

Number	The Establishment of the Article	Date of Resolution	Name of Meeting	Approval No. by the insurance regulatory authority of the State Council
1	The Establishment of the Article	14 May 2012	The 2012 Third Shareholders' General Meeting	Bao Jian Fa Gai [2012] No.579 (16 May 2012)
2	The First Amendment	14 June 2012	The 2012 Fourth Shareholders' General Meeting	Bao Jian Fa Gai [2012] No.997 (21 August 2012)
3	The Second Amendment	21 November 2012	The 2012 Fifth Shareholders' General Meeting	Bao Jian Fa Gai [2012] No.1423 (12 December 2012) and Bao Jian Fa Gai [2013] No.296 (29 March 2013)
4	The Third Amendment	27 December 2013	The 2013 Second Extraordinary General Meeting	Bao Jian Xu Ke [2014] No. 134 (12 February 2014)
5	The Fourth Amendment	31 July 2017	The 2017 First Extraordinary General Meeting	Bao Jian Xu Ke [2017] No. 1100 (12 September 2017)
6	The Fifth Amendment	31 October 2017	The 2017 Third Extraordinary General Meeting	Yin Bao Jian Xu Ke [2018] No. 806 (30 August 2018)
7	The Sixth Amendment	1 March 2018	The 2018 First Extraordinary General Meeting	Yin Bao Jian Xu Ke [2018] No. 806 (30 August 2018)
8	The Seventh Amendment	21 June 2019	The 2018 Annual General Meeting	Yin Bao Jian Fu [2019] No. 957 (23 October 2019)



中国人民保险集团股份有限公司

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED

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

(Stock Code: 1339)

The Articles of Association of the People's Insurance Company (Group) of China Limited

Table of Content

Chapter 1 General Provisions

Chapter 2 Mission And Scope Of Business

Chapter 3 Registered Capital and Shares

Section 1 Issue Of Shares

Section 2 Capital Increase And Share Repurchase

Section 3 Financial Assistance For Purchase Of Shares

Section 4 Transfer And Pledge Of Shares

Chapter 4 Share Certificates And Register Of Members

Chapter 5	CPC Organization (CPC Committee)
Chapter 6	Shareholders And Shareholders' General Meetings
	Section 1 Shareholders
	Section 2 General Provisions On Shareholders' General Meetings
	Section 3 Convening And Holding Of Shareholders' General Meeting Section 4 Voting And Resolutions Of Shareholders' General Meetings
Chapter 7	Special Procedures For Voting By Class Shareholders
Chapter 8	The Board
	Section 1 Directors
	Section 2 Independent Directors
	Section 3 Board
	Section 4 Meetings Of The Board
	Section 5 Committees Under The Board
	Section 6 Board Secretary
Chapter 9	President And Other Senior Management Officers
Chapter 10	Board Of Supervisors
	Section 1 Supervisor
	Section 2 Board Of Supervisors
Chapter 11	Qualifications And Obligations Of Directors, Supervisors, President And Other Senior Management Officers Of The Company
Chapter 12	Financial And Accounting System, Profit Distribution And Internal Audit
Chapter 13	Appointment Of An Accounting Firm
Chapter 14	Special Matters On Corporate Governance
	Section 1 Replacement Mechanism
	Section 2 Disposition In Regards To The Failure Of Governance Mechanism
Chapter 15	Merger, Division, Increase And Reduction Of Capital, Dissolution And Liquidation
	Section 1 Merger, Division And Increase Or Reduction Of Capital
	Section 2 Dissolution And Liquidation
Chapter 16	Notice And Announcement
Chapter 17	Alterations To The Articles Of Association
Chapter 18	Settlement Of Disputes
Chapter 19	Miscellaneous

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Articles of Association (hereinafter referred to as the “Articles”) is formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as “Securities Law”), the Insurance Law of the People’s Republic of China (hereinafter referred to as “Insurance Law”), the Constitution of the Communist Party of China (“CPC” or the “Party”) and other CPC rules, Special Provisions on Companies Limited by Shares Issuing Shares and Offshore Public Listing, which were promulgated by the State Council, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, Guidelines on Articles of Association of Listed Companies, which were promulgated by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), the Opinions on Regulating the Bylaws of Insurance Companies and the Guidance on Insurance Companies’ Articles of Association by China Insurance Regulatory Commission (hereinafter referred to as “CIRC”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other relevant laws, administrative regulations and rules, for the purpose of protecting the legitimate rights and interests of The People’s Insurance Company (Group) of China Limited (hereinafter referred to as the “Company”), its shareholders and creditors, and regulating the organization and activities of the Company.

Article 2 The Company is established according to the Approval of the Establishment of The People’s Insurance Company (Group) of China Limited, the Zhongbao Property Insurance Company Limited, the Zhongbao Life Insurance Company Limited and the Zhongbao Reinsurance Company Limited (Yin Fu [1996] No. 208) as issued by the People’s Bank of China.

Under the consent of the State Council and upon approval by the Ministry of Finance of the PRC (hereinafter referred to as the “Ministry of Finance”) and CIRC, The People’s Insurance Company (Group) of China has been reorganized and reformed as a joint stock company named The People’s Insurance Company (Group) of China Limited. The promoter of the Company is the Ministry of Finance. The Company inherited all the assets, liabilities and business of The People’s Insurance Company (Group) of China and also has been undertaken registration of changes with the State Administration for Industry and Commerce (hereinafter referred to as “SAIC”) and obtained a newly-issued business license on September 28, 2009. The number of the business license of the Company is 100000000023739.

Article 3 Registered name of the Company: 中國人民保險集團股份有限公司

Abbreviated Chinese name: 中國人保集團

English name: The People’s Insurance Company (Group) of China Limited

Abbreviated English name: PICC Group

Article 4 Registered office of the Company: PICC Building, No. 88 Xi Chang’an Street, Xicheng District, Beijing.

Postal Code: 100031

Telephone: (86) 010-69008888.

Article 5 The Company is a perpetually existing joint-stock company.

Article 6 The legal representative of the Company shall be the chairman of its Board (hereinafter referred to as the “Board”).

Article 7 The Articles were considered and passed at the shareholders’ general meeting. Upon approval by the CIRC, the Articles shall be effective upon the initial public offering and listing date of the shares of the Company. The original Articles of Association of the Company shall automatically expire upon the effective date of the Articles.

The Articles shall become a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective. The Articles shall be binding upon the Company and its shareholders, directors, supervisors, president and other senior management officers. All the above persons may make claims related to matters of the Company in accordance with the Articles.

The shareholders shall have the right to sue the Company in accordance with the Articles; the Company shall have the right to sue its shareholders; the shareholders shall have the right to sue other shareholders; the shareholders and the Company shall have the right to sue directors, supervisors, president and senior management officers of the Company in accordance with the Articles.

For the purposes of the preceding paragraph, the term “sue” shall include the initiation of proceedings in a court or the application of arbitration to an arbitration organization.

Article 8 The capital of the Company shall be divided into shares and each share shall have equal value. The respective liability of the shareholders shall be limited to the shares subscribed for by them. The Company shall be held liable for its debts with all its assets.

Article 9 The Company may invest in other limited liability enterprises and joint stock enterprises in accordance with relevant laws and regulations and shall be held responsible for the enterprises in which the Company has invested within the limitation of the amount of the Company’s capital contribution.

Article 10 The Company shall establish an organization for the Communist Party of China in accordance with relevant provisions of the Constitution of the Communist Party of China and the Company Law. The Committee of the Communist Party of China of The People’s Insurance Company (Group) of China Limited shall play a leadership role to set the right direction, keep in mind the big picture and ensure the implementation of policies and principles. The Company shall establish a CPC working body equipped with sufficient number of party staffs and secure fundings for the work of the CPC.

The Company shall establish and improve a labor and social security system in accordance with relevant laws and regulations.

Article 11 The senior management officers referred to in the Articles shall mean the President (manager, the same below), vice president (vice manager), assistant president (assistant to the manager), Board secretary, person in charge of finance, person in charge of compliance, person in charge of audit, chief investment officer, chief information technology officer, chief financial officer, chief brand operating officer and senior management officers engaged or appointed by the Company.

Article 12 The Company shall abide by all laws and regulations, implement the unified nationwide financial and insurance policy and accept the supervision of the China Banking Insurance Regulatory Commission (“CBIRC”). The qualifications of the Directors, supervisors and senior management of the Company shall be approved by the CBIRC.

The Company shall establish its mechanism in regard to connected transactions, disclosure of information, internal controls compliance, internal audit and protection of the legitimate rights of insurance consumers, among others, in accordance with the requirements of the laws, regulations, regulatory provisions and the Articles.

CHAPTER 2 MISSION AND SCOPE OF BUSINESS

Article 13 The mission of the Company is to serve the people, protect the community and create value.

Article 14 The business scope of the Company includes:

- (1) investing in and holding the shares of listed companies, insurance agencies and other financial institutions;
- (2) supervising and managing various kinds of domestic and international businesses of the subsidiaries;
- (3) policy insurance business authorized or commissioned by the State;
- (4) other businesses approved by CBIRC and relevant governmental authorities.

CHAPTER 3 REGISTERED CAPITAL AND SHARES

Section 1 Issue of shares

Article 15 Shareholding in the Company shall be by way of shares.

Article 16 The issue of the shares of the Company shall be based on the principle of fairness and justice. Each share of the same class shall have equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by any entity or individual shall be paid for at the same consideration.

Article 17 The Company shall have ordinary shares at all times. The Company may create other classes of shares if necessary, upon approval by the examining and approving departments authorized by the State Council.

Article 18 All shares issued by the Company shall take the form of stocks with par value indicated in RMB, which shall be RMB1 for each share.

Article 19 The Company may issue shares to investors inside the People's Republic of China and to investors outside the People's Republic of China upon approval by the CSRC.

For the purposes of the preceding paragraph, the term "investors outside the People's Republic of China" shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company, and the term "investors inside the People's Republic of China" shall refer to investors inside the People's Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 20 The shares issued by the Company to investors inside the People's Republic of China and to be subscribed for in Renminbi shall be referred to as "domestic shares".

Shares issued by the Company to investors outside the People's Republic of China and to be subscribed in a foreign currency shall be referred to as "foreign shares".

With the approval of issuance by departments authorized by the State Council as well as the approval by domestic stock exchange, the shares listed and traded on domestic stock exchange are of the same category, and are collectively referred to as domestically-listed domestic shares. With the approval of issuance by departments authorized by the State Council as well as the approval by overseas securities regulatory authorities, shares listed and traded on overseas stock exchange are of the same category, and are collectively referred to overseas listed foreign shares.

Foreign currencies referred to in the preceding paragraph represent the legal currencies of other countries or regions other than Renminbi that are recognized by competent authorities of the State Administration of Foreign Exchange for the payment of share subscription to the Company.

Article 21 Upon approval by the examination and approval authorities authorized by the State Council, the total number of ordinary shares that the Company issued is 44,223,990,583.

The number of shares issued to the promoter when the Company was reorganized and reformed as a joint stock company is 30,600,000,000, approximately representing 69.19% of the total number of ordinary shares that may be issued by the Company.

Details of the number of shares subscribed and capital contribution by the promoter when the Company was reorganized and reformed as a joint stock company are set out as follows:

Name of promoter	Capital Contribution (in billion) (RMB/Yuan)	Number of shares subscribed (billion shares)	Percentage	Means of Capital Contribution	Date of Capital Contribution
The Ministry of Finance	30.6	30.6	100%	Conversion of the net asset value of the Company before its reformation into share capital	Fully-paid before 30 June 2009

Article 22 Prior to its initial public offering and listing of H Shares, the Company issued 3,891,050,583 ordinary shares to the National Council for Social Security Fund of the PRC (“NSSF”), representing 9.17% of the total ordinary shares issued by the Company upon completion of the initial public offering and listing of H Shares.

Article 23 The Company issued 7,932,940,000 overseas listed foreign shares to foreign investors in the course of its initial public offering and listing of H Shares, representing 18.70% of the total ordinary shares issued by the Company upon completion of the initial public offering and listing of H Shares.

Prior to its initial public offering and completion of listing of A Shares, the Company’s share capital structure is: 42,423,990,583 ordinary shares in total, among which 29,896,189,564 are domestic shares held by the Ministry of Finance, the promoter, representing 70.47% of the total ordinary shares issued by the Company upon completion of the initial public offering and listing of H Shares; and 3,801,567,019 are domestic shares and 793,294,000 are overseas listed foreign shares held by NSSF, representing 8.96% and 1.87% of the total ordinary shares issued by the Company upon completion of the initial public offering and listing of H Shares respectively; and 7,932,940,000 are overseas listed foreign shares held by other shareholders, representing 18.70% of the total ordinary shares issued by the Company upon completion of the initial public offering and listing of H Shares.

On completion of the offering and listing of A Shares, the Company’s share capital structure is: 44,223,990,583 ordinary shares in total, among which 35,497,756,583 are domestically listed shares, representing 80.27% of the total ordinary shares issued by the Company upon completion of the offering and listing of A Shares; and 8,726,234,000 are overseas listed foreign shares, representing 19.73% of the total ordinary shares issued by the Company upon completion of the initial public offering and listing of A Shares. Domestic shares issued by the Company are under centralized depository of the Shanghai branch of China Securities Depository and Clearing Corporation Limited; whereas the foreign shares issued by the Company are under centralized depository of Computershare Hong Kong Investor Services Limited.

After the completion of the offering and listing of A Shares, pursuant to the “Notice of the Ministry of Finance and Ministry of Human Resources and Social Security on the Relevant Issues Concerning the Transfer of Certain State-owned Capital of Central Financial Institutions such as The People’s Insurance Company (Group) of China Limited” (Cai Zi [2018] no.96), and the “Approval of CBIRC on the Change of Shareholder of The People’s Insurance Company (Group) of China Limited” (CBIRC Approval [2019] no.453), the Ministry of Finance would transfer 10% of the equity interest in the Company to the Social Security Fund on a one-off basis and the number of shares transferred was 2,989,618,956 restricted circulating A Shares. Upon the completion of the transfer, the Company’s shares held by the Ministry of Finance were changed to 26,906,570,608 restricted circulating A Shares, accounting for 60.84% of the total share capital of the Company; the Company’s shares held by the Social Security Fund were changed to 6,791,185,975 restricted circulating A Shares, accounting for 15.36% of the total share capital of the Company.

Article 24 The shareholding of the Company is as follows:

Number	Name of Shareholder	Number of Shares Held	% of the Total Share Capital
1	Domestically Listed Shares held by the Ministry of Finance	26,906,570,608	60.84%
2	Domestically Listed Shares held by Social Security Fund	6,791,185,975	15.36%
3	Domestically Listed Shares held by other shareholders	1,800,000,000	4.07%
4	Overseas Listed Foreign Shares (including Overseas Listed Foreign Shares held by Social Security Fund)	8,726,234,000	19.73%
In total		44,223,990,583	100%

Notes:

The Ministry of Finance holds 26,906,570,608 restricted circulating shares, accounting for 60.84% of the shareholding. The lock-up period of which is within 36 months from the completion date of the initial public offering and listing of A Shares (i.e. 16 November 2018, same as below). The Social Security Fund holds 6,791,185,975 restricted circulating shares, accounting for 15.36% of the shareholding, of which the lock-up period of 2,989,618,956 shares is within 36 months from the completion date of the initial public offering and listing of A Shares and the lock-up period of 3,801,567,019 shares is within 12 months from the completion date of the initial public offering and listing of A Shares. During the initial public offering and listing of A Shares, the Company privately placed 788,760,000 restricted circulating shares to strategic investors, accounting for 1.78% of the shareholding. The lock-up period of which is within 12 months from the completion date of the initial public offering and listing of A Shares.

Article 25 After the plan for issuing overseas listed foreign shares and domestically listed shares has been approved by the securities regulatory authorities of the State Council, the Board of the Company may arrange for implementation of such plan by means of separate issue.

The Company's plan for separate issues of overseas listed foreign shares and domestically listed shares in accordance with the preceding paragraph may be implemented separately within 15 months of being approved by the securities regulatory authorities of the State Council.

Subject to the approval of the securities regulatory authorities of the State Council, domestically listed shares held by domestic shareholders of the Company may be transferred to foreign investors and listed and traded in overseas market; Subject to the approval of the securities regulatory authorities of the State Council, the shares held by the Ministry of Finance of the PRC and the NSSF may be transformed into overseas listed and foreign invested shares and listed and traded in overseas market. Shares transferred or transformed for listing and trading in foreign securities exchanges shall be subject to the regulatory procedures, rules and requirements of the foreign securities market. Subject to the approval of the securities regulatory authorities of the State Council, listing and trading of the transferred shares in foreign securities exchanges do not require voting by the shareholders of relevant classes.

Article 26 If the Company issues overseas listed foreign shares and domestically listed shares separately within the total number of shares specified in the issue plan, such issues shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for once due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of the State Council, be issued in several stages.

Article 27 The registered capital of the Company is RMB44,223,990,583, and the paid-up capital of the Company is RMB44,223,990,583. Any increase or decrease of the Company's registered capital shall be handled in accordance with the Company Law, the relevant regulations of the CBIRC and other regulatory authorities, and procedures set forth in the Articles. The Company shall file for approval from the CBIRC for any change of the Company's registered capital and register the change with the registry authority according to the law.

Section 2 Capital Increase and Share Repurchase

Article 28 The Company may, based on its operating and development needs and in accordance with laws, rules and regulations, increase its registered capital in the following ways, subject to resolution adopted by the shareholders' general meeting and approval from relevant regulatory authorities:

- (1) by issuing shares to public;
- (2) by issuing shares to non-public;
- (3) by allotting bonus shares to existing shareholders;

- (4) by capitalizing its capital reserve;
- (5) by any other methods which is permitted by competent supervisory authorities or laws and regulations.

The Company's increase in capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant laws, regulations and regulatory documents and after having been approved in accordance with the Articles.

Article 29 The Company may, in the following circumstances, buy back its own shares in accordance with laws, regulations, other regulatory documents and the Articles:

- (1) reduce its registered capital;
- (2) merger with another company holding shares in the Company;
- (3) use the shares for employee stock ownership plan or as equity incentive;
- (4) request the Company to buy back shares held by shareholders disputing resolutions passed during shareholders' general meetings in relation to the merger or division of the Company; or
- (5) use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary for the Company to safeguard the value of the Company and the interests of its shareholders;
- (7) other circumstances permitted by laws, regulations and regulatory documents.

The Company shall not conduct any activities to buy-back shares other than in the above circumstances.

When the Company is to buy back shares according to the circumstance in (1) and (2) set out above, prior approval shall be obtained in shareholders' general meeting. Any acquisition of the Company's shares under the circumstances in (3), (5) and (6) shall be resolved by the general meeting as required in Article 67 of the Articles, or be resolved by the Board meeting where over two-thirds of the directors are present according to the authorisation granted by the shareholders' general meeting.

Under the circumstances set out in (1), the shares shall be cancelled within 10 days of buy-back; under the circumstances set out in (2) and (4), the shares shall be transferred or cancelled within six months of buy-back; under the circumstances set out in (3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within three years of buy-back.

If the Company acquires its own shares, it shall fulfil its disclosure obligation as required under the Securities Law. If the Company acquires its own shares under the circumstances in (3), (5) and (6), it shall be carried out through public and centralized trading.

Article 30 The Company may repurchase its shares in one of the following ways with approval from relevant governing authorities of the State:

- (1) Making a pro rata offer of repurchase to all of its shareholders;
- (2) Repurchasing shares through public dealing on a stock exchange;
- (3) Repurchasing shares by an off-market agreement; or
- (4) Other ways permitted by laws, regulations and regulatory documents or by relevant securities regulatory authorities of the place where the Company's shares are listed.

Article 31 Where the Company is to buy back shares through off-market agreement, prior approval shall be obtained from shareholders at general meeting in accordance with the Articles. With prior approval by shareholders at general meeting obtained in the same manner, the Company may rescind or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

The contracts to buy back shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to buy back or to acquire of the right to buy back.

The Company shall not assign a contract for the buy-back of its own shares or any of its rights thereunder.

Where the Company has the right to purchase redeemable share, the purchase price shall be limited to a maximum price if the purchases are not made through a stock exchange or by tender. If purchases are by tender, tenders shall be made available to all shareholders on the same terms.

Article 32 The aggregate par value of the shares cancelled due to the repurchase of the Company's own shares shall be deducted from the Company's registered capital. For the portion of shares cancelled due to the repurchase of the Company's own shares, with the approval by the CBIRC, application for the change of registered capital shall be filed with the SAIC.

Article 33 Unless the Company is in the course of liquidation, it shall comply with the following provisions when repurchasing its issued shares:

- (1) Where the Company repurchases shares of the Company at par value price, payment shall be deducted from the book balance of distributable profits of the Company and the proceeds from the new share issue for the purpose of repurchasing the existing shares;
- (2) Where the Company repurchases shares of the Company at a price higher than the par value, the portion equivalent to the par value shall be deducted from the book balance of the distributable profits of the Company and the proceeds from the new share issue for the purpose of repurchasing the existing shares; the portion beyond the par value shall be handled as follows:
 - (i) If the shares repurchased are issued at par value, the payment shall be deducted from the book balance of the distributable profits of the Company; or
 - (ii) If the shares repurchased were issued at a price higher than the par value, payment shall be deducted from the book balance of the distributable profits of the Company and the proceeds from the new share issue for the purpose of repurchasing the existing shares; however, the amount deducted from the proceeds from the new share issue shall neither exceed the aggregate premium from the issue of the existing shares repurchased nor shall it exceed the amount (including the premiums from the new share issue) in the capital reserve account at the repurchase.

- (3) Payments for the following purposes shall be made out of the Company's distributable profits:
- (i) Acquisition of the right to repurchase shares of the Company;
 - (ii) Modification of any contract to repurchase shares of the Company; or
 - (iii) Release of any of the Company's obligation under any contract for the repurchase of its shares.
- (4) After the total par value of the cancelled shares is deducted from the Company's registered capital in accordance with relevant laws, the amount deducted from the distributable profits for the repurchase of the shares at par value shall be included in the Company's capital reserve account.

For financial issues involved in share repurchase otherwise provided by laws, regulations, other regulatory documents and relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed, those requirements shall be followed.

Section 3 Financial Assistance For Purchase of Shares

Article 34 The Company or its subsidiaries shall not, by any means at any time, provide any kind of financial aid to a person who acquires or proposes to acquire shares of the Company. "The person" referred to in the preceding sentence shall include a person who directly or indirectly incurs any obligation due to the acquisition of shares.

The Company or its subsidiaries shall not, by any means at any time, provide any form of financial aid to the aforesaid obligor for the purpose of reducing or discharging the obligations assumed by that person.

This Article does not apply to the circumstances mentioned in Article 37 in this Chapter.

Article 35 The Company shall not provide any form of financial assistance, such as loan or guarantee, to the Directors, supervisors and senior management of the Company for the acquisition of the Company's shares.

Article 36 "The financial aid" referred to in this chapter shall include, but not limited to the following meanings:

- (1) Gift;
- (2) Guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), relief or waiver of rights;

- (3) Provision of loan or conclusion of agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights under, such loan or agreement; and
- (4) Any other form of financial aid given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

“Assuming an obligation” referred to in this chapter shall include the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligation is to be borne solely by the obligor or jointly with any other persons), or by any other means, which results in a change in his/her/its financial position.

Article 37 The following activities shall not be deemed to be activities prohibited by Article 34 of this section:

- (1) The provision of financial aid by the Company where the financial aid is given in good faith in the interest of the Company, and the principal purpose of this is not for the acquisition of shares of the Company, or the giving of the financial aid is an incidental part of a master plan of the Company;
- (2) The lawful distribution of the Company’s assets as dividends;
- (3) The distribution of dividends in the form of shares;
- (4) A reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure effected in accordance with the Articles of Association; and
- (5) The provision of loans by the Company for ordinary business activities within its scope of business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial aid is provided out of distributable profits).

Section 4 Transfer and Pledge of Shares

Article 38 The Company’s shares shall be legally transferable and clear of any lien, but such transfer must be in compliance with the laws, regulations, relevant requirements provided by the CBIRC and the relevant regulatory authorities and the Articles.

For the transfer of overseas listed foreign shares listed in Hong Kong, registration shall be made in the share registrar in Hong Kong authorized by the Company.

Article 39 The Company shall not accept any pledge of its shares.

Article 40 No transfer of shares held by promoter shall be allowed within one year since the Company is incorporated. No shares issued prior to the Company's initial public offering of shares shall be transferred within one year since the date when the shares in the Company are listed.

Directors, supervisors and senior management officers of the Company shall report their shareholdings in the Company and the respective changes. During his/her tenure, no shares exceeding 25% of his/her total shareholding in the Company shall be transferred within one year; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed. The aforesaid personnel shall not transfer the shares held by him/her within half a year after leaving his/her office.

Article 41 All fully-paid overseas listed foreign shares listed in Hong Kong are freely transferable under the Articles, provided that the Board may refuse to acknowledge any transfer document without reason unless the following conditions are met:

- (1) The transfer documents and other documents which relate to or may affect the title of any shares shall be registered and fees in connection with such registration shall be paid to the Company at a standard fee prescribed in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (2) The transfers only relate to overseas listed foreign shares listed on The Stock Exchange of Hong Kong Limited (the "HKSE");
- (3) the stamp duty which is payable for the transfer documents has been duly paid;
- (4) the relevant share certificate(s) and any other evidence which the Board may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) where the shares are intended to be transferred to joint holders, the number of such joint shareholders shall not be more than 4; and
- (6) The shares shall be free and clear of any lien.

If the Board rejects to register the transfer of shares, the Company shall, within 2 months from the date when duly application for the transfer was submitted, give a notice of rejection on the registration of such transfer of shares to the transferor and transferee.

CHAPTER 4 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 42 Share certificates of the Company shall be in registered form. Share certificates of the Company shall state clearly the following items:

- (1) Company name;
- (2) Incorporation date of the Company;
- (3) Class of share, par value and the number of shares so represented;
- (4) Stock code; and
- (5) Other items required by the Company Law and the stock exchange of the place where the shares in the Company are listed.

Overseas listed foreign shares of the Company may be issued in the form of depositary receipt or other derived forms of shares in accordance with the law and practices on securities registration and depositary of the place where the shares are listed.

Article 43 Share certificates shall be signed by the chairman of the Board. In case the president and other senior management officers of the Company are required to sign under the requirements of the stock exchange of the place where the Company's shares are listed, the share certificates shall also be signed by such members. The signature on share certificates by the chairman of the Board of the Company, the president or other relevant senior management officers could also be made in printed form.

The share certificates shall be effective upon the affixture of the Company's seal or the affixture of the seal in printed form. Authorization from the Board shall be obtained for the affixture of the Company's seal on the share certificates.

For dematerialized issuance and trading, other requirements of the securities regulatory authorities of the place where the Company's shares are listed shall be applicable.

Article 44 The Company shall maintain a register of members, and include the followings:

- (1) The name, address (domicile), occupation or nature of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amount paid or payable by each shareholder for the respective shares held;
- (4) The serial numbers of shares held by each shareholder;

(5) The date when each shareholder is registered as a shareholder; and

(6) The date when each shareholder ceases to be a shareholder.

The register of members shall be the sufficient evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.

Article 45 The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities under the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed foreign shares overseas, and mandate overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a copy of the register of members of overseas listed foreign shares in the premises of the Company. Overseas agency so mandated shall at any time ensure the consistency of the original copy and the copy of the register of holders of overseas listed foreign shares. If there is any discrepancy between the original copy and the copy of the register of holders of overseas listed foreign shares, the original copy shall prevail.

Article 46 The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (1) The register of members maintained in the registered office of the Company other than those described in items (2) and (3) of this article;
- (2) The register of holders of overseas listed foreign shares maintained in the place of stock exchange where the shares are listed;
- (3) The register of members maintained in other places as the Board may consider necessary for the purpose of the listing of the Company's shares.

Article 47 Different parts of the register of members shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

Alterations or amendments on each part of the register of members shall proceed in accordance with the laws of the place where that part of the register of members is maintained.

Article 48 Within 30 days prior to the convening of a shareholders' general meeting or within five days prior to date for the determination of the basis of dividend distribution by the Company, no change shall be made in the register of members as a result of a transfer of shares.

If the securities regulatory authorities of the place where the shares in the Company are listed have other requirements on the change in the register of members, such requirements shall be followed.

Article 49 Whenever the Company convenes a shareholders' general meeting, distributes dividends, liquidates or engages in other acts requiring the confirmation of shareholding, a day shall be determined by the Board or the convener of the shareholders' general meeting as the record date for the registration of shareholdings, upon the closing of which, those members who appear in the register of members shall be the shareholders of the Company.

Article 50 Any person who has an objection to the register of members and requests for the registration of his/her/its name in the register of members or requests to remove his/her/its name from the register of members, he/she/it may apply to the court of jurisdiction to amend the register of members.

Article 51 Any member registered in the register of members or any person requesting for the registration of his/her/its name in the register of members may apply to the Company to reissue new share certificate for his/her/its respective shares (i.e. "relevant shares") if his/her/its share certificate (i.e. "original share certificate") is lost or destroyed.

Application by a holder of domestically listed shares who has lost or destroyed his/her/its share certificate and applies for replacement shall be dealt with in accordance with Company Law.

Application by a holder of overseas listed foreign shares who has lost or destroyed his/her/its share certificate and applies for replacement shall be dealt with in accordance with the laws of the place where the original copy of the register of members who are holders of overseas listed foreign shares is maintained and the rules of the stock exchange or other relevant laws.

In case that a holder of overseas listed foreign shares has lost or destroyed his/her/its share certificate and applies for replacement, the issuance of a replacement share certificate shall comply with the following requirements:

- (1) Applicants shall submit his/her/its application in the standard form prescribed by the Company with the notarial certificate or statutory declaration documents attached. The notarial certificate or statutory declaration documents shall include the ground for application, circumstances and evidences of the loss of share certificate, as well as a declaration that no other person may request for the registration as the holder of the relevant shares.
- (2) Before the Company makes the decision on the reissuance of new share certificate, no declaration of the request for the registration as members of such shares by any person other than the applicants has been received.
- (3) In case the Company decides to reissue new share certificate to the applicant, an announcement of such reissuance shall be published on the newspapers designated by the Board at least every 30 days within a period of 90 days.

- (4) Before the Company publishes the announcement of the reissuance of a share certificate, a copy of the announcement intended to be published shall be submitted to the stock exchange of the place where the shares are listed. Upon the receipt of response from such stock exchange that confirms that such announcement has been exhibited in the premises of the stock exchange, the announcement may be published. Such announcement shall be exhibited in the premises of the stock exchange for a period of 90 days.

If the application for the replacement of share certificate is made without the consent of registered holders of the relevant shares, the Company shall deliver a copy of the announcement intended to be published to such shareholder by post.

- (5) Upon the expiration of 90 days period of the announcement and exhibition referred to in item (3) and (4) of this Article, if no objection on the replacement of the share certificate has been received by the Company, a new share certificate may be issued pursuant to the applicant's application.
- (6) When the Company issue new share certificate pursuant to this Article, the original share certificate shall be cancelled immediately, and such cancellation and replacement shall be registered in the register of members.
- (7) All costs for the cancellation of the original share certificate and the issuance of new share certificate incurred shall be borne by the applicant. Until the applicant provides any reasonable guarantee, the Company shall be entitled to reject to take any action.

Article 52 After the issuance of a new share certificate by the Company pursuant to the Articles, the name of the bona fide purchaser acquiring the aforesaid new share certificate or of the person (a bona fide purchaser) subsequently registered as the owner of such shares shall not be removed from the register of members.

Article 53 The Company has no obligation to compensate for those who suffer loss from cancellation of original stock certificates or issuance of new stock certificates unless they can prove that the Company has fraudulent conduct.

Article 54 In the case of the anonymous warrant, no new warrant shall be issued to replace the lost warrant unless the Company is convinced that the original warrant has been destroyed beyond reasonable doubt.

CHAPTER 5 CPC ORGANIZATION (CPC COMMITTEE)

Article 55 The Committee of the Communist Party of China of The People's Insurance Company (Group) of China Limited (hereinafter referred to as the "CPC Committee") shall be established by the Company.

The CPC Committee consists of 1 secretary, 1-2 deputy secretaries and several other members. The chairman of the Board shall be the secretary and 1 deputy secretary shall be appointed for assisting the secretary in the establishment of the Party.

Eligible CPC Committee members may join the board of directors and the board of supervisors or may be appointed as the members of the management including president and vice president through legal procedures. The members of the management including directors, supervisors, president and vice president who are also eligible Party members may enter the CPC Committee in accordance with the relevant provisions and procedures.

The Company shall, in accordance with relevant requirements, set up the disciplinary board of the Communist Party of China of The People's Insurance Company (Group) of China Limited (hereinafter referred to as the "Disciplinary Board of the Company"). The Disciplinary Board of the Company shall consist of 1 secretary and 1 deputy secretary, if the work so requires. The secretary of the Disciplinary Board of the Company shall be a member of the CPC Committee.

Article 56 The CPC Committee shall perform the following duties in accordance with the internal laws and regulations of the Party such as the Constitution of the Communist Party of China and the Provisions of Party Organization Work of the Communist Party of China (Trial):

- (1) To ensure and supervise the implementation of the Party and State policies in the Company, the execution of the material strategic decisions made by the Central Committee of the Party and the State Council and the initiatives deployed by the higher level Party organizations.
- (2) To strengthen the leadership and gatekeeping over talent selection and staffing, by managing standards, procedures, examination, recommendation and supervision, and adhere to the principle that the Party manages the officials with the function of the board of directors in the lawful selection of its management and with the lawful exercise of authority of management, promotion and demotion of personnel by the management.
- (3) To discuss and give opinions on material issues of the Company in relation to the steady reformation and its stable development, material operational and management issues and the interest of the employees. Support the lawful performance of duties by the shareholders' general meeting, the board of directors, the board of supervisors, senior management members such as the president and the vice president; support the work carried out by employee representative assembly.
- (4) To take full responsibility to strictly govern the party. Lead the Company's ideological and political work, the Unite Front work, the spiritual civilization construction, corporate culture construction and the work of Labor Union, the Communist Youth League and other groups. Lead the maintenance of the Party discipline, conduct and integrity, and support the Disciplinary Board of the Company to earnestly perform its supervisory duties.

- (5) To strengthen the development of Party organization and the team building of the Party members on the grass-root level, give full play to the role of the Party as the fighting fortress and exemplary role of vanguard party members, unite and lead cadres and employees to actively participate in the reform and development of the Company.
- (6) Other material issues within the duties of the CPC Committee.

CHAPTER 6 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 Shareholders

Article 57 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of members.

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by such shareholder. Shareholders who hold shares of the same class shall have the same rights and obligations.

Where two or more persons are registered as the joint holders of any share(s), they shall be deemed as the joint owners of such share(s), provided that:

- (1) The Company shall not register more than 4 persons as the joint holders of any share(s);
- (2) All the joint holders of any share(s) shall be jointly and severally liable for payment of all amounts payable for such share(s);
- (3) If one of the joint shareholders is deceased, only the other surviving persons among the joint shareholders shall be regarded as the owners of relevant shares of the Company, provided that the Board shall have the right to require such persons to provide a certificate of death deemed appropriate by the Board for the purpose of changing the register of members; and
- (4) For joint shareholders of any shares, only the joint shareholder whose name appears first in the register of members has the right to receive the share certificate of the relevant shares from the Company, to receive notices of the Company, to attend the shareholders' general meeting convened by the Company or to exercise all the voting rights attached to the relevant shares; and any notice served on such shareholder shall be treated as having been served on all joint shareholders of the relevant shares.

Any receipts issued to the Company by one of the joint shareholders for any dividend, bonus issue or return on capital payable to such joint shareholders shall be treated as a valid receipt issued by such joint shareholders to the Company.

Article 58 The ordinary shareholders of the Company shall enjoy the following rights:

- (1) The right to dividends and other types of interest distributed in proportion to the number of shares held;
- (2) The right to lawfully request, convene, preside, attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting rights thereat;
- (3) The right of supervisory management over our Company's business operations, and the right to present proposals or to raise enquires;
- (4) the right to transfer, bestow or pledge shares in accordance with laws, regulations, other regulatory documents, relevant requirements of the securities regulatory authority at the place where our Company's shares are listed and provisions of the Articles;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles, including:
 - (i) The right to obtain a copy of the Articles, subject to payment of the cost of such copy; and
 - (ii) The right to inspect and copy, subject to payment of a reasonable fee, the following:
 - (a) All parts of the register of members;
 - (b) Personal particulars of each of the Company's directors, supervisors, president and other senior management officers;
 - (c) The state of the Company's share capital;
 - (d) The report showing the aggregate par value, quantity, and maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the previous accounting year and the total expenses incurred by the Company for this purpose;
 - (e) Minutes of shareholders' general meetings; and
 - (f) Financial reports;
 - (iii) counterfoil of the corporate bonds; resolutions of the meetings of the Board and the Board of Supervisors;
- (6) In the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;

- (7) The right to request the Company to purchase the shares of the shareholder who raises objection to the resolution on merger or division made at the shareholders' general meeting,
- (8) The right to record and to alter the register of members;
- (9) Other rights conferred by laws, regulations, other regulatory documents and the Articles.

If any person holding interest directly or indirectly exercises his right based on the shares of the Company without revealing this right to the Company, the Company shall not compromise such person's right based on the shares of the Company by freezing it or in any other ways.

Article 59 Where a shareholder requests to inspect or obtain the relevant information pursuant to item (5) of the preceding Article, such shareholder shall provide the Company with written documents evidencing the class and number of shares held by such shareholder in the Company and the Company shall provide at the request of such shareholder the above information upon verification of such shareholder.

Article 60 If a resolution of a shareholders' general meeting or a Board resolution violates the laws and regulations, a shareholder shall have the right to request a people's court to determine the same as invalid.

Controlling shareholders and actual controllers of the Company shall neither restrict or impede minority shareholders from exercising their voting rights in accordance with the law, nor harm the legitimate interests of the Company and its minority shareholders.

If the procedure for convening a shareholders' general meeting or Board' meeting, or the method of voting thereat, violates the laws, administrative regulations or the Articles, or the contents of a resolution violate the Articles, a shareholder shall have the right to request a people's court to rescind such resolution within 60 days from the date of adopting such resolution.

If the Company completes the formalities in respect of the change of registration pursuant to a shareholders' resolution or a board resolution, the Company shall apply to the registration authority for cancelling the change of registration after a people's court has declared that such resolution is invalid or has rescinded such resolution.

Article 61 If any director or senior management officer violates laws, regulations or the Articles in performing his/her duties, which has caused losses to the Company, shareholders individually or jointly holding 1% or more voting shares of the Company for at least 180 consecutive days may request the Board of Supervisors in writing to bring an action at the People's Court; if any Supervisor violates laws, regulations or the Articles in performing his duties, which has caused losses to the Company, a shareholder may request the Board in writing to bring an action at the People's Court.

If the Board of Supervisors or the Board refuses or fails to bring an action within 30 days after receiving the request, or the situation is so urgent that if an action is not initiated promptly the Company will suffer irreparable damages, a shareholder has the right to bring an action at the People's Court directly in its own name.

If any other person infringes the interest of the Company, which has caused losses to the Company, the shareholders specified in the first paragraph of this Article may bring an action at the People's Court pursuant to the two preceding paragraphs.

Article 62 If any Directors, supervisors or senior management violate any laws and regulations, regulatory provisions or the Articles, harm the interests of the Company or the shareholders, any shareholder shall have the right to reflect the problem directly to the CBIRC.

Article 63 Holders of the ordinary shares of the Company shall have the following obligations:

- (1) to abide by laws, regulations, other regulatory documents and the Articles;
- (2) to contribute to the share capital according to the number of shares subscribed by them and the methods of capital contribution;
- (3) to comply with the regulatory requirements on contributed capital and shareholding behavior and not to entrust their shares or hold shares exceeding the relevant ratio;
- (4) not to withdraw their contributed share capital unless in such circumstances as stipulated by the laws and regulations;
- (5) not to abuse the shareholder's rights to harm the interest of the Company or any other shareholders;
- (6) not to abuse the Company's independent status as a legal person and the shareholders' limited liability to damage the interest of the creditors of the Company;
- (7) if there is a related party relation between shareholders holding 5% or more of shares of the Company, such shareholders should report in writing to the board office within five working days from the date of the occurrence of the related party relation, and shall provide at least the names of such shareholders and the descriptions of the related party relation;
- (8) the substantial shareholders should support our Company to improve its solvency if it does not meet regulatory requirements on solvency;
- (9) shareholders who hold more than 5% of the shares of the Company shall inform the Company truthfully of their controlling shareholder or the actual controller, and within 5 working days after the change of the controlling shareholder or the actual controller, shall notify the Company in writing of the details of such changes, the related party following the change and the change of relationship of the related parties and shall carry out the regulatory procedures;

- (10) for any shareholders who hold more than 5% of the shares of the Company, if the shares held are involved in litigation or arbitration, subject to pledge, or discharged from pledge, the Company shall be notified in writing within 15 working days after the occurrence of the aforesaid facts. The Company shall notify the other shareholders in regard to the circumstances in a timely manner;
- (11) if any shareholders who hold more than 5% of the shares of the Company are involved in significant matters such as merger, division, dissolution, bankruptcy, closure, receivership; or if there are any changes in its legal representative, company name, place of business, business scope, and other significant matters, such shareholders should report in writing to the Company within 15 working days after the occurrence of the aforesaid matters;
- (12) to obey and implement the relevant resolutions of the shareholders' general meeting;
- (13) in case of a risk event or a major violation by the Company, the Company shall cooperate with the regulatory authorities in investigation and risk disposal;
- (14) shareholders who pledge their equity interests in the insurance company shall not impair the interests of other shareholders and the Company and shall not agree to confer the exercise of voting rights on the pledgee or its affiliates; and
- (15) other obligations imposed by laws, regulations, other regulatory documents and the Articles.

Shareholders shall to be liable for indemnity in accordance with the laws if a shareholder of the Company abuses his shareholders' rights and causes loss on the Company or other shareholders; and to be jointly and severally liable for the debts of the Company if a shareholder abuses the Company's independent status as a legal person and evades the repayment of debts, resulting in materially damaging the interest of the creditors of the Company.

In the event that the capital contribution made by a shareholder or the behavior of a shareholder in relation to the Company has breached the laws and regulations, the shareholder shall be prohibited to exercise his rights including voting right, dividend right and right of nomination, and shall accept regulatory measures adopted by the CBIRC such as the restriction on shareholders' rights and mandatory equity transfer.

Article 64 If the shares held by any shareholder of the Company reaches 5% or more of the Company's aggregate shares, this fact must be reported to the Company in writing on the day of its occurrence, so that the Company can report to the CBIRC for approval within five days thereof. The CBIRC has the right to request such unqualified investors to transfer their shares.

For the part of shares in excess of 5% of the Company's aggregate shares (hereinafter referred to as "Excess Shares"), if the CBIRC requires the shareholder to transfer but the shareholder does not follow, such shareholder shall be subject to necessary restrictions when exercising the shareholders' rights set out in the Article 58 of the Articles based on its shareholding of the Excess Shares, which include:

- (1) The Excess Shares will not carry any voting rights at shareholders' general meetings (including during voting by shareholders of certain class);
- (2) The Excess Shares will not carry a right to nominate candidates of directors or supervisors as provided in the Articles; and
- (3) Other regulatory measures required by the CBIRC.

Notwithstanding the aforementioned, the shareholders of the Excess Shares of the Company shall not be subject to any other restrictions when exercising the shareholders' rights pursuant to Article 58 of the Articles.

Article 65 In addition to obligations imposed by laws, regulations, other regulatory documents or the listing rules of the stock exchange where Company's shares are listed, a controlling shareholder shall not exercise his/her/its voting rights in respect of the following matters in a manner prejudicial to the interests of the shareholders generally or partially:

- (1) To relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) To approve the expropriation by a director or supervisor for his own benefit or for the benefit of another person, in any manner, of the Company's assets, including without limitation any opportunity beneficial to the Company; or
- (3) To approve the expropriation by a director or supervisor for his own benefit or for the benefit of another person of the individual rights of other shareholders, including without limitation the rights to distributions and voting rights save as any restructuring submitted to shareholders for approval in accordance with the Articles.

Article 66 The shareholders of the Company shall not impair the Company's interests with his/her/its related relations. In breach of any regulations, compensation for the loss incurred to the Company shall be assumed by the controlling shareholder and/or actual controller.

The controlling shareholder and actual controller of the Company shall have the obligations in respect of integrity to the Company and other shareholders. The controlling shareholder shall exercise his/her/its rights as a investor in strict compliance with laws, and shall not, via means such as profit distribution, asset reorganization, external investment, occupation of funds, guarantee for borrowing, use of insurance fund and connected transaction, impair the legal rights of the Company and other shareholders, nor shall he/she/it impair the interests of the Company and other shareholders by leveraging its controlling position.

The controlling shareholders shall conduct effective management of employees who concurrently serve the controlling shareholder and the Company, to avoid conflict of interests. Employees of the controlling shareholders shall not concurrently serve as executive director and senior management of the Company.

Section 2 General Provisions on Shareholders' General Meetings

Article 67 The general meeting is the organ of the highest authority of the Company, and shall exercise the following functions and powers in accordance with the law:

- (1) Decide the operating policies and material investment plans of the Company;
- (2) Elect and replace the members of the Board and members of the Board of Supervisors who are not representative of the employees of the Company, and decide on matters related to the remuneration of Directors and Supervisors;
- (3) Consider and approve the report of Board;
- (4) Consider and approve the report of board of supervisors;
- (5) Consider and approve the annual financial budget and final accounts of the Company;
- (6) Consider and approve the Company's profit distribution plan and loss recovery plan;
- (7) Consider and approve matters related to the Company's establishment of legal entities, material external investment, material asset acquisition, material asset disposal and write-offs, etc. (except matters authorized to be considered and approved by the Board);
- (8) Consider and approve matters related to the external donations of the Company (except matters authorized to be considered and approved by the Board);
- (9) Consider and approve matters related to the provision of guarantee by the Company in compliance with the laws;
- (10) Resolve on the increase or decrease in registered capital of the Company;
- (11) Resolve on the listing, or issuance of securities such as bonds;
- (12) Resolve on matters related to merger, separation, dissolution, liquidation of the Company or alternation on the form of the Company;
- (13) Resolve on matters related to repurchase of shares of the Company;

- (14) Formulate and amend the Articles, rules of procedures for general meeting, Board and board of supervisors;
- (15) Resolve on the employment, dismissal or non-reappointment the accounting firm of the Company to perform regular statutory audits for the financial and accounting reports of the Company;
- (16) Consider and approve related party transactions required to be approved by the general meeting under the laws, regulations, regulatory documents or requirements of the securities regulatory authorities where the Company's shares are listed, and the authorization scheme of the Company;
- (17) Consider and approve the change in the use of proceeds;
- (18) Consider the motion raised by shareholders representing more than 3% of outstanding shares with voting rights; and
- (19) Consider other matters required to be determined by the general meeting under the laws, regulations, regulatory documents, requirements of the securities regulatory authorities of the place where Company's shares are listed and the Articles.

“Material external investment, material asset acquisition, material asset disposal and write-offs” as set out in item (7) hereof refer to the Company's material external investment, material asset acquisition, material asset disposal and write-offs, respectively, which amounts exceed 30% of the latest audited total assets of the Company within one year.

Article 68 The Company shall not, without the prior approval of shareholders' general meeting, enter into any contract with any person other than a director, supervisor, president, or other senior management whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, unless in special circumstances such as that the Company is in a crisis.

Article 69 Shareholders' general meetings are divided into annual shareholders' general meetings and extraordinary shareholders' general meetings. Shareholders' general meeting shall generally be convened by the Board.

The Board shall convene an annual shareholders' general meeting once each year and within six months from the close of the preceding accounting year.

Article 70 An extraordinary general meeting shall be convened within 2 months from the date of occurrence of any of the following events:

- (1) The number of directors is lower than the minimum number of directors specified in the Company Law or less than two-thirds of the total number of directors specified in the Articles;
- (2) the outstanding loss of the Company reaches one-third of the Company's total paid-in share capital;
- (3) shareholders who individually or jointly hold more than 10% of the voting shares of the Company ("Requesting Shareholders", the shareholding of the Requesting Shareholders shall be calculated as of the date on which such shareholders request to convene the meeting in writing) request to convene the meeting in writing;
- (4) the Board deems it necessary to convene the meeting;
- (5) the Board of Supervisors proposes to convene the meeting;
- (6) any other circumstances as stipulated by the laws, regulations, regulatory documents, and the Articles.

Article 71 The Company shall arrange for the venue for a physical meeting to be held. Where the legality and validity of the shareholders' general meeting is ensured, in accordance with the laws, administrative regulations, requirements of the CSRC and the Articles of Association, shareholders shall be provided with a convenient way to attend the meeting by the Company making available various means and modes of communication technology (including adopting voting platforms via video, telephone and the internet etc.) and, in so doing, priority shall be given to modern information technology methods such as online voting platform. Shareholders participating using the above means shall be considered as present at the meeting.

Article 72 The Company shall formulate the terms of references of a shareholders' general meeting. The terms of references of a shareholders' general meeting shall be formulated by the Board and shall be implemented after consideration and adoption at a shareholders' general meeting.

Article 73 When holding a shareholders' general meeting, the Company shall engage lawyers to give legal opinion and make announcement on the following issues:

- (1) Whether the procedures for convening and holding a shareholders' general meeting is in compliance with laws, regulations and the Articles;
- (2) Whether the qualifications of the attendees and convener are legal and valid;
- (3) Whether the voting procedures and results of the shareholders' general meeting are legal and valid;
- (4) Legal opinions on other relevant issues as requested by the Company.

Section 3 Convening and Holding of Shareholders' General Meeting

Article 74 Not less than one-half of the independent directors (and at least 2 independent directors) may jointly propose to the Board in writing to convene an extraordinary general meeting. The Board shall make a response in writing as to whether or not it agrees to convene such extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, regulations, regulatory documents and the Articles.

If the Board agrees to convene an extraordinary general meeting, a notice convening such meeting shall be issued within 5 days from the date on which a resolution of the Board is passed. If the Board refuses to convene the extraordinary general meeting, it shall give an explanation and issue an announcement, and the independent directors shall report to the CBIRC.

Article 75 The Board of Supervisors shall have the right to propose to the Board to convene an extraordinary general meeting and shall propose its motions to the Board in writing. The Board shall make a response in writing as to whether or not it agrees to convene such extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, regulations, regulatory documents and the Articles.

If the Board agrees to convene an extraordinary general meeting, a notice of convening such meeting shall be issued within 5 days after a resolution of the Board is passed. Approval of the Board of Supervisors must be sought if the original proposal contained in the notice is changed.

If the Board does not agree to convene an extraordinary general meeting, or fails to give its response within 10 days upon receipt of the proposal, the Board shall be deemed to be unable, or to have failed, to perform its duty to convene a shareholders' general meeting, and the Board of Supervisors may convene and preside over the shareholders' general meeting.

Article 76 Shareholders' request to convene an extraordinary general meeting or class meetings should be in accordance with following procedures:

- (1) Requesting Shareholders shall have the right to propose to the Board of the Directors to convene an extraordinary general meeting and shall propose their proposals to the Board in writing by signing one or more written requests in the same form and with the same contents and shall clarify the topic of the proposed meeting. The Board shall make a response in writing as to whether or not it agrees to convene such extraordinary general meeting within 10 days upon receipt of the proposal in accordance with laws, regulations, regulatory documents and the Articles;
- (2) If the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the resolution of the Board is passed. Approval of the Requesting Shareholders must be sought if the original proposal contained in the notice is changed;

- (3) If the Board does not agree to convene an extraordinary general meeting, or fails to give its response within 10 days upon receipt of the proposal, the Requesting Shareholders shall have the right to propose to the Board of Supervisors to convene an extraordinary shareholders' general meeting and such proposal shall be proposed to the Board of Supervisors in writing;
- (4) If the Board of Supervisors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days upon receipt of the proposal. Approval of the Requesting Shareholders must be sought if the original proposal contained in the notice is changed;
- (5) If the Board of Supervisors fails to give the notice of such meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the meeting and shareholders who individually or jointly hold 10% or more of the Company's shares for not less than 90 consecutive days (the "Convening Shareholders") shall be entitled to convene and preside over the meeting.

Article 77 If the Board of Supervisors or Convening Shareholders propose to convene a shareholders' general meeting on their own, the Board shall be informed in writing and the relevant documents shall be filed with the agency office of securities regulatory authority of the State Council and the stock exchange located at the place where the Company's shares are listed.

Shareholding proportion of the Convening Shareholders prior to announcement of the resolution of the shareholders' general meeting shall not be less than 10%.

Conveners of the shareholders' meeting shall provide relevant support materials to the local branches of the CSRC and the Stock Exchange where the Company locates when conveners send the notice of shareholder's general meeting and announce the resolution of the general meeting.

In case the Board of Supervisors or the Proposing Shareholders decide to convene the extraordinary general meeting on its/their own, the Board and the Board secretary shall coordinate and the Board shall provide the register of members as at the share registration date.

Necessary costs arising out of shareholders' general meetings convened by the Board of Supervisors or Convening Shareholders on their own shall be borne by the Company.

Article 78 When the Company convenes a shareholders' general meeting, the Board, the Board of Supervisors and shareholders, individually or in the aggregate, holding 3% or more of the shares of our Company shall have the right to submit proposals to the Company.

Shareholders, individually or in the aggregate, holding 3% or more of the shares of the Company shall have the right to submit interim proposals in writing ten days before the shareholders' general meeting to the convener of such meeting. The convener shall within two days upon receiving such proposals give supplemental notice to the shareholders, notifying the content of such interim proposals.

Article 79 Proposals for the general meeting shall be within the scope of the functions and powers of the general meeting, and shall have clear topics and specific resolution matters and comply with laws, regulations, regulatory documents and the Article.

Article 80 When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given 45 days (excluding the date of the meeting) before the date of the meeting to notify all of the shareholders in the share register of the matters to be considered and the date and the place of the meeting. A shareholder who intends to attend the meeting shall deliver his written reply concerning the attendance of the meeting to our Company 20 days before the date of the meeting.

The Company shall notify the CBIRC in writing and by e-mail 10 days before the regular shareholders' general meeting.

Article 81 The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting has not reached one-half or more of the Company's total voting shares, the Company shall within five days notify the shareholders again by public notice of the matters to be considered, the place, the date and time for the meeting. The Company then may hold the meeting after the publication of such public notice.

A shareholders' general meeting shall not vote and resolve on a proposal not listed in the notice or supplemental notice of the meeting or not in compliance with Article 79 of the Articles.

Article 82 A notice for the shareholders' general meeting shall be in writing and comply with the following requirements:

- (1) specify the place, the date, the time and the duration of the meeting;
- (2) specify the convener of the meeting;
- (3) state the matters to be discussed and considered at the meeting and fully disclose contents of all the proposals (including the text of the resolutions and attachments thereto, proposer of a resolution and time at which it was proposed);
- (4) provide such information and explanations as are necessary for the shareholders to exercise an informed decision on the proposals before them, the principle of which including without limitation where a proposal is made to amalgamate our Company with another, to repurchase shares, to reorganize the share capital, or to restructure our Company in any other way, specific conditions and contracts of the proposed transaction in detail (if any) and a serious explanation of the cause and consequence of such proposal;

- (5) contain a disclosure of the nature and extent, if any, of the affiliated relationship of any Director, Supervisor, president, or other senior management officer in the matters proposed and the effect of the proposed matters on them in their capacity as shareholders in so far as it is different from the effect on other shareholders of the same class;
- (6) contain the full text of any special resolution proposed to be moved at the meeting;
- (7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) set the registration date of shareholding for shareholders who are eligible for attending the shareholders' general meeting; and
- (10) state the name and contact of the regular contact person of the meeting.

Article 83 Notice of shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the shareholders' general meeting), by delivery or prepaid mail to their addresses as shown in the register of members. For the holders of domestically listed shares, notice of the meeting may be issued by way of public notice.

The public notice shall be published in one or more newspapers designated by the securities governing authority of the State Council within the interval between 45 days and 50 days before the date of the meeting. After the publication of such notice, the holders of our domestically listed shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

For holders of overseas listed foreign shares, subject to the compliance with applicable laws, regulations, other regulatory documents and the relevant requirements of the securities regulatory authority at the place where our Company's shares are listed, the notice of a general meeting notice may be published on the website designated by the said stock exchange and on the website of our Company in place of delivery or prepaid mail to the holders of our overseas listed foreign shares.

Article 84 Where the elections of director and Supervisor will be discussed at the shareholder's general meeting, the notices of the shareholders' general meeting shall, in compliance with laws, regulations, regulatory documents or the relevant requirements of the securities regulatory authority at the place where our Company's shares are listed, contain the details of the proposed directors and Supervisors including at least the following particulars:

- (1) Personal particulars such as education background, working experience and any part-time positions;
- (2) Whether there is any connected relationship with the Company or the controlling shareholders and actual controller of the Company;

- (3) Their shareholding in the Company; and
- (4) Whether there is any penalties or punishments imposed by the CSRC and other related departments or the stock exchange.

The election of each director and Supervisor shall be proposed by separate proposals except the election is carried out by cumulative polling.

Article 85 Once the notice of shareholders' general meeting is issued, the meeting shall not be postponed or cancelled and proposals contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make announcement to state the reasons at least two working days prior to the original date of meeting.

Article 86 The Board or other conveners shall take necessary measures to maintain the order of shareholder's general meeting. Behaviors of disrupting the meeting, picking quarrels, provoking troubles and infringing on the lawful interests of shareholders shall be stopped and reported to relevant departments for investigation promptly.

Article 87 Any shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint 1 or more other persons (whether a shareholder or not) as his proxy to attend and vote on his behalf, and a proxy so appointed shall:

- (1) have the same right as the shareholder to speak at the meeting;
- (2) have authority to demand or join in demanding a poll; and
- (3) have the right to vote by hand or on a poll, but when more than 1 proxy has been appointed, the proxies only have right to vote on a poll.

Article 88 Individual shareholders attending in person shall produce identity documents or other valid documents or evidence, securities account card as proof of identity. Proxies attending for individual shareholders shall produce identity documents and the instrument of proxies.

If the appointer is a legal person or other institution, its legal representative or such person as is authorized by its legal representative, Board or other governing body to act as its representative may attend the meeting of shareholders of the Company as a representative of the appointer. For legal representatives who attend the meeting, his/her own identity card and valid evidences on his/her legal representative qualification shall be provided. For proxies who attend the meeting, the proxy shall provide his/her own identity card and the power of attorney from the shareholders issued in accordance with the law.

Article 89 Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his agent so authorized in writing, or if the appointer is a legal person or other institutions, sealed by the stamp of the legal person or institution or signed by its legal representative, directors, or agents so officially authorized.

Article 90 The proxy letter issued by a shareholder to entrust proxy to attend shareholders' general meeting shall contain the following contents:

- (1) name of the proxy;
- (2) proxy's voting right;
- (3) instructions on each item to be discussed on the agenda of the shareholders' general meeting, stating whether the shareholder agrees to, objects to or abstains from voting the resolution respectively;
- (4) issuing date of the proxy letter and its effective period; and
- (5) signature (or seal) of the appointer.

The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit.

Article 91 The proxy letter shall be deposited at the residence of our Company or at such a place as specified in the notice convening the meeting not less than 24 hours before the time of the meeting at which the proxy proposes to vote or the time appointed for the voting. If the proxy form is signed by a person authorized by the appointer, the power of the authorization document shall be notarized and placed together with the proxy form authorizing the proxy to vote at the registered office of the Company or other place designated in the notice of meeting.

Article 92 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer, revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the relevant shares, provided that no notice in writing of such matters has been given to the Company before the commencement of the relevant meeting.

Article 93 The attendance records of the meeting shall be prepared by the Company. The records shall contain the names (or corporate name), the identity card numbers and the residential addresses of the participants and number of voting shares held or represented by such participants, and the names (or corporate name) of appointers.

Article 94 The convener and the lawyer appointed by the Company shall verify the legitimacy of shareholders' qualifications based on the register of members provided by the securities registration and clearing authority and shall register the names (or corporate name) of shareholders as well as the number of voting shares held by them. Before the chairman of the meeting declares the number of shareholders and proxies as well as the total number of voting shares held by them, the registration for meeting shall be terminated.

Article 95 The Company's directors, Supervisors and Board secretary should attend the shareholders' meeting. The president and other senior management should sit in at the shareholders' meeting.

Article 96 A shareholders' general meeting called by the Board shall be presided over by the chairman of the Board. Where the chairman is unable or fails to perform his duties, the vice-chairman shall preside. Where the vice-chairman is unable or fails to perform his duties, a Director nominated by no less than one-half of the Directors shall preside.

In case a meeting is called by the Board of Supervisors, it shall be presided by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is incapable of or fails to perform such duty, a Supervisor nominated by no less than half of the Supervisors shall preside.

In case a meeting is called by shareholders, a shareholder representative nominated by the Proposing Shareholders shall preside over the meeting.

In a shareholders' general meeting, where the chairman violates the terms of references of the meeting and resulting in the failure of continuing of the meeting, a chairman may be elected by more than half of the attending shareholders with voting rights so as to carry on with the shareholders' general meeting.

Article 97 The Board and the Board of Supervisors should report to the shareholders at the shareholders' general meeting the work undertaken by them over the past year, and each independent director shall also report on the carrying out of their duties.

Article 98 The Board and the Board of Supervisors shall respond to or give explanation of the queries and suggestions from the shareholders.

Article 99 Minutes shall be kept for the general meeting, of which the Board secretary shall be in charge. Minutes of meeting shall contain as below:

- (1) Time, venue, agenda of the meeting, and the name of the convener;
- (2) Names of the chairman of the meeting, directors, Supervisors, president and other members of senior management, who attend or observe the meeting;

- (3) Number of shareholders and proxies present at the meeting, total number of shares with voting rights held by them and the percentage of shares with voting rights held by them to the total number of shares in the Company;
- (4) The total number of shares, if any, required to abstain from voting in the concurring votes/or voting as requested by the securities regulatory authorities where the Company's shares are listed to individual proposals.
- (5) Process of consideration for each proposal, key points of speeches and voting results;
- (6) Shareholders' enquiries or suggestions and the responses or explanation;
- (7) Names of the lawyer, the vote counter and the scrutineer; and
- (8) Other matters which shall be recorded in the minutes required by the Articles.

Article 100 Any shareholder is entitled to look up copies of the minutes free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the minutes in connection with the general meeting, the Company shall send the copy of the minutes within seven days upon receipt of reasonable payment.

Article 101 Directors, Supervisors and the secretary to the Board in attendance, convener or his or her representative and the chairman of the meeting shall sign on the meeting minutes, and ensure the truthfulness, accuracy and completeness of the meeting minutes. The minutes shall be kept together permanently with the signature book of shareholders in attendance, instruments of proxy and valid information on voting via internet and by other means.

Article 102 The convener shall ensure that the shareholders' general meeting is held continuously until final resolutions are reached. In the event that the shareholders' general meeting is adjourned or resolutions fail to be reached due to force majeure or other special reasons, necessary measures shall be adopted to resume the meeting as soon as possible or the meeting shall be concluded immediately, and an announcement shall be promptly published accordingly. The convener shall also report the same to the local agent of the CSRC and the stock exchange of the place where the share of the Company are listed.

Section 4 Voting and Resolutions of Shareholders' General Meetings

Article 103 The resolutions of shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one-half of the voting rights held by the shareholders (including proxies) present at the meeting must be passed.

To adopt a special resolution, votes representing two-thirds or more of the voting rights held by the shareholders (including proxies) present at the meeting must be passed.

Article 104 The chairman of the meeting shall announce the total number of shareholders and proxies in attendance and the total amount of voting shares present prior to voting, and the total number of shareholders and proxies in attendance and voting shares present shall be determined according to the meeting registration.

Article 105 Shareholders (including their proxies) exercise voting rights according to the voting shares they hold when voting at the shareholders' meeting, and each share shall have one voting right.

When the shareholders' general meeting considers matters that could materially affect the interest of minority shareholders, the votes by minority shareholders shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

Shares held by the Company shall not carry voting rights, and shall not be included in the total number of voting shares present at the shareholders' meeting.

The Board, independent directors and shareholders that comply with the relevant provisions of the Articles can collect voting rights. Sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be offered for the solicitation of voting rights from shareholders. The Company shall not impose any minimum shareholding limitation on the solicitation of voting rights.

Article 106 The shareholders' meeting shall vote on all proposals presented one by one unless the voting is carried out by cumulative polling. In the case where different proposals are made on the same matter, votes shall be casted in accordance with the time sequence of presenting the proposals. Unless the shareholders' meeting is suspended or fails to resolve due to exceptional reasons such as force majeure, the general meeting shall not postpone the proposals and shall vote on them.

Article 107 The shareholders' meeting cannot make changes to proposals while discussing them, otherwise the related changes shall be viewed as a new proposal and cannot be voted on at this shareholders' meeting.

Article 108 Identical voting rights can only choose one voting method, such as attending in person, via video, telephone or online voting platform, or by some other voting method. If a vote has been voted repeatedly based on the identical voting right, the first vote shall prevail.

Article 109 At any shareholders' general meeting, resolutions may be decided on by a show of hands, unless a poll is required by the relevant regulations of the securities regulatory authority at the place where the Company's shares are listed or (before or after voting by show of hands) is demanded by:

- (a) the chairman of the meeting;
- (b) at least two shareholders (including their proxies); and

- (c) one or more shareholders (including their proxies) individually or jointly holding 10% or more of the total voting shares present at the meeting.

Unless a poll is demanded by the aforesaid, a declaration by the chairman that a resolution has been passed by a show of hands and an entry to that effect in the meeting minutes shall be conclusive evidence of the fact that such resolution has been adopted at the meeting, without the evidence of the number or proportion of affirmative or negative votes cast.

The demand for a poll may be withdrawn by the proposer.

Article 110 A poll demanded on the election of chairman or adjournment of the meeting shall be taken immediately. A poll demanded on any other resolution shall be taken at such time as the chairman of the meeting decides and the meeting may proceed to discuss any other matters. The result of the poll shall be deemed as a resolution adopted at the meeting at which the poll is demanded.

Article 111 On a poll taken at a meeting, a shareholder (including their proxies) who is entitled to have 2 or more votes need not cast his votes all for or all against a resolution.

Article 112 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) the direction of the Company's operation and material investment plans;
- (2) the election, replacement or removal and determination of the remuneration of the members of the Board and members of the Board of Supervisors who are not representative of the employees of our Company (other than the removal of independent Directors);
- (3) work reports of the Board and the Board of Supervisors;
- (4) plans for the distribution of profits and for making up losses of our Company;
- (5) annual preliminary and final budgets;
- (6) formulate and amend the procedural rules of the shareholders' general meetings and the meetings of the Board and the Board of Supervisors;
- (7) unless otherwise authorized to be determined by the Board, matters related to external donations;
- (8) engagement or replacement of accounting firms that conducts regular statutory audit of our Company's financial reports;
- (9) related transactions which are regulated by laws, regulations and regulatory documents, the securities regulatory authority at the place where our Company's shares are listed or the relevant authorization plan of our Company to be considered and approved by the shareholders' general meeting; and

(10) matters other than those required by laws, regulations, regulatory documents or by the Articles of Association to be adopted by special resolutions.

Article 113 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) the increase or decrease in our Company's registered capital;
- (2) the issue of debentures, shares of any types of class or other securities of our Company and their listing;
- (3) the repurchase of our Company's shares;
- (4) the merger, separation, dissolution, liquidation and change in the form of the Company;
- (5) the formation of and amendments to the Articles;
- (6) the establishment of legal entities, material external investment, material asset acquisition, material asset disposal and write-offs, the provision of guarantee (the balance of guarantee shall not exceed 10% of the net asset of the Company) in compliance with laws and other matters;
- (7) any purchase or sale of substantial assets made by our Company in a year at an amount in excess of 30% of the audited total assets of our Company for its latest accounting period;
- (8) removal of the independent Directors; and
- (9) matters regulated by laws, regulations, regulatory documents, the Articles or decided by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Article 114 When connected transactions are examined in a shareholders' meeting, affiliated shareholders shall abstain from voting, and the voting shares held by them shall not be counted into valid votes; the announcement on the results of the shareholders' general meeting shall fully disclose the results of the voting by non-affiliated shareholders.

Article 115 The nomination of directors and members of the Board of Supervisors who are not representative of the employees of the Company shall be proposed to the shareholders' general meeting for voting by resolutions.

Article 116 Where any shareholder is, under applicable laws, regulations or listing rules of the place where Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder or their proxies in contravention of such requirement or restriction shall not be counted.

Article 117 Shareholders attending the shareholders' general meeting shall give their opinions on every resolution put forward at the meeting for resolution in the form of any one of the following: "for", "against" or "abstention", except for those declared by the securities depository and clearing organization in the capacity of a nominee of shares under the Shanghai-Hong Kong Stock Connect mechanism voting at the instructions of the beneficial holders.

Any voter with a vote that is not filled in, incorrectly filled in or in unrecognizable writing or not cast shall be deemed as having waived the voting right and the corresponding voting shall be counted as "abstention".

Article 118 The chairman of the meeting shall decide whether resolutions are passed and announce the voting results in the meeting. The result of voting upon the resolutions shall be recorded in the meeting minutes.

If the chairman of the meeting has any doubt on the voting result of the resolutions, he/she may double count the votes. If the chairman does not recount the votes and the attending shareholders or their proxies challenge the voting result announced by the chairman, the shareholders or their proxies can request for a recount immediately after the announcement of the result, and the chairman shall recount the votes immediately.

If the counting of votes is held at a shareholders' meeting, the result of the counting shall be recorded in the minutes of the meeting. The minutes of the meeting and the attendance records signed by the attending shareholders and proxies shall be kept at the Company's registered office.

Article 119 Before the shareholder's general meeting votes on a proposal, the following person shall be recommended as the vote counter and the vote scrutinizer

- (1) two shareholder representatives;
- (2) one Supervisor representative;
- (3) auditor of the Company, the register agency served for overseas listed foreign shares listed on Hong Kong Exchange or one party or several parties of external qualified auditor of the Company.

The connected shareholder and his representative shall not participate in vote counting or scrutinizing if the matters to be considered and approved are connected to such shareholder.

When voting on any proposal at the general meetings, the professionals and lawyers recommended according to the first item of this Article shall together undertake the counting and scrutinizing of the votes, and announce the results on the spot. The voting results of the resolutions shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who cast votes via internet or other means shall be entitled to inspect their own voting results through the relevant voting system.

Article 120 The onsite shareholders' meeting shall not be ended earlier than the deadline for via video, telephone or online voting platform, or by some other voting method, the chairman of the meeting shall announce the voting circumstances and voting result of every resolution, and whether the resolution has passed according to the voting result.

Prior to announcing the official voting results, all interested parties involved, including listed companies, the vote counter, the vote scrutinizer and principal shareholders, attending the meeting in person, via video, telephone or online voting platform or by some other voting method have the obligation to keep the voting results confidential.

Article 121 Public announcement of the voting results of a shareholders' general meeting shall be issued in a timely manner. The public announcement shall contain the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and its proportion of shares with voting rights held by them to the total number of shares with voting rights held in the Company, the total number of shares required to abstain from voting in the concurring votes/or voting as requested by the securities regulatory authorities where the Company's shares are listed to individual proposals (if there are any), the form of voting method, the voting result of each resolution and content of each adopted resolution as well as the vote scrutinizers identity.

Article 122 A special notice should be incorporated into a public announcement of a shareholders' general meeting if a resolution was not adopted or the shareholders' general meeting has amended a previous general meeting's resolution.

Article 123 If the proposal of the election of a Director or Supervisor was passed by the shareholders' meeting, the appointment of a Director or Supervisor shall take effect when:

- (a) the shareholders resolution effecting such appointment is passed; and
- (b) the qualifications of Directors and Supervisors are approved by the CBIRC.

Article 124 The Company shall implement any specific plan of cash distribution, bonus share issuing or increase of share capital by capitalization of capital reserves within 2 months after the conclusion of the shareholders' general meeting on which the relevant resolution has been adopted.

Article 125 The Company shall report to the CBIRC regarding the resolutions within 30 days after the resolutions are made at the shareholders' general meeting.

CHAPTER 7 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 126 Shareholders holding different classes of shares are class shareholders.

Class shareholders are entitled to the rights and shall take the obligations pursuant to laws, regulations, other regulatory documents and the Articles.

Class shareholders shall enjoy equal rights in any dividends or other forms of distributions.

Any non-voting shares included in the share capital of the Company shall bear the wording “non-voting right” in their title.

If the share capital includes shares carrying different voting rights, any class of shares (except shares with the most privileged voting rights) included in the share capital shall bear the wording “restricted voting right” or “limited voting right” in their titles.

Article 127 If the Company proposes to modify or terminate the rights of a class of shareholders, it may do so only after such modification or termination has been approved by a special resolution of the shareholders’ general meeting and a separate shareholders’ general meeting convened by the affected shareholders of that class under the Articles 129 to 133.

Article 128 In the following conditions, rights of a class of shareholders shall be deemed to have been modified or terminated:

- (1) An increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) Conversion of all or part of the shares of such class into shares of another class, conversion of all or part of the shares of another class into shares of such class or the grant of the right to such conversion;
- (3) Cancellation or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) Reduction or cancellation of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;
- (5) An addition, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Company attached to shares of such class;

- (6) Cancellation or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) Creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (8) Imposition of restrictions or addition of such restrictions on the transfer or ownership of shares of such class;
- (9) Issuance of rights to subscribe for shares of such class or other class, or rights to convert shares;
- (10) An addition of the rights and privileges of shares of other classes;
- (11) A restructuring scheme of the Company resulting in shareholders of different classes to bear liability not in proportion in the restructuring; or
- (12) An amendment or cancellation of the provisions of the Articles.

Article 129 Shareholders of the affected class, having the right to vote at shareholders' general meetings or otherwise, shall nevertheless have the right to vote at class meetings in respect of matters concerning items (2) to (8), (11) and (12) of the preceding Article, but shareholder(s) with interests (as defined below) shall not be entitled to vote at meetings of shareholders of class shares.

A "shareholder with interests" in prior provision refers to:

- (1) A controlling shareholder as defined in Article 286 in the Articles, in the case of a repurchase of shares by pro rata offers to all shareholders or by public dealing on a stock exchange pursuant to Article 30 of the Articles;
- (2) A shareholder in connection with a proposed contract, in the case of repurchase of shares by off-market contract is achieved pursuant to Article 30 of the Articles; or
- (3) A shareholder who bears less than a proportionate amount of obligations imposed on or whose interests diverge from those of the shareholders of that class, in the case of in a restructuring scheme of the Company.

Article 130 Resolutions of meetings of class shareholders shall be adopted by votes representing two thirds or more of the voting rights of shares of that class which are entitled to vote and whose shareholder(s) present at the meeting.

Article 131 Written notice of a class meeting shall be sent forty-five (45) days prior to the date of the meeting to inform all of the shareholders in the share register of the class of the matters to be considered, the date and venue of the class meeting. A shareholder proposing to attend the class meeting shall deliver his written reply with respect to the attendance at the meeting to the Company twenty (20) days prior to the date of the class meeting.

If the number of shares carrying voting rights at the meeting represented by the shareholders proposing to attend the class meeting reaches one half or more of the shares entitled to voting rights at the class meeting, the Company may hold the class meeting; if not, the Company shall within five (5) days once again notify the shareholders of the class by means of public announcement, of matters to be considered, date and venue of the class meeting. The Company may then hold the class meeting after notification by announcement.

Article 132 Notice of class meetings only needs to be served on shareholders entitled to vote thereat.

Except as otherwise provided for the Articles, meetings of any class of shareholders shall be conducted in the manner as similar as possible to that of general meetings of shareholders. The provisions of the Articles relating to the manner of conducting any shareholders' general meeting shall apply to any meeting of a class of shareholders.

Article 133 Shareholders of domestically listed shares and overseas listed foreign shares are deemed as shareholders of different classes.

The special procedures for voting by a class of shareholders shall not apply to the following circumstances:

- (1) where upon the approval by a special resolution of shareholders in a general meeting, either separately or concurrently once every twelve months, the Company issues domestically listed shares and overseas listed foreign shares not more than 20% of each that has been issued;
- (2) where the Company's plan to issue domestically listed shares and overseas listed foreign shares at its establishment is carried out within fifteen (15) months as of the date of approval of the securities regulatory authorities of State Council;
- (3) where shareholders of the domestically listed shares of the Company may transfer to overseas investors, and such transferred shares may be listed or traded on an overseas stock exchange, subject to the approval of the securities regulatory authority of the State Council.

CHAPTER 8 THE BOARD

Section 1 Directors

Article 134 Directors shall be elected at the shareholders' general meeting. The term of office of a Director is 3 years commencing from the date of his inauguration under Article 123 of the Articles and expires at the end of the term of the current session of the Board. The term of office of any person who fills the casual vacancy on, or as an addition to the Board shall expire at the end of the term of the current session of the Board. If a new session of Board is not able to be elected in the shareholders' general meeting before the current session expires, the Directors of the current session of the Board shall continue to perform the functions and powers as a Director in accordance with laws, regulations, regulatory documents and the Articles. A Director may be re-elected after the expiration of his term of office. The shareholders' general meeting shall not remove any director without cause prior to the expiry of his/her service term.

The shareholders' general meeting may remove any Director prior to the expiration of his/her term of office provided that the removal complies with relevant laws and regulations and is without prejudice to any claim for damages under any contract by the removed Director.

An officially appointed Director shall not perform his/her functions and powers without approval on his qualifications. Any votes cast by a Director the qualifications of whom is not approved shall not be counted. A Director is not required to hold shares of the Company.

The president or senior management officers may serve concurrently as Directors, but the aggregate number of Directors concurrently serving as president or senior management, together with Directors concurrently serving as staff representatives, shall not exceed half of the total number of the Directors of the Company.

Article 135 The way and procedure of nomination of Directors shall be as follows unless otherwise provided by the Articles:

- (1) The Directors of the first session of the Board shall be elected at the founding meeting of the Company;
- (2) the Director's candidates for the following sessions of the Board shall be nominated by the Nomination and Remuneration Committee of the Board and the shareholders alone or in aggregate holding 5% or more of the Company's shares and elected by the shareholders' general meeting;
- (3) A Director's candidate shall, prior to the convening of the shareholders' general meeting, give a written undertaking letter that he agrees to accept the nomination and that the personal information as publicly disclosed is true and complete, and warrants that he will duly perform his obligations as a Director after he is elected;

- (4) A written notice of the intention to nominate a Director's candidate and such candidate's willingness to be elected and the written documents on such candidate's basic information shall be given to the Company within 7 days prior to the date of the shareholder's general meeting. The Company shall provide its shareholders with the biographies and basic information of the Director's candidate(s);
- (5) The minimum length of the period (commencing from the day following immediately the date on which the notice convening a shareholders' general meeting is given), during which notice to the Company of the intention to propose a person for election as a Director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least 7 days; and
- (6) The shareholders' general meeting shall review and vote on the election of the candidates one by one.

Article 136 A director shall be a natural person with good conduct and reputation, equipped with professional knowledge and working experience corresponding to his duties and in compliance with the laws, regulations and the requirements provided by the CBIRC. In the event that the election or the appointment of directors violates this Article 136, such election or appointment would be treated as invalid. If any non-compliance with the laws, regulations and regulatory requirements on the director's qualification or condition occurs during the tenure of a director, the Company shall relieve his duties.

Article 137 A Director may resign prior to the expiration of his/her term of office. To resign from office, a Director shall submit a written resignation letter to the Board accompanied by an written explanation specifying any matters that should be brought to the notice of the other Directors and the shareholders of the Company. The company secretary shall report in writing to the other Directors and the shareholders of the Company of the resignation of such Director. The Board shall disclose relevant information within two (2) days.

Where the number of members of the Board is lower than the minimum number of members of the Board under the Company Law or two thirds of that specified in the Articles as a result of the resignation of any Director, the existing Directors shall continue to perform their functions and powers in accordance with laws, regulations, regulatory documents and the Articles.

Other than the circumstances specified in the preceding paragraph, the resignation of a Director shall take effect upon receipt of the resignation letter by the Board.

The resignation of Independent Directors shall be governed by section 2 of this Chapter.

Article 138 A Director shall attend at least two thirds or more of meetings of the Board in person every year.

A Director shall be deemed as unable to perform his duties if he fails to attend 2 consecutive meetings of the Board in person without appointing another Director as a proxy to attend the meetings of the Board on his/her behalf or fails to attend at least two thirds of the meetings of the Board in person in one year. The Board, board of supervisors or the shareholders shall request the shareholders' general meeting to remove such Director.

Article 139 In removing a Director, the shareholders or entities proposing such removal shall give a written notice to the Board and such proposal shall be submitted to the shareholders' general meeting for review and discussion after the nomination and remuneration Committee has issued an independent and prudent opinion on such removal.

The Board shall give a written notice to the Director proposed to be removed specifying the reasons for such removal and relevant rights such Director is entitled within 15 days prior to the date of the shareholders' general meeting.

The removed Director is entitled to make statement and averment to the Board and the shareholders' general meeting and shall remind other Directors and shareholders of any potential risk for the Company.

Article 140 A Director shall undertake the handover procedures with the Board upon his/her resignation, removal or expiration of term of office. The fiduciary duty of such Director does not necessarily cease upon the termination of his/her tenure. The duty to keep confidential business secrets of the Company survives the termination of his/her tenure till such secrets become public. The continuous period of other duties must be decided according to the principle of fairness, depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 141 No Director may act on his/her own behalf to represent the Company or the Board if not duly authorized by the Articles or the Board. When acting on his/her own behalf, insofar as a third party would reasonably believe that such Director is acting on behalf of the Company or the Board, the Director shall state his position and identity in advance.

Section 2 Independent Directors

Article 142 Independent Directors shall possess comparatively high professional quality and good reputation to satisfy the requirements and conditions on qualifications under laws, regulations, regulatory documents and those of regulatory authorities including the regulatory authority of the place where the Company's shares are listed and the CBIRC.

Article 143 The Independent Directors shall be independent. A person may not be an Independent Director if he:

- (1) serves as the staff of the Company or any of its subsidiaries and the spouse, any parent, child and social relationships of such person;
- (2) directly or indirectly holds more than 1% of the total issued shares of the Company or is an individual shareholder among the top ten shareholders of the Company, or is the spouse or any parent or child of such individual shareholder;
- (3) serves as the staff of an institutional shareholder that holds more than 5% of the issued shares of the Company or any institutional shareholder among the top ten shareholders of the Company, or is a the spouse or any parent or child or such person;

- (4) serves as a director, supervisor or senior manager officer of any entity or any of its subsidiaries that has business relationship with the Company, or serves as a director, supervisor or senior manager officer of the holding company of such entity;
- (5) is a person to whom any of the foregoing four circumstances applies in the most recent year;
- (6) has received an interest in any securities of the Company as a gift, or by means of other financial assistance from a connected person (as defined under the listing rules of relevant stock exchange) or the Company;
- (7) is a director, partner or principal of a professional adviser which currently provides or has within one year immediately prior to the date of his proposed appointment as an Independent Director provided services, or is an employee of such professional adviser who is or has been involved in providing such services during the same period to the (1) the Company, its holding company or any of their respective subsidiaries or connected persons, or (2) any person who was a controlling shareholder of the Company during the same period;
- (8) has a material interest in any principal business activity of or is involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any connected persons of the Company;
- (9) is on the board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;
- (10) is or was connected with a Director, the President or a substantial shareholder of the Company pursuant to the rules of relevant stock exchange within 2 years immediately prior to the date of his proposed appointment;
- (11) is, or has at any time during the 2 years immediately prior to the date of his proposed appointment been, an executive or Director (other than an independent non-executive director) of the Company, of its holding company or of any of their respective subsidiaries or of any connected persons of the Company;
- (12) is financially dependent on the Company, its holding company or any of their respective subsidiaries or connected persons of the Company (as defined by relevant stock exchange);
- (13) is a person that shall not serve as a Director of the Company under laws, regulations, regulatory documents and the Articles; and
- (14) is any other person that shall not serve as an Independent Director as required by the securities regulatory authority of the place where the Company's shares are listed, the CBIRC and other regulatory authorities.

For the purposes of this Article, the “executive” includes any person who has any management function in the Company and any person who acts as a company secretary of the Company.

For the purposes of this Article, a person who is “connected with a director, the chief executive or a substantial shareholder of the Company” refers to any person:

- (1) cohabiting as a spouse with a Director, President or a substantial shareholder of the Company;
- (2) any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of a Director, President or a substantial shareholder of the Company;
- (3) In certain circumstances, the Company shall provide the relevant stock exchange with all relevant information to enable the stock exchange to determine whether the following relatives of a Director, President or a substantial shareholder of the Company are connected with such Director, President or substantial shareholder of the Company: a parent of the spouse, the spouse of any child, grandparent or grandchild, a brother or sister of any parent or the spouse of such brother or sister, cousins, the spouse of a brother or sister, the brother or sister of the spouse or a son or daughter of a brother or sister.

Article 144 The Independent Directors shall be nominated by the Nomination and Remuneration Committee of the Board, the board of Supervisors or the shareholders of the Company that alone or in aggregate hold more than 1% of the Company’s shares or by any other means provided by the CBIRC and shall be elected by the shareholders’ general meeting.

The appointment of Independent Directors shall be approved by the CBIRC.

Independent Director may be re-elected upon expiration of their periods of office provided that the consecutive periods of office shall not exceed 6 years.

Article 145 An Independent Director may resign before his term of office expires.

To resign from office, the Independent Director shall submit a written resignation letter to the Board and a written announcement to the most recent shareholders’ general meeting specifying any matters in relation to his resignation which he deems are necessary to be brought to the notice of the shareholders, creditors and the insured.

Where the number of members of the Board is lower than the minimum number of member of the Board as a result of the resignation of any Independent Director, such Independent Director shall continue to perform his duties until a new Independent Director is elected.

The Company shall convene a shareholders’ general meeting to elect new Independent Director(s) within three months after accepting the resignation of the resigned Independent Director.

Article 146 Subject to relevant laws and regulations, the shareholders' general meeting may remove any Independent Director prior to the expiration of his term of office by passing a extraordinary resolution without prejudice to any claim for damages under any contract by the removed Independent Director.

Where an Independent Director is no longer independent and such Independent Director does not resign on his own, or such Independent Director is no longer appropriate to act as an Independent Director otherwise, the Company shall convene an a shareholders' general meeting and remove such Independent Director by an extraordinary resolution.

Article 147 The Independent Directors shall exercise the following functions and powers other than those granted by the Company Law and other relevant laws, regulations, regulatory documents and the Articles:

- (1) material connected transactions shall be approved by Independent Director before submitted to the Board for discussion. Independent Directors shall conduct a review on the fairness of the material connected transactions, the implementation of the internal audit procedure and the impact on the rights of the insured persons. The independent director shall make a written report on the problems existing in the connected transaction under review. In the event that more than 2 independent directors considered necessary, an intermediary could be appointed for preparing an independent financial consultancy report as the basis of the judgment;
- (2) more than half and not less than two (2) Independent Directors can propose to the Board to convene extraordinary general meetings;
- (3) more than two (2) Independent Directors can propose to convene meeting of the Board;
- (4) to engage external auditors and consultants independently;
- (5) with the consent of more than half of the Independent Directors, to propose to the Board to appoint or dismiss accounting firms;
- (6) with the consent of more than half of the Independent Directors, to make a public proxy solicitation before a general meeting is held; and
- (7) any other functions and powers as stipulated by laws, regulations and the Articles.

If the aforesaid proposal is not adopted or any of the functions and powers above may not be exercised properly, the Company shall disclose the relevant details.

The reasonable expenses incurred by engaging professional agencies and the exercising of the functions and powers by the Independent Directors shall be assumed by the Company.

Article 148 Independent Directors shall give their impartial, fair and independent opinions to the Board or the shareholders' general meeting especially on the following matters:

- (1) material connected transactions;
- (2) the nomination, appointment or removal of Directors, or the engagement or dismissal of senior management officers;
- (3) remuneration of Directors and senior management officers;
- (4) profit distribution plan;
- (5) any investment, lease, purchase or disposal of assets, other material transactions and guarantee which are not included in the operation plan;
- (6) other matters that may significantly affect the Company, the insured or the rights and interests of the minority shareholders; and
- (7) any other matters as stipulated by laws, regulations, regulatory documents and the Articles.

The Independent Directors shall opine in the following forms: concurring; reservation and the reasons; dissenting and the reasons; unable to opine and the impediment. Where any Independent Director abstains from voting or votes against any of the matters prescribed in the preceding paragraph, or he holds the views that he is impeded from giving any opinion, he shall submit a written report to the Company and report it to the CBIRC. The written report of the Independent Director shall be kept as archives of the Board.

Article 149 The Company shall pay salaries and allowances to Independent Directors. The remuneration standard for the Independent Directors shall be formulated by the Board, approved by the shareholders' general meeting and disclosed in the Company's annual reports. Except for the aforesaid salaries and allowances, the Independent Directors shall not receive any additional and undisclosed benefit from the Company or any of its holding company, de facto controller or any other connected persons of the Company.

Section 3 Board

Article 150 The Company shall have a Board which reports to shareholders' general meeting.

Article 151 The Board shall consist of 14 Directors; the number of member of the Board shall be determined by the shareholders' general meeting. The Board shall comprise 4 executive directors, 5 non-executive directors and 5 Independent Directors, among which no less than one third of all Directors shall be Independent Directors.

The Board shall have one chairman and one vice-chairman. The positions shall be assumed by Directors and be elected or removed by more than a half of the Directors of the Company.

Article 152 The Company shall have a Board office which shall be accountable for the Board secretary and shall assist the shareholders, Directors, Supervisors and the Board secretary with their work.

Article 153 The Board shall exercise the following functions and powers:

- (1) to be responsible for convening shareholders' general meetings and to report its work to the shareholders' general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;
- (3) to determine the development strategies, annual operation plans and investment plans of the Company;
- (4) to formulate annual financial budget and final account statement of the Company;
- (5) to formulate profit distribution plan and plan for recovery of losses of the Company;
- (6) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate bonds or other securities by the Company or the listing of the Company;
- (7) to formulate material acquisition of the Company, plans for the repurchase of shares of the Company or merger, separation, dissolution and changes of the form of the Company;
- (8) to formulate proposals for any amendment to the Articles, proposed procedural rules of the shareholders' general meeting, procedural rules of the meeting of the Board and to review and approve the terms of reference of the special committees of the Board;
- (9) to review and approve the Company's connected transactions (other than those as required by laws, regulations, regulatory documents or the regulatory authority of the place where the Company's shares are listed or as required to be determined at a shareholders' general meeting for the relevant matter as under an authorized scheme of the Company);
- (10) The Board shall report annually the connected transactions and the implementation of the management system on connected transactions at the shareholders' general meeting;
- (11) to review and approve the immaterial external investment, asset acquisition, asset disposal and write-offs and other matters;
- (12) within the scope of approval by a shareholders' general meeting, to review and approve external donations and other matters (except matters which the President is authorized to review);
- (13) to decide or to authorize the chairman to decide on the establishment of the internal management structure of the Company;

- (14) to appoint or remove the President and Board secretary and, based on the recommendations of the President, to appoint or remove the vice-president, assistant to the president, person in charge of finance, compliance, to appoint or remove the person in charge of audit based on the recommendations of the chairman or the audit committee and, based on the proposals of the proposing shareholders, chairman of the Board, one-third or more of the Directors or half or more (at least two) of the Independent Directors, to elect the chairman and members of the nomination and remuneration committee and, based on the recommendation of the nomination and remuneration committee, to elect the chairman and members of other committees of the Board (other than the chairman of the strategy and investment committee) of the Company;
- (15) to determine risk management, compliance and internal management policies, formulate internal control compliance management and internal audit systems, and approve the Company's annual risk evaluation report, compliance report and internal control assessment report;
- (16) to formulate the Company's systems related to information disclosure, investors relationship management, and so on, and manage matters related to the Company's disclosure of information, investor relationship management and so on;
- (17) to review and evaluate annually the performance of the Directors and to submit a due performance report to the shareholders' general meeting and the board of Supervisors;
- (18) to decide on the rewards, performance review and remuneration of senior management officers hired by the Board;
- (19) to review and approve the corporate governance report;
- (20) to submit to the shareholders' general meeting on the appointment or removal of an accounting firm;
- (21) to hear the work report from the president of the Company and to review the work of the president;
- (22) to select the external auditor to implement the audit on the Board and the senior management of the Company;
- (23) to exercise such other functions and powers as granted by laws, regulations, regulatory documents, the Articles and the shareholders' general meeting.

The rights of the Board are collectively exercised by the Board. The statutory powers of the Board in principle shall not be granted to the chairman, directors or other individuals and institutions. If authorization is necessary, it shall be granted through Board resolutions according to the law. Such authorization shall be for one particular issue only. No general mandate or permanent grant of the rights of the Board shall be made to other institutions or individuals.

“Immaterial external investment, asset acquisition, asset disposal and write-offs” as set out in item (11) hereof refer to the external investment, asset acquisition, asset disposal and write-offs which amounts do not exceed that of the “material external investment, material asset acquisition, material asset disposal and write-offs” as provided by Article 67 of the Articles of Association.

Article 154 The board of directors shall consult the CPC Committee before making decisions on material matters.

Article 155 The Board shall give a explanation to the shareholders’ general meeting in respect of the reserved non-auditing opinions on of the financial statement of the Company issued by the certified accountants.

Article 156 The Company shall determines the limits of authority of matters including external investment, acquisition and disposal of assets, pledge of assets, trust management, material business contracts and related party transaction. Strict review and decision-making procedures shall be formulated. Material investment projects shall be reviewed by relevant experts and professionals and shall be submitted to the shareholders’ general meeting for approval.

Article 157 The Board shall not, without the prior approval of shareholders’ general meeting, dispose or agree to dispose, of any fixed assets of the Company of which the expected value in addition to that of the fixed assets that have been disposed within four (4) months immediately preceding the disposition proposal exceeds 33% of the value of the Company’s fixed assets as shown in the latest balance sheet reviewed in the shareholders’ general meeting.

For the purposes of this Article, a disposition of fixed assets includes certain transfer of interests in assets but does not include providing guarantee with fixed assets.

The validity of a disposition transaction by the Company of fixed assets shall not be affected by the violation of the first paragraph of this Article.

Article 158 The chairman of the Board shall exercise the following functions and powers:

- (1) to presides over the shareholders’ general meetings and ensure the effective communication between the Board and shareholders;
- (2) to convenes and presides over meetings of the Board, prepare and approve the resolutions of the meetings of the Board, and consider other matters any other Director proposes to be included in the resolutions;
- (3) to lead the Board and ensure that the Board is well functioning and duly performing its duties; discuss all significant matters where appropriate on a timely basis;
- (4) to examine the implementation of the resolutions of the Board;

- (5) to nominate the President and Board secretary and the chairman and other members of the nomination and numeration committee;
- (6) to ensure that the Company has a set of rules and procedures for corporate governance and lead the drafting of the corporate governance report;
- (7) to promote the discussion of the Board and encourage Directors (especially non-executive directors) to make contribution and maintain a constructive relationship between the executive and non-executive directors;
- (8) to sign the share certificate, bond and other securities issued by the Company;
- (9) to exercise the functions and powers in the capacity of the legal representative of the Company;
- (10) in case of emergency, to take immediate actions in the interest of the Company and report immediately thereafter to the CBIRC, the Board and the board the Supervisors; and
- (11) any such functions and powers as provided for by laws, regulations, regulatory documents, and the rules of the securities regulatory authority of the place where the Company's shares are listed and as granted by the Board.

Article 159 When the chairman of the Board is unable or fails to perform his duties, the vice-chairman shall perform such duties. When the vice-chairman of the Board is unable or fails to perform his duties, a Director elected by no less than half of the Directors shall perform such duties.

Section 4 Meetings of the Board

Article 160 Meetings of the Board comprise regular meetings and extraordinary meetings. Regular meetings shall be held at least four times every year, i.e. approximately once per quarter.

In any of the following circumstances, the chairman shall convene and preside over an extraordinary meeting of the Board within ten days upon receipt of the proposal:

- (1) as proposed by shareholders representing one-tenth or more of the voting rights of the Company;
- (2) as proposed by one third or more of the members of the Board;
- (3) as proposed by two or more Independent Directors of the Company;
- (4) as proposed by the Board of Supervisors;
- (5) when deemed necessary by the chairman of the Board; and
- (6) any such circumstances as specified by laws, regulations, regulatory documents and the Articles.

Article 161 Notice of a regular meeting shall be given to all the Directors and Supervisors at least 14 business days before the date of meeting (excluding the date of the meeting). Notice of an extraordinary meeting shall be given to all the Directors and Supervisors at least 5 business days before the date of meeting (excluding the date of the meeting).

In the event of an emergency, the convening of an extraordinary meeting of the Board is not subject to the above time limit of notification and notice for the meeting may be given by telephone or by other means of oral communication at any time with a written notice to be served thereafter. The convener shall provide an explanation for such action at the meeting.

Article 162 A notice for the meeting of the Board shall include the following:

- (1) the time and venue of the meeting and the means by which the meeting will be held;
- (2) the convener of the meeting;
- (3) the duration of the meeting;
- (4) the subject matter, agenda and resolutions of the meeting;
- (5) relevant explanation for and basis of convening the board meeting in the event that the meeting is not convened by the chairman;
- (6) the date on which such notice is dispatched; and
- (7) the name and contact of the contact person of the meeting.

Where the materials for the meeting are delivered at the later time than the notice, the Company shall allow sufficient time for the Directors to familiarize with such materials.

Article 163 The notice convening a meeting of the Board shall be given in the following ways:

- (1) a notice convening a regular meeting shall be in writing, including delivery by hand, registered mail, fax or electronic mail;
- (2) a notice convening an extraordinary meeting shall be, in principle, in writing; in case of emergency, however, such notice may be given by phone or orally, followed by a written notice aftermath.

Article 164 The meeting of the Board shall, in principle, be held onsite. The meeting may also be held by means of video, telephone or others provided that Directors are fully allowed to express their opinions. Meetings held by means of video or telephone shall be deemed held onsite if all Directors present at the meeting are able to communicate on a real time basis.

Resolutions which require the adoption of the Board without a real need for discussions of the Directors may be adopted by means of telecommunication or electronic communication by the Directors, except those relating to the following matters shall not be resolved by means of telecommunication or electronic communication:

- (1) annual financial budget and final account statement;
- (2) profit distribution plan;
- (3) remuneration plan;
- (4) significant investment and asset disposal;
- (5) appointment and removal of senior management officers;
- (6) major shareholders or Directors of the Company have material interests in a matter to be considered;
- (7) other resolutions concerning the Company's risk management.

Article 165 Directors shall attend meetings of the Board in person. In the event a Director is unable to attend a meeting in person for any reason, he may appoint in writing another Director to attend the meeting on his behalf. The power of attorney shall specify the names of the appointing Director and the proxy, matters represented by the power of attorney, limit of authority and the term of validity and shall be signed or stamped by the appointing Director.

The proxy shall exercise the rights of a Director within the scope of the authorization. A Director failing to attend the board meeting in person or by proxy shall be deemed as having waived his voting rights at such meeting.

Article 166 Meetings of the Board shall be held only if more than half (1/2) of the Directors (including the Director who appoints another Director to attend the meeting as proxy on his behalf) are present.

Article 167 Resolutions of the Board shall be passed by show of hands, open ballot or voice vote. Each Director shall have one vote only for a resolution. In the event that there is a tie of votes casted for a resolution, the chairman has no right to cast one more vote.

Article 168 Resolutions of the Board shall be passed by a majority vote of all Directors.

Resolutions concerning the following shall be passed by two-thirds or more of all the Directors:

- (1) to formulate annual financial budget and final account statement of the Company;
- (2) to formulate profit distribution plan and plan for recovery of losses of the Company;

- (3) within the scope of approval by a shareholders' general meeting, to review and approve the establishment of legal status institutions, capital expenditures and external donations and other matters (except matters which the President is authorized to review);
- (4) to appoint and remove senior management officers hired by the Board and decide on their remuneration and performance review;
- (5) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate bonds or other securities by the Company or the listing of the Company;
- (6) to formulate plans for the repurchase of shares of the Company or merger, separation, dissolution and changes of the form of the Company;
- (7) to formulate proposals for any amendment to the Articles;
- (8) to propose to the shareholders' general meeting to appoint or remove an accounting firm; and
- (9) any other resolution that may have a material effect on the Company as provided by the laws, regulations, regulatory documents, departmental rules and the Articles or as deemed by more than half of all the Directors, shall be passed by two-thirds or more of all the Directors.

Article 169 A director shall not vote on any board resolution on his own behalf or on behalf of any other Director nor shall he be counted in the quorum present at the meeting if he or any of his associates (as defined in the Hong Kong Listing Rules) has a material interest or connected relationship in the proposed resolution. The Board meeting could be convened with more than one half of the Directors that do not have a connected relationship in the proposed resolution. The aforesaid resolutions shall be passed by more than two-thirds of the Directors that do not have a connected relationship in the proposed resolution. Where the number of Directors that do not have a connected relationship in the proposed resolution present at the meeting is less than three, the Board shall submit such resolutions to the shareholder's general meeting for review, unless otherwise provided by laws, regulations, regulatory documents or the relevant provisions of the securities regulatory authority of the place where the Company's shares are listed.

When submitting such resolutions, the Board shall explain the details of the circumstance and record the opinions of the Directors that do not have a connected relationship in the proposed resolution.

Article 170 Directors shall undertake the responsibilities for the resolutions of the Board. In the event that any resolution of the Board is in breach of laws, regulations, regulatory documents, the Articles or resolutions adopted by the shareholders' general meeting, which causes severe loss for the Company, those Directors voting for such resolution shall be held liable for such losses. However, where any Director has been proved to have expressed dissenting opinions on the voting on such resolution which have been recorded in the meeting minutes, such Director may be exempted from such liability.

Article 171 The minutes of the meeting of the Board shall be prepared and Directors present at the meeting shall sign on such minutes and have the right to write down any explanatory notes to the speech made at the meeting. The dissenting Director(s) may provide note when signing on the meeting minutes. The Company may also record the details of the meeting by means of audio or video recording or others. The meetings minutes shall be kept as the Company's archive permanently.

Article 172 The minutes of the Board meeting shall specify:

- (1) the date, venue and the convener of the meetings;
- (2) names of directors present at the meeting in person, and names of directors present at the meeting as proxy (proxies);
- (3) agenda of the meeting;
- (4) key issues in Directors' speech (including the dissenting opinions);
- (5) the method and results of voting on each resolution (including the number of votes for, against and the number of abstention);

Article 173 The Company shall formulate the rules of procedures for the Board. The rules of procedures for the Board shall be drafted by the Board and approved by the shareholders' general meeting.

Section 5 Committees under the Board

Article 174 The audit committee, nomination and remuneration committee, strategy and investment committee and risk committee shall be established under the Board. The Board may, based on the needs of the Company, establish other Board committees or reorganize the existing committees under the Board. The rules of procedures and the functions and powers of the Board committees shall be formulated by the Board.

The board committees are the auxiliary decision-making authorities of the Board, which provide professional opinions and advices or are authorized by the Board to decide on professional matters.

The resolutions of board committees shall be submitted to the Board for approval.

Article 175 The audit committee shall comprise of not less than three non-executive Directors/ Independent Directors, the majority of which shall be Independent Directors, and the chairman of the committee shall be an Independent Director. At least one committee member shall be an Independent Director possessing the appropriate professional qualifications in finance or auditing as required by the securities regulatory authority of the place where the Company's shares are listed.

The duties the audit committee primarily include:

- (1) reviewing significant financial policies and their implementation, hearing the annual financial budget and calculation scheme reports and supervising the status of financial operations;
- (2) assessing the work of the person in charge of audit and giving opinion to the Board;
- (3) reviewing the Company's internal audit system and providing comment to the Board; reviewing the Company's annual audit plan and budget and providing comment to the Board, approving the Company's annual audit plan and budget for audit, coordinating the Company's internal audit work and supervising the quality of the Company's internal audit;
- (4) periodically reviewing and assessing the soundness and effectiveness of the Company's internal audit and handling complaints concerning major issues of the Company's internal audit on a timely basis;
- (5) coordinating with the internal audit and external audit, and supervising the rectification of major issues identified through internal and external audits;
- (6) providing opinions regarding the appointment, dismissal and remuneration of external accounting firms; evaluating their independence and objectiveness, and the effectiveness of the auditing procedures in accordance with applicable standards;
- (7) formulating and implementing policies on the non-auditing services provided by the external accounting firms;
- (8) ensuring that the Board responds to the issues raised in the Valuation Explanatory Letter addressed to the senior management of the Company by the external accounting firms on a timely basis;
- (9) reviewing the annual audit reports and other special reports prepared by the external accounting firms, audited financial statements, other financial statements and other financial information that needs to be disclosed; assessing the truthfulness, completeness and accuracy of the aforesaid financial statements and submit them to the Board for review and discussion;
- (10) identifying the connected persons to the Company and reporting to the Board and the Board of Supervisors, and disclosing the connected persons so identified to the relevant personnel of the Company on the timely basis;
- (11) conducting a preliminary review of the connected transactions that are to be approved by the shareholders' general meeting and the Board and submitting it to the Board for approval;
- (12) reviewing and approving or filing the connected transactions within the scope of the authorization of the Board;

- (13) submitting a special report on the Company's connected transactions and the implementation of the connected transactions administrative system specifying the overall status, risk exposure and structure of the Company's connected transactions of the year at the end of each operational year; and
- (14) any other such matters as provided by laws, regulations, regulatory documents, the Articles, rules of procedures of the Board and the working rules of the audit committee, or as required by the securities regulatory authorities of the place where the Company's shares are listed, or as authorized by the Board.

Article 176 The nomination and remuneration committee shall comprise of not less than three non-executive Directors/Independent Directors, the majority of which shall be Independent Directors, and the chairman of the committee shall be an Independent Director. The duties of the nomination and remuneration committee primarily include:

- (1) studying the criteria and procedures of selecting Directors and senior management officers appointed by the Board, evaluating the structure, number of positions and composition of the Board at least once every year and providing recommendations to the Company regarding any proposed changes to the Board in concert with the Company's strategy;
- (2) searching for competent candidates of Directors and senior management officers appointed by the Board and providing recommendation to the Board;
- (3) evaluating the independency of the Independent Directors;
- (4) evaluating the candidates of Directors and senior management officers appointed by the Board and providing recommendation to the Board regarding the appointment, reappointment and succession of the Directors;
- (5) reviewing the valuation criteria of Directors and senior management officers appointed by the Board, conducting such valuations and providing recommendation;
- (6) studying, formulating and reviewing the remuneration plan and policy of Directors, Supervisors and the senior management officers appointed by the Board through reasonable and transparent process taking into consideration factors including the remuneration level of comparable companies, the time spent duties and employment conditions for other positions of the Company and its subsidiaries, and providing recommendations to the Board;
- (7) reviewing the recommendations on the remuneration of Directors and senior management officers appointed by the Board based on the object and goal of the Company determined by the Board;
- (8) providing recommendations on certain remuneration arrangements of executive directors, supervisors and senior management officers appointed by the Board;

- (9) providing recommendations on the remuneration of non-executive directors and independent directors;
- (10) providing independent and prudent opinion on the removal of Director;
- (11) reviewing and approving compensation payable to executive directors, supervisors and senior management officers appointed by the Board for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (12) any other such matters as provided by laws, regulations, regulatory documents, the Articles, rules of procedures of the Board and the working rules of the nomination and remuneration committee, or as required by the securities regulatory authorities of the place where the Company's shares are listed, or as authorized by the Board.

Article 177 The strategy and investment committee shall comprise of not less than three Directors. The chairman of the committee shall be the chairman of the Board. The strategic and investment committee shall primarily perform the following duties:

- (1) reviewing the overall and specific plans for strategy and development of the Company and providing recommendations to the Board;
- (2) evaluating factors that may have an impact on the strategy and development plans and the implementation of such plans in light of the international and domestic financial conditions and market trends, and providing recommendations on adjusting the strategy and development plans to the Board;
- (3) evaluating the overall development of the businesses of the Company and providing recommendations on adjusting the strategy and development plans to the Board on a timely basis;
- (4) reviewing the annual financial budget and financial account statements and providing recommendations to the Board;
- (5) reviewing the following matters related to external investment which are subject to the approval of the Board:
 - (a) the management system of external investment;
 - (b) the management methods of external investment;
 - (c) decision-making process and authorization mechanisms of external investment;

- (d) strategic asset allocation plan, annual investment plan, investment guidelines and related adjustment plans;
 - (e) the major matters related to direct investment;
 - (f) the investment strategies and operational plans to new investment products;
 - (g) performance evaluation system of external investment.
- (6) illustrating the external investment plans to shareholders or Directors upon their request at shareholders' meeting or the meeting of the Board;
 - (7) formulating and amending the policies of corporate governance and providing recommendations to the Board;
 - (8) monitoring the training and sustainable professional development of Directors and senior management officers;
 - (9) formulating, amending and monitoring the internal regulations on the integrity of the employee of the Company and the Directors;
 - (10) monitoring disclosure related to corporate governance under the requirements of the securities regulatory authority of the place where the Company's shares are listed; and
 - (11) any other such matters as provided by laws, regulations, regulatory documents, the Articles, rules of procedures of the Board and the working rules of the strategy and investment committee, or as required by the securities regulatory authorities of the place where the Company's shares are listed, or as authorized by the Board.

Article 178 The risk management committee shall comprise of not less than three Directors. The primary duties and responsibilities of the risk management committee are:

- (1) taking charge of the risk control of the Company, understanding the major risks the Company is faced with and the control of such risks, and supervising the effectiveness of the risk control system;
- (2) reviewing the Company's overall goal of risk control, fundamental policies and the working regulations, and providing opinions and recommendations to the Board;
- (3) reviewing the establishment of the Company's risk control organs and their responsibilities, and providing opinions and recommendations to the Board;
- (4) reviewing the solutions of risk valuations of significant policies-making of the Company and solutions of the major risks, and providing opinions and recommendations to the Board;

- (5) reviewing the Company's annual risk valuation report and providing opinions and recommendations to the Board;
- (6) reviewing the annual compliance report of the Company and submit the same to the Board;
- (7) listening to reports on the compliance matters and providing opinions and recommendations to the Board;
- (8) providing opinions and recommendations to the Board regarding the formulation of and amendment to the internal compliance rules that apply to the Company's employees and the Directors and evaluating and monitoring the compliance policies of the Company and providing recommendations to the Board in this regard;
- (9) any other such matters as provided by laws, regulations, regulatory documents, the Articles, rules of procedures of the Board and the working rules of the risk management committee, or as required by the securities regulatory authorities of the place where the Company's shares are listed, or as authorized by the Board.

Section 6 Board Secretary

Article 179 The Company shall have a Board secretary who shall be appointed by the Board. The qualifications of the Board secretary shall be approved by the CBIRC.

The Board secretary is the Company's senior management officer responsible for the Board and shall report his work to the Board. The term of office of the Board secretary is three years; the Board secretary may be re-elected upon termination of his term of office. A Board secretary may be dismissed by the Board if the Board identifies any misconduct or negligence of duty of the Board secretary.

Article 180 A Director or a senior management officer of the Company (other than the chairman of the Board and President) may act concurrently as Board secretary, provided that he ensures that he has sufficient energy and time to assume the duties and responsibilities as the Board secretary.

A Supervisor shall not act concurrently as the Board secretary.

Article 181 The accountant of the accounting firm employed by the Company shall not act as the Board secretary of the Company concurrently. Where the Board secretary is acted by a Director concurrently, an action that shall be performed by a Director and the Board secretary separately shall not be made by the concurrent Director and the Board secretary in his/her dual status.

Article 182 The main functions and duties of the Board secretary include:

- (1) assisting the Directors in handling the daily work of the Board, providing the Directors with or reminding them of and ensuring they understand the regulations, policies and requirements of the relevant regulatory authorities related to the Company's operation;

- (2) assisting the shareholders, Directors and Supervisors in exercising their rights and duties, reminding the Directors, Supervisors, President and other senior management officers to exercise their duties honestly and diligently and when aware of a breach of relevant laws, regulations, other regulatory documents or the Articles by the foregoing persons, or each of them has made or may make such a decision, warning and immediately notifying the stock exchange of the place where the Company's shares are listed;
- (3) being responsible for organizing and preparing documents of the shareholders' general meetings and Board meetings, to ensure determinations of such meetings are in compliance with legal procedures, and be aware of the execution of the resolution by the Board; preparing and maintaining shareholders' general meeting and Board meeting minutes and minutes of other meetings; reporting to the CBIRC on shareholders' general meeting and Board meeting notices and resolutions in accordance with regulatory requirements;
- (4) preparing and submitting the reports and documents of shareholders' general meetings and Board meetings as required by the competent authorities;
- (5) being responsible for external release of the Company's information required to be disclosed (excluding disclosure made in non-designated media) pursuant to the relevant provisions for the disclosure of information of listed companies, and to formulate and perfect the management system on the disclosure of information and the internal reporting system on material information;
- (6) handling the Company's relation with the regulatory authorities, investors, intermediary agencies and the media, and coordinating public relations of the Company;
- (7) maintaining the register of members, Directors, Supervisors and senior management officers and information on the shareholding of the Company by the controlling shareholders, Directors, Supervisors and senior management officers;
- (8) ensuring those people entitled to obtain the relevant minutes and documents of the Company could obtain them in a timely manner;
- (9) assisting the Board in strengthening the Company's corporate governance system, and building a scientific decision making system and corporate governance procedure;
- (10) assisting the chairman of the Company in preparing the corporate governance report and reporting on the conflict issues of the corporate governance structure in accordance with relevant regulatory requirements;
- (11) being responsible for the management of matters related to shareholding rights and ensuring compliance by the Directors, Supervisors, President and other senior management officers with the regulations regarding the sale and purchase of the Company's shares;

- (12) assisting the Board in managing market value and formulating the Company's capital market development strategy, and assisting in the planning or implementation of the Company's refinancing or merger and acquisition matters;
- (13) being responsible for the training matters related to the Company's standardized operation, organizing training in relation to relevant laws, regulations and other regulatory documents for the Company's Directors, Supervisors, President, other senior management officers or others;
- (14) being responsible for matters related to investors relations and perfecting procedures related to the communication, reception and servicing of the investors;
- (15) other duties conferred by laws, regulations, other regulatory documents, the Articles and the Board.

Article 183 The Company shall grant functions and powers and provide necessary work protection for the Board secretary to perform his functions and duties.

Article 184 The Board secretary shall enter into a confidentiality agreement with the Company and guarantees that during and after the tenure he shall be subject to a confidentiality duty on a continuous basis until the relevant information is publicly disclosed. However, information related to any misconduct of the Company shall not be covered by the aforesaid confidentiality duty.

Article 185 The Board shall engage a securities representative who is responsible for assisting the Board secretary in performing his functions and duties.

Where the Board secretary is unable to perform his functions and duties or the securities representative is authorized by the Board secretary, the securities representative shall perform such functions and duties on behalf of the Board secretary. During this period of time, the obligations of the Board secretary are not necessarily exempted.

CHAPTER 9 PRESIDENT AND OTHER SENIOR MANAGEMENT OFFICERS

Article 186 The Company shall have one President who shall be engaged or dismissed by the Board.

The Company shall have several Vice Presidents and assistant to the President who shall be engaged or dismissed by the Board.

The Company may, as needed, establish working committees including the budget committee, risk control and compliance committee, assets and liabilities committee, product marketing committee, informatization committee and brand operation committee.

Article 187 Any person who holds a position other than a director at Company's controlling Shareholder or de facto controller shall not act as a senior management officer concurrently.

The term of office of the President and other senior management officers shall be three years, and shall be eligible for reappointment for consecutive terms.

Article 188 The President shall be responsible for the Board and shall exercise the following function and powers:

- (1) leading the operation and management of the Company, organizing the implementation of the resolutions of the Board, and reporting its work to the Board;
- (2) submitting the annual operation and investment plans of the Company representing the senior management officers to the Board and implementing such plans after the Board approves;
- (3) preparing plans for the establishment of the Company's internal management structure;
- (4) preparing basic management system of the Company;
- (5) formulating basic regulations of the Company;
- (6) proposing to the Board on the appointment or removal of Vice President, Chief Finance Officer, assistant to the President, person in charge of finance, compliance or audit of the Company;
- (7) appointing or removing management officers other than those who shall be appointed or removed by the Board;
- (8) reviewing and approving the salary, welfare and rewards and punishment arrangements for the employees of the Company other than the Directors, Supervisors and the senior management officers appointed by the Board.
- (9) reviewing connected transactions, capital expenditures and external donations and other matters within the scope of the authorization of the Board;
- (10) any other functions and powers as provided by laws, regulations, regulatory documents and the Articles and as granted by the Board.

The President shall be present at the meetings of the Board.

Article 189 The President shall formulate rules for his work which shall be implemented upon approval of the Board.

The rules for the President's work shall include:

- (1) the conditions and procedures for convening the management meetings, and the personnel attending such meetings;
- (2) the specific duties of the President and other senior management officers, respectively, and division of their responsibilities;

(3) the reporting system to the Board and the Board of Supervisors; and

(4) other matters which the Board considers necessary to specify.

Article 190 The Vice Presidents shall assist the President with his work and take charge of the work in accordance with the division of their responsibilities and shall be responsible for the President. In addition, the Vice Presidents shall, entrusted by the President, be responsible for other work or special tasks.

The assistant to the President shall assist the President with his work, accomplish the work assigned by the President and shall be responsible for the President.

When the President is unable to or does not perform his powers and functions, the Directors, Vice Presidents or other senior management officers designated by the Board shall perform the powers and functions of the President on his behalf.

Article 191 The person in charge of finance shall report his work to the Board and the President and shall perform the following functions and duties:

- (1) taking charge of the accounting and preparing the financial statements; establishing and maintaining internal control system related to financial statements. and being responsible for the truthfulness of the financial information;
- (2) taking charge of financial management, including budget management, cost control, fund expenditure, income distribution and performance valuation;
- (3) taking charge of or participating in risk control and solvency management;
- (4) participating in material business operations including strategy planning;
- (5) reviewing, examining and signing off relevant data and reports to be disclosed in accordance with laws, regulations and relevant regulatory rules; and
- (6) any other functions and duties as provided by the laws and the rules of the CBIRC.

The person in charge of finance is entitled to be present at the meeting of the Board related to his functions and duties.

The person in charge of finance is entitled to obtain relevant data, documents, materials or other information that are necessary to perform his functions and duties. The relevant departments and personnel of the Company shall not illegally impede him from obtaining such information and shall not refuse to provide or conceal or falsify such documents.

Article 192 The President and other senior management officers may resign before the expiration of their terms of office. The detailed procedures and method of such resignation shall be governed by the engagement letter entered into by such persons and the Company.

CHAPTER 10 BOARD OF SUPERVISORS

Section 1 Supervisor

Article 193 A supervisor of the Company shall have good conduct and reputation, equipped with professional knowledge and working experience corresponding to his duties and in compliance with laws, regulations and the requirements provided by the CBIRC. The Directors or other senior management officers shall not act concurrently as Supervisors.

Article 194 The term of office of a Supervisor shall be 3 years. The term of office of Supervisor being a representative of the shareholders and Independent Supervisor shall commence from the date of his inauguration pursuant to Article 123 of the Articles and expire at the end of the term of the current session of the Board of Supervisors. The term of office of Supervisor being a representative of the employees of the Company shall commence from the date of election at the employees' general meeting or other democratic election approved by the CBIRC and expire at the end of the term of the current session of the Board of Supervisors. The term of office is renewable upon re-election. Supervisors cannot be removed by the shareholders' general meeting without reason before the expiry of their term of office.

Article 195 The nomination methods and election procedures of the Supervisor being a representative of the shareholders and Independent Supervisor shall be as follows:

- (1) the Supervisor being a representative of the shareholders of the first session of the Board of Supervisors shall be elected at the founding meeting of the Company;
- (2) the candidates of Supervisor being a representative of the shareholders and Independent Supervisor for the following sessions of the Board of Supervisors shall be nominated by the Board of Supervisors or the shareholders alone or in aggregate holding 3% or more of the Company's shares and elected by the shareholders' general meeting;
- (3) the candidates of Supervisor being a representative of the shareholders and Independent Supervisor shall, prior to the convening of the shareholders' general meeting, give a written undertaking letter that he agrees to accept the nomination and that the personal information as publicly disclosed is true and complete and warrants that he will duly perform his obligations as a Supervisor after he is elected.

For the qualification, term and resignation of Independent Supervisor, please refer to the requirements for Independent Director set out herein.

Article 196 A Supervisor may resign prior to the expiration of his term of office. To resign from office, a Supervisor shall submit a written resignation letter to the Board of Supervisors. The provisions on the resignation of Directors under Article 137 of the Articles shall be applicable.

Article 197 Where Supervisors have not been re-elected upon expiration of their term of office, or the number of members of the Board of Supervisors is lower than the statutory minimum number, the existing Supervisors shall continue to perform their functions and powers in accordance with laws, regulations, regulatory documents and the Articles prior to the re-elections of Supervisors.

Article 198 Supervisors shall guarantee that the information disclosed by the Company is true, accurate and complete.

Article 199 Supervisors may attend the meeting of the Board as non-voting attendees and may raise enquires and recommendations on the resolutions of the meeting.

Section 2 Board of Supervisors

Article 200 The Company shall have a Board of Supervisors. The Board of Supervisors shall be composed of five Supervisors, including Supervisors being a representative of the Shareholders, Independent Supervisor and Supervisors being a representative of the employees of the Company. More than one third of all the Supervisors shall be Supervisors being a representative of the employees of the Company. One of the members of the Board of Supervisors shall act as the chairman. The chairman of the Board of Supervisors shall be elected or dismissed by two-thirds or more of all the Supervisors. The chairman shall convene and preside over the meeting of the Board of Supervisors. When the chairman of the Board of Supervisors is unable to or fails to perform the aforesaid duties, a Supervisor jointly elected by no less than half of all the Supervisors shall convene and preside over the meeting of the Board of Supervisors.

Article 201 The Board of Supervisors shall exercise the following powers:

- (1) to review the periodical reports of Company prepared by the Board and provide comments in writing;
- (2) to report its work to the shareholders' general meeting;
- (3) to examine the Company's financials;
- (4) to nominate independent directors;
- (5) to supervise the conduct of the Directors and senior management officers in their performance of duties and propose the removal of Directors and senior management officers who have contravened any law, regulation, the Articles or resolutions of the shareholders' general meeting;
- (6) to demand rectification from a Director or any senior management officer when the acts of such persons are harmful to the Company's interest;

- (7) to propose to convene a shareholders' general meeting and to convene and preside over the shareholders' general meeting when the Board fails to perform its duty of convening and presiding over the shareholders' general meeting under the Company Law;
- (8) to propose resolutions at the shareholders' general meeting;
- (9) to bring an action against a Director or senior management officer pursuant to relevant provisions of the Company Law;
- (10) to investigate on findings of the Company's abnormal operations when uncovered, and hiring accounting firms, law firms or other professional organizations to assist if necessary with the relevant expenses being paid by the Company; and
- (11) to exercise other powers specified under laws, regulations, regulatory documents, the Articles and as granted in a shareholders' general meeting.

Article 202 The Performance and Due Diligence Supervision Committee and Finance and Internal Control Supervision Committee shall be established under the Board of Supervisors. The Board of Supervisors may, based on the needs of the Company, establish other special committees and reorganize the existing special committees. The rules of procedure and the functions and powers of the committees shall be formulated by the Board of Supervisors.

The special committees are the auxiliary supervisory bodies of the Board of Supervisors, which provide professional opinions and advices to the Board of Supervisors or are authorized by the Board of Supervisors to research on professional matters.

Article 203 The Performance and Due Diligence Supervision Committee shall consist of at least three Supervisors, and the chairman shall be assumed by the chairman of the Board of Supervisors. Main duties and powers of the Performance and Due Diligence Supervision Committee are as follows:

- (1) to formulate measures for supervising the performance of duties by the Directors and the senior management, and implement such measures after being approved by the Board of Supervisors;
- (2) to formulate an implementation plan for supervising the performance of duties by the Directors and the senior management, and organize the implementation;
- (3) to comment on the performance of duties by the Directors and the senior management and submit such comments to the Board of Supervisors for consideration;
- (4) to comment on the conduct of the Directors and senior management who have breached the applicable laws, administrative rules or the Articles of Association of the Company and have impaired the interests of the Company and submit such comments to the Board of Supervisors for consideration;

- (5) where necessary, to propose to the Board of Supervisors to engage external audit institution to conduct audit on the Directors and senior management;
- (6) to organize the assessment of the Supervisors, and the assessment to the Board of Supervisors for consideration;
- (7) to make recommendation and suggestion for the resolutions within its terms of reference;
- (8) other matters assigned by the Board of Supervisors.

Article 204 The Finance and Internal Control Supervision Committee shall consist of at least three Supervisors. Its main duties are as follows:

- (1) to formulate measures for the Board of Supervisors on supervising the finance and internal control of the Company, and implement them after being approved by the Board of Supervisors;
- (2) to formulate an implementation plan for the Board of Supervisors on supervising the finance and internal control of the Company, and organize the implementation;
- (3) to research and give supervisory opinions on the finance and internal control of the Company and submit such opinions to the Board of Supervisors for consideration;
- (4) to review the Company's relevant financial and internal control documents, including financial reports, profit distribution plans and internal evaluation report, and make recommendations to the Board of Supervisors;
- (5) when necessary, to propose to the Board of Supervisors to engage external audit institution to conduct audit on the Company's finance and internal control;
- (6) to make recommendation and suggestion for the resolutions within its terms of reference;
- (7) other matters assigned by the Board of Supervisors.

Article 205 In performing its functions and duties, the Board of Supervisors have the right to request relevant information from the relevant individual or organ of the Company; such individual and organ shall actively cooperate with the Board of Supervisors.

Article 206 The chairman of the Board of Supervisors shall exercise of the following functions and powers:

- (1) to convene and preside over meetings of the Board of Supervisors;
- (2) to promote and monitor the implementation of the resolutions of the Board of Supervisors;

- (3) to review and sign off the reports, resolutions and other key documents of the Board of Supervisors;
- (4) to report its work to the shareholders' general meeting on behalf of the Board of Supervisors;
- (5) other functions and powers as stipulated by the laws, regulations, regulatory documents and the Articles and as granted by the shareholders' general meeting.

When the chairmen of the Board of Supervisors is unable or fails to perform his duties, a Supervisor jointly elected by more than half of all the Supervisors shall perform such duties.

Article 207 The Board of Supervisors shall convene meetings of the Board of Supervisors. Meetings of the Board of Supervisors comprise regular meetings and extraordinary meetings. Regular meetings shall be held at least one time every six months.

In any of the following circumstances, the chairman of the Board of Supervisors shall convene an extraordinary meeting within 10 days:

- (1) when deemed necessary by the chairman of the Board of Supervisors;
- (2) as proposed by one third or more of all the Supervisors; or
- (3) any other circumstances as specified by laws, regulations, regulatory documents and the Articles.

Article 208 Notice of a regular meeting shall be given to all the Supervisors at least 14 business days before the date of meeting (excluding the date of the meeting). Notice of an extraordinary meeting shall be given to all the Supervisors at least 5 business days before the date of meeting (excluding the date of the meeting). In case of emergency, the convening of an extraordinary meeting shall not be subject to the aforesaid restrictions, provided that a reasonable notice is given.

Article 209 A notice for the meeting of the Board of Supervisors shall include the following:

- (1) the time and venue of the meeting and the means by which the meeting will be held;
- (2) the convener of the meeting;
- (3) the duration of the meeting;
- (4) the subject matter, agenda and resolutions of the meeting;
- (5) relevant explanation for and basis of convening the board meeting in the event that the meeting is not convened by the chairman;
- (6) the date on which the notice is served; and
- (7) the name and contact of the contact person of the meeting.

Where the materials for the meeting are delivered at the later time than the notice, the Company shall allow sufficient time for the Supervisors to familiarize with such materials.

Article 210 The notice convening a meeting of the Board of Supervisors shall be given in the following ways:

- (1) a notice convening a regular meeting shall be in writing, including delivery by hand, registered mail, fax or electronic mail;
- (2) a notice convening an extraordinary meeting shall be, in principle, in writing; in case of emergency, however, such notice may be given by phone or orally, followed by a written notice aftermath.

Article 211 The meeting of the Board of Supervisors shall, in principle, be held onsite. The meeting may also be held by means of video, telephone or others provided that Supervisors are fully allowed to express their opinions. Meetings held by means of video, telephone or others shall be deemed held onsite if all Supervisors present at the meeting are able to communicate on a real time basis;

Resolutions which require the adoption of the Board of Supervisors without a real need for discussions of the Supervisors may be adopted by signing by the Supervisors.

Article 212 Supervisors shall attend the meetings of the Board of Supervisors in person. In the event a Supervisor is unable to attend a meeting in person for any reason, he may appoint in writing another Supervisor to attend the meeting on his behalf. The power of attorney shall specify the names of the appointing Supervisor and the proxy, matters represented by the power of attorney, limit of authority and the term of validity and shall be signed or stamped by the appointing Supervisor.

Article 213 Each Supervisor shall have one vote only. The resolutions shall be passed by show of hands, voice vote or open ballot. Resolutions shall be passed by two thirds or more of all the members of the Board of Supervisors.

Article 214 The minutes of the meeting of the Board of Supervisors shall be prepared and the Supervisors present at the meeting shall sign on such minutes and have the right to put down any explanatory notes to the speech made at the meeting. The dissenting Supervisor(s) may also provide notes when signing on the meeting minutes. The Company may also record the details of the meeting by means of audio or video recording. The meetings minutes shall be kept as the Company's archive permanently.

Article 215 The Company shall formulate the rules of procedures of the Board of Supervisors. Such rules of procedures shall be drafted by the Board of Supervisors and approved by the shareholders' general meeting.

CHAPTER 11 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY

Article 216 A person may not serve as a Director, Supervisor, president, or any other senior management officer of the Company if he falls in any of the following circumstances:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or sabotaging social economic orders; or who has been deprived of his political rights, in each case where not more than five years have elapsed since the date of the completion of such punishment or deprivation;
- (3) a person who is a former Director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where not more than three years have elapsed since the date of the completion of the insolvency and liquidation of the Company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of law and who incurred personal liability, where not more than three years has elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who has been sentenced to any other criminal penalty of other offences where not more than three years have elapsed since the date of completion of such punishment;
- (7) a person who has his qualification cancelled or revoked by a financial regulatory department, where not more than five years has elapsed since the date of the cancellation or revocation of his qualification;
- (8) a person who has been barred from entering into the market by a financial regulatory department, where not more than five years has elapsed since the date of the bar.
- (9) a person who has been removed from public office by a government department, where not more than five years has elapsed since the date of removal from public office;
- (10) a person who is a former lawyer, certified public accountant or professional of an asset valuation or certification bodies, etc., whose professional qualification has been revoked because of a breach of law or disciplinary conduct, where not more than five years have elapsed since the date of the revocation of his professional qualification;
- (11) a person who is convicted of contravention of relevant securities regulations provisions by a relevant regulatory authority, and such conviction involves a fraudulent act or dishonesty, where not more than five years has elapsed since the date of the conviction;

- (12) a person who was subject to administrative penalty by the CBIRC in form of a warning or fine within one year immediately preceding the application for the approval of his qualification;
- (13) a person who was subject to material administrative penalty by an administrative management department other than the CBIRC, where not more than two years have elapsed since the date of the material administrative punishment;
- (14) a person who is investigated by a judicial or disciplinary body, inspection department, the CBIRC or other dispatched body because of suspected involvement in serious illegal activity, which investigation is not yet concluded;
- (15) a person who has been sentenced to any criminal penalty in Hong Kong, Macau, Taiwan or outside of the PRC, where not more than five years since the completion of such punishment have elapsed or, in case of administrative punishment due to a serious violation of law, where not more than three years have lapsed since the date of the completion of such administrative punishment;
- (16) a non-natural person; or
- (17) a person of whom laws, regulations, regulatory documents, the CBIRC and other regulatory bodies deem not appropriate to act as a Director, Supervisor, President or other senior management officer.

Where the election or appointment of any Director, Supervisor, President or other senior management officer is in violation of this Article, such election or appointment shall not be effective. Any Director, Supervisor, President or other senior management officer shall be removed from office by the Company if any of the circumstances above applies to him during his term of office.

Article 217 The validity of an act of a Director, President, or other senior management officer on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any non-compliance in his office, election or his qualification.

Article 218 In addition to obligations imposed by laws, regulations or listing rules of the stock exchange on which the Company's shares are listed, each of the Company's Directors, Supervisors, President, and other senior management officers owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

- (1) not to cause the Company to exceed the scope of the business stipulated in its business license;
- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company; and

- (4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders' general meeting for approval in accordance with the Articles.

Article 219 Each of the Directors, Supervisors, President, and other senior management officers owes a duty, in the exercise of his powers or discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances.

Article 220 Each of our Directors, Supervisors, President, and other senior management officers shall carry out his duties in accordance with fiduciary principle and shall not put himself in a position where his duties and his interests may conflict. This principle includes (without limitation) fulfilling the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to exceed those powers;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, regulations or with the informed consent of the shareholders given in shareholders' general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except in accordance with the Articles or with the informed consent of shareholders given in shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders given in shareholders' general meeting, not to use the Company's property for his own benefit in any form;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) without the informed consent of shareholders given in shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any form unless with the informed consent of the shareholders given in shareholders' general meeting;

- (11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets; and
- (12) unless with the informed consent of the shareholders given in shareholders' general meeting, to keep in confidence confidential information regarding the Company acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - (i) disclosure is required by law;
 - (ii) disclosure is required for public interest;
 - (iii) the interests of the relevant Director, Supervisor, President, or other senior management officer require disclosure.

Article 221 Each Director, Supervisor, President, or other senior management officer of the Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:

- (1) the spouse or minor child of that Director, Supervisor, President, or other senior management officer;
- (2) a person acting in the capacity of trustee of that Director, Supervisor, President, or other senior management officer or any person referred to in the preceding paragraph (1);
- (3) a person acting in the capacity of partner of that Director, Supervisor, President, or other senior management officer or any person referred to in paragraphs (1) and (2) above;
- (4) a company in which that Director, Supervisor, President, or other senior management officer, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above, or other Directors, Supervisors, President, and other senior management officers, have a de facto controlling interest; and
- (5) the directors, supervisors, president, and other senior management officers of the controlled company referred to in paragraph (4).

Article 222 The fiduciary duties of the Directors, Supervisors, President, and other senior management officers of the Company do not necessarily cease upon termination of their tenure. The duty to keep confidential trade secrets of the Company survives the termination of their tenure. The continuous period of other duties must be decided according to the principle of fairness, depending on the time lapse between the termination and the act concerned and the circumstances and conditions under which the relationships between them and the Company are terminated.

Article 223 Where a Director, Supervisor, President or other senior management officer is in violation of laws, regulations, regulatory documents and the Articles and causes any loss incurred by the Company, the Company's shareholders, creditors and other stakeholders, such Director, Supervisor, President or other senior management officer shall be liable for such losses. The shareholders of the Company may bring a proceeding against such persons with the People's court.

The liabilities a Director, Supervisor, President or other senior management officer is held for the breach of a certain obligation may be exempted by an informed decision of the shareholders' general meeting, unless otherwise provided for in Article 65 of the Articles.

Article 224 Where a Director, Supervisor, President, or other senior management officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement which are made or planned by the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement is otherwise subject to the approval of the Board. A Director shall not vote on any contract, transaction or arrangement in which such Director or any of his associates has a material interest, and such Director shall not be counted in the statutory quorum of the board meeting.

Unless the interested Director, Supervisor, President or other senior management officer discloses his interests in accordance with the above paragraph and the contract, transaction or arrangement is approved by the Board at a meeting in which such interested Director, Supervisor, President, or other senior management officer is not counted in the quorum present at the meeting and refrains from voting, the contract, transaction or arrangement in which that Director, Supervisor, President, or other senior executive officer is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, President, or other senior management officer.

A Director, Supervisor, President, or other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him or her is interested.

Article 225 Where a Director, Supervisor, President or other senior management officer of the Company gives to the Board a general notice in writing before the Company's first consideration of entering into contracts, transactions and arrangements, stating that, by reason of the facts specified in the notice, he or she is interested in contracts, transactions or arrangements which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding article to be a sufficient declaration of his/her interests, so far as the content stated in such notice is concerned.

Article 226 The Company shall not pay taxes for its Directors, Supervisors, President and other senior management officers by any means.

Article 227 The Company shall not directly or indirectly make a loan to our Directors, Supervisors, President or other senior management officers, or any of their respective associates.

However, the following transactions are not subject to such prohibition:

- (1) the provision by the Company of a loan to a subsidiary of our Company;
- (2) the provision by the Company of a loan or any other funds to any of our Directors, Supervisors, President, and other senior management officers to meet expenditure incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties, in accordance with the terms of an employment contract approved by the shareholders' general meeting; and
- (3) the Company may make a loan to any of the relevant Directors, Supervisors, President, and other senior management officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business;

Article 228 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 229 The Company shall not provide guarantees to a third party for the debts of others, except for guarantees provided by the Company for litigation purpose under normal course of business, and guarantees provided for its subsidiaries.

Article 230 The aforesaid guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 231 In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, Supervisor, President or other senior management officer of the Company is in breach of his duties to the Company, the Company has a right to:

- (1) claim damages from the relevant Director, Supervisor, President, or other senior management officer in compensation for losses incurred by the Company as a result of his negligence;
- (2) rescind any contract or transaction entered into by the Company with the Director, Supervisor, President or other senior management officer or with a third party (where the third party knows or should know that there is a breach of obligation by such Director, Supervisor, President, or other senior management officer);
- (3) demand a surrender of profits made by the Director, Supervisor, President, or other senior management officer in breach of his duties;
- (4) recover any funds received by the Director, Supervisor, President, or other senior management officer which should have been received by the Company, including (without limitation) commissions; and
- (5) demand return of the interest earned or which may have been earned by the Director, Supervisor, President, or other senior management officer on funds that should have been paid to the Company.

Article 232 With the prior approval at a shareholders' general meeting, the Company shall sign written contracts with its Directors and Supervisors concerning his/her emoluments. Such emoluments includes:

- (1) emoluments in respect of his/her service as a Director, Supervisor, President and other senior management officer of the Company;
- (2) emoluments in respect of his/her service as a Director, Supervisor, President and other senior management officer of a subsidiary of the Company;
- (3) remuneration otherwise in connection with the provision of other services to manage the Company or any subsidiary thereof; and
- (4) compensation for his/her loss of office or retirement as a Director or Supervisor.

Except for the aforesaid contracts, a Director or Supervisor shall not file any lawsuit against the Company for the benefits they shall obtain for the foregoing matters.

Article 233 In the contract for emoluments entered into by the Company with a Director or Supervisor, it shall be provided that such Director or Supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office.

A takeover of the Company means either of the following circumstances:

- (1) an offer is made to all shareholders of the Company; or
- (2) an offer is made such that the offer will become the controlling shareholder of the Company.

If the relevant Director or Supervisor does not comply with the above requirements, any sum received by the Director or Supervisor on account of the payment shall belong to those persons who have sold their shares as a result of the offer, and the expenses incurred by the Director or Supervisor in distributing that sum pro rata among those persons shall be borne by him and not deducted from the sum distributed.

CHAPTER 12 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND INTERNAL AUDIT

Article 234 The Company shall establish its financial and accounting system in accordance with the laws, regulations and PRC accounting standards formulated by the finance regulatory department of the PRC.

The Company shall withdraw the deposit, insurance protection fund and the insurance liability reserves in accordance with the relevant PRC provisions and regulations.

Article 235 The Company shall, upon termination of each fiscal year, prepare its financial report which is subject to the audit of an accounting firm in accordance with the laws.

The Company adopts the calendar year as the accounting year, starting on January 1 and ending on December 31 of each calendar year.

The Company's financial reports shall be prepared in accordance with the laws, regulations and departmental rules.

Article 236 The Board shall place before the shareholders at every annual shareholders' general meeting such financial reports prepared by the Company as required by relevant laws, regulations or regulatory documents.

Article 237 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of every annual shareholders' general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall deliver by hand or by prepaid post the aforesaid financial reports and the reports of the Board to each holder of the Company's overseas listed foreign shares at the addresses specified in the register of members.

Subject to the laws and regulations and the listing rules of the place where the Company's shares are listed, the aforesaid financial reports and reports of the Board may also be delivered to the shareholders by other means as provided for by Article 276 of the Articles.

Article 238 The financial reports of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, may be prepared in accordance with either international accounting standards, or accounting standards of the foreign stock exchange where the Company's shares are listed. If there is any material difference between the financial reports prepared respectively in accordance with the 2 aforesaid accounting standards, such difference shall be stated in the notes to the financial reports.

Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards, and may also be prepared in accordance with either international accounting standards or accounting standards of the foreign stock exchange where the Company's shares are listed.

Article 239 The Company shall submit its annual financial reports to the CSRC and the stock exchange within four (4) months from the end date of each fiscal year, its half-year financial reports to the local branch of the CSRC and the stock exchange within two (2) months from the end date of the first 6 months of each fiscal year, and the quarterly financial reports to the local branch of the CSRC and the stock exchange within one (1) month from the end date of the first three (3) and first nine (9) months of each fiscal year respectively.

The aforesaid financial reports shall be prepared and announced in compliance with the provisions of relevant laws, regulations and regulatory documents. The Company shall publish the interim financial report within 60 days after the expiration of the first six months of each fiscal year and the annual financial report within 120 days after the expiration of each fiscal year.

Any other requirements as required by the securities regulatory authority at the place where the Company's shares are listed should be followed.

Article 240 The Company shall not keep any accounting book other than the statutory account books. The assets of the Company shall not be kept under the account set up in the name of any individual.

Article 241 The capital reserves fund shall include the following items:

- (1) premium received in excess of the par value of the issued shares; and
- (2) other revenue as required by the financial department of the State Council to be so included.

Article 242 The Company's after-tax profits shall be distributed in the following order of priority:

- (1) covering the losses in previous years;
- (2) contributing 10% to the statutory reserves fund and no further contribution to the statutory reserves fund is required when the cumulative amount of the statutory reserves fund reaches or exceeds 50% of the Company's registered capital;
- (3) contributing to its discretionary reserves fund; and
- (4) paying dividends to the shareholders.

Any distribution of the Company's profits to any shareholders before covering its losses or contributing to its statutory reserves fund in violation of the preceding paragraph shall forthwith be returned to the Company.

The shares held by the Company shall not be distributed as dividends.

Article 243 The Company's reserves funds shall be used to cover its losses, expand the business and operation, or converted into the Company's capital. The capital reserves fund shall not be used to cover the Company's losses.

When converting any statutory reserves to capital reserves, the statutory reserves fund shall be maintained at a level no less than 25% of its registered capital prior to such conversion.

Article 244 The Company's profit distribution policies are as follows:

- (1) The basic principles of profit distribution: The Company will implement a sustainable and stable dividend distribution policy. The Company's dividend distribution shall emphasize on reasonable investment return to investors while taking into account of sustainable development of the Company. Subject to continuous profitability, regulatory compliance and normal operation and long-term development of the Company, priority shall be given to cash dividends for distribution.
- (2) Detailed policies of profit distribution:
 1. Form of profit distribution: The Company shall distribute profits to its shareholders in proportion to their respective shareholdings, either in cash, stock or a combination of both. Priority shall be given to cash dividends for distribution if the conditions for cash dividends are met. The Company shall, in principle, distribute profits once a year. Where conditions allow, the Company may distribute interim dividends.
 2. Specific conditions and ratio of cash dividend distribution of the Company: No profit shall be paid to shareholders for any year if the solvency of the Company fails to meet the regulatory requirements. Except in special circumstances, the Company shall distribute dividends mainly in cash if the normal operations of the Company are not affected, provided that the net profit for the year, the accumulated and undistributed profit and the capital reserve at the end of the year are positive. Special circumstances include: the Company has significant investment plans or otherwise incurs major cash expenses; its solvency falls below the requirements of regulatory authorities including the State Council's insurance regulatory body; the regulatory authorities such as the State Council's insurance regulatory body take regulatory measures to impose restrictions on the Company's distribution of cash dividends; other circumstances that are not suitable for distribution of cash dividends. The profit distribution plans will be formulated by the Board based on factors including the current solvency margin ratio, business development and demand, operating results and shareholders' return of the Company and its subsidiaries. Taking into consideration of the factors above and subject to the laws, regulations and regulatory requirements then in effect, the distributed profits in the form of cash each year shall be no less than 10% of the distributable profits of the same year. The Company may also distribute interim dividends in the form of cash in view of the profitability of the Company. The plans shall be implemented subject to submission to and approval by the shareholders' general meeting following consideration by the Board.
 3. Conditions for distribution of share dividends by the Company: Where the operating income of the Company grows rapidly and the Board considers that the share price of the Company does not reflect the scale of its share capital, the Company may propose and execute a share dividend distribution proposal in addition to payment of the cash dividend distribution above taking into account factors such as the share price, scale of share capital and other circumstances of the Company.

4. The Board shall take into full account various factors, such as features of the industries in which the Company operates, the stage of its development, its own business model, profitability and whether there are significant capital expenditure arrangements, put forward differentiated cash dividend policies in accordance with the procedures as required by the Articles of Association.

(3) Decision-making procedures for profit distribution:

1. When determining a profit distribution plan, the Board shall consider, among other factors, the timing, conditions and minimum ratio of cash dividend distribution, the conditions for adjustments and the requirements of the procedures for decision-making. The Independent Directors shall provide specific opinions in relation to the above. The Independent Directors may seek the opinion of the minority shareholders, devise a dividend distribution proposal accordingly and submit the same directly to the Board for consideration. Prior to the consideration of the specific cash dividend distribution plan by the shareholders at a general meeting, the Company shall communicate and exchange ideas through multiple channels with shareholders (in particular, the minority shareholders), attentively consider the opinions and requests of the minority shareholders and give timely response to the issues that concern them. The Board of Supervisors of the Company shall supervise the formulation and decision-making by the Board of the profit distribution plan of the Company.
2. Where the Company has satisfied conditions for cash dividend distribution but has not prepared any cash dividend plan, or the profit distributed by the Company in cash is less than 10% of the distributable profits realized by it for that year, the Board shall give specific reasons for not distributing cash dividends, the exact purpose for the retained profits and the estimated investment return, and submit to the shareholders' general meeting for consideration after the Independent Directors have expressed their opinions, and disclosure has been made in the media designated by the Company. The Company shall provide access to online voting platforms for the shareholders.

- (4) Explanation of the reasons for not making profit distribution in cash: The Company shall disclose a profit distribution plan in the annual report for the year. If the Company generated profits during the reporting period but the Board has not made any cash profit distribution plan, the reasons therefor and the use of proceeds retained by the Company not used for distribution shall be explained in detail in its periodic reports and the Independent Directors shall give an independent opinion in this regard.

- (5) Adjustments to the profit distribution policy: If the operation of the Company is materially affected by war, natural disasters and other force majeure, or any change in its external operating environment, or if there are any significant changes in its own operating conditions, the Company may adjust its profit distribution policy according to relevant laws, regulations and other regulatory documents. When the Company makes such adjustment, the Board shall prepare a written report on specific topics containing detailed discussion and verification of the reasons for adjustment, which, after being considered by the Independent Directors, shall be submitted to the shareholders' general meeting for approval by shareholders representing over 2/3 of the voting rights at such meeting. The Company shall provide access to online voting platforms to shareholders for voting purpose. In considering such adjustments at a shareholders' general meeting, the opinions of minority shareholders shall be fully considered.
- (6) If any shareholder illegally takes up the Company's capital, the Company shall deduct the cash dividends allocated to such shareholder to repay the amount of capital taken.
- (7) The Company shall disclose in detail the formulation and implementation of cash dividend distribution policy in its annual reports, and state whether the policy is in compliance with the Articles of Association or the resolutions passed at shareholders' general meeting, whether the benchmark and ratio of dividend distribution are definite and clear, whether the relevant decision making process and the mechanism are robust, whether the Independent Directors perform their duties diligently and exercise their functions as required, whether the minority shareholders have the opportunities to fully express their opinions and appeals, and whether the legitimate rights and interests of the minority shareholders have been fully protected. Where the Company revise or amend its cash dividend distribution policy, it shall also explain in detail as to whether the revised or amended conditions and procedures are in compliance with regulations and transparent.

The Company shall distribute its after-tax profits based on the financial statements prepared in accordance with PRC accounting standards and regulations or in accordance with either international accounting standards or accounting standards of the foreign stock exchange where the Company's shares are listed, whichever is less.

Following a resolution approving such profit distribution plan at a shareholders' general meeting, the Board shall complete the distribution of the dividends within 2 months from the convening of such meeting.

Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 245 The Company shall appoint receiving agents on behalf of holders of the overseas listed foreign invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of their overseas listed foreign shares.

The receiving agents appointed on behalf of holders of the overseas listed foreign shares shall be in accordance with the laws of the place where the Company's shares are listed and satisfy the requirements of the stock exchanges of the place where the Company's shares are listed.

The receiving agents appointed on behalf of holders of the overseas listed foreign shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Subject to relevant PRC laws and regulations, the Company may exercise the right to forfeit unclaimed dividends. However, such right shall be exercised only after the expiry of the applicable term of validity commencing from the date of declaration of relevant dividends.

Where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on 2 consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

The Company shall have the right to sell the shares of shareholders of overseas listed foreign shares who are untraceable in a way deemed appropriate by the Board, provided the following conditions are met:

- (1) during a period of 12 years dividends in respect of the shares in question have been distributed at least three times and no dividend during that period has been claimed; and
- (2) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more local newspaper of the place where the Company's shares are listed and notifies the stock exchange of the place where the Company's shares are listed.

Article 246 The Company shall establish an internal audit system and staff full time auditing professionals to conduct internal audit of the Company's financial and business activities.

Article 247 The Board shall be responsible for approving the internal audit system, internal structure and the functions and powers of the auditing personnel proposed by the internal audit department of the Company, and determining the appointment, assessment and remuneration of the person in charge of the audit of the Company.

The person in charge of audit shall be responsible for the President and the Board, and shall report his/her work to the Board through the audit committee.

The Company's senior management officers shall ensure and facilitate the implementation of the internal audit system and performance of duties by the internal audit personnel of the Company, and shall, in need of the internal audit, promptly provide the internal audit department with materials and information in relation to the Company's financial position, risk exposure and internal control, and shall not hinder or impede the internal audit department from conducting audit within their scope of duties.

Article 248 Where any Director and senior management officer leaves office, a off-office audit shall be conducted pursuant to relevant regulations of the CBIRC.

CHAPTER 13 APPOINTMENT OF AN ACCOUNTING FIRM

Article 249 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the Company's annual financial reports and review the Company's other financial reports.

Article 250 The Company warrants that the Company will provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and the Company shall not refuse to provide or conceal or falsify such documents.

Article 251 An accounting firm appointed by the Company shall have the following rights:

- (1) to inspect the accounting books, records and vouchers of the Company at any time, and to request the Directors, President and other senior management officers of the Company to provide relevant information and explanation;
- (2) to request that the Company adopt all reasonable measures to obtain from its subsidiaries such information and explanation as required by the accounting firm for performing its duties; and
- (3) to attend the shareholders' general meeting, and to obtain the notice of the meeting or other information regarding the meeting, and to speak at the shareholders' general meeting on matters involving it as the accounting firm employed by the Company.

Article 252 Before the convening of the shareholders' general meeting, the Board may fill any casual vacancy in the office of the accounting firm, but while any such vacancy continues, if the Company has other serving accounting firm, such accounting firm may still act on behalf of the Company.

Article 253 Regardless of what is stipulated in the contract concluded between an accounting firm and the Company, the shareholders' general meeting may, before the expiration of term of office for the accounting firm, decide to dismiss that firm by the adoption of an ordinary resolution. If such accounting firm has the right to claim compensation from the Company for reason of such dismissal, that right shall not be affected.

Article 254 The Company's appointment, dismissal and non-reappointment of an accounting firm shall be resolved by shareholders' general meeting and be filed with the relevant regulatory authorities.

The shareholders' general meeting shall abide by the following provisions when proposing to pass a resolution regarding the appointment of an accounting firm not currently serving the Company to fill the vacancy of an accounting firm, or the renewal of terms of service of an accounting firm appointed by the Board to fill the vacancy, or the dismissal of an accounting firm before the expiry of its term:

- (1) the proposal in relation to the appointment or dismissal shall be sent prior to the issue of notice of shareholders' general meeting to the accounting firm to be appointed, the accounting firm to be dismissed or the accounting firm which has left its post during the accounting year. An accounting firm leaving its post includes dismissal, resignation and retirement;
- (2) in the event that an accounting firm leaving its post makes a statement in writing and requests the Company to inform its shareholders of such statement, unless the Company receives the statement too late, the Company shall adopt the following measures:
 - (i) state on the notice issued for adoption of the resolution that an accounting firm about to leave its post has made a statement; and
 - (ii) submit the copy of the statement as an appendix to the notice to the shareholders in the manner stipulated in the Articles;
- (3) in the event that the statement of the accounting firm has not been dispatched in accordance with the provisions in the preceding sub-paragraph, the relevant accounting firm may request such statement to be read at the shareholders' general meeting, and may make further appeals;
- (4) the accounting firm leaving its post shall be entitled to attend the following meetings:
 - (i) the shareholders' general meeting at which its term of service would otherwise have expired;
 - (ii) the shareholders' general meeting for filling the vacancy caused by its dismissal; and
 - (iii) the shareholders' general meeting convened as a result of its voluntary resignation.

The accounting firm leaving its post shall be entitled to obtain all notices of the aforementioned meetings and other information relating to such meetings and shall also be entitled to present its views at the aforementioned meetings on matters in relation to its previous engagement as the accounting firm of the Company.

Article 255 Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

Any accounting firm may resign its office by depositing at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; and
- (2) a statement of any relevant situations.

Where a notice is deposited under the preceding paragraph, the Company shall within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (ii) of the preceding paragraph, a copy of such statement shall be placed at the Company for shareholders' inspection. Unless otherwise stipulated in the Articles, the copy of such statement shall also be sent by prepaid mail, to every holder of the overseas listed foreign shares of the Company at the address as recorded in the register of member of the Company.

Where the accounting firm's notice of resignation contains a statement of any circumstances which should be brought to the notice of the shareholders or creditors of the Company, the accounting firm may require the Board to convene a shareholders' extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Article 256 Unless otherwise provided by Article 201, for purposes of the Articles, an accounting firm refers to one that prepares financial reports and conducts statutory audits periodically for the Company. The term of appointment is one year commencing from the end of shareholders' general meeting of the year to the end of the shareholders' general meeting of the next year. The accounting firm can be reappointed upon termination of term of appointment.

The compensation or the methods used to determine the compensation of the accounting firm shall be determined by the shareholders' general meeting. The compensation for the accounting firm appointed by the Board shall be determined by the Board.

CHAPTER 14 SPECIAL MATTERS ON CORPORATE GOVERNANCE

Section 1 Replacement Mechanism

Article 257 In the event that the Company's chairman or president is unable to or does not perform his duties, and it affects the normal operation of the Company, the Company shall re-elect the chairman and reappoint the president according to the Articles.

Section 2 Solutions for Failure of the Corporate Governance Mechanism

Article 258 In the event of a failure of the corporate governance mechanism stipulated in the Articles and the internal remedial measures taken by the Company cannot resolve the issue, the Company, any of the shareholders who hold individually or jointly more than one-third of the shares of the Company, or more than half of the Directors have the rights to apply to the CBIRC for regulatory guidance.

The CBIRC conducts corresponding regulatory guidance in accordance with the failure of corporate governance mechanism. If the Company has a significant risk of governance, and it has seriously endangered or may seriously endanger the legitimate rights and interests of policy holders or the security of insurance funds, the shareholders and the Company undertake to accept regulatory measures required by the CBIRC such as to increase capital, to limit certain rights of shareholders, and to transfer equity interests held in the Company; and undertake to accept rectification and takeover measures adopted by the CBIRC when the situation is identified as serious.

The failure of the corporate governance mechanism, includes, but not limited to, the following: the incapability to form the board of directors for more than a year; long-term conflict between directors of the Company which cannot be resolved at the shareholders' general meeting; incapability for the Company to convene a shareholders' general meeting for more than a year; shareholders' votes cannot reach the statutory proportion or proportion stipulated by the Articles and as such that no effective resolution can be made at the shareholders' general meeting for more than a year; the resolution on capital increase cannot be passed due to incapacity of repayment; the Company's existing governance mechanism cannot function properly causing serious difficulties in managing the Company and other circumstances identified by the CBIRC.

Article 259 When the Company is insolvent, shareholders have the obligation to improve the Company's solvency. The shareholder(s) who is not able to make a capital contribution or chooses not to make a capital contribution shall agree with other shareholders or investors to adopt a reasonable plan for capital contribution and improve the solvency in any of the following circumstances:

- (1) the CBIRC orders the Company to increase capital; or
- (2) the Company must increase capital as the adoption of other plans is still unable to meet the regulatory requirements on solvency.

CHAPTER 15 MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division and Increase or Reduction of Capital

Article 260 The Company may undertake merger or division in accordance with the laws. Where the Company undertakes the merger or division, it shall be proposed by the Board and adopted by the shareholders' general meeting through procedures stipulated in the Articles and go through relevant examination and approval procedures in accordance the laws. The content of resolutions regarding merger or division of the Company shall be prepared as a special document for shareholders' inspection.

When the Company undertakes the merger or division, the Board shall take necessary measures to protect the legal rights of the shareholders who are against such merger or division.

Article 261 The merger, division and increase or reduction of capital of the Company shall be subject to the approval of the CBIRC.

Article 262 The merger of the Company may take the form of merger of absorption or merger by establishment of a new company.

Where the Company undertakes a merger, the relevant parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property inventory. The Company shall give notices to the creditors within 10 days after the date on which the resolution is passed regarding the merger and shall publish an announcement in the newspaper within 30 days. The creditors are entitled to require the Company to repay the debts or provide corresponding guarantees within 30 days after the receipt of such notices or within 45 days if no such notice is received.

In the event of a merger of the Company, the rights and obligations of the parties to the merger shall be assumed by the Company surviving the merger or the new company established after the merger.

Article 263 Where the Company is divided, its property shall be divided correspondingly.

Where the Company is divided, the parties to the division shall enter into a division agreement and prepare a balance sheet and a property inventory. The Company shall give notices to the creditors within 10 days after the date the resolution is passed regarding the division and publish an announcement in the newspapers within 30 days.

The company established after the division shall assume joint and several liability for the debts incurred by the Company before the division, unless otherwise stipulated in any agreement on the settlement of debts entered into by the Company and its creditors prior to the division.

Article 264 When the Company reduces its registered capital, it must prepare a balance sheet and a property inventory.

The Company shall give notices to the creditors within 10 days after the date on which the resolution is passed regarding the reduction of registered capital and shall publish an announcement in the newspaper within 30 days. The creditors are entitled to require the Company to repay the debts or provide corresponding guarantees within 30 days after the receipt of such notices or within 45 days if no such notice is received.

The Company's registered capital after reduction shall not be less than the statutory minimum amount.

Article 265 Where the Company undertakes merger or division and any of the registered items needs to be changed, a registration of alternation shall be handled with the SAIC; where the Company is dissolved, a deregistration shall be handled with the SAIC; where a new company is established, a registration of incorporation shall be handled with the SAIC.

Increase on reduction of capital shall be registered with the SAIC.

Section 2 Dissolution and Liquidation

Article 266 The Company shall be dissolved in any of the following circumstances:

(1) occurrence of a matter requiring dissolution as stipulated by the Articles;

- (2) a resolution for dissolution is passed at shareholders' general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company's business license is revoked, and the Company is ordered to close down or eliminated in accordance with the law; or
- (5) where the Company suffers significant hardship in its operation or management so that the interests of its shareholders are subject to significant loss if the Company continues to exist, and that the situation cannot be resolved by any other means, the shareholders holding 10% or more of the voting rights of all the shareholders of the Company may petition the People's court to dissolve the Company.

The dissolution of the Company shall be approved by the CBIRC and the liquidation shall be under the supervision of the CBIRC.

Article 267 Where the Company is dissolved in accordance with item (1), (2) or (5) of the preceding Article, a liquidation committee shall be formed to carry out the dissolution of the Company within 15 days after the occurrence of the matter requiring dissolution.

Where the Company is dissolved in accordance with item (3) of the preceding paragraph, the liquidation shall be carried out in accordance with the agreements entered into by the parties to the merger or division at the time of such merger or division.

Where the Company is dissolved in accordance with item (4) of the preceding paragraph, the CBIRC shall coordinate with the shareholders of the Company, relevant authorities and relevant professionals to form a liquidation committee on a timely basis.

Article 268 Where the Board decides to liquidate the Company (due to causes other than where the Company has declared that it is insolvent), the Board shall, in its notice convening a shareholders' general meeting, declare that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to repay its debts within 12 months after the commencement of the liquidation.

Upon passing of the resolution at the shareholders' general meeting for the liquidation of the Company, all functions and powers of the Board shall cease forthwith.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting and report at least once a year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to place a final report before the shareholders' general meeting on completion of the liquidation.

Article 269 The liquidation committee shall register the rights of the creditors. The liquidation committee shall give notices to the creditors within 10 days after its establishment and post announcements in the newspaper within 60 days after its establishment. The creditors shall claim to the liquidation committee within 30 days after the date of the receipt of such notices or within 45 days after the date of the first announcement if no notice is received.

When reporting claims, a creditor shall explain the relevant particulars of the claims and provide supporting materials. The liquidation team shall register the claims.

In the period of reporting claims, the liquidation committee shall make no debt repayment to the creditors.

Article 270 The liquidation committee shall exercise the following functions and powers during the liquidation:

- (1) to dispose of the Company's property and prepare a balance sheet and a property inventory;
- (2) to give notices or publish announcements to the creditors;
- (3) to deal with unsettled business in relation to the liquidation of the Company;
- (4) to settle due taxes and taxes accrued during the liquidation;
- (5) to settle claims and debts;
- (6) to dispose of the Company's remaining assets after the discharge of its liabilities; and
- (7) to participate in civil litigations on behalf of the Company.

Article 271 Members of the liquidation committee shall be dedicated to their duties and carry out the liquidation work in accordance with the law. Members of the liquidation committee shall not abuse their powers to receive bribes or other illegal income and shall not misappropriate the property of the Company. Any member of the liquidation committee shall be liable for any loss caused to the Company or creditors due to his intentional misconduct or gross negligence.

Article 272 After the liquidation committee has liquidated the property of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation scheme and report it to the shareholders' general meeting, the People's court or other relevant regulatory authority for confirmation.

The remaining property of the Company shall be distributed to the shareholders in proportion of shares held by each of the shareholder after payments have been made of the liquidation fees, salaries of the employees, social security expenses and statutory compensation, indemnity or payment of the insurance benefits, taxes and the Company's liabilities.

During the liquidation, the Company exists but shall not carry out any operating activity which does not relate to the liquidation. The property of the Company shall not be distributed to the shareholders before it is settled pursuant to the preceding paragraph.

Article 273 After the completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of the revenue and expenditure during the liquidation and the financial books, and, upon verification by a PRC certified public accountant, submit the same to the shareholders' general meeting, the people's court or other competent regulatory authority for confirmation.

The liquidation committee shall, within 30 days after the confirmation of the shareholders' general meeting, the people's court or other competent regulatory authority, submit the aforesaid documents to the company registration authority and SAIC, apply to deregister the Company and publish an announcement on the dissolution of the Company.

Article 274 Where after liquidating the property of the Company and preparing a balance sheet and a property inventory, if the liquidation committee finds that the property of the Company is insufficient to repay its debts, the liquidation committee shall, upon approval by the competent regulatory authority, apply to the People's court for bankruptcy of the Company.

After a ruling is made by the people's court that the Company be declared bankrupt, the liquidation committee shall hand over the liquidation work to the people's court.

Article 275 Where the Company is declared bankrupt, the liquidation shall be carried out in accordance with relevant laws and regulations on corporate bankruptcy.

CHAPTER 16 NOTICE AND ANNOUNCEMENT

Article 276 Notices of the Company may be given in one or more of the following ways:

- (1) By hand;
- (2) By post;
- (3) By facsimile;
- (4) By electronic mail;
- (5) subject to laws, regulations, regulatory documents and relevant rules of the securities regulatory authority of the place where the Company's shares are listed, by posting on the website designated by the Company and foregoing regulatory authority;
- (6) by way of an announcement made in the press or other designated media;
- (7) such ways as the Company and the notified party agreed in advance or any other way which is recognized by the notified party upon receipt of the notice; and

- (8) other ways which are recognized by the securities regulatory authority of the place where the shares of the Company are listed or stipulated in the Articles.

Notwithstanding any provisions in the Articles on the forms in which any document, notice or other communication is to be released or given, subject to relevant rules of the securities regulatory authority of the place where the Company's shares are listed, the Company may elect to release corporate communications in the way stipulated in item (5) of clause 1 of this Article as a substitute for a written document delivered by hand or by prepaid mail to every holder of overseas listed foreign shares. The foregoing corporate communication refers to any document sent or to be sent by the Company for its shareholders' reference or actions, including but not limited to annual report (including annual financial report), interim report (including interim financial report), report of the Board (including balance sheet and income statement), notice of the shareholders' general meeting, circular and other communication documents.

Article 277 Where the securities regulatory authority of the place where the Company's shares are listed requests that the Company deliver, mail, distribute, issue, publish or by any other means to provide relevant documents of the Company in both English and Chinese, if the Company has made appropriate arrangements to determine whether its shareholders desire to receive the English version only or the Chinese version only, and to the extent permitted by and in accordance with applicable laws, regulations and regulatory documents, the Company may, according to the preference expressed by its shareholders, deliver only the English version or only the Chinese version to the shareholders.

Article 278 Where, due to accidental omission, a notice of meeting is not given to a person who is entitled to receive such notice or where such person has not received the notice, the meeting or any resolution adopted at the meeting shall not be invalidated as a result.

Article 279 If the notice is sent out by courier and the served party signs (or seals) on the service receipt, the date when the served party acknowledges the receipt of the notice shall be the date of service. If the notice is sent out by mail, the 48th hour after the date when the notice is delivered to the post office shall fall within the date of service. If the notice is sent out by facsimile, the date of sending out shall be the date of service. If the notice is sent out by electronic mail, the date of the entrance of the electronic mail in the other's mail system shall be the date of service. If the notice is sent out as an announcement, the date of the publication of the announcement for the first time shall be the date of service. If the notice is published in the newspapers or websites in accordance with the relevant provisions, it shall be deemed that the notice has been received by all relevant parties once published.

Article 280 Matters which shall be published and disclosed by the Company in accordance with laws and those which the management, the Board or the shareholders' general meeting of the Company has decided or resolved to publish and disclose shall be published via the Company's website or social media recognized by the CBIRC and designated by the relevant regulatory authority.

CHAPTER 17 ALTERATIONS TO THE ARTICLES OF ASSOCIATION

Article 281 The Company shall amend the Articles under the following circumstances:

- (1) The contents of the Articles are in conflict with the Company Law, the Insurance Law and laws, regulations and relevant regulatory requirements after the amendment of the aforesaid.
- (2) There is a change in the fundamental issues or contents related to rights, obligation, duties and functions, and procedural rules set forth in the Articles;
- (3) other matters causing a necessary change in Articles.

Article 282 The amendments to the Articles of Association as approved in shareholders' general meeting shall be reported to and approved by the competent authority, any registration by the Company for such amendments in accordance with the law shall be so registered.

Article 283 The Board shall amend the Articles in accordance with the resolution in relation to the amendments of the Articles passed at a shareholders' general meeting and the opinion given by the relevant competent authority.

Article 284 The amendments of the Articles which fall to be the information required to be disclosed pursuant to laws, regulations and regulatory documents shall be so disclosed accordingly.

CHAPTER 18 SETTLEMENT OF DISPUTES

Article 285 The Company follows the following rules of dispute resolution:

- (1) Any dispute or claim of rights relating to the affairs of the Company and arising between holders of overseas listed foreign shares and the Company, or between holders of overseas listed foreign shares and Directors, Supervisors, President or any other senior management officers of the Company, or between holders of overseas listed foreign shares and holders of domestic shares, and arising as a result of the rights and obligations provided for in the Articles, laws, regulations and regulatory documents, shall be referred to arbitration by parties involved; and
- (2) Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, where the persons being the Company or shareholders, Directors, Supervisors, President or any other senior management officers of the Company, shall comply with the arbitration.

Disputes in respect of the definition of shareholders and disputes in relation to the register of members need not be resolved by arbitration.

- (3) A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If the claimant elects for arbitration to be carried out at the Hong Kong International Arbitration Center, any party may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center.

- (4) The resolution of any dispute or claim of rights referred to in paragraph (1) above by arbitration is subject to the PRC laws, unless otherwise required by laws, regulations and regulatory documents.

An arbitral award made by the arbitral body is final and binding on the parties.

CHAPTER 19 MISCELLANEOUS

Article 286 Definitions

- (1) “Controlling shareholders” shall be any person who meets any of the following conditions:
- (i) a person who when acting alone or in concert with others may elect not less than half of the Directors;
 - (ii) a person who when acting alone or in concert with others may exercise more than 30% of the voting right or may control the exercise of more than 30% of the voting right;
 - (iii) a person who when acting alone or in concert with others holds more than 30% of the outstanding shares of the Company; and
 - (iv) a person who when acting alone or in concert with others is in de facto control of the Company.
- (2) A “De facto controller” means a person who, though not a shareholder of the Company, is able to get the de facto control of the Company through investment relationships, agreement or other arrangements.
- (3) A “Connected relationship” means the relationship between the controlling shareholders, de facto controllers, Directors, Supervisors, senior management officers of the Company and the enterprises under their direct or indirect control, and other relationships which may result in transfer of the resources, interests or obligations of the Company, provided however that related party relationships shall not be considered to be in existence between state-controlled enterprises solely because they are under the common control of the State.

- (4) An executive Director means a Director involved in the business and operation of the Company except for his capacity as a Director, or a Director who receives salaries and benefits from the Company;
- (5) A non-executive Director means a Director who does not hold position of the Company other than being a Director and who does not receive any salaries and benefits other than the remuneration for being a Director.
- (6) An Independent Director means a Director who does not hold position of the Company other than being a Director, and who does not have a relationship with the Company and its controlling shareholders or de facto controller that will affect his independence and objectiveness in judgment over the Company's affairs.

There is no relationship of inclusion between the “non-executive Director” and the “Independent Director” under the Articles.

- (7) Major social relationships include any brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, the spouse of any brother or sister or the brother or sister of the spouse, etc.
- (8) Material business relationship means matters that are required to be reviewed and discussed by the shareholders' general meeting by the securities regulatory authority of the place where the Company's shares are listed and the Articles, or other material matters as determined by the securities regulatory authority of the place where the Company's shares are listed.
- (9) The person in charge of finance means the senior management officer responsible for the corporate value management activities such as accounting and financial management.
- (10) For purposes of the Articles, an “accounting firm” has the same meaning as an “auditor”; an “Independent Director” has the same meaning as an “Independent non-executive director”, and “connected” has the same meaning as “related”.

Article 287 The Articles shall be written in Chinese. If there is any discrepancy between the Articles of Association written in another language or of a version different and the Articles, the most recent Chinese version approved by the CBIRC and filed with the SAIC shall prevail.

The Articles shall be made available on websites of the securities regulatory authority of the place where the Company's shares are listed and the Company.

Article 288 For the purposes of the Articles, the terms “or more”, “within” and “or less” shall include the given figure; “other than”, “less than”, “more than”, “over” and “exceeding” shall not include the given figure.

Article 289 Where there is any discrepancy between the rules of procedures of the shareholders' general meeting, the meeting of the Board and the meeting of the Board of Supervisors and the Articles, the latter shall prevail.

Where there is any conflict between laws, regulations and regulatory documents and the Articles, the former shall prevail.

Where the promotor agreement, capital contribution agreement and other shareholder agreement contain specific provisions on the rights and obligations of the shareholders, the relevant articles of the Articles of Associations shall be amended or indicated accordingly. Where there is any discrepancy between such agreement and the Articles of Associations, the Articles of Associations shall prevail.

Article 290 The Articles shall be interpreted by the Board of the Company.