement special matters regarding financing and guarantee thereof and enter into relevant financing and guarantee agreements and other legal documents with financial institutions on behalf of the Company during the validity of the financing and guarantee limit.

The resolution has been approved by the Board and will be proposed for consideration and approval at the AGM by way of an ordinary resolution.

RESOLUTIONS ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD., THE RULES OF PROCEDURE OF GENERAL MEETINGS OF CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD., THE RULES OF PROCEDURE OF BOARD OF DIRECTORS OF CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD. AND THE RULES OF PROCEDURE OF SUPERVISORY COMMITTEE OF CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD.

According to the provisions of relevant laws and regulations of the PRC and the actual development and management needs of the Company, the Board proposed to make amendments to the relevant articles of the Article of Association, Rules of Procedure of General Meetings, Rules of Procedure of Board of Directors and Rules of Procedure of Supervisory Committee.

The Board proposed to the Shareholders to authorize the Board secretary to handle the application, approval, registration, filing and other related matters (including but not limited to making textual amendments according to the requirements of relevant departments of the Chinese government or domestic and overseas regulatory agencies) required for the amendments to the Articles of Association, Rules of Procedure of General Meeting, Rules of Procedure of Board of Directors and Rules of Procedure of Supervisory Committee.

The resolution on amendments to the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. has been considered and approved by the Board, and will be proposed to the AGM for consideration and approval by way of a special resolution; the resolution on amendments to the Rules of Procedure of General Meetings of Changsha Broad Homes Industrial Group Co., Ltd. has been considered and approved by the Board, and will be proposed to the AGM for consideration and approval by way of an ordinary resolution; the resolution on amendments to the Rules of Procedure of Board of Directors of Changsha Broad Homes Industrial Group Co., Ltd. has been considered and approved by the Board, and will be proposed to the AGM for consideration and approval by way of an ordinary resolution; and the resolution on amendments to the Rules of Procedure of Supervisory Committee of Changsha Broad Homes Industrial Group Co., Ltd. has been considered and approved by the Board, and will be proposed to the AGM for consideration and approval by way of an ordinary resolution.

The above proposed amendments will take effect from the date of being considered and approved at the AGM. The existing Articles of Association, Rules of Procedure of General Meeting, Rules of Procedure of Board of Directors and Rules of Procedure of Supervisory Committee shall remain in force until the above proposed amendments become effective.

For details of the proposed amendments to the Articles of Association, please refer to Appendix II to this circular; for details of the proposed amendments to the Rules of Procedure of General Meeting, please refer to Appendix III to this circular; for details of the proposed amendments to the Rules of Procedure of Board of Directors, please refer to Appendix IV to this circular; and for details of the proposed amendments to the Rules of Procedure of Supervisory Committee, please refer to Appendix V to this circular.

RESOLUTION ON PROPOSED AMENDMENTS TO AND ADDITION OF INTERNAL MANAGEMENT POLICIES OF THE COMPANY

Based on the actual needs of the Company, the Company proposed to amend relevant existing internal policies and add relevant new policies. The internal policies proposed to be amended are: the Regulation on Management of External Guarantee, the Working Rules of Secretary to the Board of Directors, the Working Rules of Independent Directors, the Regulation on Management of External Investment, the Regulation on Management of Investors Relations and the Regulation on Management of Subsidiaries; and the internal policies proposed to be added are: the Regulation on Internal Reporting of Material Information, the Regulation on Governing the Transfer of Funds with Related Parties, the Regulation on Accountability of Material Errors of Information Disclosure in the Annual Report and the Regulation on Preventing Fund Embezzlement by Substantial Shareholders and Other Related Parties.

The above proposed amendments to the internal management policies have been considered and approved by the Board. In particular, the Working Rules of Secretary to the Board of Directors, the Regulation on Management of Investors Relations, the Regulation on Management of Subsidiaries, the Regulation on Internal Reporting of Material Information, the Regulation on Accountability of Material Errors of Information Disclosure in the Annual Report and the Regulation on Preventing Fund Embezzlement by Substantial Shareholders and Other Related Parties have become effective from the date of being considered and approved by the Board. The Regulation on Management of External Guarantee, the Working Rules of Independent Directors, the Regulation on Management of External Investment and the Regulation on Governing the Transfer of Funds with Related Parties will be proposed to the AGM for consideration and become effective from the date of being considered and approved at the AGM.

The Board approved and recommended the Shareholders of the Company to authorize the Board and its authorized person to exercise relevant power to make adjustment and amendment to the above internal management policies that are subject to consideration and approval at the AGM based on the requirements of domestic and foreign laws and regulations as amended from time to time, the requirements and suggestion from domestic and foreign governmental departments and regulatory authorities and the actual situation of the Company.

The internal management policies that are subject to consideration at the AGM in this proposal have been approved by the Board and will be proposed for consideration and approval at the AGM by way of an ordinary resolution.

For details of the proposed amendments to and addition of internal management policies of the Company, please refer to Appendix VI to this circular.

RESOLUTION ON ELECTION OF DIRECTORS OF THE THIRD SESSION OF THE BOARD OF THE COMPANY

As the term of the second session of the Board of the Company is about to expire, a new session of the Board is required to be elected to form the third session of the Board of the Company in accordance with the relevant laws and regulations of the PRC and the Articles of Association.

In order to better discharge the functions of the Board of the Company, taking into account factors such as professional structure, career experience and strengths and expertise, and as considered, approved and recommended by the nomination committee of the Company, the Board considered and approved the resolution in relation to the proposed appointment of Directors of the third session of the Board of the Company and agreed to nominate Mr. Zhang Jian, Ms. Tang Fen, Mr. Hu Shengli, Ms. Shi Donghong, Mr. Zhang Kexiang and Mr. Tan Xinming as candidates for executive Director of the third session of the Board, Mr. Zhang Quanxun as a candidate for non-executive Director of the third session of the Board, and Mr. Chen Gongrong, Mr. Li Zhengnong, Mr. Wong Kai Yan Thomas and Mr. Zhao Zhengting as candidates for independent non-executive Director of the third session of the Board, and agreed to separately submit the same to the AGM for consideration and approval by way of ordinary resolution. For biographical details of the candidates for the Directors of the third session of the Board, please refer to Appendix VII to this circular.

In proposing the appointment of Mr. Chen Gongrong, Mr. Li Zhengnong, Mr. Wong Kai Yan Thomas and Mr. Zhao Zhengting (the “**INED Candidates**”) as the independent non-executive Directors of the third session of the Board of the Company, the Board and the Nomination Committee of the Board have followed the procedures for appointment of Directors in the Articles of Association, the Director nomination policy of the Company, the Board diversity policy and the development strategy of the Company, taking into account a variety of factors, including but not limited to the gender, age, cultural and educational background, race, professional experience, skills, knowledge and service term of the candidates of the Director, in order to achieve diversity for the members of the Board. In view of the professional experience of the INED Candidates in relevant industries, social organizations or government departments as set out in their respective biographical details, the Board believes that the INED Candidates will bring different valuable business experience, industry knowledge and specialized skills to the Board, and will offer objective, independent and sufficient opinions and analysis on the operation and management affairs of the Company, so as to promote the efficient and effective operation of the Board and facilitate the diversity of the Board. In addition, the Company has received the letter of confirmation from each of the INED Candidates regarding their respective independence in accordance with Rule 3.13 of the Hong Kong Listing Rules to confirm their respective independence. In this regard, the Board considers each of the INED Candidates as independent.

The Directors of the third session of the Board shall hold office with effect from the date of approval of their election at the AGM until the expiry of the term of office of the third session of the Board of the Company. The remuneration of each Director of the third session of the Board will be determined by the Remuneration and Appraisal Committee of the Company with reference to their qualifications, experience and prevailing market conditions. As at the Latest Practicable Date, each of the candidates for the Directors of the third session of the Board has not entered into any Director service contracts with the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors and save as disclosed in this circular, none of the candidates for the Directors of the third session of the Board has held any directorships in other listed companies or any other positions with the Company or other members of the Group in the last three years. Each of the candidates for the Directors of the third session of the Board is not connected in any way with any other Directors, Supervisors, senior management or substantial Shareholders (as defined in the Hong Kong Listing Rules) or controlling Shareholders of the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors, Mr. Zhang Jian was interested in 150,430,200 H Shares and 118,933,360 Domestic Shares of the Company, Ms. Tang Fen was interested in 1,800,000 Domestic Shares of the Company, Ms. Shi Donghong was interested in 3,876,000 H Shares and 8,569,987 Domestic Shares of the Company, Mr. Zhang Kexiang was interested in 840,000 Domestic Shares of the Company, Mr. Tan Xinming was interested in 840,000 Domestic Shares of the Company and Mr. Zhang Quaxun was interested in 25,404,000 Domestic Shares of the Company. Save as disclosed in this circular, none of the candidates for the Directors of the third session of the Board had any interest or short position in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed in this circular, there is no other information required to be disclosed pursuant to any of the requirements set out in (h) to (v) of Rule 13.51 (2) of the Hong Kong Listing Rules in respect of the appointment of each of the candidates for the Directors of the third session of the Board, nor is there any other matter that needs to be brought to the attention of the Shareholders.

The resolution has been approved by the Board and will be separately proposed for consideration and approval at the AGM by way of an ordinary resolution.

RESOLUTION ON ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISORS OF THE THIRD SESSION OF THE SUPERVISORY COMMITTEE

As the term of the second session of the Supervisory Committee of the Company is about to expire, a new session of the Supervisory Committee is required to be elected to form the third session of the Supervisory Committee of the Company in accordance with the relevant laws and regulations of the PRC and the Articles of Association.

In order to better discharge the functions of the Supervisory Committee of the Company, taking into account factors such as professional structure, career experience and strengths and expertise, the Supervisory Committee considered and approved the resolution in relation to the nomination of Shareholder representative Supervisors of the third session of the Supervisory Committee of the Company and agreed to nominate Mr. Zhou Feng and Mr. Li Gen as the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee, and agreed to separately submit the same to the AGM for consideration and approval by way of ordinary resolution. For biographical details of the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee, please refer to Appendix VIII to this circular.

The Shareholder representative Supervisors of the third session of the Supervisory Committee shall hold office with effect from the date of approval of their election at the AGM and serve for a term of three years from the date of being considered and approved at the AGM. The remuneration of each Shareholder representative Supervisor of the third session of the Supervisory Committee will be determined by the Remuneration and Appraisal Committee of the Company with reference to their qualifications, experience and prevailing market conditions. As at the Latest Practicable Date, each of the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee has not entered into any Supervisor service contracts with the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors and save as disclosed in this circular, none of the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee has held any directorships in other listed companies or any other positions with the Company or other members of the Group in the last three years. Each of the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee is not connected in any way with any other Directors, Supervisors, senior management or substantial Shareholders (as defined in the Hong Kong Listing Rules) or controlling Shareholders of the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee had any interest or short position in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed in this circular, there is no other information required to be disclosed pursuant to any of the requirements set out in (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules in respect of the appointment of each of the candidates for the Shareholder representative Supervisors of the third session of the Supervisory Committee, nor is there any other matter that needs to be brought to the attention of the Shareholders.

The resolution has been approved by the Board and will be separately proposed for consideration and approval at the AGM by way of an ordinary resolution.

Original article	Article after amendment
<p>Article 2 The Company is a joint stock limited company reorganized and established by way of promotion by Zhang Jian (張劍), Hunan Broad Lingmu House Equipment Co., Ltd.* (湖南遠大鈴木住房設備有限公司), Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership)* (長沙高新開發區大鑫投資管理合夥企業(有限合夥)), Hunan Dazheng Investment Co., Ltd.* (湖南大正投資股份有限公司), Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)* (湖南鼎信日新股權投資管理企業(有限合夥)), Shanghai Xinji Investment Center (Limited Partnership)* (上海欣際投資中心(有限合夥)), Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)* (上海漢麟創業投資企業(有限合夥)), Shanghai Ruili Emerging Industry Investment Fund (Limited Partnership)* (上海瑞力新興產業投資基金(有限合夥)), Hunan Gaixin Huineng Venture Investment Enterprise (Limited Partnership)* (湖南高新匯能創業投資企業(有限合夥)), Shanghai Longteng Bafang Enterprise Development Co., Ltd.* (上海龍騰八方企業發展有限公司), Hunan Xiangjinsheng Investment Co., Ltd.* (湖南湘錦聖投資有限公司), Yang Lixin (楊立新), Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership)* (深圳遠致富海股權投資企業(有限合夥)), Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership)* (上海永鈞股權投資合夥企業(有限合夥)) and Shenzhen Meitou High-tech Venture Investment Co., Ltd.* (深圳市美投高新技術創業投資有限公司) in accordance with the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of the People’s Republic of China (the “PRC”, which, for the purposes of these Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan). The Company was registered with Changsha Administration for Industry and Commerce on 10 December 2015, and obtained a business license. The unified social credit code is 91430100788018504U.</p>	<p>Article 2 The Company is a joint stock limited company reorganized and established by way of promotion by Zhang Jian (張劍), Hunan Broad Lingmu House Equipment Co., Ltd.* (湖南遠大鈴木住房設備有限公司), Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership)* (長沙高新開發區大鑫投資管理合夥企業(有限合夥)), Hunan Dazheng Investment Co., Ltd.* (湖南大正投資股份有限公司), Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)* (湖南鼎信日新股權投資管理企業(有限合夥)), Shanghai Xinji Investment Center (Limited Partnership)* (上海欣際投資中心(有限合夥)), Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)* (上海漢麟創業投資企業(有限合夥)), Shanghai Ruili Emerging Industry Investment Fund (Limited Partnership)* (上海瑞力新興產業投資基金(有限合夥)), Hunan Gaixin Huineng Venture Investment Enterprise (Limited Partnership)* (湖南高新匯能創業投資企業(有限合夥)), Shanghai Longteng Bafang Enterprise Development Co., Ltd.* (上海龍騰八方企業發展有限公司), Hunan Xiangjinsheng Investment Co., Ltd.* (湖南湘錦聖投資有限公司), Yang Lixin (楊立新), Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership)* (深圳遠致富海股權投資企業(有限合夥)), Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership)* (上海永鈞股權投資合夥企業(有限合夥)) and <u>Gongqingcheng Meitou Shen yuan Investment Co., Ltd.* (共青城美投深遠投資有限公司)</u> Shenzhen Meitou High-tech Venture Investment Co., Ltd.* (深圳市美投高新技術創業投資有限公司) in accordance with the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of the People’s Republic of China (the “PRC”, which, for the purposes of these Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan). The Company was registered with Changsha Administration for Industry and Commerce on 10 December 2015, and obtained a business license. The unified social credit code is 91430100788018504U.</p>

Original article	Article after amendment
<p>Article 7 These Articles of Association shall come into force on the date that the Company's overseas listed foreign investment shares are listed and begin trading on The Stock Exchange of Hong Kong Limited (the "SEHK") and replace the Articles of Association which have been formerly registered and filed with the Administration for Industry and Commerce.</p> <p>These Articles of Association shall become legally binding documents that regulate the organization and acts of the Company and the rights and obligations between the Company and the shareholders and between shareholders inter se from the date on which they become effective.</p> <p>These Articles of Association shall be binding on the Company and its shareholders, directors, supervisors and senior management members, all of whom shall be entitled to, according to these Articles of Association, make claims in respect of rights concerning the matters of the Company.</p>	<p>Article 7 These Articles of Association shall come into force on the date that the Company's overseas listed foreign investment shares are listed and begin trading on The Stock Exchange of Hong Kong Limited (the "SEHK") and replace the Articles of Association which have been formerly registered and filed with the Administration for Industry and Commerce.</p> <p>These Articles of Association shall become legally binding documents that regulate the organization and acts of the Company and the rights and obligations between the Company and the shareholders and between shareholders inter se from the date on which they become effective.</p> <p>These Articles of Association shall be binding on the Company and its shareholders, directors, supervisors and senior management members, all of whom shall be entitled to, according to these Articles of Association, make claims in respect of rights concerning the matters of the Company.</p>

Original article	Article after amendment
<p>Article 13 The scope of business of the Company shall be that approved by the Changsha Administration for Industry and Commerce and shall include: research and testing of projects and technology; production and possessing of furniture; retail of sanitary wares; installation of household appliances; production of precast concrete components; elevator installation engineering services; the import and export business of goods and technologies conducted by itself or as an agent, other than goods and technologies restricted or prohibited from import and export by the State; technological development services for new materials; research and development of permeable concrete; production of renewable construction materials; manufacturing of machineries for the production of construction materials, wooden doors and windows, stairs, machineries for construction engineering, enamel sanitary wares and metal bathroom and plumbing appliances; and sales of electrical and machinery equipment and minerals. (For businesses that require approval by laws, they may only be commenced after obtaining approval from the relevant authorities).</p> <p>The Company may change its scope of business based on its own development needs in accordance with laws.</p>	<p>Article 13 The scope of business of the Company shall be that approved by <u>the Market Supervision and Administration Bureau of Hunan Province</u> the Changsha Administration for Industry and Commerce and shall include: research and testing of projects and technology; production and possessing of furniture; retail of sanitary wares; installation of household appliances; production of precast concrete components; elevator installation engineering services; the import and export business of goods and technologies conducted by itself or as an agent, other than goods and technologies restricted or prohibited from import and export by the State; technological development services for new materials; research and development of permeable concrete; production of renewable construction materials; manufacturing of machineries for the production of construction materials, wooden doors and windows, stairs, machineries for construction engineering, enamel sanitary wares and metal bathroom and plumbing appliances; and sales of electrical and machinery equipment and minerals; <u>business training; and property operation and leasing.</u> (For businesses that require approval by laws, they may only be commenced after obtaining approval from the relevant authorities).</p> <p>The Company may change its scope of business based on its own development needs in accordance with laws.</p>

Original article						Article after amendment					
<p>Article 20 At the time of incorporation, the Company issued a total of 285,770,000 ordinary shares to the promoters. The names, number of shares held in the Company, shareholding, method of capital contribution and time of capital contribution of the promoters are as follows:</p>						<p>Article 20 At the time of incorporation, the Company issued a total of 285,770,000 ordinary shares to the promoters. The names, number of shares held in the Company, shareholding, method of capital contribution and time of capital contribution of the promoters are as follows:</p>					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
1	Zhang Jian	14,292.32	50.0134	Shares converted from net assets	3 December 2015	1	Zhang Jian	14,292.32	50.0134	Shares converted from net assets	3 December 2015
2	Hunan Broad Lingmu House Equipment Co., Ltd.	5,514.68	19.2976	Shares converted from net assets	3 December 2015	2	Hunan Broad Lingmu House Equipment Co., Ltd.	5,514.68	19.2976	Shares converted from net assets	3 December 2015
3	Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership)	1,550	5.4239	Shares converted from net assets	3 December 2015	3	Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership)	1,550	5.4239	Shares converted from net assets	3 December 2015
4	Hunan Dazheng Investment Co., Ltd.	1,000	3.4993	Shares converted from net assets	3 December 2015	4	Hunan Dazheng Investment Co., Ltd.	1,000	3.4993	Shares converted from net assets	3 December 2015
5	Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)	410	1.4347	Shares converted from net assets	3 December 2015	5	Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)	410	1.4347	Shares converted from net assets	3 December 2015
2	Hunan Broad Lingmu House Equipment Co., Ltd.	5,514.68	19.2976	Shares converted from net assets	3 December 2015	2	Hunan Broad Lingmu House Equipment Co., Ltd.	5,514.68	19.2976	Shares converted from net assets	3 December 2015
6	Shanghai Xinji Investment Center (Limited Partnership)	630	2.2046	Shares converted from net assets	3 December 2015	6	Shanghai Xinji Investment Center (Limited Partnership)	630	2.2046	Shares converted from net assets	3 December 2015
7	Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)	270	0.9448	Shares converted from net assets	3 December 2015	7	Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)	270	0.9448	Shares converted from net assets	3 December 2015
8	Shanghai Ruili Emerging Industry Investment Fund (Limited Partnership)	720	2.5195	Shares converted from net assets	3 December 2015	8	Shanghai Ruili Emerging Industry Investment Fund (Limited Partnership)	720	2.5195	Shares converted from net assets	3 December 2015

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**COMPARISON TABLE OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**

Original article						Article after amendment					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
9	Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership)	300	1.0498	Shares converted from net assets	3 December 2015	9	Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership)	300	1.0498	Shares converted from net assets	3 December 2015
10	Shanghai Longteng Bafang Enterprise Development Co., Ltd.	318	1.1128	Shares converted from net assets	3 December 2015	10	Shanghai Longteng Bafang Enterprise Development Co., Ltd.	318	1.1128	Shares converted from net assets	3 December 2015
11	Hunan Xiangjinsheng Investment Co., Ltd.	323	1.1303	Shares converted from net assets	3 December 2015	11	Hunan Xiangjinsheng Investment Co., Ltd.	323	1.1303	Shares converted from net assets	3 December 2015
12	Yang Lixin	300	1.0498	Shares converted from net assets	3 December 2015	12	Yang Lixin	300	1.0498	Shares converted from net assets	3 December 2015
13	Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership)	2,117	7.4081	Shares converted from net assets	3 December 2015	13	Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership)	2,117	7.4081	Shares converted from net assets	3 December 2015
14	Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership)	353	1.2353	Shares converted from net assets	3 December 2015	14	Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership)	353	1.2353	Shares converted from net assets	3 December 2015
15	Shenzhen Meitou High-tech Venture Investment Co., Ltd.	479	1.6762	Shares converted from net assets	3 December 2015	15	Gongqingcheng Meitou Shenyuan Investment Co., Ltd. Shenzhen Meitou High-tech Venture Investment Co., Ltd.	479	1.6762	Shares converted from net assets	3 December 2015
Total	28,577	100	-	-	-	Total	28,577	100	-	-	-
<p>Article 21 As approved by the CSRC, the Company may conduct the initial public offering of 122,035,400 overseas listed foreign investment ordinary shares to foreign investors (including 167,400 shares that are over-allotted). Such ordinary shares are all H shares.</p>						<p>Article 21 As approved by the CSRC, the Company may conduct the initial public offering of 122,035,400 overseas listed foreign investment ordinary shares to foreign investors (including 167,400 shares that are over-allotted). Such ordinary shares are all H shares.</p>					

Original article	Article after amendment
<p>Upon completion of the issue of the above overseas listed foreign investment shares, the share capital structure of the Company shall comprise 487,639,400 ordinary shares, of which, Zhang Jian, a promoter, will hold 171,507,840 shares, representing 35.17% of the total ordinary share capital; Hunan Broad Lingmu House Equipment Co., Ltd., a promoter, will hold 66,176,160 shares, representing 13.57% of the total ordinary share capital; Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership), a promoter, will hold 18,600,000 shares, representing 3.81% of the total ordinary share capital; Hunan Dazheng Investment Co., Ltd., a promoter, will hold 12,000,000 shares, representing 2.46% of the total ordinary share capital; Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership), a promoter, will hold 5,412,000 shares, representing 1.11% of the total ordinary share capital; Shanghai Xinji Investment Center (Limited Partnership), a promoter, will hold 7,560,000 shares, representing 1.55% of the total ordinary share capital; Shanghai Hanlin Venture Investment Enterprise (Limited Partnership), a promoter, will hold 3,240,000 shares, representing 0.66% of the total ordinary share capital; Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership), a promoter, will hold 3,600,000 shares, representing 0.74% of the total ordinary share capital; Shanghai Longteng Bafang Enterprise Development Co., Ltd., a promoter, will hold 3,816,000 shares, representing 0.78% of the total ordinary share capital; Yang Lixin, a promoter, will hold 3,600,000 shares, representing 0.74% of the total ordinary share capital; Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership), a promoter, will hold 25,404,000 shares, representing 5.21% of the total ordinary share capital; Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership), a promoter, will hold 4,236,000 shares, representing 0.87% of the total ordinary share capital; Shenzhen Meitou High-tech Venture Investment Co., Ltd., a promoter, will hold 5,748,000 shares, representing 1.18% of the total ordinary share capital; and the H shareholders will hold 122,035,400 shares, representing 25.03% of the total ordinary share capital.</p>	<p>Upon completion of the issue of the above overseas listed foreign investment shares, the share capital structure of the Company shall comprise 487,639,400 ordinary shares, of which, Zhang Jian, a promoter, will hold 171,507,840 shares, representing 35.17% of the total ordinary share capital; Hunan Broad Lingmu House Equipment Co., Ltd., a promoter, will hold 66,176,160 shares, representing 13.57% of the total ordinary share capital; Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership), a promoter, will hold 18,600,000 shares, representing 3.81% of the total ordinary share capital; Hunan Dazheng Investment Co., Ltd., a promoter, will hold 12,000,000 shares, representing 2.46% of the total ordinary share capital; Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership), a promoter, will hold 5,412,000 shares, representing 1.11% of the total ordinary share capital; Shanghai Xinji Investment Center (Limited Partnership), a promoter, will hold 7,560,000 shares, representing 1.55% of the total ordinary share capital; Shanghai Hanlin Venture Investment Enterprise (Limited Partnership), a promoter, will hold 3,240,000 shares, representing 0.66% of the total ordinary share capital; Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership), a promoter, will hold 3,600,000 shares, representing 0.74% of the total ordinary share capital; Shanghai Longteng Bafang Enterprise Development Co., Ltd., a promoter, will hold 3,816,000 shares, representing 0.78% of the total ordinary share capital; Yang Lixin, a promoter, will hold 3,600,000 shares, representing 0.74% of the total ordinary share capital; Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership), a promoter, will hold 25,404,000 shares, representing 5.21% of the total ordinary share capital; Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership), a promoter, will hold 4,236,000 shares, representing 0.87% of the total ordinary share capital; <u>Gongqingcheng Meitou Shenyuan Investment Co., Ltd.</u> Shenzhen Meitou High-tech Venture Investment Co., Ltd., a promoter, will hold 5,748,000 shares, representing 1.18% of the total ordinary share capital; and the H shareholders will hold 122,035,400 shares, representing 25.03% of the total ordinary share capital.</p>

Original article						Article after amendment					
<p>Article 24 The registered capital of the Company prior to the issue of H shares was RMB365,604,000. The names, number of shares held in the Company, shareholding, method of capital contribution and time of capital contribution of the shareholders prior to the issue of H shares are as follows:</p>						<p>Article 24 <u>The registered capital of the Company was RMB487,639,400. The change of the Company's registered capital shall be registered with the administration authorities for industry and commerce.</u> The registered capital of the Company prior to the issue of H shares was RMB365,604,000. The names, number of shares held in the Company, shareholding, method of capital contribution and time of capital contribution of the shareholders prior to the issue of H shares are as follows:</p>					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
1	Zhang Jian	17,150.784	46.9108	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	1	Zhang Jian	17,150.784	46.9108	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
2	Hunan Broad Lingmu House Equipment Co., Ltd.	6,617.616	18.1005	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	2	Hunan Broad Lingmu House Equipment Co., Ltd.	6,617.616	18.1005	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
3	Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership)	1,860.00	5.0874	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	3	Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership)	1,860.00	5.0874	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019

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COMPARISON TABLE OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

Original article						Article after amendment					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
4	Hunan Dazheng Investment Co., Ltd.	1,200.00	3.2822	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	4	Hunan Dazheng Investment Co., Ltd.	1,200.00	3.2822	Shares converted from net assets; conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
5	Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)	541.20	1.4803	Shares converted from net assets, monetary contributions, conversion of capital reserve to share capital	3 December 2015, 14 December 2017 and 23 March 2019	5	Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)	541.20	1.4803	Shares converted from net assets; monetary contributions; conversion of capital reserve to share capital	3 December 2015, 14 December 2017 and 23 March 2019
6	Shanghai Xinji Investment Center (Limited Partnership)	756.00	2.0678	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	6	Shanghai Xinji Investment Center (Limited Partnership)	756.00	2.0678	Shares converted from net assets; conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
7	Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)	324.00	0.8862	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	7	Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)	324.00	0.8862	Shares converted from net assets; conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
8	Hunan Jiuyi Tongfu Private Equity Fund Partnership Enterprise (Limited Partnership)	693.60	1.8971	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	8	Hunan Jiuyi Tongfu Private Equity Fund Partnership Enterprise (Limited Partnership)	693.60	1.8971	Shares converted from net assets; conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
9	Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership)	360.00	0.9847	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	9	Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership)	360.00	0.9847	Shares converted from net assets; conversion of capital reserve to share capital	3 December 2015 and 23 March 2019

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COMPARISON TABLE OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

Original article						Article after amendment					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
10	Shanghai Longteng Bafang Enterprise Development Co., Ltd.	381.60	1.0438	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	10	Shanghai Longteng Bafang Enterprise Development Co., Ltd.	381.60	1.0438	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
11	Zhou Bin	387.60	1.0602	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	11	Zhou Bin	387.60	1.0602	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
12	Yang Lixin	360.00	0.9847	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	12	Yang Lixin	360.00	0.9847	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
13	Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership)	2,540.40	6.9485	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	13	Shenzhen Yuanzhi Fuhai Investment Partnership (Limited Partnership)	2,540.40	6.9485	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
14	Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership)	423.60	1.1586	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	14	Shanghai Yongjun Equity Investment Partnership Enterprise (Limited Partnership)	423.60	1.1586	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
15	Shenzhen Meitou High-tech Venture Investment Co., Ltd.	574.80	1.5722	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	15	Shenzhen Meitou High-tech Venture Investment Co., Ltd.	574.80	1.5722	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019

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**COMPARISON TABLE OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**

Original article						Article after amendment					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
16	Hunan Xiangjiang Haijie Equity Investment Partnership Enterprise (Limited Partnership)	685.20	1.8742	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	16	Hunan Xiangjiang Haijie Equity Investment Partnership Enterprise (Limited Partnership)	685.20	1.8742	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
17	Hangzhou Fuyang Shangjiu Jingyuan Equity Investment Partnership Enterprise (Limited Partnership)	513.60	1.4048	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	17	Hangzhou Fuyang Shangjiu Jingyuan Equity Investment Partnership Enterprise (Limited Partnership)	513.60	1.4048	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
18	Hunan Friendship & Apollo Commercial Co., Ltd.	240.00	0.6564	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	18	Hunan Friendship & Apollo Commercial Co., Ltd.	240.00	0.6564	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
19	Changsha Jiowo Private Equity Fund Partnership Enterprise (Limited Partnership)	240.00	0.6564	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	19	Changsha Jiowo Private Equity Fund Partnership Enterprise (Limited Partnership)	240.00	0.6564	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
20	Peng Xingni	171.60	0.4694	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	20	Peng Xingni	171.60	0.4694	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
21	Xinyu Dongxi Intelligent Home Industrial Investment Partnership Enterprise (Limited Partnership)	124.80	0.3414	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	21	Xinyu Dongxi Intelligent Home Industrial Investment Partnership Enterprise (Limited Partnership)	124.80	0.3414	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
22	Kong Jianguo	102.00	0.2790	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	22	Kong Jianguo	102.00	0.2790	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019

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COMPARISON TABLE OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

Original article						Article after amendment					
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding (%)	Method of capital contribution	Time of capital contribution
23	Wang Yongxian	75.60	0.2068	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	23	Wang Yongxian	75.60	0.2068	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
24	Hunan Caixin Industry Fund Management Co., Ltd.	66.00	0.1805	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019	24	Hunan Caixin Industry Fund Management Co., Ltd.	66.00	0.1805	Shares converted from net assets, conversion of capital reserve to share capital	14 December 2017 and 23 March 2019
25	Hong Yefan	84.00	0.2298	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	25	Hong Yefan	84.00	0.2298	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
26	Changsha Yinghe Shengdao Private Equity Fund Partnership Enterprise (Limited Partnership)	42.00	0.1149	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	26	Changsha Yinghe Shengdao Private Equity Fund Partnership Enterprise (Limited Partnership)	42.00	0.1149	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
27	Hangzhou Zhongche Shidai Venture Investment Partnership Enterprise (Limited Partnership)	44.40	0.1214	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019	27	Hangzhou Zhongche Shidai Venture Investment Partnership Enterprise (Limited Partnership)	44.40	0.1214	Shares converted from net assets, conversion of capital reserve to share capital	3 December 2015 and 23 March 2019
	Total	36,560.4	100	-	-		Total	36,560.4	100	=	=
<p>Upon the completion of the above-mentioned issue of H shares, the registered capital of the Company shall be RMB487,639,400. The change of the Company's registered capital shall be registered with the administration authorities for industry and commerce.</p>						<p>Upon the completion of the above-mentioned issue of H shares, the registered capital of the Company shall be RMB487,639,400. The change of the Company's registered capital shall be registered with the administration authorities for industry and commerce.</p>					

Original article	Article after amendment
<p>Article 28 If a director, supervisor or senior management members of the Company or a holder of at least five percent of the shares of the Company sells the shares of the Company that he/she holds within six months after acquiring the same, or buys such shares back within six months after selling the same, the gains obtained therefrom shall belong to the Company and the board of directors of the Company shall recover such gains from him/her. The transfer restriction on H shares shall also be subject to the relevant requirements of the SEHK Listing Rules and other applicable laws and regulations. However, a securities company that underwrote shares on a firm commitment basis and which, after purchasing the shares remaining after the sale, holds at least five percent of the shares shall not be subject to the six-month time limit when selling such shares.</p>	<p>Article 28 If a director, supervisor or senior management members of the Company or a holder of at least five percent of the shares of the Company sells the shares <u>or other securities of equity nature</u> of the Company that he/she holds within six months after acquiring the same, or buys such shares <u>or other securities of equity nature</u> back within six months after selling the same, the gains obtained therefrom shall belong to the Company and the board of directors of the Company shall recover such gains from him/her. The transfer restriction on H shares shall also be subject to the relevant requirements of the SEHK Listing Rules and other applicable laws and regulations. <u>However, securities companies holding 5% or above of the Company's shares as a result of taking up unsubscribed shares as underwriters and other circumstances provided by CSRC are exempt from such requirement.</u> a securities company that underwrote shares on a firm commitment basis and which, after purchasing the shares remaining after the sale, holds at least five percent of the shares shall not be subject to the six-month time limit when selling such shares.</p>

Original article	Article after amendment
<p>If the board of directors of the Company fails to act in accordance with the preceding paragraph, shareholders shall have the right to demand that the board of directors act within 30 days. If the board of directors of the Company fails to act within such time period, shareholders shall have the right, in the interests of the Company, to directly institute a legal action in a court in their own name.</p> <p>If the board of directors of the Company fails to act in accordance with the first paragraph, the responsible directors shall be jointly liable in accordance with the laws.</p>	<p><u>Shares or other securities of equity nature held by directors, supervisors, senior management, natural person shareholders referred to in the paragraph above include shares or other securities of equity nature held by their spouse, parents, children in their own name and under others' account.</u></p> <p>If the board of directors of the Company fails to act in accordance with the first preceding paragraph, shareholders shall have the right to demand that the board of directors act within 30 days. If the board of directors of the Company fails to act within such time period, shareholders shall have the right, in the interests of the Company, to directly institute a legal action in a court in their own name.</p> <p>If the board of directors of the Company fails to act in accordance with the first paragraph, the responsible directors shall be jointly liable in accordance with the laws.</p>

Original article	Article after amendment
<p>Article 33 The Company may elect to buy back its shares in any of the following ways:</p> <p>(I) issuance of an offer to all of the shareholders on a pro rata basis;</p> <p>(II) buy back through open transactions on a stock exchange;</p> <p>(III) buy back by agreements outside a stock exchange;</p> <p>(IV) other methods approved in laws, administrative regulations and by the approval authority authorized by the State Council.</p> <p>If the Company buy back its own shares under the circumstances as provided in items (III), (V) or (VI) of the first paragraph in Article 32 in these Articles of Association, the transaction(s) shall be carried out in a public and centralized manner.</p>	<p>Article 33 The Company may elect to buy back its shares <u>by means of public collective trading or in other ways approved by laws, administrative regulations and the CSRC</u> in any of the following ways:</p> <p>(I) issuance of an offer to all of the shareholders on a pro rata basis;</p> <p>(II) buy back through open transactions on a stock exchange;</p> <p>(III) buy back by agreements outside a stock exchange;</p> <p>(IV) other methods approved in laws, administrative regulations and by the approval authority authorized by the State Council.</p> <p>If the Company buy back its own shares under the circumstances as provided in items (III), (V) or (VI) of the first paragraph in Article 32 in these Articles of Association, the transaction(s) shall be carried out in a public and centralized manner.</p>

Original article	Article after amendment
<p>Article 60 Holders of ordinary shares of the Company bear the following obligations:</p> <p>(I) to comply with laws, administrative regulations and these Articles of Association;</p> <p>(II) to pay subscription monies according to the shares subscribed for by them and the method of acquiring such shares;</p> <p>(III) to assume liabilities to the Company to the extent of the shares they have subscribed for;</p> <p>(IV) not to return their shares except in circumstances specified in laws and regulations;</p> <p>(V) not to abuse their rights as the shareholders to harm the interests of the Company or those of other shareholders; not to abuse the status of the Company as an independent legal person and shareholders' limited liability to harm the interests of the creditors of the Company;</p>	<p>Article 60 Holders of ordinary shares of the Company bear the following obligations:</p> <p>(I) to comply with laws, administrative regulations and these Articles of Association;</p> <p>(II) to pay subscription monies according to the shares subscribed for by them and the method of acquiring such shares;</p> <p>(III) to assume liabilities to the Company to the extent of the shares they have subscribed for;</p> <p>(IV) not to return their shares except in circumstances specified in laws and regulations;</p> <p>(V) not to abuse their rights as the shareholders to harm the interests of the Company or those of other shareholders; not to abuse the status of the Company as an independent legal person and shareholders' limited liability to harm the interests of the creditors of the Company;</p> <p>(VI) other obligations imposed by laws and these Articles of Association.</p>

Original article	Article after amendment
<p>If a shareholder of the Company abuses his/her rights as a shareholder, thereby causing the Company or another shareholder to sustain a loss, he/she shall be held liable for damages in accordance with the laws.</p>	<p>If a shareholder of the Company abuses his/her rights as a shareholder, thereby causing the Company or another shareholder to sustain a loss, he/she shall be held liable for damages in accordance with the laws.</p>
<p>If a shareholder of the Company abuses the status of the Company as an independent legal person and shareholders' limited liability to evade a debt, thereby materially harming the interests of the creditors of the Company, he/she shall bear joint liability for the debt of the Company.</p>	<p>If a shareholder of the Company abuses the status of the Company as an independent legal person and shareholders' limited liability to evade a debt, thereby materially harming the interests of the creditors of the Company, he/she shall bear joint liability for the debt of the Company.</p>
<p>(VI) other obligations imposed by laws and these Articles of Association.</p>	<p>(VI) other obligations imposed by laws and these Articles of Association.</p>
<p>Shareholders are not liable for further contributions to share capital other than the conditions agreed to by the subscribers for the shares at the time of subscription.</p>	<p>Shareholders are not liable for further contributions to share capital other than the conditions agreed to by the subscribers for the shares at the time of subscription.</p>

Original article	Article after amendment
Article 63 The general meeting shall exercise the following functions and powers:	Article 63 The general meeting shall exercise the following functions and powers:
(I) to decide on the business policies and investment plans of the Company;	(I) to decide on the business policies and investment plans of the Company;
(II) to elect and replace directors and supervisors who are not representatives of the employees and to decide on matters relating to their remuneration;	(II) to elect and replace directors and supervisors who are not representatives of the employees and to decide on matters relating to their remuneration;
(III) to consider and approve reports of the board of directors;	(III) to consider and approve reports of the board of directors;
(IV) to consider and approve reports of the supervisory committee;	(IV) to consider and approve reports of the supervisory committee;
(V) to consider and approve the Company's annual financial budgets and final accounts;	(V) to consider and approve the Company's annual financial budgets and final accounts;
(VI) to consider and approve the Company's profit distribution plans and plans for making up losses;	(VI) to consider and approve the Company's profit distribution plans and plans for making up losses;
(VII) to pass resolutions concerning the increase or reduction of the Company's registered capital;	(VII) to pass resolutions concerning the increase or reduction of the Company's registered capital;
(VIII) to pass resolutions on the issuance of corporate bonds;	(VIII) to pass resolutions on the issuance of corporate bonds;
(IX) to pass resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;	(IX) to pass resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;
(X) to prepare and amend these Articles of Association;	(X) to prepare and amend these Articles of Association;

Original article	Article after amendment
(XI) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;	(XI) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;
(XII) to consider motions raised by a shareholder alone or shareholders together holding at least 3 percent of the Company's voting shares;	(XII) to consider motions raised by a shareholder alone or shareholders together holding at least 3 percent of the Company's voting shares;
(XIII) to consider and approve matters relating to the purchase or disposal of material assets by the Company within one year in an amount representing more than 30 percent of the Company's latest audited total assets;	(XIII) to consider and approve matters relating to the purchase or disposal of material assets by the Company within one year in an amount representing more than 30 percent of the Company's latest audited total assets;
(XIV) to consider and approve equity incentive plans;	(XIV) to consider and approve equity incentive plans <u>and employee stock ownership schemes</u> ;
(XV) to consider and approve connected transactions required to be approved by the general meeting;	(XV) to consider and approve connected transactions required to be approved by the general meeting;
(XVI) to consider other matters that require to be resolved by the general meeting as prescribed by laws, administrative regulations, departmental rules, regulatory documents and relevant regulations of the securities regulatory authority of the place where Company shares are listed and these Articles of Association.	(XVI) to consider other matters that require to be resolved by the general meeting as prescribed by laws, administrative regulations, departmental rules, regulatory documents and relevant regulations of the securities regulatory authority of the place where Company shares are listed and these Articles of Association.
Subject to the laws, regulations and mandatory provisions of the listing rules of the listing place, the general meeting may authorize or entrust the board of directors to handle the matters authorized or entrusted by it.	Subject to the laws, regulations and mandatory provisions of the listing rules of the listing place, the general meeting may authorize or entrust the board of directors to handle the matters authorized or entrusted by it.

Original article	Article after amendment
<p>Article 94 When a shareholder (or a proxy) exercises his/her voting rights based on the number of voting shares which he/she represents, each share shall entitle him/her to one vote.</p> <p>No voting rights shall attach to the Company shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a general meeting.</p> <p>Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange where the Company’s shares are listed, required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>	<p>Article 94 When a shareholder (or a proxy) exercises his/her voting rights based on the number of voting shares which he/she represents, each share shall entitle him/her to one vote.</p> <p>No voting rights shall attach to the Company shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a general meeting. <u>If a shareholder buys voting shares of the Company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six months after the purchase, and shall not be counted as part of the total number of voting shares present at the general meeting.</u></p> <p>Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange where the Company’s shares are listed, required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>

Original article	Article after amendment
<p>Article 95 Votes at a general meeting shall be taken by a show of hands, unless otherwise provided in laws and regulations, or the regulations of the securities regulatory authority or the stock exchange of the place where shares of the Company are listed or unless a vote by ballot is demanded before or after any vote by show of hands by:</p> <p>(I) the chairman of the meeting;</p> <p>(II) at least two shareholders with voting rights or proxies with voting rights;</p> <p>(III) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the general meeting.</p> <p>Unless as otherwise required by the laws and regulations, the securities regulatory authority or the stock exchange where the shares of the Company are listed, or a vote is held by ballot in accordance with the preceding paragraph, the chairman of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.</p> <p>The demand for a vote by ballot may be withdrawn by the person who made it.</p>	<p>Article 95 <u>Except for proposals relating to procedural or administrative matters at general meetings as stipulated in the Listing Rules, which may be made by the chairman of the meeting in good faith and voted on by a show of hands, voting at general meetings shall be conducted by disclosed ballot or in such other manner as permitted by the rules governing the supervision and administration of securities in the place where the shares of the Company are listed.</u> Votes at a general meeting shall be taken by a show of hands, unless otherwise provided in laws and regulations, or the regulations of the securities regulatory authority or the stock exchange of the place where shares of the Company are listed or unless a vote by ballot is demanded before or after any vote by show of hands by:</p> <p>(I) the chairman of the meeting;</p> <p>(II) at least two shareholders with voting rights or proxies with voting rights;</p> <p>(III) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the general meeting.</p> <p>Unless as otherwise required by the laws and regulations, the securities regulatory authority or the stock exchange where the shares of the Company are listed, or a vote is held by ballot in accordance with the preceding paragraph, the chairman of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.</p> <p>The demand for a vote by ballot may be withdrawn by the person who made it.</p>

Original article	Article after amendment
<p>Article 100 Decisions of the general meeting on any of the following matters shall be adopted by special resolution:</p> <p>(I) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;</p> <p>(II) the issuance of corporate bonds;</p> <p>(III) the division, merger, dissolution, liquidation or change in the corporate form of the Company;</p> <p>(IV) the amendment of the articles of association of the Company;</p> <p>(V) the purchase or sale by the Company within one year of (a) material asset(s) exceeding 30 percent of the audited total assets of the Company as at the most recent period;</p>	<p>Article 100 Decisions of the general meeting on any of the following matters shall be adopted by special resolution:</p> <p>(I) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;</p> <p>(II) the issuance of corporate bonds;</p> <p>(III) the division, spin-off, merger, dissolution, liquidation or change in the corporate form of the Company;</p> <p>(IV) the amendment of the articles of association of the Company;</p> <p>(V) the purchase or sale by the Company within one year of (a) material asset(s) exceeding 30 percent of the audited total assets of the Company as at the most recent period;</p>

Original article	Article after amendment
<p>(VI) equity incentive plans;</p> <p>(VII) other matters which the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed, or these Articles of Association require to be adopted by special resolution or which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.</p>	<p>(VI) equity incentive plans;</p> <p>(VII) other matters which the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed, or these Articles of Association require to be adopted by special resolution or which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.</p>
<p>Article 103 The list of candidates for the position of director or supervisor not representing employees shall be put in the form of a motion before the general meeting for resolution.</p> <p>When the general meeting votes on the election of directors or supervisors not representing employees, it may, pursuant to these Articles of Association or a resolution of the general meeting, do so by cumulative voting.</p> <p>For the purposes of the preceding paragraph, the term “cumulative voting” means that, when the general meeting votes to elect directors or supervisors not representing employees, each share carries a number of voting rights equivalent to the number of directors or supervisors to be elected, and a shareholder may cluster his/her voting rights. The board of directors shall announce the biographies and basic information of candidates for directors and supervisors to shareholders.</p>	<p>Article 103 The list of candidates for the position of director or supervisor not representing employees shall be put in the form of a motion before the general meeting for resolution.</p> <p>When the general meeting votes on the election of directors or supervisors not representing employees, it shall may, pursuant to these Articles of Association or a resolution of the general meeting, do so by cumulative voting.</p> <p>For the purposes of the preceding paragraph, the term “cumulative voting” means that, when the general meeting votes to elect directors or supervisors not representing employees, each share carries a number of voting rights equivalent to the number of directors or supervisors to be elected, and a shareholder may cluster his/her voting rights. The board of directors shall announce the biographies and basic information of candidates for directors and supervisors to shareholders.</p>

Original article	Article after amendment
<p>Article 126 The Company shall establish an independent non-executive director system. The term “independent non-executive director” refers to a director who does not hold any position in the Company other than a director and who has no relationship with the Company and its substantial shareholder(s) (only provided under this section that substantial shareholders are those shareholders individually or jointly holding at least 5% of total number of the Company’s shares with voting rights) that could hinder his/her independent and objective judgments, and who is in compliance with independence provisions of the listing rules of the place where Company’s shares are listed. At least one-third of the members of the board of directors of the Company shall be independent non-executive directors and the total number of independent non-executive directors shall not be less than three, of whom at least one shall be a financial or accounting professional.</p> <p>The term of office for independent non-executive directors shall be three years, and renewable upon re-election and re-appointment, but shall not exceed six years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company’s shares are listed.</p> <p>If an independent non-executive director fails to meet the conditions of independence or other circumstance arises which makes it inappropriate for him/her to perform his/her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.</p>	<p>Article 126 The Company shall establish an independent non-executive director system. The term “independent non-executive director” refers to a director who does not hold any position in the Company other than a director and who has no relationship with the Company and its substantial shareholder(s) (only provided under this section that substantial shareholders are those shareholders individually or jointly holding at least 5% of total number of the Company’s shares with voting rights) that could hinder his/her independent and objective judgments, and who is in compliance with independence provisions of the listing rules of the place where Company’s shares are listed. At least one-third of the members of the board of directors of the Company shall be independent non-executive directors and the total number of independent non-executive directors shall not be less than three, of whom at least one shall be a financial or accounting professional.</p> <p>The term of office for independent non-executive directors shall be three years, and renewable upon re-election and re-appointment, but shall not exceed nine six years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company’s shares are listed.</p> <p>If an independent non-executive director fails to meet the conditions of independence or other circumstance arises which makes it inappropriate for him/her to perform his/her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.</p>

Original article	Article after amendment
<p>Article 127 A person holding the position of independent non-executive director shall satisfy the basic conditions set forth below:</p> <p>(I) to be qualified for directors of a listed company as provided in laws, administrative regulations, listing rules of the stock exchange where the Company’s shares are listed and other relevant regulations;</p> <p>(II) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company’s shares are listed;</p> <p>(III) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and rules and regulations;</p> <p>(IV) having at least five years of working experience in legal or economic areas, or other experience indispensable for performing the duties as independent nonexecutive directors;</p> <p>(V) other requirements provided in these Articles of Association.</p>	<p>Article 127 A person holding the position of independent non-executive director shall satisfy the basic conditions set forth below:</p> <p>(I) to be qualified for directors of a listed company as provided in laws, administrative regulations, listing rules of the stock exchange where the Company’s shares are listed and other relevant regulations;</p> <p>(II) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company’s shares are listed;</p> <p>(III) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and rules and regulations;</p> <p>(IV) having at least five years of working experience in legal or economic areas, or other experience indispensable for performing the duties as independent nonexecutive directors;</p> <p>(V) other requirements provided in <u>laws, regulations and</u> these Articles of Association.</p>

Original article	Article after amendment
<p>Article 128 Before expiration of their terms of office, independent non-executive directors shall not be dismissed without proper reasons. In case of an independent director being dismissed before expiration of his term of office, the Company shall disclose it as a special discloseable matter.</p> <p>Should an independent non-executive director fail to attend in person the meetings of the board of directors for three times in succession, the board of directors may propose to the general meeting for replacing such director.</p>	<p>Article 128 <u>An independent non-executive director may be removed from office by the Company through statutory procedures before expiration of his or her term of office.</u> Before expiration of their terms of office, independent non-executive directors shall not be dismissed without proper reasons. In case of an independent director being <u>removed</u> dismissed before expiration of his term of office, the Company shall disclose it as a special discloseable matter.</p> <p>Should an independent non-executive director fail to attend in person the meetings of the board of directors for three times in succession, the board of directors <u>shall</u> may propose to the general meeting for replacing such director.</p>
<p>Article 130 The board of directors shall be accountable to the general meetings and exercise the following functions and powers:</p> <p>(I) to convene general meetings and report its work to the general meetings;</p> <p>(II) to implement the resolutions of the general meetings;</p> <p>(III) to decide on the Company's business plans and investment plans;</p> <p>(IV) to formulate the Company's annual financial budgets and final accounts;</p> <p>(V) to formulate the Company's profit distribution plan and the plan for making up losses;</p>	<p>Article 130 The board of directors shall be accountable to the general meetings and exercise the following functions and powers:</p> <p>(I) to convene general meetings and report its work to the general meetings;</p> <p>(II) to implement the resolutions of the general meetings;</p> <p>(III) to decide on the Company's business plans and investment plans;</p> <p>(IV) to formulate the Company's annual financial budgets and final accounts;</p> <p>(V) to formulate the Company's profit distribution plan and the plan for making up losses;</p>

Original article	Article after amendment
(VI) to formulate proposals for the increase or reduction of the Company’s registered capital and the issuance of shares, debentures or other securities and the listing project of the Company;	(VI) to formulate proposals for the increase or reduction of the Company’s registered capital and the issuance of shares, debentures or other securities and the listing project of the Company;
(VII) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change in corporate form of the Company;	(VII) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change in corporate form of the Company;
(VIII) within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, assets mortgage, wealth management entrustment, bank credit and connected transactions;	(VIII) within the scope authorized by the general meeting, to decide, among others, the Company’s external investment, purchase and sale of assets, assets mortgage, wealth management entrustment, bank credit, and connected transactions <u>and external donation;</u>
(IX) to decide on the provision of security for the third parties;	(IX) to decide on the provision of security for the third parties;
(X) to decide on the establishment of the Company’s internal management bodies and on the establishment or closing of the Company’s branches or representative offices;	(X) to decide on the establishment of the Company’s internal management bodies and on the establishment or closing of the Company’s branches or representative offices;
(XI) to engage or dismiss the Company’s general manager and secretary to the board of directors; to engage or dismiss such senior management members such as deputy general manager, financial controller and etc., as proposed by the general manager, and decide on matters relating to their remuneration, rewards and punishments;	(XI) to <u>decide to</u> engage or dismiss the Company’s general manager, and secretary to the board of directors <u>and other senior management members, and to determine their remunerations, reward and punishment;</u> to <u>decide to</u> engage or dismiss such senior management members such as deputy general manager, financial controller and etc., as proposed by the general manager, and decide on matters relating to their remuneration, rewards and punishments;

Original article	Article after amendment
(XII) to formulate the basic management systems of the Company;	(XII) to formulate the basic management systems of the Company;
(XIII) to formulate proposals for amendments to these Articles of Association;	(XIII) to formulate proposals for amendments to these Articles of Association;
(XIV) to manage the information disclosure of the Company;	(XIV) to manage the information disclosure of the Company;
(XV) to propose to the general meeting the appointment or replacement of an accounting firm that provides audit services of annual financial statement to the Company;	(XV) to propose to the general meeting the appointment or replacement of an accounting firm that provides audit services of annual financial statement to the Company;
(XVI) to listen to the work reports of the Company's general manager and inspect his/her work;	(XVI) to listen to the work reports of the Company's general manager and inspect his/her work;
(XVII) to decide the establishment of special committees under the board of directors and their compositions;	(XVII) to decide the establishment of special committees under the board of directors and their compositions;

Original article	Article after amendment
<p>(XVIII) to consider matters in relation to the purchase of shares of the Company under the circumstances set out in items (III), (V) and (VI) of paragraph 1 of Article 32 of these Articles of Association;</p> <p>(XIX) to exercise other functions and powers stipulated by the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, conferred by general meetings and these Articles of Association.</p> <p>Resolutions relating to the above paragraph, with the exception of items (VI), (VII), (XIII) and (XVIII) which shall be approved by at least two-thirds of the directors, shall be approved by at least half of the directors.</p> <p>Any reasonable expenses incurred by the board of directors in respect of the engagement of professionals such as lawyers, certified public accountants and certified auditors when exercising its functions and powers shall be borne by the Company.</p>	<p>(XVIII) to consider matters in relation to the purchase of shares of the Company under the circumstances set out in items (III), (V) and (VI) of paragraph 1 of Article 32 of these Articles of Association;</p> <p>(XIX) to exercise other functions and powers stipulated by the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, conferred by general meetings and these Articles of Association.</p> <p>Resolutions relating to the above paragraph, with the exception of items (VI), (VII), (XIII) and (XVIII) which shall be approved by at least two-thirds of the directors, shall be approved by at least half of the directors.</p> <p>Any reasonable expenses incurred by the board of directors in respect of the engagement of professionals such as lawyers, certified public accountants and certified auditors when exercising its functions and powers shall be borne by the Company.</p>

Original article	Article after amendment
<p>Article 142 Votes at on-site meetings of the board of directors (including meetings held by video conference) shall be held by disclosed ballot. If a director attends an on-site meeting by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he/she says and communicate with him/her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the board of directors, votes may be held and resolutions may be adopted by means of correspondence, and such resolutions shall be signed by the directors in attendance, but a regular meeting of the board of directors, a meeting at which a substantial shareholder (for the purpose of this section only, substantial shareholders refer to shareholders who individually or jointly hold at least 10% of total voting shares of the Company) or a director has a conflict of interest in a matter to be considered which the board of directors has determined to be material and a meeting held to discuss the appointment and dismissal of the company secretary shall not be held by means of correspondence. A deadline shall be set for votes held by means of correspondence, and if a director fails to express his/her opinion by the specified deadline, he/she shall be deemed to abstain.</p> <p>For a motion considered and passed at a meeting of the board of directors and adopted as the corresponding resolution, more than half of all of the Company's directors must cast an affirmative vote therefor. When the numbers of votes for and against are equal, the chairman of the board of directors is entitled to a cast one more vote. If laws or these Articles of Association require the consent of a larger number of directors for the adoption of a resolution, such provisions shall prevail.</p> <p>In the event of a conflict between the content and implication of different resolutions, the resolution adopted later shall prevail.</p>	<p>Article 142 Votes at on-site meetings of the board of directors (including meetings held by video conference) shall be held by disclosed ballot <u>or show of hands</u>. If a director attends an on-site meeting by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he/she says and communicate with him/her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the board of directors, votes may be held and resolutions may be adopted by means of correspondence, and such resolutions shall be signed by the directors in attendance, but a regular meeting of the board of directors, a meeting at which a substantial shareholder (for the purpose of this section only, substantial shareholders refer to shareholders who individually or jointly hold at least 10% of total voting shares of the Company) or a director has a conflict of interest in a matter to be considered which the board of directors has determined to be material and a meeting held to discuss the appointment and dismissal of the company secretary shall not be held by means of correspondence. A deadline shall be set for votes held by means of correspondence, and if a director fails to express his/her opinion by the specified deadline, he/she shall be deemed to abstain.</p> <p>For a motion considered and passed at a meeting of the board of directors and adopted as the corresponding resolution, more than half of all of the Company's directors must cast an affirmative vote therefor. When the numbers of votes for and against are equal, the chairman of the board of directors is entitled to a cast one more vote. If laws or these Articles of Association require the consent of a larger number of directors for the adoption of a resolution, such provisions shall prevail.</p> <p>In the event of a conflict between the content and implication of different resolutions, the resolution adopted later shall prevail.</p>

Original article	Article after amendment
<p>Article 147 Where necessary, the board of directors may establish relevant special committees such as the nomination committee, audit committee and remuneration and appraisal committee to provide advice and suggestions for the material decisions of the board of directors and the exercise of duties by the chairman of the board of directors within the scope of authorization of the board of directors. The board of directors shall formulate separate terms of reference for each of the special committees of the board of directors to determine the composition, duties and procedures of meetings of such special committees.</p>	<p>Article 147 Where necessary, the board of directors may establish relevant special committees such as the nomination committee, audit committee, <u>strategy committee</u> and remuneration and appraisal committee. <u>Such special committees are responsible to the board of directors and perform their duties in accordance with these Articles of Association and the authorization from the board of directors, and their proposals shall be submitted to the board of directors for deliberation and decision. All the special committees shall be composed of directors. Among them, independent directors shall comprise a majority of the audit committee, nomination committee and remuneration and appraisal committee and act as conveners, and the convener of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the working rules of special committees to regulate the operation of special committees.</u> to provide advice and suggestions for the material decisions of the board of directors and the exercise of duties by the chairman of the board of directors within the scope of authorization of the board of directors. The board of directors shall formulate separate terms of reference for each of the special committees of the board of directors to determine the composition, duties and procedures of meetings of such special committees.</p>

Original article	Article after amendment
<p>Article 152 Persons who hold any position other than that of director with the Company's controlling shareholder or actual controller may not serve as senior management members of the Company.</p>	<p>Article 152 Persons who hold any <u>administrative</u> position other than that of director <u>or supervisor</u> with the Company's controlling shareholder or actual controller may not serve as senior management members of the Company.</p> <p><u>The senior management of the Company shall only receive remuneration from the Company which shall not be paid by the controlling shareholder on behalf of the Company.</u></p> <p><u>Senior management of the Company shall perform their duties diligently and safeguard the best interests of the Company and all shareholders. Senior management of the Company shall be liable for damages to the interests of the Company and public shareholders arising from their failure to diligently perform their duties or breach of their fiduciary duty according to relevant laws and regulations.</u></p>
<p>Article 173 The minutes of meetings of the supervisory committee, together with the meeting notice, meeting materials, meeting sign-in register, the instruments of appointment of supervisor proxies, the sound recording of the meeting and the vote ballots shall serve as the Company's files and be kept by the office of the supervisory committee for a period of not less than ten years.</p>	<p>Article 173 The minutes of meetings of the supervisory committee, together with the meeting notice, meeting materials, meeting sign-in register, the instruments of appointment of supervisor proxies, the sound recording of the meeting and the vote ballots shall serve as the Company's files and be kept by the office of the supervisory committee for a period of not less than ten years.</p>

Original article	Article after amendment
<p>Article 175 None of the following persons may serve as a director, supervisor, general manager or other senior management member of the Company:</p> <p>(I) persons without capacity or with limited capacity for civil acts;</p> <p>(II) persons who were sentenced for corruption, bribery, infringement of property or misappropriation of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of enforcement; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of enforcement;</p> <p>(III) persons who served as directors, factory directors or managers of companies or enterprises which have been put into bankruptcy liquidation, who bear personal liability for the bankruptcy of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of the companies or enterprises;</p> <p>(IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked and closed done for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license;</p> <p>(V) persons with comparatively large debts that have fallen due but have not been settled;</p>	<p>Article 175 None of the following persons may serve as a director, supervisor, general manager or other senior management member of the Company:</p> <p>(I) persons without capacity or with limited capacity for civil acts;</p> <p>(II) persons who were sentenced for corruption, bribery, infringement of property or misappropriation of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of enforcement; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of enforcement;</p> <p>(III) persons who served as directors, factory directors or managers of companies or enterprises which have been put into bankruptcy liquidation, who bear personal liability for the bankruptcy of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of the companies or enterprises;</p> <p>(IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked and closed done for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license;</p> <p>(V) persons with comparatively large debts that have fallen due but have not been settled;</p>

Original article	Article after amendment
(VI) persons who are being investigated by the judicial authorities because they violated the criminal law, and such cases are still pending;	(VI) persons who are being investigated by the judicial authorities because they violated the criminal law, and such cases are still pending;
(VII) persons who cannot serve as leaders of enterprises according to laws;	(VII) persons who cannot serve as leaders of enterprises according to laws;
(VIII) persons who are not natural persons;	(VIII) persons who are not natural persons;
(IX) persons ruled by a competent authority to have violated relevant securities regulations, where such violation involved fraudulent or dishonest acts and not more than five years have elapsed since the date of the ruling;	(IX) persons ruled by a competent authority to have violated relevant securities regulations, where such violation involved fraudulent or dishonest acts and not more than five years have elapsed since the date of the ruling;
(X) persons who have been prohibited from accessing the securities market as penalization by the China Securities Regulatory Commission, where the specified prohibition period has not been fulfilled yet.	(X) persons who have been prohibited from accessing the securities market as penalization by the China Securities Regulatory Commission, where the specified prohibition period has not been fulfilled yet.
If a director, supervisor, general manager or other senior management member is elected or appointed in violation of this Article, such election, appointment or engagement shall be invalid.	If a director, supervisor, general manager or other senior management member is elected or appointed in violation of this Article, such election, appointment or engagement shall be invalid.

Original article	Article after amendment
<p>Article 8 The general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:</p> <p>(I) to decide on the business policies and investment plans of the Company;</p> <p>(II) to elect and replace directors and supervisors who are not representatives of the employees and to decide on matters relating to their remuneration;</p> <p>(III) to consider and approve reports of the board of directors;</p> <p>(IV) to consider and approve reports of the supervisory committee;</p> <p>(V) to consider and approve the Company's annual financial budgets and final accounts;</p> <p>(VI) to consider and approve the Company's profit distribution plans and plans for making up losses;</p> <p>(VII) to pass resolutions concerning the increase or reduction of the Company's registered capital;</p> <p>(VIII) to pass resolutions on the issuance of corporate bonds;</p> <p>(IX) to pass resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;</p> <p>(X) to prepare and amend the Articles of Association;</p> <p>(XI) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;</p> <p>(XII) to consider motions raised by a shareholder alone or shareholders together holding at least 3 percent of the Company's voting shares;</p>	<p>Article 8 The general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:</p> <p>(I) to decide on the business policies and investment plans of the Company;</p> <p>(II) to elect and replace directors and supervisors who are not representatives of the employees and to decide on matters relating to their remuneration;</p> <p>(III) to consider and approve reports of the board of directors;</p> <p>(IV) to consider and approve reports of the supervisory committee;</p> <p>(V) to consider and approve the Company's annual financial budgets and final accounts;</p> <p>(VI) to consider and approve the Company's profit distribution plans and plans for making up losses;</p> <p>(VII) to pass resolutions concerning the increase or reduction of the Company's registered capital;</p> <p>(VIII) to pass resolutions on the issuance of corporate bonds;</p> <p>(IX) to pass resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;</p> <p>(X) to prepare and amend the Articles of Association;</p> <p>(XI) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;</p> <p>(XII) to consider motions raised by a shareholder alone or shareholders together holding at least 3 percent of the Company's voting shares;</p>

<p>(XIII) to consider and approve matters relating to the purchase or disposal of material assets by the Company within one year in an amount representing more than 30 percent of the Company's latest audited total assets;</p> <p>(XIV) to consider and approve equity incentive plans;</p> <p>(XV) to consider and approve connected transactions required to be approved by the general meeting;</p> <p>(XVI) to consider other matters that require to be resolved by the general meeting as prescribed by laws, administrative regulations, departmental rules, regulatory documents and relevant regulations of the securities regulatory authority of the place where Company shares are listed and the Articles of Association.</p>	<p>(XIII) to consider and approve matters relating to the purchase or disposal of material assets by the Company within one year in an amount representing more than 30 percent of the Company's latest audited total assets;</p> <p>(XIV) to consider and approve equity incentive plans and employee stock ownership schemes;</p> <p>(XV) to consider and approve connected transactions required to be approved by the general meeting;</p> <p>(XVI) to consider other matters that require to be resolved by the general meeting as prescribed by laws, administrative regulations, departmental rules, regulatory documents and relevant regulations of the securities regulatory authority of the place where Company shares are listed and the Articles of Association.</p>
<p>Article 48 Decisions of the general meeting on any of the following matters shall be adopted by special resolution:</p> <p>(I) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;</p> <p>(II) the issuance of corporate bonds;</p> <p>(III) the division, merger, dissolution, liquidation or change in the corporate form of the Company;</p> <p>(IV) the amendment of the articles of association of the Company;</p> <p>(V) the purchase or sale by the Company within one year of (a) material asset(s) exceeding 30 percent of the audited total assets of the Company as at the most recent period;</p> <p>(VI) equity incentive plans;</p> <p>(VII) other matters which the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed, or the Articles of Association or these Rules require to be adopted by special resolution or which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.</p>	<p>Article 48 Decisions of the general meeting on any of the following matters shall be adopted by special resolution:</p> <p>(I) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;</p> <p>(II) the issuance of corporate bonds;</p> <p>(III) the division, spin-off, merger, dissolution, liquidation or change in the corporate form of the Company;</p> <p>(IV) the amendment of the articles of association of the Company;</p> <p>(V) the purchase or sale by the Company within one year of (a) material asset(s) exceeding 30 percent of the audited total assets of the Company as at the most recent period;</p> <p>(VI) equity incentive plans;</p> <p>(VII) other matters which the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed, or the Articles of Association or these Rules require to be adopted by special resolution or which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.</p>

<p>Article 50 When a shareholder (or a proxy) exercises his/her voting rights based on the number of voting shares which he/she represents, each share shall entitle him/her to one vote.</p> <p>No voting rights shall attach to the Company shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a general meeting.</p> <p>Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>	<p>Article 50 When a shareholder (or a proxy) exercises his/her voting rights based on the number of voting shares which he/she represents, each share shall entitle him/her to one vote.</p> <p>No voting rights shall attach to the Company shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a general meeting. <u>If a shareholder buys voting shares of the Company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six months after the purchase, and shall not be counted as part of the total number of voting shares present at the general meeting.</u></p> <p>Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>
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<p>Article 53 The list of candidates for the position of director or supervisor not representing employees shall be put to vote individually in the form of a motion before the general meeting for resolution.</p> <p>When the general meeting votes on the election of directors or supervisors not representing employees, it may, pursuant to the Articles of Association or a resolution of the general meeting, do so by cumulative voting.</p> <p>For the purposes of the preceding paragraph, the term “cumulative voting” means that, when the general meeting votes to elect directors or supervisors not representing employees, each share carries a number of voting rights equivalent to the number of directors or supervisors to be elected, and a shareholder may cluster his/her voting rights. The board of directors shall announce the biographies and basic information of candidates for directors and supervisors to shareholders.</p>	<p>Article 53 The list of candidates for the position of director or supervisor not representing employees shall be put to vote individually in the form of a motion before the general meeting for resolution.</p> <p>When the general meeting votes on the election of directors or supervisors not representing employees, it shall may, pursuant to the Articles of Association or a resolution of the general meeting, do so by cumulative voting.</p> <p>For the purposes of the preceding paragraph, the term “cumulative voting” means that, when the general meeting votes to elect directors or supervisors not representing employees, each share carries a number of voting rights equivalent to the number of directors or supervisors to be elected, and a shareholder may cluster his/her voting rights. The board of directors shall announce the biographies and basic information of candidates for directors and supervisors to shareholders.</p>
<p>Article 59 Before the general meeting votes on a motion, two shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder has a material interest in a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.</p> <p>When the general meeting votes on a motion, the ballot counter and scrutineer shall be jointly responsible for counting the votes and scrutinizing the vote count and shall announce the results of the vote on the spot. The results of the votes on the resolutions shall be entered into the minutes of the meeting.</p>	<p>Article 59 Before the general meeting votes on a motion, two shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder is connected with has a material interest in a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.</p> <p>When the general meeting votes on a motion, the ballot counter and scrutineer shall be jointly responsible for counting the votes and scrutinizing the vote count and shall announce the results of the vote on the spot. The results of the votes on the resolutions shall be entered into the minutes of the meeting.</p>
<p>Article 72 These Rules shall come into force on the date that the Company’s overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited.</p>	<p>Article 72 These Rules shall come into force on the date of being approved at the general meeting of the Company that the Company’s overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited.</p>

Original article	Article after amendment
<p>Article 5 The board of directors shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report its work to the general meetings;</p> <p>(II) to implement the resolutions of the general meetings;</p> <p>(III) to decide on the Company's business plans and investment plans;</p> <p>(IV) to formulate the Company's annual financial budgets and final accounts;</p> <p>(V) to formulate the Company's profit distribution plan and the plan for making up losses;</p> <p>(VI) to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of shares, debentures or other securities and the listing project of the Company;</p> <p>(VII) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change in the corporate form of the Company;</p> <p>(VIII) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and disposal of assets, assets mortgage, wealth management entrustment, bank credit and connected transactions;</p> <p>(IX) to decide on the provision of security for the third parties;</p> <p>(X) to decide on the establishment of the Company's internal management bodies and on the establishment or closing of the Company's branches or representative offices;</p>	<p>Article 5 The board of directors shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report its work to the general meetings;</p> <p>(II) to implement the resolutions of the general meetings;</p> <p>(III) to decide on the Company's business plans and investment plans;</p> <p>(IV) to formulate the Company's annual financial budgets and final accounts;</p> <p>(V) to formulate the Company's profit distribution plan and the plan for making up losses;</p> <p>(VI) to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of shares, debentures or other securities and the listing project of the Company;</p> <p>(VII) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change in the corporate form of the Company;</p> <p>(VIII) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and disposal of assets, assets mortgage, wealth management entrustment, bank credit, and and external donation;</p> <p>(IX) to decide on the provision of security for the third parties;</p> <p>(X) to decide on the establishment of the Company's internal management bodies and on the establishment or closing of the Company's branches or representative offices;</p>

Original article	Article after amendment
<p>(XI) to engage or dismiss the Company's general manager and secretary to the board of directors; to engage or dismiss such senior management members such as deputy general manager and financial controller as proposed by the general manager, and decide on matters relating to their remuneration, rewards and punishments;</p> <p>(XII) to formulate the basic management policies of the Company;</p> <p>(XIII) to formulate proposals for amendments to these Articles of Association;</p> <p>(XIV) to manage the information disclosure of the Company;</p> <p>(XV) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit services of annual financial statements to the Company;</p> <p>(XVI) to listen to the work reports of the Company's general manager and inspect his/her work;</p> <p>(XVII) to decide the establishment of special committees under the board of directors and their compositions;</p> <p>(XVIII) to exercise other functions and powers stipulated by the laws, regulations and the listing rules of the stock exchanges on which the shares of the Company are listed, conferred by general meetings and the Articles of Association.</p>	<p>(XI) to <u>decide to</u> engage or dismiss the Company's general manager, and secretary to the board of directors <u>and other senior management members, and to determine their remunerations, reward and punishment;</u> to <u>decide to</u> engage or dismiss such senior management members such as deputy general manager, financial controller and etc., as proposed by the general manager, and decide on matters relating to their remuneration, rewards and punishments;</p> <p>(XII) to formulate the basic management policies of the Company;</p> <p>(XIII) to formulate proposals for amendments to these Articles of Association;</p> <p>(XIV) to manage the information disclosure of the Company;</p> <p>(XV) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit services of annual financial statements to the Company;</p> <p>(XVI) to listen to the work reports of the Company's general manager and inspect his/her work;</p> <p>(XVII) to decide the establishment of special committees under the board of directors and their compositions;</p> <p>(XVIII) to exercise other functions and powers stipulated by the laws, regulations and the listing rules of the stock exchanges on which the shares of the Company are listed, conferred by general meetings and the Articles of Association.</p>

Original article	Article after amendment
<p>Resolutions relating to the above paragraph, with the exception of items (VI), (VII) and (XIII) which shall be approved by at least two-thirds of the directors, shall be approved by at least half of the directors.</p> <p>Any reasonable expenses incurred by the board of directors in respect of the engagement of professionals such as lawyers, certified public accountants and certified auditors when exercising its functions and powers shall be borne by the Company.</p>	<p>Resolutions relating to the above paragraph, with the exception of items (VI), (VII) and (XIII) which shall be approved by at least two-thirds of the directors, shall be approved by at least half of the directors.</p> <p>Any reasonable expenses incurred by the board of directors in respect of the engagement of professionals such as lawyers, certified public accountants and certified auditors when exercising its functions and powers shall be borne by the Company.</p>
<p>Article 8 The board of directors shall determine the authority for matters concerning the external investments, purchase and disposal of assets, assets mortgage, wealth management entrustment, bank credit and connected transactions and establish strict procedures for review and decision-making. For major investment projects, relevant experts and professionals shall be organized for review and such projects shall be submitted to the general meeting for approval.</p>	<p>Article 8 The board of directors shall determine the authority for matters concerning the external investments, purchase and disposal of assets, assets mortgage, wealth management entrustment, bank credit, and connected transactions <u>and external donation</u> and establish strict procedures for review and decision-making. For major investment projects, relevant experts and professionals shall be organized for review and such projects shall be submitted to the general meeting for approval.</p>

Original article	Article after amendment
<p>Article 24 Votes at on-site meetings of the board of directors (including meetings held by video conference) shall be held by disclosed ballot. If a director attends an on-site meeting by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he/she says and communicate with him/her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the board of directors, votings and resolutions may be adopted by means of correspondence which shall be signed by the directors in attendance, but a regular meeting of the board of directors, a meeting at which a substantial shareholder (for the purpose of this section only, substantial shareholders refer to shareholders who individually or collectively hold at least 10% of total shares with voting rights of the Company) or a director has a conflict of interest in a matter to be considered which the board of directors has determined to be material and a meeting held to discuss the appointment and dismissal of the company secretary shall not be held by means of correspondence. A deadline shall be set for voting by means of correspondence, and if a director fails to express his/her opinion within the specified deadline, he/she shall be deemed to abstain.</p> <p>For meetings held by video and telephone, the number of directors present in the video or presenting opinions during the telephone conference is counted as the number of directors present. For meetings with voting by means of correspondence, the number of directors present at the meeting shall be calculated based on the effective votes actually received.</p>	<p>Article 24 Votes at on-site meetings of the board of directors (including meetings held by video conference) shall be held by disclosed ballot or show of hands. If a director attends an on-site meeting by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he/she says and communicate with him/her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the board of directors, votings and resolutions may be adopted by means of correspondence which shall be signed by the directors in attendance, but a regular meeting of the board of directors, a meeting at which a substantial shareholder (for the purpose of this section only, substantial shareholders refer to shareholders who individually or collectively hold at least 10% of total shares with voting rights of the Company) or a director has a conflict of interest in a matter to be considered which the board of directors has determined to be material and a meeting held to discuss the appointment and dismissal of the company secretary shall not be held by means of correspondence. A deadline shall be set for voting by means of correspondence, and if a director fails to express his/her opinion within the specified deadline, he/she shall be deemed to abstain.</p> <p>For meetings held by video and telephone, the number of directors present in the video or presenting opinions during the telephone conference is counted as the number of directors present. For meetings with voting by means of correspondence, the number of directors present at the meeting shall be calculated based on the effective votes actually received.</p>

Original article	Article after amendment
<p>Article 46 These Rules shall come into force on the date that the Company's overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited.</p>	<p>Article 46 These Rules shall come into force on the date <u>of being approved at the general meeting of the Company</u> that the Company's overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited.</p>

Original article	Article after amendment
<p>Article 12 As the administrative body for the supervisory committee, the supervisory committee office is responsible for handling daily affairs and keeping the seal of the supervisory committee.</p>	<p>Article 12 As the administrative body for the supervisory committee, the supervisory committee office <u>the office of secretary to the board of directors or other department designated by it shall exercise the functions of the administrative body for the supervisory committee and is</u> responsible for handling daily affairs and keeping the seal of the supervisory committee.</p>
<p>Article 14 Convening method</p> <p>The meeting of the supervisory committee shall in principle be held on site.</p> <p>Subject to ensuring the full expression by the supervisors of their opinions, voting by submitting written motions can be adopted instead of convening an on-site meeting of the supervisory committee, but such written motions shall be complete and comprehensive, and be delivered to each supervisor by hand, post or facsimile. If the supervisory committee has sent the formulated resolutions to all supervisors and supervisors signing off have reached the quorum for passing a resolution according to the Articles of Association, then the resolution is a valid one and there is no need to convene a meeting of the Supervisory Committee.</p> <p>In case of emergency, the meeting of the supervisory committee can be held by way of correspondence, but the convener shall explain the specific emergency to the supervisors attending the meeting. When voting by correspondence, the supervisors shall fax their written opinions and voting intentions for the matters considered to the supervisory committee office after signing them. The supervisors shouldn't only write down their voting intentions without their written opinions or reasons.</p>	<p>Article 14 Convening method</p> <p>The meeting of the supervisory committee shall in principle be held on site.</p> <p>Subject to ensuring the full expression by the supervisors of their opinions, voting by submitting written motions can be adopted instead of convening an on-site meeting of the supervisory committee, but such written motions shall be complete and comprehensive, and be delivered to each supervisor by hand, post or facsimile. If the supervisory committee has sent the formulated resolutions to all supervisors and supervisors signing off have reached the quorum for passing a resolution according to the Articles of Association, then the resolution is a valid one and there is no need to convene a meeting of the Supervisory Committee.</p> <p>In case of emergency, the meeting of the supervisory committee can be held by way of correspondence, but the convener shall explain the specific emergency to the supervisors attending the meeting. When voting by correspondence, the supervisors shall fax their written opinions and voting intentions for the matters considered to the supervisory committee office <u>the office of secretary to the board of directors or other department designated by it</u> after signing them. The supervisors shouldn't only write down their voting intentions without their written opinions or reasons.</p>

<p>Article 19 Motions for the meeting of the supervisory committee</p> <p>The supervisory committee proposes motions mainly according to the matters for consideration of the board of directors and the matters to be proposed by the supervisors. The supervisory committee office is responsible for collecting matters for the consideration of the board of directors and the matters to be proposed by the supervisors, which shall be submitted to the chairman of the supervisory committee for decision on whether to submit the same to the supervisory committee for consideration.</p>	<p>Article 19 Motions for the meeting of the supervisory committee</p> <p>The supervisory committee proposes motions mainly according to the matters for consideration of the board of directors and the matters to be proposed by the supervisors. The supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> is responsible for collecting matters for the consideration of the board of directors and the matters to be proposed by the supervisors, which shall be submitted to the chairman of the supervisory committee for decision on whether to submit the same to the supervisory committee for consideration.</p>
<p>Article 20 Notice of the meeting of the supervisory committee</p> <p>The chairman of the supervisory committee will convene the meeting of the supervisory committee and issue a notice of the meeting. To convene a regular meeting or extraordinary meeting, the supervisory committee office shall deliver a written conference notice affixed with the seal of the office to all supervisors by hand, post or facsimile 10 and 5 days, respectively, before the meeting.</p> <p>If an extraordinary meeting of the supervisory committee is required to be held in case of emergency, the notice of the meeting can be issued by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.</p>	<p>Article 20 Notice of the meeting of the supervisory committee</p> <p>The chairman of the supervisory committee will convene the meeting of the supervisory committee and issue a notice of the meeting. To convene a regular meeting or extraordinary meeting, the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> shall deliver a written conference notice affixed with the seal of the office <u>office of secretary to the board of directors or other department designated by it</u> to all supervisors by hand, post or facsimile 10 and 5 days, respectively, before the meeting.</p> <p>If an extraordinary meeting of the supervisory committee is required to be held in case of emergency, the notice of the meeting can be issued by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.</p>

<p>Article 22 After issuing the notice and before the meeting, the supervisory committee office is responsible for organizing and arranging the communication with all supervisors to obtain the supervisors’ opinions or advice on relevant motions for the purposes of improving the motions. The office may require the directors, senior management and other employees of the Company or professionals of relevant intermediaries to be present at the meeting to accept inquires where necessary.</p>	<p>Article 22 After issuing the notice and before the meeting, the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> is responsible for organizing and arranging the communication with all supervisors to obtain the supervisors’ opinions or advice on relevant motions for the purposes of improving the motions. The office may require the directors, senior management and other employees of the Company or professionals of relevant intermediaries to be present at the meeting to accept inquires where necessary.</p>
<p>Article 31 Relevant personnel of the supervisory committee office shall collect the supervisors’ voting ballots immediately after voting by the supervisors present at the meeting, and submit to the chairman of the meeting for counting under the supervision of one supervisor.</p> <p>When the meeting is held on site, the chairman of the meeting shall announce the voting result on the spot, and shall, under other circumstances, notify the supervisors of the voting result on the next working day after the expiry of the voting period.</p> <p>If a supervisor votes after the chairman of the meeting has announced the voting result or after the expiry of the voting period, his/her voting ballots will not be included.</p>	<p>Article 31 Relevant personnel of the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> shall collect the supervisors’ voting ballots immediately after voting by the supervisors present at the meeting, and submit to the chairman of the meeting for counting under the supervision of one supervisor.</p> <p>When the meeting is held on site, the chairman of the meeting shall announce the voting result on the spot, and shall, under other circumstances, notify the supervisors of the voting result on the next working day after the expiry of the voting period.</p> <p>If a supervisor votes after the chairman of the meeting has announced the voting result or after the expiry of the voting period, his/her voting ballots will not be included.</p>

<p>Article 33 Minutes of the meeting</p> <p>Personnel of the supervisory committee office shall make proper records of the on-site meeting, including:</p> <p>(I) the session, time and venue of the meeting; (II) details on the issuance of the meeting notice; (III) the names of the convener and chairman of the meeting; (IV) the attendance of the meeting; (V) the meeting agenda; (VI) the motions considered at the meeting, and the key points of the statements and the main opinions, the voting intention of the supervisors in respect of relevant matters; (VII) the voting method for, and result of, each motion (the voting result shall state the number of votes for, votes against and abstentions); (VIII) other matters that the supervisors present at the meeting deem necessary to be included in the minutes.</p> <p>In respect of meetings of the supervisory committee held by way of correspondence, the supervisory committee office shall sort out the minutes with reference to the aforesaid provisions.</p>	<p>Article 33 Minutes of the meeting</p> <p>Personnel of the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> shall make proper records of the on-site meeting, including:</p> <p>(I) the session, time and venue of the meeting; (II) details on the issuance of the meeting notice; (III) the names of the convener and chairman of the meeting; (IV) the attendance of the meeting; (V) the meeting agenda; (VI) the motions considered at the meeting, and the key points of the statements and the main opinions, the voting intention of the supervisors in respect of relevant matters; (VII) the voting method for, and result of, each motion (the voting result shall state the number of votes for, votes against and abstentions); (VIII) other matters that the supervisors present at the meeting deem necessary to be included in the minutes.</p> <p>In respect of meetings of the supervisory committee held by way of correspondence, the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> shall sort out the minutes with reference to the aforesaid provisions.</p>
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<p>Article 35 Keeping of meeting archives</p> <p>Archives of the meeting of the supervisory committee include the notice of the meeting, meeting materials, attendance book, power of attorney for supervisors to attend the meeting on behalf of others, sound recordings, voting ballots, minutes signed by supervisors attending the meeting, etc., which will be kept by the supervisory committee office for a period of not less than 10 years.</p>	<p>Article 35 Keeping of meeting archives</p> <p>Archives of the meeting of the supervisory committee include the notice of the meeting, meeting materials, attendance book, power of attorney for supervisors to attend the meeting on behalf of others, sound recordings, voting ballots, minutes signed by supervisors attending the meeting, etc., which will be kept by the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> for a period of not less than 10 years.</p>
<p>Article 37 Under the leadership of the supervisory committee and the chairman of the supervisory committee, the supervisory committee office shall actively obtain information on implementation of relevant resolutions, report the important issues in the implementation and propose advice to the supervisory committee and the chairman of the supervisory committee in a timely manner.</p>	<p>Article 37 Under the leadership of the supervisory committee and the chairman of the supervisory committee, the supervisory committee office <u>office of secretary to the board of directors or other department designated by it</u> shall actively obtain information on implementation of relevant resolutions, report the important issues in the implementation and propose advice to the supervisory committee and the chairman of the supervisory committee in a timely manner.</p>
<p>Article 39 These Rules shall come into force on the date that the Company's overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited.</p>	<p>Article 39 These Rules shall come into force on the date <u>of being approved at the general meeting of the Company</u> that the Company's overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited.</p>

CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD.

REGULATION ON MANAGEMENT OF EXTERNAL GUARANTEE

CHAPTER I GENERAL PROVISIONS

Article 1 In order to strengthen the internal control of provision of guarantee by Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”), safeguard the legitimate rights and interests of the investors and safety of properties of the Company, and effectively prevent risks associated with provision of guarantee, the Company has formulated this regulation according to the requirements of the Company Law of the People’s Republic of China, the Civil Code of the People’s Republic of China, the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Transfer of Funds and External Guarantee of Listed Companies and the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Articles of Association**”) and other relevant laws and regulations.

Article 2 The guarantee referred to in this regulation represents external guarantee provided by the Company and guarantee provided to and received from related parties.

Article 3 The external guarantee of the Company shall be subject to unified management and follow the principle of “being impartial and voluntary, strictly controlling risks, acting based on the Company’s capabilities and prioritizing benefits”.

Article 4 For guarantee provided to external parties, the Company shall require such parties to provide counter-guarantee with collaterals such as lands and properties, and shall perform relevant registration procedures according to relevant laws and regulations to create confronting effect of real rights.

CHAPTER II GUARANTEED PARTY, DECISION-MAKING POWER AND
APPROVAL PROCEDURES OF EXTERNAL GUARANTEE

Articles 5 No guarantee shall be provided to the entities or enterprises in the following circumstances:

1. non-compliance with the national laws and regulations or development plan of the Company;
2. entities or enterprises which provide insufficient information or false financial statements and other information;
3. the Company used to provide guarantee to such entities or enterprises which have the records such as overdue repayment of bank loans, default in payment of interest and guarantee fees;
4. enterprises with deteriorating business conditions and poor credit profile which incurred loss in last year or are expected to record loss for current year;

5. enterprises identified as being shut down and transformed under classification management of enterprises;
6. entities or enterprises which have yet to provide valid properties for counter-guarantee;
7. entities or enterprises which have unclear titles of properties, have yet to complete restructuring and other reorganization works, or the establishment of which are not in compliance with national laws and regulations or national industrial policies;
8. Other circumstances which do not comply with the provisions of this regulation or are considered by the Company as unfit for provision of guarantee.

Article 6 Guarantees provided by the listed company to external parties shall be considered and approved by the board of directors before being submitted to the general meeting for consideration and approval.

The following external guarantee provided by the Company shall be subject to consideration and approval at the general meeting:

- (i) any guarantee which will cause the total amount of external guarantee provided by the Company and its controlling subsidiaries to exceed 50% of latest audited net assets;
- (ii) any guarantee which will cause the total amount of external guarantee provided by the Company to exceed 30% of latest audited total assets;
- (iii) the guarantee which will cause the amount of guarantee provided by the Company in one year to exceeds 30% of the latest audited total assets of the Company;
- (iv) guarantee provided to guaranteed parties with debt to asset ratio of over 70%;
- (v) a single guarantee in an amount exceeding 10% of the latest audited net assets;
- (vi) guarantee provided to shareholders, de facto controllers and their related parties;
- (vii) Other guarantee as required by the stock exchanges of the places where the Company's shares are listed and the Articles of Association.

The “external guarantee” referred to in this regulation represents the guarantee provided by the Company to other parties, including the guarantee provided by the Company to its controlling subsidiaries. The “total amount of guarantee provided by the Company and its controlling subsidiaries” represents the sum of total amount of external guarantee provided by the Company (including guarantee provided by the Company to its controlling subsidiaries) and total amount of external guarantee provided by the controlling subsidiaries of the Company.

When considering the resolution on provision of guarantee to shareholders, de facto controllers and their related parties at the general meeting, such shareholders or the shareholders under control of such de facto controllers shall abstain from voting, and such resolution shall be passed by other shareholders holding over half of the voting rights present at the general meeting.

Article 7 Within the scope of authorization of the general meeting, the board of directors shall make decision on venture capital investment, pledge of assets and other guarantee, and consider other external guarantee other than those set out in Article 6 and make timely disclosure.

Article 8 When considering the external guarantee of the Company, the board of directors shall strictly examine the asset and credit profile of the guaranteed parties. For external guarantee subject to consideration and approval by the board of directors, in addition to being approved by over half of all directors, it shall also be considered, approved and resolved on by over two thirds of the directors present at the meeting of the board of directors.

Article 9 For external guarantee, the Company shall request the guaranteed parties to provide counter-guarantee, and the provider of counter-guarantee shall have the actual ability to bear relevant liabilities;

CHAPTER III EXAMINATION OF EXTERNAL GUARANTEE

Article 10 The finance department is responsible for management of financing and guarantee business of the Company. In particular, it is responsible for risk assessment of financing and guarantee business, dealing with matters related to approval procedures of financing and guarantee business and management of financing and guarantee records. The finance department shall establish an external guarantee monitoring system, strengthen the management of guarantee information, establish a comprehensive registration book for inspection, and disclose relevant matters in the annual financial report.

Article 11 Upon receipt of application from guaranteed parties, the general manager of the Company shall instruct the finance department to conduct strict examination and assessment on the asset and credit profile of guaranteed parties, submit relevant materials to the board of directors of the Company for consideration after being reviewed by the management of the Company. The board of directors shall carefully examine the conditions of guarantee applicants based on relevant information, and shall not provide guarantee to applicants who do not meet the Company’s conditions for provision of external guarantee.

To prove the asset and credit profile, guarantee applicants are required to provide at least the following basic information:

1. basic information of guarantee applicants (including company name, registered address, nature of enterprise, legal representative, business scope, other information of industry and commerce registration and whether such applicants are related to the Company);
2. latest financial statements, latest year's audited financial report and solvency analysis;
3. name of the creditors;
4. use of guaranteed funds;
5. guaranteed principal amount, term of facilities, and type, term and amount of guarantee, etc.;
6. copy of the main contract related to the debts;
7. information of counter-guarantee, including counter-guarantee contract and form of guarantee. Analysis shall be conducted on the reliability of counter-guarantee and if there exists any legal impediment;
8. other important information.

Article 12 The external guarantee of the Company shall only be executed after being considered and approved by the board of directors or the general meeting according to relevant provisions of Article 6 and Article 8 of this regulation.

Article 13 The counter-guarantee provided by the guarantee applicant or other effective risk control measures shall match with the guaranteed amount. No guarantee shall be provided to the guarantee applicant if the property against which the counter-guarantee is to be provided is prohibited by the relevant laws and regulations from free transfer or otherwise non-transferable.

CHAPTER IV ENTERING INTO OF GUARANTEE CONTRACT

Article 14 The guarantee contract shall be in compliance with relevant laws and regulations and the items stipulated in the guarantee contract shall be clear and specific. After being examined by the finance department of the Company, the guarantee contract shall be submitted to the law firm engaged by the Company, which will issue its legal opinions in this regard.

The guarantee contract shall contain the following terms:

- (1) creditor and debtor;
- (2) type and amount of the guaranteed principal credit;
- (3) term for the debtor to settle its debt;
- (4) form of external guarantee: guaranty (general guaranty and joint liability guaranty), mortgage and pledge;
- (5) name, amount, quality, location, ownership or right of use (mortgage or pledge) of the collateral;
- (6) time for transfer of collateral (pledge);
- (7) scope of guarantee;
- (8) guarantee period;
- (9) rights and obligations of the parties to the contract;
- (10) counter-guarantee;
- (11) liabilities of breach;
- (12) method of dispute resolution;
- (13) other matters that required to be agreed on by the parties.

Article 15 When accepting counter-guarantee mortgage or pledge, the finance department of the Company shall complete the relevant legal procedures, in particular the timely registration of such mortgage or pledge.

Article 16 The guarantee contract and counter-guarantee contract shall be signed by the chairman or authorized representative of the Company.

Article 17 The finance department of the Company shall be responsible for the registration and cancellation of guarantee. The responsible department shall deliver the copy of the relevant signed contracts to the finance department of the Company for registration and management, and deliver the hard copy of such contracts to the board of directors of the Company.

CHAPTER V RISK MANAGEMENT OF EXTERNAL GUARANTEE

Article 18 During the guarantee period, the finance department of the Company shall follow up and supervise the business conditions and service of debts of the guaranteed parties, details of which are as follows:

- (i) the finance department of the Company shall carry out follow-up management of the guarantee in legal aspects.
- (ii) the finance department of the Company shall timely obtain the information on use and repayment of funds by the guaranteed parties, and communicate with the guaranteed parties and creditors in respect of service of debts. For any deterioration in financial positions of the guaranteed parties, the finance department shall report to the Company in a timely manner and provide suggestion on countermeasures. If the guaranteed parties have any debt evasion activities such as transfer of assets, the finance department shall formulate relevant risk control measures (including property preservation measures such as judicial asset freezing) in advance with the assistance from the legal advisors of the Company. It shall give two months' notice to the guaranteed parties to settle the debts (one month's notice if guarantee period is six months).

Article 19 If the counterparty provides counter-guarantee, when accepting counter-guarantee mortgage or pledge, the finance department of the Company (or lawyers engaged by the Company) shall complete the relevant legal procedures, in particular the timely registration of such mortgage or pledge.

Article 20 If the creditor of the guarantee makes claims against the Company due to non-performance by the guaranteed party, the Company shall initiate the claiming procedure for counter-guarantee immediately.

Article 21 As a general guarantor, the Company shall not assume guarantee liability to the debtor except that the guarantee contract dispute has been trialed or arbitrated and the debtor's property has been enforced according to law and cannot service the debt.

Article 22 If the guaranteed party enters into bankruptcy, the finance department shall, with the assistance of the lawyers engaged by the Company, issue the written reminder of creditor's rights and make claim with written acknowledgement slip in a timely manner.

Article 23 If the Company is not aware of the bankruptcy of the guaranteed party, and the creditor does not declare its claims nor inform the Company, thus making the Company unable to exercise its rights to claim in advance, the Company shall not assume the guarantee liability for the portion of debt that may be serviced through the bankruptcy procedure, and relevant litigation or arbitration matters shall be dealt with by the lawyers engaged by the Company with support from the finance department.

Article 24 Upon the acceptance of the debtor's bankruptcy application by the People's Court, if the creditor has not declared its claims, the finance department shall, with the instruction from the deputy general manager and assistance from the lawyers engaged by the Company, propose to the Company to declare the claims as a guarantor and exercise its rights to claim in advance.

Article 25 If there are two or more guarantors in the guarantee contract and they agree with the creditor to bear the guarantee liability by portions, the Company shall refuse to bear the guarantee liability beyond the portion of the Company.

Article 26 If the directors, chairman and other senior management of the Company enter into guarantee contract beyond their authority without prior consent and without complying with relevant procedures which causes damage to the Company, the responsible persons shall be held accountable in a strict manner.

CHAPTER VI INFORMATION DISCLOSURE

Article 27 After the board of directors or the general meeting resolves on the external guarantee of the Company, the board of directors shall submit relevant documents to the stock exchanges of the places where the Company's shares are listed and disclose relevant information on designated newspaper according to the requirements of the listing rules of the places where the Company's shares are listed.

Article 28 For guarantee disclosed, the relevant responsible departments and persons shall inform the office of secretary to the board of directors for the following circumstances to facilitate the Company to perform its obligation of information disclosure in a timely manner:

- (i) the guaranteed party fails to settle the debts within 15 working days after the debts become due;
- (ii) where the guaranteed party enters into bankruptcy or liquidation or other situations that seriously affect its solvency.

CHAPTER VII PENALTIES

Article 29 For guarantee in respect of natural obligation which causes economic loss to the Company, relevant entities and persons shall be held accountable according to relevant provisions.

Article 30 If the persons responsible for examination of asset and credit profile of the guaranteed parties provide false information intentionally or due to material negligence which leads to wrong decision, or provide untrue information due to their own reasons which causes economic loss to the Company, relevant persons shall be held accountable according to relevant provisions.

Article 31 If the persons responsible for legal matters make material mistakes when examining contracts or drafting relevant legal opinions, which lead to wrong or delayed decision and causes economic loss to the Company, such persons shall be treated according to relevant measures and provisions of the Company.

Article 32 If the persons responsible for monitoring changes fail to perform their duties diligently, thus rendering the Company unable to keep track of the material changes in the guaranteed parties in an accurate and timely manner, which leads to wrong or delayed decision and causes economic loss to the Company, such persons shall be treated according to relevant measures and provisions of the Company.

Article 33 The person in charge of the finance department shall assume the liabilities as a leader for the examination mistakes made by the department and be treated according to relevant measures and provisions of the Company.

Article 34 Any persons who enter into loan contract and guarantee contract beyond their authority without prior consent and without complying with relevant procedures shall be held accountable for relevant liabilities; and if any economic loss is made to the Company, the responsible persons shall be treated according to relevant measures and provisions of the Company, and serious cases shall be submitted to the judicial authority.

Article 35 The directors who make wrong decisions shall be treated according to relevant provisions of the Company.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 36 For matters not covered by this regulation or conflict with the laws, regulations, the listing rules of the places where the Company's shares are listed or the Articles of Association issued or amended after this regulation becomes effective, provisions of such laws, regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association shall prevail.

Article 37 Any amendment to this regulation shall be proposed by the board of directors and submitted to the general meeting for consideration and approval.

Article 38 This regulation is subject to the interpretation by the board of directors of the Company.

CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD.

WORKING RULES OF INDEPENDENT DIRECTORS

CHAPTER I GENERAL PROVISIONS

Article 1 In order to further improve the governance structure of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”), facilitate the standardized operation of the Company, practically safeguard the interests of shareholders and effectively avert the risks associated with decision-making of the Company, the Company has formulated these rules according to the Company Law of the People’s Republic of China (the “**Company Law**”), the Code of Corporate Governance for Listed Companies, the Rules for Independent Directors of Listed Companies, the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Articles of Association**”) and other laws and regulations, departmental rules and business codes.

Article 2 The independent directors referred to in these rules represent the directors who do not have any position in the Company other than serving as a director and are not related to the Company and its substantial shareholders in a way that may prevent them from exercising independent and objective judgments.

Article 3 Independent directors shall have the obligation of fidelity and diligence to the Company and all shareholders.

Article 4 Independent directors shall, according to the requirements of relevant laws and regulations, the Articles of Association and these rules, conscientiously perform their duties and responsibilities, safeguard the Company’s interests as a whole and, in particular, ensure that the legitimate rights and interests of minority shareholders are not jeopardized. Independent directors shall perform their duties and responsibilities independently without influence from the controlling shareholders and de facto controllers of the Company or other entities or individuals who may be interested in the Company. In the event that the independence of any independent director is affected by a resolution to be considered, such director shall make a declaration and abstain from discussion and voting. In the event that the independence of an independent director is apparently affected by any condition during his/her office, such director shall make a declaration and abstain from discussion and voting. In the event that the independence of an independent director is apparently affected by any condition during his/her office, such director shall inform the Company in a timely manner and propose a solution or tender resignation when necessary.

Article 5 The independent directors can concurrently serve as the independent directors of not more than five listed companies (including the Company) in principle, and shall ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

Article 6 Independent directors and the persons proposed to be appointed as independent directors shall participate in training courses arranged by the CSRC and the institutions authorized thereby in accordance with relevant requirements.

Article 7 Unless otherwise specified in these rules, the provisions in the Articles of Association in relation to directors shall apply to independent directors.

CHAPTER II COMPOSITION OF INDEPENDENT DIRECTORS

Article 8 At least one third of the board of directors shall be independent directors, and at least one of the independent directors shall be an accounting professional. An accounting professional represents a person who holds a senior title of accounting profession or qualification of certified public accountant.

Article 9 A candidate to independent director nominated with qualification of accounting professional shall have extensive accounting knowledge and experience and meet at least one of the following conditions:

- (i) such candidate holds a qualification of certified public accountant;
- (ii) such candidate holds a senior title, associate professor title or doctor degree in accounting, auditing or financial management;
- (iii) such candidate holds a senior title in economic management, and has over five years of full-time working experience in professional positions such as accounting, auditing or financial management.

Article 10 Where an independent director fails to meet the conditions for independence or is not fit to perform the duties and responsibilities of an independent director for other reasons and, as a result, the number of independent directors fails to reach the quorum as required by relevant laws and regulations and these rules, the Company shall fill the vacancy according to relevant provisions.

CHAPTER III QUALIFICATION REQUIREMENTS OF INDEPENDENT DIRECTORS

Article 11 To be eligible as an independent director, a person shall:

- (i) possess the qualifications for company directorships in accordance with relevant laws, administrative regulations, the listing rules of the places where the Company's shares are listed and other relevant provisions;
- (ii) possess the independence required under Article 12 of these rules;
- (iii) possess basic knowledge on the operations of a listed company, and be familiar with relevant laws, administrative regulations, systems and rules;
- (iv) possess over five years of working experience in legal and economic fields or otherwise required for his/her performance of duties as an independent director;
- (v) other conditions as specified by relevant laws and regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association.

Article 12 Independent directors must possess independence, and the following persons are not allowed to serve as independent directors of the Company:

- (i) persons employed by the Company or its subsidiaries and their immediate family members and main social relations (immediate family members refer to spouses, parents, sons and daughters, etc.; main social relations refer to siblings, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, spouses of siblings, siblings of spouses, etc.);
- (ii) persons directly or indirectly holding more than 1% of the issued shares of the Company or is a natural person shareholder among the ten largest shareholders of the Company and their immediate family members;
- (iii) persons employed by shareholders directly or indirectly holding more than 5% of the issued shares of the Company or the five largest shareholders of the Company and their immediate family members;
- (iv) persons employed by the Company's de facto controllers and their subsidiaries;
- (v) persons who provide financial, legal, consultancy or other relevant services to the Company and its controlling shareholders or their respective subsidiaries, including all members of the project team of intermediaries, reviewing officers at all levels, persons signing the report, partners and principal officers in charge;
- (vi) persons who serve as directors, supervisors or senior management members in the companies which have significant business relations with the Company and its controlling shareholders or their respective subsidiaries, or persons who serve as directors, supervisors or senior management members in the controlling shareholders of the said companies;
- (vii) persons who fall into the categories set out in items (i) to (vi) above within the preceding year;
- (viii) other persons who shall not serve as independent directors of the Company as required by the Articles of Association, the listing rules of the places where the Company's shares are listed, other laws, administrative regulations and departmental rules;
- (ix) other persons who shall not serve as independent directors of the Company as determined by the CSRC.

Article 13 Other persons who shall not serve as independent directors of the Company as required by other laws, administrative regulations and departmental rules as referred to in item (viii) of Article 12 mainly include:

- (i) civil servants as required by the Civil Servant Law of the People's Republic of China;
- (ii) relevant persons as required by the Notice on Regulating State Officials' Service as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies after Resignation or Retirement issued by the CPC Central Commission for Discipline Inspection and Organization Department of the CPC Central Committee;
- (iii) members of leader team of colleges and universities as required by the Opinions on Strengthening the Anti-corruption and Promotion of Honesty and Integrity in Colleges and Universities issued by the CPC Central Commission for Discipline Inspection, the Ministry of Education and the Ministry of Supervision.

Article 14 Independent directors shall not have any of the following adverse records:

- (i) having been subject to administrative punishment by the CSRC in the past three years;
- (ii) being in the period that publicly identified by the stock exchanges as not fit to serve as director of a listed company;
- (iii) having been publicly condemned or criticized twice or more by the stock exchanges in the past three years;
- (iv) during the term of office as an independent director, he/she fails to attend the meetings of the board of directors for two consecutive times or fails to attend the meetings of the board of directors in person for more than one third of the meetings of the board of directors in the current year;
- (v) the independent opinions expressed during his/her term of office as an independent director are obviously inconsistent with the facts.

CHAPTER IV NOMINATION, ELECTION AND REPLACEMENT OF
INDEPENDENT DIRECTORS

Article 15 The independent directors shall be nominated by the board of directors, the supervisory committee and the shareholders who individually or jointly hold 1% or more of issued shares of the Company, and shall be elected at the general meeting.

Article 16 The nominators of independent directors shall obtain consent from the nominees before such nomination. The nominator shall have full knowledge of the occupation, academic qualifications, professional title, detailed working experience, and history of all part-time jobs of the nominee, etc., and shall express opinions on the nominee's qualifications and independence as an independent director. The nominee shall also make a public declaration stating that there is no such relationship between the nominee and the Company which may affect his or her independent and objective judgments.

The board of directors of the Company shall disclose the above information as required before convening a general meeting for election of independent directors.

Article 17 Before convening a general meeting for election of independent directors, the Company shall submit related materials of all nominees (including but not limited to statements of the nominator and the nominees and the biographical details of the independent directors) according to the regulations and requirements of the stock exchanges of the places where the Company's shares are listed. Challenges made by the board of directors against such nominees, if any, shall also be submitted in written form.

Article 18 In the event that the stock exchanges of the places where the Company's shares are listed challenge against the nominee, such nominee may be candidate to director of the Company but shall not be candidate of independent director. When convening the general meeting for election of independent directors, for the nominees challenged by the stock exchanges of the places where the Company's shares are listed, the board of directors of the Company shall explain such challenge at the general meeting, and state that such nominee will not be treated as candidate to independent director.

Article 19 The independent directors shall serve the same term as that of other directors of the Company, and may serve consecutive term upon the expiration of his/her term if re-elected, but the consecutive term shall not exceed six years, unless otherwise required by relevant laws, regulations and listing rules of the stock exchange where the Company's shares are listed.

Article 20 If any independent director fails to attend the meeting of board of directors in person for three consecutive times, the board of directors shall submit to the general meeting to replace such director.

An independent director may be dismissed by the Company through statutory procedures before the expiration of his/her term. In case of early dismissal, the Company shall disclose it as a special matter, and in case the removed independent director is of the view that the Company's grounds for removal are inappropriate, he/she can make relevant public statement.

Article 21 An independent director may resign before the term of his/her office expires. The independent director shall submit a written resignation report to the board of directors and explain on the circumstances related to the resignation or those that he/she considers necessary to be brought to the attention of shareholders and creditors of the Company.

If the resignation of the independent director causes the number of independent directors in the board of directors to become less than the minimum number required by relevant laws and regulations, the Articles of Association and these rules, the resignation report of such independent director shall take effect after the subsequently appointed independent director fills the vacancy.

CHAPTER V DUTIES AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS

Article 22 Independent directors shall attend board meetings as scheduled, understand the production and operating conditions of the Company, and proactively carry out such investigations and obtain such information as may be necessary for decision-making.

Article 23 Independent directors shall have the following special powers in addition to those vested to directors of the Company:

- (i) major related party transactions (i.e. the related party transactions between the Company and related parties with transaction amount of more than RMB3 million or 5% of the latest audited net assets of the Company) shall be subject to approval in advance by independent directors;

Before making a judgement, independent directors may engage an intermediary to issue the independent financial adviser's report as the basis of judgement;

- (ii) to propose to the board of directors for the appointment or dismissal of accounting firms;
- (iii) to propose to the board of directors for the convening of extraordinary general meeting;
- (iv) to propose the convening of board meetings;
- (v) to openly solicit and collecting voting rights from the shareholders before the convening of a general meeting;
- (vi) to independently engage external auditing firms and consultancy firms to conduct audit and consultation on specific matters of the Company.

Article 24 To exercise the powers of independent directors in items (i) to (v) of Article 23 of these rules, the consents of more than half of all independent directors shall be secured; to exercise the powers of independent directors in item (vi) of Article 23 of these rules, the consents of all independent directors shall be secured. Items (i) and (ii) of Article 23 shall be agreed by more than half of all independent directors before being submitted to the Board for discussion.

Article 25 In the event that any of the aforesaid proposals are not adopted or any of the aforesaid powers cannot be exercised properly, the Company shall disclose the details thereof.

Article 26 In addition to performing the aforesaid duties, independent directors shall also express their independent opinions to the board of directors or the general meeting on the following matters:

- (i) external guarantee;
- (ii) major related party transactions;
- (iii) nomination, appointment and removal of directors;
- (iv) appointment or removal of senior management members;
- (v) remuneration and share incentive plan of directors and senior management members of the Company;
- (vi) the existing or new loans or other capital transaction between the Company and its shareholders, de facto controllers and their affiliates with a total amount in excess of RMB3 million or 5% of the Company's latest audited net assets, and whether the Company has taken effective measures to recover the outstanding amounts;
- (vii) changes in use of funds raised;
- (viii) formulation of plan to convert capital reserve into share capital;
- (ix) formulation of profit distribution policy, profit distribution plan and cash dividend plan;
- (x) making changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;
- (xi) issuance of a non-standard unqualified audit opinion by a certified public accountant on the financial accounting report of the Company;
- (xii) engagement and dismissal of an accounting firm;
- (xiii) management buyout of the Company;
- (xiv) major asset restructuring of the Company;

- (xv) repurchase of shares by the Company by way of centralized bidding;
- (xvi) changes in undertakings by the Company to relevant parties;
- (xvii) other matters required by laws, administrative regulations, departmental rules, normative documents and the Articles of Association or determined by the CSRC;
- (xviii) matters that are deemed by independent directors to be detrimental to the interests of the Company and its minority shareholders.

Article 27 Independent directors shall express one of the following types of opinions in respect of the matters set out in Article 26 of these rules:

- (i) consent;
- (ii) qualified opinion and the reasons thereof;
- (iii) objection and the reasons thereof;
- (iv) inability to express an opinion and the reasons thereof.

Article 28 If relevant matters set out in Article 26 of these rules are subject to disclosure, the Company shall make an announcement of the opinions of independent directors according to the requirements of the stock exchanges of the places where the Company's shares are listed. If independent directors fail to reach a consensus, the board of directors shall disclose the opinion of each of the independent directors.

Article 29 During the period of preparation of annual report, the independent directors shall fully communicate with the management of the Company and understand the production, operation and compliance matters of the Company and conduct on-site inspection as far as possible.

In auditing of annual report, the independent directors shall perform the following duties:

- (i) Before the accounting firm conducts annual audit, independent directors shall communicate with the audit committee to understand the work arrangement and other relevant information related to annual audit. In particular, special attention shall be paid to the results forecast of the Company and any changes thereof.
- (ii) Before convening the board meeting for consideration of preliminary audit opinion issued by the accounting firm, the independent directors shall meet with the accounting firm to discuss on the issues identified in audit process.

Article 30 Independent directors shall submit the work report at the annual general meeting of the Company.

CHAPTER VI WORKING CONDITIONS OF INDEPENDENT DIRECTORS

Article 31 For the purpose of effective execution of the duties of the independent directors, the Company shall provide working conditions necessary for performance of duties of independent directors.

Article 32 The secretary to the board of directors of the Company shall actively offer assistance to independent directors to facilitate their work. With regard to independent opinions, proposals and written statements made by independent directors which shall be announced, the secretary to the board of directors shall make timely arrangement for such announcement according to the requirements of the stock exchanges of the places where the Company's shares are listed.

Article 33 The Company shall ensure that independent directors have the same right of access to information as other directors. For any matter that are subject to decision by the board of directors, the Company shall inform the independent directors in advance within the prescribed period of time and provide sufficient information. If independent directors are of the view that the information provided is insufficient, they may request for supplementary information. When two or more independent directors consider the information provided as insufficient or inadequately explained, they may jointly propose to the board of directors in writing for a postponement of the board meeting or for a postponement of consideration of the matters concerned. Such proposal shall be adopted by the board of directors.

Materials provided by the Company to independent directors shall be kept by the Company and the independent directors respectively for at least five years.

Article 34 In the exercise of powers by the independent directors, the relevant personnel of the Company shall actively cooperate with them, and shall not reject, hinder or conceal, or interfere with their exercise of powers independently.

Article 35 Expenses incurred for engaging intermediaries by independent directors or other expenses arising out of exercise of power by independent directors shall be borne by the Company.

Article 36 The Company shall offer appropriate allowances to independent directors. The standard of such allowances shall be proposed by the board of directors for consideration and approval by the general meeting and shall be disclosed in the Company's annual report.

In addition to the said allowances, independent directors shall not receive any other additional and undisclosed advantages from the Company, substantial shareholders of the Company or stakeholders (entities or individuals) of the Company.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 37 For matters not covered by these rules or conflict with the laws, regulations, the Listing Rules or the Articles of Association issued or amended after these rules become effective, provisions of such laws, regulations, the Listing Rules and the Articles of Association shall prevail.

Article 38 Unless otherwise specified, terms used in these rules shall have the same meaning as those in the Articles of Association.

Article 39 These rules shall become effective after being considered and approved at the general meeting. Any amendment to these rules shall be proposed by the board of directors and submitted to the general meeting for consideration and approval.

Article 40 These rules are subject to the interpretation by the board of directors of the Company.

CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD.

REGULATION ON MANAGEMENT OF EXTERNAL INVESTMENT

CHAPTER I GENERAL PROVISIONS

Article 1 In order to strengthen the internal control of the external investment activities of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”), regulate external investment activities, take precaution against external investment risks, ensure the security of external investment and increase the returns on external investment, the Company has formulated this regulation according to the Company Law of the People’s Republic of China (the “**Company Law**”), the listing rules of the places where the Company’s shares are listed, the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Articles of Association**”) and other relevant rules.

Article 2 The external investment referred to herein represents the act of investing disposable resources including cash, tangible assets and intangible assets into other organizations or individuals in order to implement the strategy of expanding production and operation scale and achieve the target of obtaining long-term and sustainable income. Such activities include the establishment of new wholly-owned subsidiaries by capital contribution, additional investments in subsidiaries, setting up associates or joint ventures or merger and acquisition with other entities, equity acquisition or transfer, increase or decrease of project funds, etc.

Article 3 All external investment activities of the Company shall comply with relevant national laws and regulations and industrial policies, be in line with the long-term development plans and development strategies of the Company, benefit the expansion of the principal business and the expansion of reproduction, facilitate the sustainable development of the Company, have expected returns on investment and be conducive to improving the Company’s overall economic benefits.

Article 4 The external investment of the Company shall be conducted under the centralized management of the Company’s headquarter in principle. If the controlling subsidiaries have the necessity to make external investment, such investment shall be made after obtaining prior approval from the parent company. The Company’s investment in controlling subsidiaries and investees shall be guided, supervised and managed with reference to this regulation.

CHAPTER II AUTHORITY AND APPROVAL OF EXTERNAL INVESTMENT

Article 5 The main decision-making bodies of the Company in terms of external investments shall be the general meeting, the board of directors or the chairman. The authority is divided as follows:

- (i) Except for external investment subject to consideration and approval by the board of directors and the general meeting of the Company, other investment shall be considered and approved by the chairman. The chairman shall report relevant matters to the board of directors afterwards.

- (ii) External investment transactions of the Company meeting one of the following criteria shall be submitted to the board of directors for consideration and approval before implementation:
1. total amount of assets involved in the transactions exceeds 10% of the latest audited total assets of the Company, and if such total amount of assets involved in the transactions has both book value and assessed value, the higher one shall be used for calculation;
 2. the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB10 million;
 3. the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million;
 4. the transaction consideration (including debts and expenses assumed) exceeds 10% of the latest audited net assets of the Company, and the absolute amount of which exceeds RMB10 million;
 5. profits arising from the transaction exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million.

If the figures for calculation of the above criteria are negative amounts, their absolute amounts shall be used for calculation.

- (iii) External investment transactions (excluding receipt of cash assets as gifts) of the Company meeting one of the following criteria shall be submitted to the general meeting for consideration and approval after being considered and approved by the board of directors before implementation:
1. total amount of assets involved in the transactions exceeds 50% of the latest audited total assets of the Company, and if such total amount of assets involved in the transactions has both book value and assessed value, the higher one shall be used for calculation;
 2. the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB50 million;

3. the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million;
4. the transaction consideration (including debts and expenses assumed) exceeds 50% of the latest audited net assets of the Company, and the absolute amount of which exceeds RMB50 million;
5. profits arising from the transaction exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million.

If the figures for calculation of the above criteria are negative amounts, their absolute amounts shall be used for calculation.

This article shall apply to the external investment of the Company within 12 months on an aggregate basis, and if relevant approval procedures at the general meeting have been performed as required by this article, the transaction shall not be aggregated.

External investments that are related party (connected) transactions shall be conducted based on the decision-making authority on related party (connected) transactions of the Company.

In addition to compliance with this regulation, the external investment made by the controlling subsidiaries shall be subject to other relevant provisions of the Company.

Article 6 Before making decision on external investment by the general meeting, the board of directors or the chairman, relevant departments of the Company shall provide the feasibility study report and relevant information of the proposed investment project to each level of authority from the chairman, the board of directors to the shareholders for decision-making purpose based on the status of the project.

CHAPTER III MANAGEMENT ORGANIZATION OF EXTERNAL INVESTMENT

Article 7 The department of the Company responsible for external investment management shall conduct feasibility research and evaluation for the Company's external investment projects.

- (i) Prior to establishing a project, such department shall first thoroughly consider the scale and scope of the current business development of the Company and the project, industry, time and expected returns of the external investment; then it shall conduct research on and collect information of the investment project; finally, it shall analyze and discuss on the collected information and propose investment opinion and submit the same to the board of directors or the chairman of the Company for filing.
- (ii) Subsequent to the establishment of a project, such department is responsible for establishing an investment project evaluation team to conduct feasibility analysis and evaluation of the established investment project, and may engage qualified intermediaries to participate in the evaluation. The evaluation shall take into full consideration various national regulations on external investment and ensure that such investment is in compliance with the Company's internal rules and policies, such that all external investment activities may proceed legally.

Article 8 The strategy committee under the board of directors of the Company is a specialized procedural organization under the board of directors, which is responsible for coordinating and organizing the analysis and research on external investment projects and providing suggestion for decision-making.

Article 9 The finance department of the Company is responsible for finance management of external investment. Subsequent to the confirmation of an external investment project, the Company's finance department shall raise funds, coordinate with relevant parties to handle, among others, capital contribution procedures, industrial and commercial registration, tax registration and opening of bank accounts, and implement stringent borrowing, approval and payment procedures.

Article 10 The department of the Company responsible for external investment management shall conduct daily management of the Company's long-term equity investment, and shall supervise external investment projects of the Company. Resolutions, contracts, agreements and external investment equity certificates, etc. generated during the process of investment shall be kept by designated personnel with detailed archival records. Unauthorized personnel shall have no access to the equity certificates.

Article 11 The finance department shall be responsible for conducting compliance examination for external investment projects of the Company.

CHAPTER IV IMPLEMENTATION AND CONTROL

Article 12 In formulating external investment plans, the Company shall consider a variety of opinions and suggestions from the experts in the evaluation team and relevant departments and personnel, and focus on the key indicators of decision-making on external investments, such as cash flow, the time value of currency and investment risks. Upon taking into full consideration of the project investment risks and expected returns on investment, and balancing the advantages and disadvantages in all aspects, the most optimal investment plan shall be selected.

Article 13 After being resolved on and approved by the general meeting and board of directors of the Company or being decided by the chairman, details such as the timing, amount, method and responsible personnel of capital contribution shall be determined in the implementation plan of external investment project. Changes to the implementation plan of external investment project shall be subject to consideration and approval by the general meeting, the board of directors or the chairman of the Company.

Article 14 Upon obtaining the approval for external investment, the authorized department or personnel shall be responsible for the specific implementation of the external investment plans, entering into contracts and agreements with the investee and dealing with specific operational matters related to transfer of property. Prior to entering into the investment contract or agreement, the Company shall not make investment payments or transfer the investment assets; upon completion of an investment, the Company shall obtain the investment certificates or other valid evidence issued by the investee.

Article 15 For external investment made by the Company with tangible assets or intangible assets, such assets shall be valued by an asset valuer with relevant qualifications, and the valuation results shall be resolved on by the general meeting and the meeting of the board of directors or decided by the chairman of the Company before making external capital contribution.

Article 16 Upon the implementation of external investment project, the Company shall dispatch representatives to the investee companies to serve as shareholders' representative, director, supervisor, financial controller or other senior management members, in order to carry out follow-up management of the investment projects, and keep track on the financial positions and business conditions of the investee companies in a timely manner. Upon identifying an abnormal condition, the representative shall report to the chairman or the general manager on a timely basis and take measures accordingly.

Article 17 The finance department of the Company shall be responsible for strengthening the control over income from external investment. Interests, dividends and other gains from external investments shall be included in the Company's financial accounting system. Concealed accounts are strictly prohibited.

Article 18 In addition to preparing the general accounts for external investments, the Company's finance department shall also prepare respective breakdown statements of external investments based on the type of business in chronological order, reconcile relevant investment accounts with investees regularly and irregularly and ensure the accuracy of the investment business records and the security and integrity of external investments.

Article 19 The Company's department responsible for external investment management shall strengthen the management of external investment archives and ensure the security and integrity of various documents such as resolutions, contracts, agreements and external investment equity certificates.

CHAPTER V DISPOSAL OF INVESTMENT

Article 20 The Company may withdraw or dispose of its external investments upon occurrence of one of the following circumstances:

- (i) The term of operation of the investment project (enterprise) has expired in accordance with the contract or articles of association of the invested project (enterprise), and the Company does not agree on extension of term of operation;
- (ii) The investment project (enterprise) becomes unable to repay its debts as they fall due and enters into bankruptcy in accordance with relevant laws due to poor performance of operation;
- (iii) The investment project (enterprise) has incurred substantial loss, and the board of directors and the general meeting of the investee consider that continuing operation is not in the best interest of such investment project (enterprise), thus agreeing on early dissolution or termination;
- (iv) The project (enterprise) becomes unable to continue its operations due to force majeure;
- (v) The contributing parties and partners of the investment project (enterprise) unanimously agree on early dissolution or termination;
- (vi) Occurrence of other circumstances under which the investment shall be terminated as required by relevant laws, administrative regulations and provisions of the contract;
- (vii) Occurrence of other circumstances which lead to termination of the investment project (enterprise).

Article 21 The Company may transfer its external investments upon occurrence of one of the following circumstances:

- (i) The investment project has demonstrated an obvious deviation from the Company's operating direction;
- (ii) The investment project has incurred continuous losses and lacks market prospects with no hope of turning from loss to profit;
- (iii) Replenishment of funds is urgently required due to insufficient funds for its own operations;
- (iv) Transfer due to operation needs or strategic arrangement;
- (v) Other circumstances considered necessary by the Company.

Article 22 The Company shall strengthen control over disposal of assets of external investment projects, and the withdrawal, transfer and write-off of external investment and other matters are subject to the amount limit requirements of this regulation, the listing rules of the places where the Company's shares are listed, the Articles of Association and other relevant rules, and shall be resolved on by the general meeting and the board of directors or decided by the chairman of the Company before implementation.

Article 23 Upon the termination of an external investment project of the Company, the properties, rights as creditor and debts of the investee shall undergo comprehensive inventory inspection according to relevant national regulations on enterprise liquidation, during the liquidation process, attention shall be paid to behaviors such as illegal withdrawing and transfer of funds, unauthorized share of assets or unauthorized share of assets in disguised form and indiscriminate issuance of bonuses and allowances. After the liquidation, attention shall be paid to whether all assets and rights as creditor have been recovered in time and undergone accounting procedures.

Article 24 When writing off external investment, the Company shall obtain legal instruments and documentary evidence related to inability to recover the investment due to bankruptcy of investee or other reasons.

Article 25 The Company's finance department shall carefully review the approval documents, minutes of the meetings and lists of asset recovery and other materials relevant to the disposal of external investment assets, and conduct accounting treatments for disposal of external investment assets according to relevant regulations on a timely basis to ensure the truthfulness and legality of disposal of assets.

CHAPTER VI FOLLOW-UP AND SUPERVISION

Article 26 Subsequent to the implementation of an external investment project, the Company's department responsible for external investment management shall follow up and evaluate the investment results. Within three years from the implementation of the project, the Company's department responsible for external investment management shall at least provide annual written reports to the board of directors on the implementation of the project, including but not limited to whether: the investment direction is correct, the investment amount is in place, it matches the budget, there are any changes in the shareholding, there are any changes in the investment environment and policies and there are any major differences from the statement in the feasibility research report; and provide opinions on dealing with relevant matters to the board of directors of the Company based on identified issues or operational anomalies.

Article 27 The supervisory committee and internal audit department of the Company exercise the right of supervision and inspection over external investment activities.

Article 28 The scope of supervision and inspection conducted by the internal audit department over external investment activities mainly includes:

- (i) the setting of relevant positions and personnel related to the investment business, focusing on whether there is any individual assuming more than two incompatible functions.
- (ii) the implementation of the investment authorization and approval system, focusing on whether the authorization and approval procedure for external investment business is effective and whether there is any ultra vires approval.
- (iii) the legality of the investment plan, focusing on whether there is any illegal external investment.
- (iv) the safekeeping of relevant legal documents including the authorization documents, contracts and agreements of the investment activities.
- (v) the verification of investment projects, focusing on whether the original certificates are true, legal, accurate and intact, whether the accounting items are accurate and whether accounting is accurate and integral.
- (vi) the use of investment funds, focusing on whether the funds are used as planned and as budgeted, and whether there is any extravagance and waste, embezzlement and diversion of funds.
- (vii) the safekeeping of investment assets, focusing on whether there is inconsistency between the accounting records and the actual situation.
- (viii) disposal of investment, focusing on whether the approval procedure of disposal of investment is accurate, and whether the process is true and legal.

CHAPTER VII INFORMATION DISCLOSURE OF EXTERNAL INVESTMENT

Article 29 The Company shall perform the obligation of information disclosure for its external investment in strict accordance with the requirements of the CSRC, the stock exchanges of the places where the Company's shares are listed, the Articles of Association and other relevant provisions.

Article 30 The office of secretary to the board of directors and subsidiaries of the Company shall report to the Company on external investment and assist the Company in carrying out information disclosure of external investment.

Article 31 The board of directors of the subsidiaries shall designate a liaison officer who shall be responsible for information disclosure of subsidiaries and communication with the secretary to the board of directors of the Company.

Article 32 Before disclosure of external investment, each insider shall perform the responsibility and obligation of confidentiality.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 33 For matters not covered by this regulation or conflict with the laws, regulations, the listing rules of the places where the Company's shares are listed or the Articles of Association issued or amended after this regulation becomes effective, provisions of such laws, regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association shall prevail.

Article 34 Any amendment to this regulation shall be proposed by the board of directors and submitted to the general meeting for consideration and approval.

Article 35 This regulation is subject to the interpretation by the board of directors of the Company.

CHANGSHA BROAD HOMES INDUSTRIAL GROUP CO., LTD.

REGULATION ON GOVERNING THE TRANSFER OF
FUNDS WITH RELATED PARTIES

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the transfer of funds between Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”) and its controlling shareholders, de facto controllers and other related parties, prevent the misappropriation of the Company’s funds by the controlling shareholders, de facto controllers and other related parties of the Company, and maximize the protection of the investors’ interests, the Company has formulated this regulation according to the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the listing rules of the places where the Company’s shares are listed, the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Transfer of Funds and External Guarantee of Listed Companies and the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Articles of Association**”) and other relevant laws, regulations and normative documents. In this regulation, related parties/connected parties are collectively referred to as related parties and related party transactions/connected transactions are collectively referred to as related party transactions.

Article 2 This regulation shall apply to the transfer of funds between the subsidiaries included in the consolidated financial statements of the Company and the related parties of the Company.

Article 3 The related party and controlling shareholder referred to in this regulation shall have the same meaning as the related party and controlling shareholder defined in the listing rules of the places where the Company’s shares are listed.

Article 4 Appropriation of funds referred to in this regulation includes but is not limited to the following:

1. Appropriation of operating funds: appropriation of funds by the related parties of the Company through related party transactions arising from purchases, sales and other activities relating to production and operation.
2. Appropriation of non-operating funds: advances provided by the Company for such expenses as wages, welfares, insurance, advertisement fees, etc. and other expenditures for the related parties of the Company; repayments of debts on behalf of the related parties; loans advanced directly or indirectly to the related parties of the Company with or without cost; liabilities arising from the guarantee provided by the Company for its related parties; and other funds provided to the related parties of the Company without the provision of goods and labor services.

Article 5 The controlling shareholders shall exercise the rights as capital contributor in strict accordance with relevant laws. The controlling shareholders shall not make use of methods such as the profit distribution, asset restructuring, external investment, asset misappropriation, borrowing, debt repayment, provision of loan and advance or guarantee to jeopardize the legitimate rights and interests of the Company and public shareholders, and shall not jeopardize the interests of the Company and public shareholders with their controlling position.

Article 6 The related parties of the Company shall not use their related relations to jeopardize the interests of the Company, and shall compensate the Company for any losses caused by their breach of relevant provisions. The directors, supervisors and senior management of the Company have a legal obligation to protect the security of funds of the Company.

CHAPTER II REGULATION ON TRANSFER OF FUNDS WITH RELATED PARTIES

Article 7 Transfer of funds between the Company and its related parties shall be conducted based on actual and fair transactions, and it is strictly prohibited to cover the appropriation of non-operating funds with appropriation of operating funds. The related party transactions between the Company and its related parties shall comply with the requirements of relevant laws, regulations and normative documents and be conducted based on the decision-making procedure as stipulated in the Articles of Association and the Regulation on Management of Connected Transactions of Changsha Broad Homes Industrial Group Co., Ltd. and other rules and regulations. Obligations of reporting and information disclosure shall also be performed for such matter according to the listing rules of the places where the Company's shares are listed and other rules and regulations.

Article 8 The directors, supervisors and senior management of the Company and the chairman and general manager of the subsidiaries have a legal obligation to protect the security of funds of the Company, and shall perform their duties diligently according to the requirements of relevant regulations and the Articles of Association.

Article 9 The Company shall strictly restrict the related parties from appropriation of funds of the Company in transfer of operating funds with the related parties. The Company shall not provide advances for payment of wages, welfare, insurance, advertisement fees and other relevant expenses of the related parties, and the Company and its related parties shall not bear costs and other expenses for each other.

Article 10 No departments or persons of the Company shall provide funds, directly or indirectly, to related parties for their use by the following means:

- (i) advancing wages, benefits, insurance, advertising and other expenses and bearing costs and other expenses for controlling shareholders, de facto controllers and other related parties;
- (ii) lending the Company's funds (including entrusted loans) to the controlling shareholders, de facto controllers and other related parties with or without compensation, except when the other shareholders of the Company's investees provide funds in the same proportion. The aforementioned "investees" do not include companies controlled by the Company's controlling shareholders or de facto controllers;

- (iii) entrusting controlling shareholders, de facto controllers and other related parties to carry out investment activities;
- (iv) issuing commercial acceptance bills to controlling shareholders, de facto controllers and other related parties without a true underlying transaction, and financing purchases, asset transfer payments and prepayments without consideration for goods and services or in circumstances that not commercially reasonable;
- (v) repaying debts for controlling shareholder, de facto controller and other related parties;
- (vi) other means determined by the CSRC and the stock exchanges of the places where the Company's shares are listed.

CHAPTER III MANAGEMENT AND RESPONSIBILITIES OF TRANSFER OF FUNDS

Article 11 The Company shall strictly prevent the appropriation of non-operating funds by the related parties, and establish a long-term mechanism to prevent the appropriation of non-operating funds by the related parties.

Article 12 The finance department of the Company shall carefully check and sort out the transfer of funds between the Company and its related parties, and establish special financial archives.

Article 13 The directors, supervisors and senior management of the Company shall perform their duties diligently according to the requirements of relevant laws, regulations and the Articles of Association and protect the security of the Company's funds and properties, and shall not utilize their positions to assist or condone the appropriation of properties of the Company by the controlling shareholders and their related parties, and shall not jeopardize the interests of the Company through non-compliant guarantee and unfair related party transactions.

Article 14 The chairman of the Company is the primary person-in-charge for regulating transfer of funds with related parties, preventing and settling appropriation of funds, the general manager is the direct person-in-charge of such matter, the financial controller is the person-in-charge of implementation, and the independent directors shall provide independent opinions on related party transactions.

Article 15 The finance department of the Company shall conduct regular inspection on the Company and its subsidiaries, continuously regulate the management of transfer of funds between the Company and its subsidiaries and the related parties, and eliminate the appropriation of non-operating funds by the related parties. In addition, the finance department of the Company shall pay close attention to the transfer of funds and business dealings between the controlling shareholders and their related parties and the Company, report any anomalies in a timely manner, and provide monthly report to the office of board of directors on transfer of funds between the Company and the controlling shareholders and their related parties as well as external guarantee.

The audit department of the Company shall conduct regular internal audit on appropriation of funds by related parties, carry out supervision and inspection on operating activities and implementation of internal control, assess on the subjects and matters inspected, provide improvement suggestion and solutions, and submit a written report to the audit committee under the board of directors of the Company.

Article 16 When auditing the annual financial statements of the Company, the certified public accountants engaged by the Company shall carry out audit on appropriation of funds by the related parties.

CHAPTER IV PAYMENT PROCEDURES FOR TRANSFER OF FUNDS

Article 17 The Company shall conduct related party transactions in strict accordance with the annual amount of related party transactions approved by the general meeting and the approval authority and procedures as stipulated in the Regulation on Management of Connected Transactions of Changsha Broad Homes Industrial Group Co., Ltd. and other rules and regulations.

Article 18 When conducting operational related party transactions such as purchases and sales with the related parties, the Company or its subsidiaries shall enter into economic contracts based on actual transactions. If the signed contract cannot be performed as scheduled due to market conditions, the Company or its subsidiaries shall provide details on the actual situations that lead to inability to perform the contract, and terminate the contract through negotiation between both parties to serve as the basis of returning the prepayment for goods.

Article 19 Provision of funds to related parties for related party transactions shall be conducted through funds approval and payment procedures according to the contracts of related party transactions and relevant requirements of fund management with relevant agreements, contracts and other documents as the basis of payment. If necessary, the Company shall check whether the basis of payment complies with the decision-making procedure as stipulated in the Articles of Association and other internal policies of the Company. Major related party transactions subject to consideration and approval by the board of directors and general meeting of the Company also require the resolutions of board of directors, resolutions of general meetings and other relevant documents as the basis of payment, and shall not lead to abnormal appropriation of operating funds.

Article 20 In the event of embezzlement of the Company's assets by the related parties in detriment to the interest of the Company and the public shareholders, the board of directors of the Company shall take effective measures to demand such related parties to stop the embezzlement and make compensation for the loss accordingly. If such related parties of the Company refuse to make rectification, the board of directors of the Company shall report such incident in a timely manner to the related securities regulatory authorities and if necessary, take legal actions against such related parties, and apply for judicial freezing of shares held by the related parties in the Company. If the related parties fail to settle the embezzlement amount in cash, the Company shall take proactive measures to recover the Company's assets embezzled by liquidating the shares held by such related parties in the Company in order to safeguard the legitimate rights and interests of the Company and public shareholders. The supervisory committee of the Company shall supervise the board of directors of the Company in performing the above duties, and if the board of directors fails to do so, the supervisory committee may perform such duties on behalf of the board of directors.

Article 21 In case of appropriation of funds, the Company shall strictly control the implementation of "repayment by shares" or "repayment by assets" and strengthen its efforts in supervision, in order to prevent activities detrimental to the interest of the Company and minority shareholders, such as using substandard assets as high-quality assets or using shareholding as a pretext of default in payment.

The related parties shall follow the provisions below if they intend to settle the funds appropriated with non-cash assets:

- (i) The assets used for compensation must be in the same business system with the Company and are conducive to strengthening the Company's independence and core competitiveness and reducing related party transactions, and shall not be assets which have not been put into use or have no objective and clear net book value.
- (ii) The Company shall engage the intermediaries that meet the requirements of the Securities Law to conduct assessment on the assets that meet the conditions of repaying debts with non-cash assets, use the appraised value or audited net book value of the assets as the price determination basis of repaying debts with non-cash assets provided that the final price shall not impair the interests of the Company, and make discount after fully considering the present value of the appropriated funds.
- (iii) Independent directors shall give independent opinions on the plan of repaying debts with non-cash assets by the related parties of the Company, or engage intermediaries that meet the requirements of the Securities Law to issue the independent financial advisor report.
- (iv) The plan of repaying debts with non-cash assets by the related parties of the Company shall be considered and approved at the general meeting, during which the related shareholders shall abstain from voting.

Article 22 The Company shall formulate the settlement plan for appropriation of the Company's funds by the related parties according to relevant laws, and submit report and make announcement according to the requirements of the stock exchanges and other relevant regulatory authorities of the places where the Company's shares are listed.

CHAPTER V ACCOUNTABILITY AND PENALTY

Article 23 The Company's controlling shareholders, de facto controllers and their related parties shall compensate the Company for any loss caused to the Company due to violation of this regulation, and relevant person-in-charge shall be held accountable.

Article 24 The directors, supervisors and senior management of the Company and its controlling subsidiaries have the obligations to safeguard the Company's funds from appropriation by the Company's related parties. If the Company's directors, supervisors or senior management assist or condone the appropriation of the Company's assets by the related parties, which causes loss to the Company, they shall provide relevant compensation, and if material loss is recorded, the Company shall also remove such directors, supervisors or senior management through relevant procedures. If they shall be held accountable for legal liabilities according to relevant laws, the Company shall initiate civil proceedings against relevant persons or report to relevant administrative and judicial authorities in a timely manner.

Article 25 For appropriation of the Company's funds by related parties in violation of relevant laws, administrative regulations, departmental rules and normative documents, the Company shall issue repayment request to assert its legal rights in a timely manner. The Company shall also request for compensation in respect of the loss caused to the Company, and if necessary, make claims through litigation or other legal proceedings.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 26 For matters not covered by this regulation or conflict with the laws, regulations, normative documents or the Articles of Association issued after this regulation becomes effective, provisions of such national laws, regulations, normative documents and the Articles of Association shall prevail.

Article 27 This regulation shall become effective after being considered and approved at the general meeting of the Company. Any amendment to this regulation shall be proposed by the board of directors and submitted to the general meeting for consideration and approval.

Article 28 This regulation is subject to the interpretation by the board of directors of the Company.

The biographical details of the candidates for the Directors of the third session of the Board are as follows:

Executive Directors

Mr. Zhang Jian (張劍先生), aged 58, is the founder of the Company, and has been the chairman of the Board and an executive Director since the date of the incorporation of the Company in April 2006. Mr. Zhang takes charge of the overall affairs of the Board, participates in the formulation and implementation of the business and operation strategies of the Company and makes significant business and operational decisions of the Company through the Board.

Since March 1996, Mr. Zhang has served as an executive director of Hunan Broad Lingmu House Equipment Co., Ltd. (“**Broad Lingmu**”), responsible for formulation of strategies, business operation and investment decision-making. Since April 2008, he has served as the chairman of board of Hunan Dazheng Investment Co., Ltd., responsible for investment and management affairs. Since April 2013, he has served as a general partner of Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership), responsible for investment and management affairs.

Before joining the Group, Mr. Zhang taught thermal engineering at Harbin University of Science and Technology (哈爾濱理工大學) from July 1985 to September 1988. He served as the head of Chenzhou Hot Spring Heating Equipment Factory* (郴州溫泉採暖設備廠) from June 1988 to September 1992 and was mainly responsible for research, development and management. He served as an executive director and the president of Broad Air-Conditioner Co., Ltd.* (遠大空調有限公司) (a company mainly engaged in the research, development, production and sales of air-conditioners) from September 1992 to July 2002 and was mainly responsible for formulation of strategies and the overall management and operation.

Mr. Zhang served as a representative of the Eighth National People’s Congress of the PRC from March 1993 to February 1998 and a representative of the Ninth National People’s Congress of the PRC from March 1998 to February 2003. Mr. Zhang was awarded the China Invention Gold Award* (中國發明金獎) by the Organizing Committee of International Exhibition of Patent, New Technology and New Products* (國際專利及新技術新產品展覽會組織委員會) in November 1990, the Invention Silver Award of the Foire Internationale de Paris by Foire Internationale de Paris in 1991, the Invention Gold Award of the 22nd International Exhibition of Geneva by the International Advisory Committee for Inventions in April 1994, the National Technology Advancement Award by National Science and Technology Commission in December 1996, the Grand Prize of the 110th Concours Lépine International Paris by Association des Inventeurs et Fabricants Francais in 2011, and the Real Estate Representative for the 40th Anniversary of China’s Reform and Opening-up by Leju Finance (樂居財經) in December 2018.

Mr. Zhang obtained a bachelor’s degree in thermal engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 1985.

Ms. Tang Fen (唐芬女士), aged 45, currently serves as an executive Director and the president of the Company. She takes charge of the overall management and operation of the Company. Ms. Tang joined the Group in August 2006, and previously served as the general manager of the investment and cooperation affairs department and vice president of the Company successively.

Since September 2015, Ms. Tang has been the vice president of the seventh session of the council for China Real Estate Association, responsible for exercising the functions and powers as the vice president.

Before joining the Group, Ms. Tang served as an assistant to director of event planning of China Golden Eagle TV Art Festival Organizing Committee* (中國金鷹電視藝術節組委會) from July 2000 to March 2003 and was mainly responsible for the planning and implementation work of the China Golden Eagle TV Art Festival. She served as a vice president of Hunan Yunda Real Estate Development Co., Ltd.* (湖南運達房地產開發有限公司) (a company mainly engaged in real estate development) from March 2003 to July 2006 and was mainly responsible for sales and investment solicitation.

Ms. Tang was awarded the title of Outstanding Entrepreneur of Changsha High-tech Zone from 2014 to 2018 by the CPC Changsha High-tech Zone Work Committee and Changsha High-tech Zone Management Committee.

Ms. Tang graduated from Changsha Electric Power College* (長沙電力學院) majoring in computer and application in June 2001 and Changsha University of Science and Technology (長沙理工大學) majoring in accounting (correspondence) in June 2004.

Mr. Hu Shengli (胡勝利先生), aged 48, currently serves as the co-president of the Company and CEO of Changsha Broad Homes Cube Technology Co., Ltd. (長沙遠大魔方科技有限公司).

Prior to joining the Group, Mr. Hu worked at College of Hunan Telecom from August 1993 to March 1999 and worked at Hunan Guoxin Paging Co., Ltd. (湖南國信尋呼有限責任公司) from April 1999 to August 2000. During Mr. Hu's tenure at China Unicom from September 2000 to February 2011, he had served consecutively as the deputy general manager of Marketing Department of China Unicom Hunan, the general manager of C Network Operation Department, the deputy general manager of China Unicom Changsha, the general manager of China Unicom Loudi, the general manager of Sales Department of Headquarters of Unicom Huasheng, the director of Channel Management and Sales Division of Sales Department of China Unicom Group and other positions. Mr. Hu served as the general manager of Hunan Gintoten Camellia Technology Co., Ltd. (湖南金拓天油茶科技有限公司) from March 2011 to November 2011 and served as the vice president of FunTalk China Holding Limited and the general manager of Leyu Kaifei Communication Technology Co., Ltd. (樂語凱飛通訊技術有限公司) from December 2011 to December 2013. Mr. Hu worked at JD Group from January 2014 to January 2021, and served consecutively as the general manager of Communication Procurement Department I, the general manager of Communication Procurement Department, the group vice president and the president of the 3C and Entertainment Business Unit, the senior group vice president and the president of the Fashionable Household Platform Business Division, the senior group vice president and the head of Strategic Cooperation Department and other positions.

Mr. Hu was selected as one of the Top Ten Outstanding Youths of the second session of the Information Industry of Hunan Province and the torchbearer of the Changsha Station of the 2008 Beijing Olympic Games. “JD Special CEO Award” was awarded to 3C and Entertainment Business Unit under Mr. Hu’s leadership in 2017.

Mr. Hu graduated from Changsha Railway University in July 1993, and obtained a Master’s Degree in Business Administration from Hunan University in March 2008. He is currently enrolled in the EMBA program at China Europe International Business School.

Ms. Shi Donghong (石東紅女士), aged 45, currently serves as an executive Director, a vice president, the chief financial officer, the secretary of the Board and the joint company secretary of the Company. She is responsible for the overall financial management, corporate development and board secretarial work of the Company. Ms. Shi joined the Group in December 2007, and previously served as the finance manager, deputy manager of strategy office and manager of capital operation department of the Company successively.

Before joining the Group, Ms. Shi served as the store ledger accountant, cashier, financial team leader as well as financial executive of Broad Lingmu successively and was mainly responsible for financial work from February 1997 to November 2007.

Ms. Shi was awarded the title of Outstanding Entrepreneur of Changsha High-tech Zone from 2014 to 2016 by the CPC Changsha High-tech Zone Work Committee and Changsha High-tech Zone Management Committee and the title of Five-star Management Talent in May 2018 by China Association of Chief Financial Officers; was admitted as an associate member of the AAIA in December 2021, and was granted the 2021 Global Leader Award by the Association of International Accountants (AIA).

Ms. Shi graduated from China Central Radio and TV University* (中央廣播電視大學) majoring in accounting in November 2005. She obtained a master’s degree in business administration from Asia International Open University (Macau) in September 2010. Ms. Shi was granted the qualification of Senior International Finance Manager by the International Financial Management Association in April 2010 and the qualification of Chief Financial Officer (總會計師) by China Association of Chief Financial Officers in December 2010.

Mr. Zhang Kexiang (張克祥先生), aged 58, currently serves as an executive Director and a vice president of the Company. He is responsible for the data operation centre of the Company. Mr. Zhang joined the Group at the time of the incorporation of the Company in April 2006, and previously served as the manager of manufacture department of the Company, responsible for management affairs.

Before joining the Group, Mr. Zhang served as an engineer in the technical division of Changsha Shipyard* (長沙船舶廠) (a company mainly engaged in shipbuilding business) from July 1984 to October 1996 and was mainly responsible for technical research and development. He served as the head of the Pressure Vessel Branch of Changsha Shipyard* (長沙船舶廠壓力容器分廠) from October 1996 to December 1998 and was mainly responsible for management. He served as the head of the management division of Broad Lingmu from December 1998 to December 2004 and was mainly responsible for production management. He served as the on-board general manager of Changsha Noah Cruise Co., Ltd.* (長沙挪亞游輪有限公司) (a company mainly engaged in cruise operation) from December 2004 to April 2006 and was mainly responsible for management.

Mr. Zhang obtained a bachelor's degree in ship and marine engineering from Huazhong University of Science and Technology (華中科技大學) in July 1984. Mr. Zhang was also granted the title of engineer by Hunan Provincial Department of Personnel in July 1992.

Mr. Tan Xinming (譚新明先生), aged 46, currently serves as an executive Director and a vice president of the Company. He is responsible for business operation and management of the Company. Mr. Tan joined the Group at the time of the incorporation of the Company in April 2006, and previously served as the secretary of the chairman's office, procurement manager and construction general manager of the Company successively.

Before joining the Group, Mr. Tan successively served as a financial manager and the secretary of the chairman's office of Broad Lingmu, responsible for financial management affairs and the administration of the chairman's office from July 2003 to March 2006.

Mr. Tan served as a strategic consultant for procurement alliance of China Real Estate Chamber of Commerce from October 2015 to October 2018.

Mr. Tan graduated from Hunan College of Finance and Economics* (湖南財經學院) majoring in accounting in December 1998. Mr. Tan was also granted the qualification of certified public accountant by the Chinese Institute of Certified Public Accountants in September 2004.

Non-executive Director

Mr. Zhang Quanxun (張權勳先生), aged 48, currently serves as a non-executive Director of the Company. He is mainly responsible for participating in major decision-making of the Company and offering professional advice and judgment to the Board.

Since June 2013, Mr. Zhang has served as a vice president of Shenzhen Yuanzhi Fuhai Investment Management Limited, responsible for facilitating the development of various businesses, participating in the establishment, assessment, investment decision-making and fund-raising of all projects, as well as the external liaison and maintenance of relationships with limited partners and shareholders. Since November 2017, he has served as a supervisor of Shenzhen High-tech Investment Group Co., Ltd.* (深圳市高新投資集團有限公司).

Before joining the Group, Mr. Zhang served as a deputy director of Xiamen Productivity Promotion Centre* (廈門市生產力促進中心) (an institute mainly engaged in investment and project management in science and technology industry) from August to November 2008. From December 2008 to January 2011, Mr. Zhang successively served as the vice director of business department of plastic packaging, and the director of business department of plastic packaging as well as the strategic development department of Shenzhen Tongchan Packaging Group Co., Ltd.* (深圳市通產包裝集團有限公司) (a company mainly engaged in the production and sales of packaging products and investment in packaging industry). From January 2011 to February 2013, Mr. Zhang served as the head of the strategic research and merges and acquisitions department of Shenzhen Yuanzhi Investment Limited* (深圳市遠致投資有限公司) (a company mainly engaged in industrial investment and the development and management of investment and assets). From May 2015 to September 2021, Mr. Zhang served as a director of Shenzhen Tellus Holding Co., Ltd.* (深圳市特力(集團)股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000025)).

Mr. Zhang obtained a bachelor's degree in economics and a master's degree in business administration from Xiamen University (廈門大學) in July 1994 and December 2005, respectively.

Independent Non-executive Directors

Mr. Chen Gongrong (陳共榮先生), aged 59, has served as an independent non-executive Director of the Company since October 11, 2019. He is mainly responsible for supervising and offering independent advice and judgment to the Board.

Mr. Chen successively served as a teaching assistant, lecturer and associate professor at Hunan College of Finance and Economics* (湖南財經學院) from July 1985 to December 1999, and has successively served as an associate professor and professor in Hunan University since January 2000, responsible for teaching accounting. Mr. Chen served as an independent director of several listed companies, responsible for participating in the board decision-making, namely Vatti Co., Ltd.* (華帝股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002035) and mainly engaged in the research, manufacturing and sales of gas cookers, water heaters, range hoods, etc.) from October 2007 to May 2013, Hunan Corun New Energy Co., Ltd.* (湖南科力遠新能源股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600478) and mainly engaged in the research, manufacturing, development, production and sales of continuous strip of nickel foam and relevant product series) from July 2008 to June 2014, Hunan Zhenghong Science and Technology Development Co., Ltd.* (湖南正虹科技發展股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000702) and mainly engaged in the research, manufacturing, production and sales of various types of feeds) from March 2009 to March 2015, Hunan Mendale Hometextile Co., Ltd.* (湖南夢潔家紡股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002397) and mainly engaged in the research, development, design, production and sales of home textiles) from August 2012 to August 2018, China South Publishing & Media Group Co., Ltd.* (中南出版傳媒集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601098)) from September 2013 to September 2019, Hunan Friendship & Apollo Commercial Co., Ltd. (湖南友誼阿波羅商業股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002277)) from May 2015 to March 2021 and Hunan Gold Corporation Limited* (湖南黃金股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002155)) from May 2015 to May 2021.

Mr. Chen also currently serves as an independent director responsible for participating in the board decision-making of several listed companies, namely, Changlan Electric Technology Co., Ltd. (長纜電工科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002879) and mainly engaged in the research, development, production and sales of power accessories, cable fittings and other auxiliary materials) since April 2019, Hunan Chendian International Development Co., Ltd. (湖南郴電國際發展股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600969) and mainly engaged in power supply and water supply and investment in industrial gas, residual-heat power generation and hydropower) since November 2019, and Xiangtan Electric Manufacturing Co., Ltd. (湘潭電機股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600416) and mainly engaged in manufacturing and sale of electrical equipment such as generators, AC and DC motors) since April 2021.

Mr. Chen obtained a bachelor's degree in financial accounting from Hunan College of Finance and Economics* (湖南財經學院) in June 1985 and a doctorate degree in accounting from Hunan University (湖南大學) in March 2010. Mr. Chen was also granted the title of professor by Hunan Provincial Department of Personnel in May 2006.

Mr. Li Zhengnong (李正農先生), aged 59, has served as an independent non-executive Director of the Company since October 11, 2019. He is mainly responsible for supervising and offering independent advice and judgment to the Board. Since February 2005, Mr. Li has served as a professor at the School of Civil Engineering of Hunan University, mainly responsible for teaching and research as the director of the key laboratory for building safety and energy efficiency education division.

Mr. Li obtained a doctorate degree of science in structural engineering from Wuhan University of Industry* (武漢工業大學) in July 1995. Mr. Li was also granted the title of professor by Zhejiang Provincial Department of Personnel in October 2003.

Mr. Wong Kai Yan Thomas (王佳欣先生), aged 51, has served as an independent non-executive Director of the Company since October 11, 2019. He is mainly responsible for supervising and offering independent advice and judgment to the Board.

Since March 2018, Mr. Wong has served as the managing director of the asset management department of VPower Group International Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01608)), responsible for managing the fund investment, determining the investment goals and developing and implementing the asset management plans and strategies and an independent non-executive director of YCIH Green High-Performance Concrete Company Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01847)).

Before joining the Group, from June 1995 to May 1997, Mr. Wong served as an auditor of BDO; from July 1997 to January 2004, Mr. Wong served as the financial officer of Kong Sun Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 00295) and mainly engaged in investment business); from March 2004 to April 2008, Mr. Wong served as a consultant of Pioneer International Enterprise Limited; from July 2008 to December 2017, Mr. Wong served as a joint authorized representative and joint company secretary of CRRC Corporation Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01766) and mainly engaged in railway equipping business); from November 2015 to December 2017, Mr. Wong served as a director, a vice president and the chief financial officer of CRRC (Hong Kong) Co., Limited (a company mainly engaged in trade and investment business).

Mr. Wong obtained a bachelor's degree of business in accounting from the University of Wollongong in Australia in May 1995 and a master's degree of science in investment analysis from the Hong Kong University of Science and Technology in May 2011. Mr. Wong became a member of CPA Australia in March 1999 and a member of Hong Kong Institute of Certified Public Accountants in July 1999.

Mr. Zhao Zhengting (趙正挺先生), aged 50, has served as an independent non-executive Director of the Company since May 15, 2020 and is mainly responsible for supervising and offering independent advice and judgment to the Board.

Mr. Zhao was engaged in information management of construction industry in the Science and Technology Development Promotion Centre of the MOC from September 1994 to May 2005, served as a director of the China Real Estate Chamber of Commerce (全國工商聯房地產商會) (the "CRECC") from May 2005 to August 2009, where he was engaged in the promotion of green demonstration projects, served as secretary general of ELITE Science and Technology Foundation (北京精瑞科技基金會, now renamed as Beijing ELITE Habitat Development Foundation) from August 2009 to October 2011, where he was engaged in the promotion of science and technology public welfare projects and has been the secretary-general of the CRECC since October 2011, where he served members, industry and the government.

Mr. Zhao currently also serves as independent directors of several companies, where he is responsible for participating in the decision-making process of the board of directors. In particular, Mr. Zhao has been an independent director of Xiamen Dinek Intelligent Technology Co., Ltd. (廈門狄耐克智能科技股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 300884) since January 2018 and has been an independent director of Guangdong Jianlang Hardware Products Co., Ltd. (廣東堅朗五金製品股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002791).

Mr. Zhao obtained a bachelor's degree in computer science and technology from Beijing University of Technology in July 1994 and obtained a master's degree in industrial economics from Capital University of Economics and Business in January 2008. In 1998, Mr. Zhao won the construction advanced individual award from the MOC and participated in the drafting of Intelligent Buildings and Urban Information (智能建築與城市信息) and China's Green and Low Carbon Residential Technology Assessment Manual (中國綠色低碳住區技術評估手冊).

The biographical details of the candidates for the shareholder representative supervisors of the third session of the Supervisory Committee are as follows:

Mr. Zhou Feng (周鋒先生), aged 39, currently serves as the director of human resource and administration center of the Company and the dean of the Broad Homes Lean Academy, responsible for human resources management, administrative back-office management and the operation and management of Broad Homes Lean Academy. Mr. Zhou joined the Group in April 2014 and successively served as the human resources and administration director of Anhui Company, the human resources and administration of Hangzhou Company and the secretary of the chairman's office of the Company.

Before joining the Group, Mr. Zhou worked in the president's office of the West Africa Regional Division of Huawei Technologies Co., Ltd. (華為技術有限公司西非地區部) from 2007 to 2011, responsible for human resources management and administration, and served as the director of the human resources department of Sany Heavy Industry Group Zhongxing Hydraulic Parts Co., Ltd. (三一重工集團中興液壓件有限公司) from 2011 to 2014

Mr. Zhou graduated from Xiangtan University (湘潭大學) in June 2006, majoring in international economics and trade. Mr. Zhou also obtained the human resource manager certificate issued by the Ministry of Human Resources and Social Security of the People's Republic of China in 2020.

Mr. Zhou is also a member of the 6th Standing Committee of the Real Estate Professional Committee under the China Association of Construction Education (中國建築教育協會房地產專業委員會), vice chairman of the Hunan Human Resources Services Association (湖南省人力資源服務協會) and the director of the Hunan Association of Corporate Trainers (湖南省企業培訓師協會).

Mr. Li Gen (李根先生), aged 37, currently serves as a non-employee representative Supervisor, responsible for the joint supervision of the Company's operational and financial activities. Mr. Li is also the capital operation director of the board secretary office of the Company, responsible for the capital-operational work of the Company. Mr. Li joined the Group in October 2010 and previously served as a financing manager of the strategy research office and a manager of the capital operation department successively.

Before joining the Group, Mr. Li served as an investment manager in Changsha Wanjiali Road Branch of Zhongtai Securities Company Limited* (中泰證券股份有限公司) (a company mainly engaged in securities business) from March to September 2010, and was mainly responsible for security investment.

Mr. Li obtained a bachelor's degree in measuring and control technology and instruments from Central South University (中南大學) in June 2007 and a master's degree in business administration from Central South University (中南大學) in December 2009.

NOTICE OF 2021 ANNUAL GENERAL MEETING



Changsha Broad Homes Industrial Group Co., Ltd.

長沙遠大住宅工業集團股份有限公司

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

(Stock Code: 2163)

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting for the year 2021 of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”) will be held at the Meeting Room of Broad Academy, No. 826 Lusong Road, High-tech Development Zone, Changsha, Hunan Province, the PRC at 10:00 a.m. on Friday, April 29, 2022 (the “**AGM**”), for the purpose of considering and approving the following resolutions:

ORDINARY RESOLUTIONS:

1. To consider and approve the report of the board of directors of the Company for the year 2021;
2. To consider and approve the report of the supervisory committee of the Company for the year 2021;
3. To consider and approve the financial report of the Company for the year 2021;
4. To consider and approve the final financial statements of the Company for the year 2021;
5. To consider and approve the financial budget report of the Company for the year 2022;
6. To consider and approve the resolution in relation to profit distribution of the Company for the year 2021;
7. To consider and approve the resolution in relation to remunerations of directors and supervisors of the Company for the year 2021;
8. To consider and approve the resolution in relation to the financing and guarantee limit of the Company and its subsidiaries for the year 2022;
9. To consider and approve the resolution in relation to the engagement of auditors of the Company for the year 2022;

NOTICE OF 2021 ANNUAL GENERAL MEETING

10. To consider and approve the resolution on amendments to the Rules of Procedure of General Meetings of Changsha Broad Homes Industrial Group Co., Ltd.;
11. To consider and approve the resolution on amendments to the Rules of Procedure of Board of Directors of Changsha Broad Homes Industrial Group Co., Ltd.;
12. To consider and approve the resolution on amendments to the Rules of Procedure of Supervisory Committee of Changsha Broad Homes Industrial Group Co., Ltd.;
13. To consider and approve the resolution on amendments to and addition of internal management rules of the Company;
14. To consider and approve the resolutions on election of directors of the third session of the board of directors of the Company, including:
 - 14.1 To consider and approve the election of Mr. Zhang Jian as an executive director of the third session of the board of directors of the Company;
 - 14.2 To consider and approve the election of Ms. Tang Fen as an executive director of the third session of the board of directors of the Company;
 - 14.3 To consider and approve the election of Mr. Hu Shengli as an executive director of the third session of the board of directors of the Company;
 - 14.4 To consider and approve the election of Ms. Shi Donghong as an executive director of the third session of the board of directors of the Company;
 - 14.5 To consider and approve the election of Mr. Zhang Kexiang as an executive director of the third session of the board of directors of the Company;
 - 14.6 To consider and approve the election of Mr. Tan Xinming as an executive director of the third session of the board of directors of the Company;
 - 14.7 To consider and approve the election of Mr. Zhang Quanxun as a non-executive director of the third session of the board of directors of the Company;
 - 14.8 To consider and approve the election of Mr. Chen Gongrong as an independent non-executive director of the third session of the board of directors of the Company;

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- 14.9 To consider and approve the election of Mr. Li Zhengnong as an independent non-executive director of the third session of the board of directors of the Company;
- 14.10 To consider and approve the election of Mr. Wong Kai Yan Thomas as an independent non-executive director of the third session of the board of directors of the Company; and
- 14.11 To consider and approve the election of Mr. Zhao Zhengting as an independent non-executive director of the third session of the board of directors of the Company.
15. To consider and approve the resolutions on election of shareholder representative supervisors of the third session of the supervisory committee of the Company, including:
- 15.1 To consider and approve the election of Mr. Zhou Feng as a shareholder representative supervisors of the third session of the supervisory committee of the Company; and
- 15.2 To consider and approve the election of Mr. Li Gen as a shareholder representative supervisors of the third session of the supervisory committee of the Company.

SPECIAL RESOLUTION:

16. To consider and approve the resolution on amendments to the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd.

On behalf of the Board
Changsha Broad Homes Industrial Group Co., Ltd.
Zhang Jian
Chairman

March 31, 2022

As at the date of this notice, the Board comprises Mr. Zhang Jian, Ms. Tang Fen, Ms. Shi Donghong, Mr. Zhang Kexiang and Mr. Tan Xinming as executive directors of the Company; Mr. Zhang Quanaxun and Ms. Hu Keman as non-executive directors of the Company; and Mr. Chen Gongrong, Mr. Li Zhengnong, Mr. Wong Kai Yan Thomas and Mr. Zhao Zhengting as independent non-executive directors of the Company.

Notes:

1. CLOSURE OF REGISTER OF MEMBERS TO DETERMINE ENTITLEMENT TO ATTEND THE AGM

In order to ascertain shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, April 26, 2022 to Friday, April 29, 2022 (both days inclusive). Shareholders whose names appear on the register of members of the Company at the opening of business on Friday, April 29, 2022 are entitled to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, all duly completed transfer documents accompanied by the relevant share certificates of H shareholders whose transfer has not been registered shall be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Monday, April 25, 2022.

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2. APPOINTMENT OF PROXIES

A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a shareholder of the Company, but he/she must attend the AGM in person to represent the relevant shareholder.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her attorney duly authorized in writing. If the shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that instrument is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.

In order to be valid, the form of proxy, the notarized power of attorney or other authorization document (if any) must be delivered to the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong (for H shareholders), or the headquarters and principal place of business of the Company at No. 248 Yinshuang Road, Yuelu District, Changsha, Hunan Province, the PRC (for domestic shareholders) not less than 24 hours before the time appointed for the holding of the AGM (i.e. no later than 10:00 a.m. on Thursday, April 28, 2022) or any adjournment thereof (as the case may be) by hand or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

3. VOTING BY POLL

All resolutions at the general meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Therefore, the resolutions as set out in the notice of the AGM will be taken by poll. The announcement of poll results will be published on the website of the Company (www.bhome.com.cn) and the HKExnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in accordance with the Listing Rules.

4. MISCELLANEOUS

(1) The AGM is expected to last for no more than half a day. Shareholders or their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.

(2) Shareholders or their proxies shall produce their identity proof when attending the AGM (and any adjournment thereof).

(3) The H share registrar of the Company:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong (for lodging transfer documents)

17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong (for lodging form of proxy)

Tel: (852) 2862 8555

Fax: (852) 2865 0990

(4) The headquarters and principal place of business of the Company:

No. 248 Yinshuang Road, Yuelu District, Changsha, Hunan Province, the PRC

Contact department: Board secretary office

Tel: (86) 0731 8891 1595

Fax: (86) 0731 8891 1595

Contact person: Huang Fengchun

(5) For details of the resolutions to be proposed at the AGM for consideration and approving, please refer to the circular of the Company dated March 31, 2022.