

YINCHENG LIFE SERVICE CO., LTD.
銀城生活服務有限公司
(Incorporated in the Cayman Islands with limited liability)
(the “**Company**”)
(Stock Code:1922)

**Terms of reference of the Corporate Governance Functions of the
Board of Directors of the Company**

1. PRINCIPLES

- 1.1. The Company is committed to achieving high standards of corporate governance to safeguard, uphold and maximize the interests of shareholders and to enhance corporate value and accountability.

2. CORPORATE GOVERNANCE POLICY AND PRACTICES

- 2.1. The Corporate Governance Code as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**CG Code**”) sets out the principles of good corporate governance and two levels of recommendations on corporate governance practices:

- Code provisions: These are not mandatory rules but issuers are expected to comply with them. If issuers choose not to comply with the code provisions, they must give considered reasons for any deviation in their annual and interim reports.
- Recommended best practices: These are not mandatory rules and are for guidance only. Issuers are encouraged to comply with them.

- 2.2. The Company shall use its best endeavours to apply the corporate governance principles and, to the extent applicable, comply with the code provisions as set out in the CG Code (as amended from time to time).

3. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- 3.1. The board of directors of the Company (the “**Board**”) is collectively responsible for the management and operations of the Company.
- 3.2. The Board shall be responsible for the leadership and control of the Company, and for promoting the Company’s success by directing and supervising its affairs.
- 3.3. The Board should take decisions objectively in the best interests of the Company.
- 3.4. It is the responsibility of the Board to determine the appropriate corporate governance policies and practices applicable to the Company’s circumstances and to ensure processes and procedures are in place to achieve the Company’s corporate governance objectives.

3.5. The Board may discharge its corporate governance duties by the following arrangements:

- to establish a committee or committees with specific terms of reference to carry out different governance oversight roles or to delegate the duties to the existing committee(s);
- to develop and formalise the functions reserved to the Board and those to be delegated by the Board to the management of the Group, and to review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

4. CORPORATE GOVERNANCE DUTIES

4.1. The Board should be responsible for the following corporate governance duties:

- To develop, review and update the Company's policies and practices on corporate governance and make recommendations to the Board;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- to review from time to time as appropriate these terms of reference and the effectiveness of the Board in the discharge of the Corporate Governance Functions and to make any necessary changes; and
- To perform such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board is responsible.