

ARTICLES OF ASSOCIATION OF HOLLY FUTURES CO., LTD.

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CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to safeguard the legitimate rights and interests of Holly Futures Co., Ltd. (the “Company”) and its shareholders and creditors, and to regulate the organization and activities of the Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Supervision and Administration Measures on Futures Firms, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter Regarding Opinion on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, regulations and regulatory documents.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Supervision and Administration Measures on Futures Firms as well as other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”, excluding Hong Kong, Macau and Taiwan for the purpose of these Articles of Association and its appendices).

The Company is a joint stock limited company established through overall transformation from Jiangsu Holly Futures Company Limited. On 29 November 2012, the Company was established by way of promotion and registered with the Administration for Industry and Commerce of Jiangsu Province. The unified social credit code of the Company is 91320000100022362N.

Promoters of the Company are as follows:

Jiangsu SOHO Holdings Group Co., Ltd.

Jiangsu Holly Corporation

Jiangsu Holly Su Industrial Co., Ltd.

Jiangsu High Hope International Group Co., Ltd.

Jiangsu Hongrui Venture Capital Co., Ltd.

Shanghai Mingda Industrial (Group) Company Limited

Jiangsu Holly International Logistics Corporation

Article 3 Name of the Company

Chinese name: 弘業期貨股份有限公司

English name: Holly Futures Co., Ltd.

Article 4 Address of the Company: No. 50 Zhonghua Road, Nanjing, Jiangsu Province

Postal code: 210001

Telephone: 025-52278980

Fax: 025-52308148

Article 5 The legal representative of the Company shall be the general manager of the Company.

Article 6 The Company is a joint stock limited company in perpetual existence. The Company is an independent legal person and shall be governed and protected by the PRC laws, administrative regulations and other relevant rules.

All the Company's capital shall be divided into equal shares. Shareholders of the Company shall have rights and assume liabilities to the Company to the extent of their shareholdings in the Company. The Company shall be liable for its debts to the extent of its total assets.

Article 7 The Articles of Association shall become effective from the date on which the Company conducts overseas initial public offering of shares and is listed on the Stock Exchange of Hong Kong Limited. (the "Stock Exchange").

Once effective, these Articles of Association shall automatically supersede the Company's existing Articles of Association and its amendments and shall constitute a legally binding document to regulate the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among the shareholders.

Article 8 The Articles of Association shall be legally binding on the Company and its shareholders, directors, supervisors, general manager and other senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with these Articles of Association.

According to the Articles of Association, a shareholder may take legal action against the Company and its shareholders, directors, supervisors, general manager and other senior management of the Company, and the Company may take legal action against its shareholders, directors, supervisors, general manager and other senior management.

The actions referred to in the preceding paragraph include institution of proceedings in a court and making application to an arbitration agency for arbitration.

The "other senior management" referred to in the previous paragraph include deputy general managers, chief risk officer, financial controller and secretary of the Board of the Company.

Article 9 The Company may invest in other limited liabilities companies and joint stock limited liabilities companies and shall assume liabilities to the investees to the extent of the amount of its capital contribution, provided that it shall not become an investor that shall bear joint and several liabilities for the debts of the investees unless otherwise provided by laws and administrative regulations. The Company shall not become a shareholder with unlimited liabilities of any other economic organizations.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 10 In accordance with the provisions of the Constitution of the Communist Party of China, the Company shall set up an organization of the Communist Party of China. The Party organization shall exercise its role as the core of leadership and the political nucleus, and shall focus on the overall direction and development and ensuring strict policy implementation. The Company shall establish related working organs, and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding for the activities of the Party organization.

Article 11 The business objectives of the Company are to continue to improve the level of its operation and management as well as core competitiveness, to create great economic and social benefits and to maximize shareholders' equity, customers' interests and employees' value in compliance with the relevant laws and regulations by adhering to its corporate philosophy of "compliance, soundness, high efficiency and innovation".

Article 12 As legally registered, the scope of business of the Company includes commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management and fund sale.

Upon approval, the Company can engage in other businesses as regulated by the China Securities Regulatory Commission (the "CSRC"). The Company must obtain approval from the CSRC in respect of the change in the scope of business, and shall complete the relevant procedures with the company registration authorities according to legal procedures.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 13 There must be ordinary shares in the Company at all times. Subject to approval of the corporate approval authority authorized by the State Council, the Company may create other classes of shares according to its requirements.

Shareholders of different classes of the Company shall enjoy the same rights in any distribution in the form of dividends or any other form.

Article 14 The shares of the Company shall be represented by certificates of share. The shares issued by the Company shall have a par value of RMB1 each.

Article 15 The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other.

Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

Article 16 Subject to approval of the competent securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

In the preceding paragraph, the foreign investors mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company, and domestic investors mean those investors within the territory of the PRC excluding the regions mentioned above who subscribe for shares issued by the Company.

Article 17 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares. Both holders of domestic shares and holders of overseas listed foreign shares are holders of ordinary shares who have same obligations and rights.

Foreign currency referred to in the preceding paragraph means a freely convertible legal currency of other countries or regions (other than Renminbi) which is recognized by the competent foreign exchange administration authority of the State and can be used for payment of the Company's shares.

H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi, and which are subscribed for and traded in Hong Kong dollars.

Subject to approval of the securities regulatory authority of the State Council and Hong Kong Stock Exchange, holders of domestic shares of the Company may transfer their shares to foreign investors and such transferred shares may be listed or traded on an overseas stock exchange. To list or trade the transferred shares on an overseas stock exchange shall also be subject to the regulatory procedures, rules and requirements of the overseas stock market. There shall be no need to convene a class meeting of shareholders for voting on the listing or trading of the transferred shares on an overseas stock exchange.

Article 18 Upon approval of the corporate approval authority authorized by the State Council, the Company had a total of 680,000,000 issued shares before the initial public offering of H shares, representing 100% of the total number of issued ordinary shares of the Company, which were subscribed for and held by the promoters, among which:

Promoter	Number of shares (share)	Percentage of shareholding
Jiangsu SOHO Holdings Group Co., Ltd.	292,992,674	43.09%
Jiangsu Holly Corporation	147,900,000	21.75%
Jiangsu Holly Su Industrial Co., Ltd.	143,548,000	21.11%
Jiangsu High Hope International Group Co., Ltd.	68,000,000	10.00%
Jiangsu Hongrui Venture Capital Co., Ltd.	9,469,895	1.39%
Shanghai Mingda Industrial (Group) Company Limited	9,276,631	1.36%
Jiangsu Holly International Logistics Corporation	8,812,800	1.30%
Total	<u>680,000,000</u>	<u>100.00%</u>

Article 19 Upon establishment, subject to approval of the securities regulatory authority of the State Council and Hong Kong Stock Exchange, the Company may issue no more than 261,050,000 ordinary shares (including 34,050,000 shares issued pursuant to exercise of the over-allotment option). All of such ordinary shares shall be H shares. The final offering size shall be adjusted by the Company in light of the capital market condition and its financing target. The state-owned shareholders of the Company will transfer to the National Council for Social Security Fund no more than 22,700,000 state-owned shares (expected to be no more than 26,105,000 shares if the over-allotment option representing 15% of the total number of new shares to be issued is exercised in full) in accordance with the regulations on reduction of the state-owned shares, upon issuance of overseas listed foreign shares.

The share capital of the Company comprises 907,000,000 ordinary shares, including 657,300,000 domestic shares and 249,700,000 overseas listed foreign shares.

Article 20 Upon approval by the competent securities regulatory authority of the State Council of the proposal for issue of domestic shares and overseas listed foreign shares of the Company, the Board of the Company may arrange implement of separate issue.

The separate issue of the domestic shares and overseas listed foreign shares by the Company pursuant to the preceding paragraph shall be completed within fifteen months from the date of approval by the Securities Commission of the State Council.

Article 21 Where the total number of shares stated in the proposal for the issuance of shares includes overseas listed foreign shares and domestic shares, such shares shall be fully subscribed for at their respective offerings. If the shares are not fully subscribed for at their respective offerings due to exceptional circumstances, these shares may be issued in separate tranches subject to approval of the Securities Commission of the State Council.

Article 22 The registered capital of the Company is RMB907 million.

Article 23 The Company may, based on its operation and development requirements, increase its capital pursuant to the Articles of Association.

The Company may increase its capital through the following means:

- 1) offering new shares to non-specially-designated investors for subscription;
- 2) issuing new shares to existing shareholders;
- 3) issuing bonus shares to existing shareholders;
- 4) any other means permitted by laws and administrative regulations.

Once the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof shall be carried out in accordance with the procedures set out in the relevant laws and administrative regulations of the PRC.

Article 24 Unless otherwise stipulated in laws, administrative regulations or the Hong Kong Listing Rules, shares of the Company may be freely transferred and shall be free from all liens. The transfer of overseas listed foreign shares listed in Hong Kong shall be registered with a share registrar in Hong Kong appointed by the Company.

Article 25 The Company shall not accept any shares of the Company as the subject of a pledge.

Article 26 Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. Shares issued prior to the public offering of the Company shall not be transferred within one year from the date on which the shares of the Company were listed on the stock exchange(s).

The directors, supervisors and senior management of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% of the total number of shares held by them in any year during their terms of office. The shares held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months from the termination of their service.

In case of any conflict between this article and the requirements under the Hong Kong Listing Rules on the restrictions on transfer of shares, the latter shall prevail.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 27 Pursuant to the provisions of the Articles of Association, the Company may reduce its registered capital. The Company shall reduce its registered capital in compliance with the procedures as required by the Company Law and other relevant laws, regulations and these Articles of Association.

Article 28 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the resolution on reduction in registered capital and shall publish an announcement in a newspaper at least three times within 30 days from the date of such resolution. A creditor shall have the right, within 30 days upon receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days of the date of the first announcement, to require the Company to repay its debt or to provide corresponding guarantee for such debt.

The registered capital of the Company following the reduction in capital shall not fall below the minimum statutory requirement.

Article 29 The Company may, in accordance with the requirements under laws, regulations and these Articles of Association, repurchase its shares under the following circumstances:

- 1) cancelling its shares for the purpose of reducing its registered capital;
- 2) merging with another company which holds the shares of the Company;
- 3) granting shares as incentive to the staff of the Company;
- 4) acquiring the shares of shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company and request the Company to acquire their shares; and
- 5) other circumstances permitted by laws and administrative regulations. Other than the above-mentioned circumstances, the Company shall not engage in any activities for the purchase or sale of its shares.

Any repurchase of shares by the Company for the purpose of clauses (1) to (3) shall be approved at a shareholders' general meeting. In the event that the Company has acquired its shares under the circumstance set out in clause (1), such shares shall be cancelled within 10 days from the date of repurchase, and for circumstances set out in clauses (2) and (4), such shares shall be transferred or cancelled within six months from the date of repurchase.

Where the Company has repurchased its shares pursuant to clause (3), shares so repurchased shall not exceed 5% of the total issued shares of the Company. The repurchase shall be funded by the profit after tax of the Company, and the shares so repurchased shall be transferred to employees within one year.

Article 30 The Company may, upon approval of the relevant competent authorities of the PRC, repurchase its shares in one of the following ways:

- 1) making a pro rata general offer of repurchase to all its shareholders;
- 2) repurchasing shares through public trading on a stock exchange;
- 3) repurchasing by an off-market agreement; or
- 4) other ways as permitted by laws, regulations, rules, regulatory documents and the relevant competent authorities.

Article 31 The Company shall obtain prior approval of the shareholders at a shareholders' general meeting in accordance with the provisions of the Articles of Association before it repurchases its shares by means of an off-market agreement. The Company may, by obtaining prior approval of the shareholders at a shareholders' general meeting in the same manner, discharge or vary a contract which has been entered into in the aforesaid manner, or waive its rights thereunder.

A contract for repurchase of shares referred to in the preceding paragraph includes (but not limited to) an agreement to consent to assuming the obligation to repurchase shares or an agreement to acquire the right to repurchase shares.

The Company shall not assign a contract for repurchase of its shares or any right stipulated therein.

So far as the Company's right to repurchase redeemable shares is concerned:

- 1) if the redeemable shares are not repurchased through the market or by tender, the prices shall not exceed a maximum price;
- 2) if the repurchase is made by tender, such tender shall be made available to all shareholders under the same terms.

Article 32 Shares shall be cancelled after the repurchase within a period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change in its registered capital.

The Company's registered capital shall be deducted an amount equal to the aggregate par value of those cancelled shares.

Article 33 Except where the Company is in the course of liquidation, it must comply with the following provisions in repurchasing its shares in issue:

- 1) Where the Company repurchases its shares at par value, payment shall be deducted from the distributable profits of the Company or the raised funds of a new issue of shares made for that purpose;

- 2) Where the Company repurchases its shares at a premium, payment shall be deducted from the distributable profits of the Company or the raised funds of a new issue of shares made for that purpose. Payment of the portion in excess of their par value shall be effected as follows:
 1. if the shares being repurchased were issued at par value, payment shall be made out of the distributable profits of the Company;
 2. if the shares being repurchased were issued at a premium, payment shall be made out of the distributable profits of the Company or the raised funds of a new issue of shares made for that purpose, provided that the amount paid out of the raised funds of the new issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased or the current balance of the Company's premium account (or capital reserve account) (including the premiums from the new issue);
- 3) Payments made by the Company in consideration for the following shall be made out of the Company's distributable profits:
 1. the acquisition of rights to repurchase its shares;
 2. the variation of any contract to repurchase its shares;
 3. the release of any obligation under any contract to repurchase its shares;
- 4) To the extent that shares are repurchased out of an amount deducted from the distributable profits of the Company, the amount of the Company's registered capital reduced under the relevant requirements shall be transferred to the Company's premium account (or capital reserve account).

CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES OF THE COMPANY

Article 34 The Company and its subsidiaries (including the Company's affiliates) shall not, by any means including gifts, advanced payment, guarantees, compensation or loan at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of the Company.

The Company and its subsidiaries (including the Company's affiliates) shall not, by any other means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 36 of these Articles of Association.

Article 35 The financial assistance referred to in this Chapter includes (but not limited to) the following means:

- 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), or compensation (other than compensation in respect of the Company's own default) or release or waive of any rights;
- 3) provision of loan or entering into of any other 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 arising under, such loan or agreement;
- 4) any other form of financial assistance 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.

The expression "assumption of obligations" referred to in this Chapter includes 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 whether such obligations are to be assumed by the obligor solely or jointly with other persons), or by any other means which results in a change in the obligor's financial position.

Article 36 The following activities shall not be deemed to be activities as prohibited in Article 34 of this Chapter:

- 1) the provision of financial assistance by the Company in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of an overall plan of the Company;
- 2) the lawful distribution of the Company's assets by way of dividend;
- 3) the allotment of bonus shares as dividends;

- 4) a reduction in registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with these Articles of Association;
- 5) the lending of money by the Company within its scope of business and in the ordinary course of its 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 assistance is provided out of the distributable profits of the Company);
- 6) the provision of money by the Company for employee share schemes (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 assistance is provided out of the distributable profits of the Company).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 37 The share certificates of the Company shall be in registered form.

In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

Article 38 The share certificates shall be signed by the Chairman. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such senior management. The share certificates shall take effect after affixing, or affixing by way of printing, of the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman or other relevant senior management of the Company on the share certificates may also be in printed form.

Where the share certificates of the Company are issued and traded in a paperless form, it shall comply with regulations otherwise stipulated by the securities regulatory authority or stock exchange of the place where the Company's shares are listed.

Article 39 The Company shall keep a register of shareholders according to the certificate provided by the securities registration authority, which shall contain the following particulars:

- 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-up or payable in respect of shares held by each shareholder;
- 4) the serial numbers of the shares held by each shareholder;
- 5) the date on which any shareholder registers as a shareholder;
- 6) the date on which any shareholder ceases to be a shareholder. The register of shareholders shall be sufficient evidence substantiating the shareholders' shareholding in the Company, except where there is evidence to the contrary.

Article 40 The Company may, in accordance with the understanding and agreements made between the competent securities authorities of the State Council and overseas securities regulatory authorities, maintain its original register of holders of overseas listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed foreign shares listed in the Hong Kong Stock Exchange shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at its domicile. The appointed overseas agent(s) shall ensure the consistency between the original register and the duplicate register of holders of overseas listed foreign shares at all times.

In case of any inconsistency between the original register and the duplicate register of holders of overseas listed foreign shares, the original register shall prevail.

Article 41 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following:

- 1) the register of shareholders maintained at the Company's domicile, other than those parts as described in clauses (2) and (3) of this paragraph;
- 2) the register of holders of overseas listed foreign shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located; and
- 3) the register of shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 42 Different parts of the register of shareholders shall not overlap with one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of shareholders is maintained.

Article 43 Any paid up overseas listed foreign shares listed on the Hong Kong Stock Exchange are free to be transferred pursuant to the Articles of Association, provided that the Board may refuse to recognize any instrument of transfer without assigning any reason unless the following conditions are satisfied:

- 1) the document of transfer and other documents relating to or which may affect the ownership of any shares shall be registered, and the payment of fees stipulated by the Hong Kong Listing Rules shall be made to the Company in relation to such registration;
- 2) the instrument of transfer only relates to the overseas listed foreign shares listed in Hong Kong;
- 3) the stamp duty on the instrument of transfer payable according to laws has been paid;
- 4) the relevant share certificates and the evidences reasonably required by the Board showing that the transferor has the right to transfer such shares have been provided;
- 5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four, and all the joint holders of any share shall assume joint liability to pay for all amounts payable for such share;
- 6) the relevant shares shall be free from any company's liens; and
- 7) no transfer of share shall be made to a minor or to a person of unsound mind or a legally incapable person. If the Company refuses to register any transfer of shares, it shall provide the transferor and the transferee of the shares with a notification of refusal in relation to the registration of such transfer within 2 months from the date of filing a formal application for such transfer.

All transfers of overseas listed foreign shares shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer form or form of transfer as stipulated by the Hong Kong Stock Exchange from time to time). The instruments of transfer may be signed by hand without being affixed with a seal. Where the transferor or transferee of the shares of the Company is a recognized clearing house ("Recognized Clearing House") as defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or its nominee, the instruments of transfer may be signed by hand or in a machine-printed format.

Article 44 No registration of changes as a result of share transfers may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.

Article 45 Where the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate or carry out other activities which would require the determination of shareholdings, the Board or the convener of the shareholders' general meeting shall fix a record date for the registration of the shareholdings, and shareholders whose name appear on the register of shareholders at the close of business of the record date shall be shareholders of the Company.

Article 46 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register of shareholders.

Article 47 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (the "original certificates") are lost, apply to the Company for a replacement of share certificates in respect of such shares (the "relevant shares").

If a holder of the domestic shares has his share certificate lost and applies for a replacement, it shall be dealt with in accordance with the provisions of the Company Law and relevant laws and regulations.

If a holder of overseas listed foreign shares has his share certificate lost and applies for a replacement, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed foreign shares is maintained.

Where a holder of the Company's overseas listed foreign shares listed in the Hong Kong has his share certificates lost, the issue of the replacement certificate to the holder of such shares shall comply with the following requirements:

- 1) the applicant shall submit an application to the Company in prescribed standard form accompanied by a notarial act or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.
- 2) no statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement certificate.

- 3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; the announcement shall be made at least once every 30 days in a period of 90 days.
- 4) prior to the publication of its announcement of intention to issue a replacement certificate, the Company shall deliver to the stock exchange where the Company is listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of such stock exchange. The announcement shall be exhibited at the premises of such stock exchange for a period of 90 days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.

- 5) if, upon expiration of the 90 period referred to in sub-paragraphs (3) and (4) of this article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application.
- 6) where the Company issues a replacement certificate under this article, it shall forthwith cancel the original certificate and enter the cancellation and issuance in the register of shareholders accordingly.
- 7) all expenses relating to the cancellation of an original certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 48 Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 49 The Company shall not be liable for any damages sustained by any person for reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

CHAPTER 7 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Article 50 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he/she/it holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Article 51 Holders of the ordinary shares of the Company shall have the following rights:

- 1) the right to receive dividends and other forms of benefit distributions in proportion to their shareholdings;
- 2) the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting right thereat;
- 3) the right to supervise and manage the Company's business operations, put forward proposals and raise inquiries;
- 4) the right to transfer, grant or pledge the shares held in accordance with laws, administrative regulations and provisions of the Articles of Association;
- 5) the right to access relevant information in accordance with the provisions of the Articles of Association, including:
 1. a copy of the Articles of Association upon payment of the costs thereof;
 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (i) the register of all shareholders;
 - (ii) the personal particulars of the directors, supervisors and senior management of the Company, including:
 - (A) the present and former name and alias;
 - (B) the principal address (place of residence);
 - (C) the nationality;
 - (D) the full-time job and all other part-time jobs and duties;
 - (E) the identification documents and the numbers thereof.

- (iii) the state of the share capital of the Company;
- (iv) the reports stating the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;
- (v) the minutes of shareholders' general meetings;
- (vi) the resolutions made at the meetings of the Board;
- (vii) the resolutions made at the meetings of the supervisory Committee;
- (viii) the copy of corporate bonds and financial accounting report.

The Company shall place the documents referred to in items (i) to (vii) mentioned above (other than item (ii)) in accordance with the requirements of the Hong Kong Listing Rules at the Company's address in Hong Kong for inspection by the public and shareholders of overseas-listed foreign shares free of charge, of which item (v) may be inspected by shareholders only.

- 6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company according to the number of shares held;
- 7) for shareholders who object to the resolutions on a merger or a demerger of the Company made at a shareholders' general meeting, the right to require the Company to purchase their shares;
- 8) other rights conferred by laws, administrative regulations and the Articles of Association.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attached to any share by reason only that a person who is interested directly or indirectly therein has failed to disclose his interests to the Company.

Article 52 Where a shareholder request to inspect or obtain a copy of the relevant information set out in the preceding article, he shall provide the Company with written documents evidencing the class and number of shares he holds in the Company, and the Company shall provide the information as requested upon verification of the identify of such shareholder.

Article 53 The holders of the ordinary shares of the Company shall assume the following obligations:

- 1) to abide by the laws, administrative regulations and Articles of Association;
- 2) to pay subscription monies according to the number of shares subscribed for and the method of subscription;
- 3) not to divest the shares unless provided by laws and regulations;

- 4) not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the position of the Company as an independent legal person and the limited liabilities of shareholders to prejudice the interests of the creditors of the Company;

shareholders of the Company who abuse their rights as shareholders and thereby cause losses to the Company or other shareholders shall be liable for compensation according to the law.

where shareholders of the Company abuse the Company's position as an independent legal person and the limited liabilities of shareholders for evading repayment of debts, and thereby materially prejudicing the interests of the creditors of the Company, they shall be jointly and severally liable for the debts of the Company.

- 5) other obligations liable as stipulated by laws, administrative regulations and the Articles of Association.

Shareholders shall not be liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.

Article 54 In addition to the obligations required by laws, administrative regulations or the listing rules of stock exchange on which the shares of the Company are listed, in exercising his rights as a shareholder, a controlling shareholder shall not make any decisions on the following matters, as a result of the exercise of his voting rights, in a manner prejudicial to the interests of all or some of the shareholders of the Company:

- 1) to release a director or a supervisor of his duty in good faith and in the best interests of the Company;
- 2) to approve a director or a supervisor (for his own account or for the account of other parties) to deprive the Company of its property in any manner, including but not limited to any opportunity favorable to the Company;
- 3) to approve a director or a supervisor (for his own account or for the account of other parties) to deprive another shareholder of his personal interests, including but not limited to any rights to distribution and voting rights, but excluding any restructuring of the Company submitted to a shareholders' general meeting for approval in accordance with the Articles of Association.

Article 55 The controlling shareholder referred to in the preceding Article means a person who satisfies any one of the following conditions:

- 1) any person acting on his own or in concert with other parties has the power to elect not less than half of the directors;
- 2) any person acting on his own or in concert with other parties has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;
- 3) any person acting on his own or in concert with other parties holds 30% or more of the outstanding shares of the Company;
- 4) any person acting on his own or in concert with other parties has actual control over the Company in any other manner.

The term “de facto controller” referred to in this Article represents a person who, although not a shareholder of the Company, can actually control the acts of the Company through investment relations, agreements or other arrangements.

Article 56 In the event of any of the following circumstances, The Company shall promptly notify all Shareholders in writing or make an announcement, and report to the local office of the CSRC at its domicile:

- 1) the Company, or its directors, supervisors or senior management are put on file for investigation or subject to compulsory measures by competent authorities due to alleged violations of laws and regulations;
- 2) the Company, or its directors, supervisors or senior management have been subject to administrative or criminal penalties due to violations of laws and regulations;
- 3) the risk regulatory indicators of the Company fail to meet the prescribed requirements;
- 4) customers of the Company experience huge overdrafts or blow up their positions, which may affect operation of the Company as a going concern;
- 5) the Company is in any emergency that has materially and adversely affected, or may materially and adversely affect, the interests of the Company or its customers; and
- 6) other circumstances as may affect the operations of the Company as a going concern.

The Company and its subsidiaries are subject to the regulatory measures and administrative penalties made by CSRC and its local branch offices according to the article 56(2) and (4) or article 57 the of Administrative Regulations on Futures Trading (《期貨交易管理條例》), the Company shall give a written notice to all Shareholders or make an announcement.

Article 57 Approval of the CSRC shall be obtained for change of shareholdings in the Company in any of the circumstances below:

- 1) change of controlling shareholder or the largest shareholder;
- 2) shareholding of a single shareholder or the aggregate shareholding of affiliated shareholders amounts to 100%;
- 3) shareholding of a single shareholder or the aggregate shareholding of affiliated shareholders amounts to over 5% and foreign shareholders are involved.

Besides above regulations, the approval of the branch office of CSRC at the domicile of the Company is required where the shareholding by single shareholder or affiliated shareholders of the Company amounts to over 5%.

Without the approval of CSRC or its detached office, if any individuals or entities or affiliated persons hold shareholding of the Company amounts to over 5% without authorization or become the shareholders of the Company by providing false application materials and so forth, CSRC or its local branch can order them to transfer the shareholdings within the limited period. The shareholding excludes voting power and dividend right before being transferred.

Article 58 If Shareholders holding 5% or more equity or de facto controllers of the Company shall notify the Company within three working days in any of the following circumstances:

- 1) shares of the Company they hold have been frozen, sealed up or under enforcement measures;
- 2) shares of the Company they hold are pledged;
- 3) they decide to transfer Shares of the Company they hold;
- 4) shareholders are unable to properly exercise the rights or assume the obligations thereof as Shareholders, which may cause significant deficiencies in the governance of the Company;
- 5) they are under investigation or being subject to compulsory measures taken by competent authorities for alleged grave violations of laws and regulations;
- 6) they receive administrative or criminal penalty due to serious violations of laws and regulations;
- 7) names are changed;
- 8) they are involved in merger, division or major asset or debt restructuring;
- 9) they are subject to regulatory measures including suspension of operation for recertification, cancellation, takeover or custody, or enter into dissolution, bankruptcy or closure procedure;
- 10) they are involved in other circumstances that may affect equity changes of the Company or operation of the Company as a going concern.

Shareholders holding 5% or more equity of the Company fall under any of the circumstances prescribed in the preceding paragraph, the Company shall report the relevant information to the local office of the CSRC at its domicile within three working days upon receipt of the notice given by the said Shareholders.

De facto controllers of the Company fall under any of the circumstances listed in items 5 to 9 of the preceding paragraph, the Company shall report the relevant information to the local office of the CSRC at its domicile within three working days upon receipt of the notice given by the de facto controllers.

Article 59 The Controlling Shareholders, de facto controllers and other affiliated parties of the Company shall not abuse their rights, shall not occupy the assets of the Company or misappropriate the assets of its customers, and shall not prejudice the legitimate rights and interests of the Company and its customers. The Controlling Shareholders, de facto controllers, directors, supervisors or senior management of the Company shall not use the connected relations to damage the interests of the Company.

Otherwise, they shall make compensation for the loss incurred to the Company.

CHAPTER 8 SHAREHOLDERS' GENERAL MEETINGS

Article 60 The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 61 The shareholders' general meeting shall exercise the following functions and powers:

- 1) to decide the Company's operational guidelines and investment schemes;
- 2) to elect and remove directors not being staff representatives and to determine matters relating to the directors' remunerations;
- 3) to elect and remove supervisors not being shareholders' representatives and to determine matters relating to the supervisors' remunerations;
- 4) to consider and approve the reports of the Board;
- 5) to consider and approve the reports of the supervisory Committee;
- 6) to consider and approve the Company's annual financial budgets and final accounts;
- 7) to consider and approve the Company's profit distribution plan and plan for making up losses;
- 8) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares;
- 9) to resolve on matters such as merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- 10) to resolve on the issue of debentures by the Company;
- 11) to resolve on the appointment, dismissal or non-reappointment of the accounting firms;
- 12) to amend the Articles of Association;
- 13) to consider proposals put forward by any shareholder representing 3% or more of the Company's shares with voting rights;
- 14) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's audited net assets in the latest period;
- 15) to consider and approve long-term material investment, acquisition or disposal asset, asset change, related transactions or pledged loans of the Company to be approved by shareholders' general meeting;
- 16) to consider related transactions to be resolved by shareholders' general meeting as required by listing rules of the place where the Company's shares are listed;

- 17) to consider and approve matters relating to change of the use of raised funds;
- 18) to consider share incentive plans;
- 19) to consider any other matters to be resolved by shareholders' general meeting as required by the laws, administrative regulations, departmental rules and the Articles of Association.

Article 62 The Company shall not enter into any contract with any party other than the directors, supervisors, general manager and other senior management without the prior approval of the shareholders' general meeting, pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company's business.

Article 63 The Company shall not provide financing for Shareholders, de facto controllers or any other affiliate, and shall not provide any external guarantees.

Article 64 A shareholders' general meeting shall either be an annual general meeting or an extraordinary general meeting. The shareholders' general meetings shall be convened by the Board. Annual general meetings shall be held once every year and within six months from the close of the preceding financial year.

An extraordinary general meeting shall be convened within two months of the occurrence of any one of the following circumstances:

- 1) the number of directors is less than the number stipulated in the Company Law or two thirds of the number required in the Articles of Association;
- 2) when the losses of the Company not made up for amount to one-third of the total amount of its share capital;
- 3) where any shareholder individually or jointly holding 10% or more of the Company's issued shares carrying voting rights requests in writing the convening of an extraordinary general meeting;
- 4) when considered necessary by the Board;
- 5) when requested by the supervisory Committee;
- 6) when requested by more than 1/2 independent directors;
- 7) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Article 65 Where the Company convenes a general meeting, a written notice shall be given 45 days prior to the date of the meeting to notify all the Shareholders in the Shareholders' register of the issues to be considered at the meeting, and the date and venue of the meeting. Any Shareholder who intends to attend the meeting shall deliver to the Company a written reply stating his or her intention to attend 20 days prior to the meeting.

When calculating the starting date, the date of the meeting shall be excluded.

Article 66 Where the Company convenes a general meeting, the Board, the supervisory Committee and Shareholder(s) severally or jointly holding 3% or more Shares are entitled to submit written new proposals to the Company. Matters mentioned in proposals which are within the scope of the powers of the general meeting shall be included in the meeting agenda.

Shareholder(s) severally or jointly holding more than 3.0% Shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other Shareholders within two days after receipt of a proposal, and announce the contents of provisional proposals.

Article 67 The Company shall, based on the written replies received twenty days before the date of convening the shareholders' general meeting, calculate the number of shares with voting right represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may convene the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders again by way of an announcement of the matters to be considered at, and the date and place for, the meeting. After giving notice by announcement, the Company may convene the meeting.

An extraordinary general meeting shall not make decisions on matters not stated in the notice of meeting.

Article 68 The notice of a shareholders' meeting shall:

- 1) be in writing;
- 2) specify the place, date and time of the meeting;
- 3) state the matters to be considered at the meeting;
- 4) set out the record date for shareholders who are entitled to attend the shareholders' general meeting;
- 5) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained;
- 6) disclose the nature and extent of the material interest, if any, of any director, supervisor, general manager and senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or senior management officer as a shareholder and the way in which such matter would affect other shareholders of the same class;
- 7) set out the full text of any special resolution proposed to be passed at the meeting;

- 8) contain an express statement that a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder;
- 9) specify the time and place for lodging proxy forms for the meeting;
- 10) the name and telephone number of the standing contact person for meeting affairs.

Article 69 The notice of a shareholders' general meeting shall be sent to the shareholders (whether or not entitled to vote at the shareholders' general meeting) by hand or prepaid mail to the address of the recipients as shown in the register of shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may be given by way of an announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities authorities of the State Council within the interval between forty-five days and fifty days before the date of convening the meeting; after the publication of the announcement, all holders of domestic shares shall be taken to have received notice of the relevant shareholders' meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 70 Any shareholder who is entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- 1) such shareholder's right to speak at the meeting;
- 2) the right to demand a poll alone or jointly with others;
- 3) unless otherwise required by applicable securities listing rules or other securities laws and regulations, the right to vote by a show of hands or by poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by poll.

Article 71 The instrument appointing a proxy must be made in writing and signed under the hand of the appointer or his attorney duly authorized in writing. If the appointer is a legal person, the instrument shall be made under its corporate seal or signed under the hand of its director or attorney duly authorized. The power of attorney shall state the number of shares represented by the said proxy; in the case where more than one proxy is appointed, the instrument shall state the number of shares respectively represented by each proxy of the shareholder.

Article 72 The proxy form shall be deposited at the domicile of the Company or any other place specified in the notice for convening the meeting not less than twenty-four hours prior to the convening of the meeting or twenty-four hours prior to the time appointed for voting. Where the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The power of attorney or other authorization instruments so notarized, together with the proxy form, shall be deposited at the domicile of the Company or such other place as specified in the notice for convening the meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by resolution of the board of directors or other decision-making organs may attend the shareholders' meeting of the Company as a representative of the appointer.

Where the shareholder is a recognized clearing house (or its proxy), the shareholder may authorize one or more persons it considers appropriate as its representative(s) at any shareholders' general meeting or any category shareholders meeting; however, if more than one person are authorized, the power of attorney shall contain the number and class of shares for which such persons are authorized, and shall be signed by an authorized personnel of the recognized clearing house. The person(s) so authorized can represent the recognized clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarized power of attorney and/or further evidence to prove that he/she/they have been duly authorized.

Article 73 Any proxy form issued to a shareholder by the Board of the Company for appointing a proxy of shareholder shall allow the shareholder to freely instruct the proxy to cast vote in favor of or against, and to give separate instructions for each matter to be resolved at the meeting. Such proxy form shall state whether the proxy may vote as he thinks fit in the absence of instructions from the shareholder.

Proxies should, when attending the general meeting on behalf of the shareholders, present their identification proof and the power of attorney signed by the appointer or a legal representative of the appointer or a duly appointed agent. The power of attorney should specify the date of issuance.

If a corporate shareholder (other than the recognized clearing house or its nominees) delegates its legal representative to attend the meeting, the Company shall have the right to request such legal representative to provide a proof of his/her identity and a valid proof of his/her legal representative qualification.

Article 74 Where the appointer has deceased, become incapacitated, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 75 Resolutions of shareholders' general meetings shall be classified as ordinary resolutions and special resolutions.

To adopt an ordinary resolution, a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

To adopt a special resolution, not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

Article 76 The Company has no voting right for the Shares it holds, and such part of Shares shall be excluded from the total number of voting Shares represented by the Shareholders attending the general meeting. Shareholders (including proxies thereof) shall exercise their voting rights as per the voting Shares they represent. Each Share carries the right to one vote.

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 77 Resolutions submitted to a shareholders' general meeting shall be voted by poll, but subject to the requirements of the Hong Kong Listing Rules, the chairman of the meeting may in good faith allow resolutions purely related to procedural or administrative matters to be voted on by a show of hands.

Article 78 A poll shall be taken at such time and place as specified, not being later than 30 days from the date of the meeting or adjourned meeting at which a vote will be taken on a poll in such manner (including the use of ballot or voting papers or tickets) as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.

Where a resolution is voted by a show of hands as permitted under the Listing Rules, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

Article 79 A poll demanded on the election of the chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters. The results of the poll shall still be taken as a resolution adopted at that meeting.

Article 80 When voting by poll, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 81 In the case of an equality of votes, whether by a show of hands or by poll, the chairman of the meeting shall have a casting vote.

Article 82 The following matters shall be resolved by ordinary resolution at a shareholders' general meeting:

- 1) work reports of the Board and the supervisory Committee;
- 2) plans for profit distribution and for making up losses prepared by the Board;
- 3) appointment or removal of directors and supervisors not being staff representatives, and their remuneration and manner of payment thereof;
- 4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- 5) the Company's annual report;
- 6) matters other than those required by the laws, administrative regulations, Hong Kong Listing Rules or the Articles of Association to be approved by special resolution.

Article 83 The following matters shall be resolved by special resolution at a shareholders' general meeting:

- 1) increase or reduction of the Company's share capital, repurchase of the Company's shares and issue of shares of any class, warrants and other similar securities;
- 2) issue of debentures of the Company;
- 3) demerger, merger, dissolution, liquidation and change of corporate form of the Company;
- 4) amendment to the Articles of Association;
- 5) purchases or sales of material assets of the Company in excess of 30 percent of the net assets of the Company within a year;
- 6) share incentive plans;
- 7) any other matters stipulated by the laws, administrative regulations, the listing rules of Hong Kong Listing Rules or the Articles of Association or determined by an ordinary resolution at a shareholders' general meeting as having a material impact on the Company and requiring to be resolved by special resolution.

Article 84 The following procedures shall be followed by shareholders or the supervisory Committee when requesting for convening of extraordinary general meetings or class meetings:

- 1) Shareholders who individually hold 10% or more of the shares carrying the right to vote in the meeting are entitled to propose to convene an extraordinary general meeting or a class meeting to the Board in writing. Two or more shareholders holding a total of 10% or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).
- 2) If the Board fails to issue a notice of such a meeting within 30 days after having received the above-mentioned written notice, the shareholders who made such request may convene the meeting by themselves within four (4) months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which general meetings are to be convened by the Board.

All reasonable expenses incurred in convening and holding the meeting by shareholders due to the failure of the Board to hold such meeting in response to the aforesaid request shall be borne by the Company and shall be deducted from the amounts due by the Company to the defaulting director(s).

Article 85 A general meeting shall be convened by the Board, and presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, the Board may designate a director to convene and take the chair of the meeting in his stead. If no chairman of the meeting has been designated, shareholders present shall choose one (1) person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

If a general meeting is convened by the supervisory Committee, the chairman of the supervisory Committee shall preside over the meeting. If the chairman of the supervisory Committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.

Article 86 Minutes of general meetings shall be taken by the secretary to the Board and include the following information:

- 1) time, place and agenda of meeting, and the name of the convener;
- 2) names of the chairman of the meeting, the directors, supervisors, chief risk officer, general manager and other senior management attending or present at the meeting;
- 3) number of shareholders and proxies attending the meeting, total number of the shares carrying voting rights held by them, and the percentage of shares carrying voting rights held by them in relation to the total number of shares of the Company;
- 4) process of consideration, key points of the speech and voting results for each proposal;
- 5) shareholders' explanations; enquiries or recommendations and corresponding answers or explanations;
- 6) names of the lawyer, the vote counter and the scrutineer;
- 7) other matters which shall be recorded in the meeting minutes pursuant to these Articles of Association.

The directors, supervisors, the secretary to the Board, the convener of the meeting or his representative and the chairman of the meeting attending the meeting shall sign on the meeting minutes. The meeting minutes should be maintained together with the signature book of attending shareholders and letters of attorney of their proxies and information on voting via internet and other means for a period of ten years.

Article 87 The list of candidates for directors and supervisors shall be submitted to shareholders' general meetings for voting by way of a motion.

When a voting is made on the election of directors or supervisors at a shareholders' general meeting, the cumulative voting system may be adopted in accordance with the provisions of these Articles of Association or the resolutions of the shareholders' general meeting.

The "cumulative voting system" as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of directors or supervisors to be elected, and the voting right held by the shareholders may be used collectively when the directors or supervisors are elected at the shareholders' general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.

Save and except for the cumulative voting system, the shareholders' general meeting shall vote on all motions item by item, and shall vote on the motions in time sequence when various proposals are put forward for a single matter.

Article 88 If the chairman of the meeting has any doubts about the voting result of a resolution, he may count the number of votes cast. If the chairman of the meeting fails to count the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately count the votes.

Article 89 If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes.

The minutes together with the attendance register of the attending shareholders and the proxy forms shall be kept at the domicile of the Company.

Article 90 Copies of the minutes shall, during the business hours of the Company, be open for inspection by any shareholder free of charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy within seven days following the receipt of a reasonable charge.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 91 Shareholders holding different classes of shares shall be referred to as class shareholders. A holder of class shares shall, in accordance with laws, administrative regulations and the Articles of Association, enjoy rights and assume obligations. Where the share capital of the Company includes shares which do not carry voting rights, the designation of such shares shall bear the wording “non-voting”.

Where the share capital of the Company includes shares with different voting rights, the designation of each class of shares (except shares with the most privileged voting rights) shall bear the wording “restricted voting” or “limited voting”.

Article 92 Rights conferred to class shareholders may not be varied or abrogated unless approved by way of special resolution at a shareholders’ general meeting and by the affected class shareholders at a separate shareholders’ meeting convened in accordance with Articles 94 to 98.

Article 93 The following circumstances shall be taken to be a variation or abrogation of the rights of shareholders of a particular class:

- 1) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having a voting right or a right to dividends or other privileges equal or superior to the shares of such class;
- 2) to effect an exchange of all or part of the shares of such class into those of another class or to effect an exchange of or grant a right of exchange of all or part of the shares of another class into those of such class;
- 3) to remove or reduce the rights to acquire accrued dividends or cumulative dividends attached to the shares of such class;
- 4) to reduce or remove the rights with a priority to acquire dividends or property distribution during the liquidation of the Company attached to the shares of such class;
- 5) to add, remove or reduce the conversion, options, voting, transfer or pre-emptive rights or the rights to acquire securities of the Company attached to the shares of such class;
- 6) to remove or reduce the rights to receive payables from the Company in a particular currency attached to the shares of such class;
- 7) to create a new class of shares with voting right, right to dividends or other privileges equal or superior to those of the shares of such class;

- 8) to restrict the transfer of ownership of the shares of such class or to impose additional restrictions thereon;
- 9) to grant the right to subscribe for, or convert into, the shares of such or another class;
- 10) to increase the rights or privileges of the shares of another class;
- 11) to cause the holders of different classes of shares to bear a disproportionate burden of obligations during the restructuring scheme of the Company;
- 12) to vary or abrogate any provision of this Chapter.

Article 94 Shareholders of the affected class, whether or not entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning subparagraphs (2) to (8), (11) and (12) of Article 93, but interested shareholder(s) shall not be entitled to vote at class meetings.

“Interested shareholder(s)” as mentioned in the preceding paragraph represents:

- 1) in case of an offer for share repurchase on a pro rata basis to all shareholders or a share buyback through public dealings on a stock exchange in compliance with Article 30 of the Articles of Association, a controlling shareholder within the meaning of Article 55 of the Articles of Association;
- 2) in case of a share buyback by way of an off-market agreement in compliance with Article 30 of the Articles of Association, a shareholder who is involved in the entering into of such agreement; and
- 3) in case of the Company’s reorganization, a shareholder of one class who bears less than a proportionate burden imposed on other shareholders of that class or who has an interest different from those of other shareholders of that class.

Article 95 Resolutions proposed at a class meeting shall be passed by shareholders present at the meeting representing two-thirds or more of the share interests with voting rights according to the preceding Article 94.

Article 96 In the event that the Company convenes a class meeting, a written notice specifying the matters to be considered at, and the date and location for, the meeting shall be issued to the shareholders whose names appear on the register of shareholders of such class forty-five days before the time appointed for holding such meeting. Shareholders who intend to attend the meeting shall serve the written reply to the Company twenty days prior to the date of the meeting.

Where the number of shares carrying the rights to vote at the meeting held by the shareholders intending to attend the meeting reaches half or more of the total number of shares of such class carrying the rights to vote at the meeting, the Company may convene the class meeting based thereon, failing which the Company shall within five days notify the shareholders again, by way of a public announcement, of the matters to be considered at, and the place and date for, the meeting before it raised funds to convene the class meeting.

Article 97 Notice of a class meeting shall be given only to shareholders entitled to vote at the meeting.

A class meeting shall be conducted as similarly in terms of procedure to a shareholders' general meeting as possible. The provisions concerning the procedures of a general meeting set out in the Articles of Associations shall also apply to class meetings.

Article 98 Apart from the holders of other classes of shares, the holders of domestic shares and overseas listed foreign shares shall be taken to be shareholders of different classes.

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

- 1) where the Company issues, upon approval by way of a special resolution at a general meeting, either separately or concurrently once every twelve months, domestic shares and overseas listed foreign shares, to the extent that the number of the shares to be issued does not exceed twenty percent of the total number of the issued shares of their respective class;
- 2) where the Company's plan to issue domestic shares and overseas listed foreign shares upon its incorporation is completed within fifteen months from the date of approval by the Securities Committee of the State Council; or
- 3) where the domestic shares of the Company are transferred by the holder to overseas investors and are subsequently listed and traded on overseas stock exchanges with the approval by the securities regulatory agency of the State Council.

CHAPTER 10 PARTY ORGANIZATION

Article 99 The Company shall establish the Party Committee consisting of one secretary and several other members. Unless approved by higher level party committee, the chairman of the Board and the secretary of the Party Committee shall be assumed by the same person in principle and the Party Committee shall set up a special position of deputy secretary in principle who mainly takes in charge of the work of Party building. Eligible members of the Party Committee may join the Board, the board of supervisors and the management through legal procedures, and eligible Party members in the Board, the board of supervisors and the management may join the Party Committee in accordance with relevant regulations and procedures. The Company shall establish the Discipline Committee in accordance with relevant regulations.

Article 100 The Party Committee of the Company shall perform its duties in accordance with the Constitution of Communist Party of China and regulations of the Party.

- 1) To monitor the implementation of the principles and policies of the Party and of the country within the Company, and to implement material strategic decisions made by the Central Committee of the Party, the State Council and Jiangsu Provincial Committee's provincial government, as well as other important works deployment assigned by the Party committee of the Jiangsu State-owned Assets Supervision and Administration Commission and other Party organizations of higher levels.
- 2) To persist in combining the principle of the Party supervising the performance of officials with the legitimate selection by the Board of the managers and the legitimate use of human resources by the managers. The Party Committee shall consider and provide opinions on the candidates nominated by the Board or the general manager, or recommend nominees to the Board or the general manager; evaluate the proposed candidates in conjunction with the Board, collectively consider and make suggestions.
- 3) To consider and discuss the matters on the reform, development and stability of the Company, major operation and management matters as well as key issues involving the vital interests of employees, and make suggestions.
- 4) To take full responsibility for the strict discipline of the Party. To take the lead on the ideological and political work, united front work, construction of spiritual civilization, construction of enterprise culture and the work of the trade union and the Communist Youth League and other mass groups and organizations. To take the lead on improving Party conduct and upholding integrity and to support the performance by the Discipline Committee of its supervision duties.

CHAPTER 11 BOARD OF DIRECTORS

Section 1 Directors

Article 101 Director of the Company shall meet the following conditions:

- 1) have engaged in futures, securities and other financial business, or in legal, accounting operations for more than 3 years, or in economic management field for more than 5 years;
- 2) have the educational background of graduate of junior college or above.

Article 102 Director shall be elected at general meetings. A director shall serve a term of three years, and may seek reelection upon expiry of the said term.

For written notice of intention to nominate a candidate for the post of director and the candidate's acceptance to be nominated as director, the notice of nomination and acceptance of the nomination by the Company shall be no less than seven (7) days. Such seven (7)-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and no later than seven (7) days prior to the shareholders' general meeting.

The chairman and vice chairman shall be elected and removed by more than one-half of all the directors. The term of office of the chairman and vice-chairman, who shall be entitled to re-election and reappointment, shall be three (3) years.

Subject to the relevant laws and administrative regulations, a director may be removed from office prior to the expiration of his term of office by means of an ordinary resolution at a shareholders' general meeting. (However, any claims which may be lodged according to any contracts shall remain unaffected thereby).

The director need not be the shareholders of the Company.

Section 2 Board

Article 103 The Company shall have a Board comprising of 8 directors, including three independent non-executive directors, among which, at least one of the independent directors must have appropriate professional qualifications or accounting or related financial management expertise. The Company has one chairman.

Article 104 The Board shall be accountable to the general meeting and exercise the following functions and powers:

- 1) to convene general meetings and report to general meetings;
- 2) to execute resolutions of general meetings;
- 3) to resolve on the Company's business plans and investment plans;
- 4) to prepare the annual financial budgets and final accounting plans of the Company;
- 5) to prepare the profit distribution plan and loss makeup plan of the Company;
- 6) to prepare plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds and other securities and listing scheme;
- 7) to formulate plans for material acquisitions, purchase of Shares of the Company, merger, division, dissolution or transformation of the Company;
- 8) to decide on external investment, acquisition and disposal of assets, asset mortgage, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;
- 9) to resolve on the establishment of internal management organizations of the Company;
- 10) to appoint or dismiss the general manager, chief risk officer and secretary of the Board; to decide to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management as nominated by the chairman or the general manager, and to determine their remunerations and disciplinary matters;
- 11) to set up the basic management system of the Company, including transaction margin management system and risk management system;
- 12) to formulate the proposals for any amendment to the Articles of Association;
- 13) to manage the disclosure of the Company's information;

- 14) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting;
- 15) to listen to the work report of the chief risk officer and the general manager of the Company and examine on their work;
- 16) to approve the setting up of branches which is subject to approval from the Board in accordance to rules of regulatory departments;
- 17) to check and approve the Company's any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers under Hong Kong Listing Rules and submit it for Shareholder's approval;
- 18) to check and approve any transactions that shall be disclosed except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers under Hong Kong Listing Rules;
- 19) to approve the connected transactions that are not subject to approval or announcement of the general meeting under Hong Kong Listing Rules;
- 20) to check the connected transactions that shall be approved by the general meeting under Hong Kong Listing Rules;
- 21) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules or these Articles of Association.

The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (6), (7), and (12), in which approval of two thirds of the directors is required.

The Board shall seek opinions from the Party Committee before making decisions on the material issues of the Company.

The Board shall determine the scope of authorization in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, as well as connected transactions. It shall establish strict inspection and decision-making procedures. The Board shall have the rights to approve and make decision on the following matters:

- 1) External investment (including consigned financial management, entrusted loan, trust product, asset management plan, security, bond, fund and other financial asset investment, equity investment, and fixed asset investment etc.): The Board is granted the authorization in respect of standalone external investment of not more than 30% of the latest audited net assets of the Company;
- 2) Acquisition and disposal of assets: The Board is granted the authorization in respect of standalone asset disposal (including acquisition, disposal, transfer, retirement and liquidation) of not more than 30% of the latest audited net assets of the Company;
- 3) Asset mortgage: The Board is granted the authorization in respect of standalone asset mortgage of not more than 30% of the latest audited net assets of the Company;

- 4) Asset written-off: The Board is granted the authorization in respect of asset written-off of not more than RMB10 million;
- 5) Connected transaction: Connected transactions between the Company and its connected persons which satisfied the following standards shall be submitted to the Board for consideration and approval:
 - (1) any contemplated connected transaction between the Company and its connected natural person in an amount more than RMB300 thousand;
 - (2) any contemplated connected transaction between the Company and its connected legal person in an amount more than RMB3 million and accounting for more than 0.5% of the latest audited absolute value of net assets of the Company.

Any contemplated connected transaction between the Company and its connected person in an amount more than RMB30 million and accounting for more than 5% of the latest audited absolute value of net assets of the Company shall be submitted to the general meeting for consideration after such transaction is considered and approved by the Board;

- 6) External donation;
- 7) For other matters which are necessary but did not meet the above criteria, they can be proposed to the Board for consideration.

When conducting the above transactions, the Company shall apply the aforesaid provisions to corresponding transactions under the same category based on the principle of aggregation within a twelve (12) month period. For transactions in which relevant obligations have been performed according to the aforesaid provisions, such transactions shall not be subject to the scope of aggregation. In the event there are other special rules in respect of the aforesaid approval authorization by relevant regulatory authorities or the stock exchange on which the shares of the Company are listed, transactions shall be conducted in accordance with the rules of relevant regulatory authorities or the stock exchange on which the shares of the Company are listed. For other significant matters outside the scope stipulated above, the Board shall conduct review with relevant experts and professionals, and propose such matters at general meeting for approval.

Article 105 The Board shall not, without the prior approval of shareholders at a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the fixed assets proposed for disposal and the value of the fixed assets disposed of within the four months before the proposed disposal exceeds 33% of the value of the Company's fixed assets as stated in the latest balance sheet considered at a general meeting.

The term "disposal of fixed assets" referred to in this Article includes an act involving the transfer of an interest in certain assets, but does not include an act of the provision of guarantees with the fixed assets.

Breach of the first paragraph of this Article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.

Article 106 Chairman of the Company shall meet the following conditions:

- 1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice;
- 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above;
- 3) have passed the qualification test accepted by the CSRC.

Article 107 The chairman shall exercise the following functions and powers:

- 1) to preside over general meetings and to convene and preside over the Board meetings;
- 2) to examine the implementation of the resolutions of the Board;
- 3) to sign the shares, bonds and other negotiable securities of the Company;
- 4) to sign important documents of the Board;
- 5) in any emergent force majeure event, such as extraordinarily serious natural disasters, to exercise the special right of disposal in respect of the business of the Company in compliance with laws, regulations and in the interests of the Company, and report to the Board and the general meeting of the Company afterwards;
- 6) to nominate the general manager and the chief risk officer of the Company, and submit to the Board's decision;
- 7) to exercise other functions and powers conferred by the Board or Hong Kong Listing Rules.

In the event that the chairman is incapable of performing or not performing his duties, a director nominated by more than half of director shall preside over the meeting.

Article 108 Board meetings shall be held regularly at least four times every year at approximately quarterly intervals, and shall be convened by the chairman, with the notice of meeting sent in writing to all the director 14 days in advance. In any of the following circumstances, the chairman shall convene and preside over an interim meeting of the Board within 10 days:

- 1) when the chairman deems necessary;
- 2) proposed by shareholders representing more than 1/10 of the voting rights;
- 3) jointly proposed by more than one third of the director;
- 4) proposed by the supervisory Committee;
- 5) required by the relevant regulatory authorities.

Article 109 A notice of the Board meeting shall at least contain the following contents:

- 1) date and place of the meeting;
- 2) means of convening the meeting;
- 3) the matters to be considered at (Session Proposal);
- 4) convener and presider of the meeting, proposer of the interim meeting and its written proposals;
- 5) request of the director to attend the meeting in person or by entrusting other director;
- 6) contact person and contact method;
- 7) date of issuing the notice.

Verbal notice of a meeting shall at least include the contents of items (1) and (2) above and the explanation for emergency situations where an interim meeting of the Board needs to be convened as soon as possible.

Article 110 A Board meeting shall be attended by more than one half of the director. Every director shall have one vote. Resolutions made by the Board shall be passed by more than half of all directors. If the pros and cons are the same, the chairman shall be entitled to an additional vote.

Article 111 Director shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he may authorize in writing another director to act on his behalf. The scope of authorization shall be specified in the power of attorney.

The appointed director attending the meeting shall only exercise the rights of a director within the scope of authorization. Should a director neither attend a Board meeting nor appoint a representative to attend on his behalf, the said director shall be taken to have waived his right to vote at the meeting.

Article 112 Interim meeting of the Board may be held by means of communication including telephone conference or video conference provided that director can fully express their views, and director attending the meetings shall sign on the resolutions.

The Board may accept meetings of the Board in the form of communications over written resolutions to replace meetings on-site. However, such motions must be delivered to each director by hand, mail, telegraph, email or facsimile. After the Board has delivered the motion to all the director and that the number of director giving consent and signature to the motion has reached the quorum, such motion, if delivered to the secretary to the Board by means of communication referred above, shall become a Board resolution and no convening of the meeting of the Board shall be required.

Article 113 The Board shall keep minutes of resolutions on matters discussed at the meeting. The minutes shall be signed by the director present at the meeting and by the person who recorded the minutes. The director shall be responsible for the resolutions of the Board. If any resolution runs counter to the laws, administrative regulations or these Articles of Association, and causes any material losses to the Company, director who votes for the said resolution shall be liable for compensation to the Company. If any director raises an objection to the resolution and the said objection is recorded in the minutes, the said director may be exempt from any liability.

Opinions expressed by independent director shall be stated in the resolution of the Board.

Article 114 The minutes shall consist of the following:

- 1) the session of the meeting, time, venue and form of the meeting;
- 2) the particulars of issuing the notice of the meeting;
- 3) the names of the convener and the chairman of the meeting;
- 4) the director attending in person or by proxy;
- 5) the proposals reviewed in the meeting, the main points of speeches and major opinions by each director on relevant matters;
- 6) the voting result of each proposal (specifying numbers of affirmative, opposing and abstention votes);
- 7) such other matters to be recorded as the director attending the meeting consider appropriate.

Section 3 Special Committees under the Board

Article 115 The Company shall set up four special committees under the Board such as an audit committee, a nomination committee, a remuneration committee and a risk management committee under the Board.

Each special committee shall be accountable to the Board, and shall consist of director.

The audit committee must comprise a minimum of three members, and most members shall be independent director. At least one of the members of audit committee is a member with appropriate professional qualifications or accounting or related financial management expertise as required under Hong Kong Listing Rules. The one who acts as the chairman of audit committee must be an independent director.

Most members of remuneration committee shall be independent director. The one who acts as the chairman of remuneration committee must be an independent director.

The one who acts as the chairman of nomination committee must be chairman or an independent director, and most members of nomination committee shall be independent director.

Article 116 The Company shall formulate rules of procedures for special committees under the Board and approved by the Board. Each special committees under the Board exercises its powers in accordance with its rules of procedures and these Articles of Association, be accountable to the Board and report to the Board.

Section 4 Independent directors

Article 117 Independent directors of the Company are directors holding no positions other than that of director in the Company, and having no relationship with the Company and its substantial shareholders and its related parties as to hinder their independent and objective judgments.

Article 118 The following persons shall not act as independent director of the Company:

- 1) persons employed by the Company or its related parties and their immediate family members and major social connections;
- 2) natural person shareholders directly or indirectly holding more than 1% of the Company's issued shares or of top ten shareholder of the Company and their immediate family members;
- 3) persons and their immediate family members and major social connections employed by the Shareholder entities which hold or control more than 5% of the Company's equity or which are top five Shareholder entities of the Company, or by institutions which have business connection or interests relationship with the Company;
- 4) persons providing financial, legal or consulting services to the Company and its related parties and their immediate family members;
- 5) persons who belonged to categories (1) to (4) within the preceding year;
- 6) persons holding positions other than independent director in other futures companies;
- 7) other persons specified in laws and regulations, or unfit to serve as independent director upon confirmation by CSRC.

Article 119 Independent directors of the Company shall meet the following conditions:

- 1) have engaged in such financial business as futures or securities or in legal or accounting operations for more than 5 years, or have relevant senior academic title for teaching or researches;
- 2) have educational background of graduate of college or university or above in relevant field and holding a bachelor degree or above;
- 3) have passed the qualification test accepted by the CSRC;
- 4) have time and energy necessary to perform their duties;

- 5) other qualifications required by relevant laws, regulations, normative documents and regulatory provisions at the location where the Company's shares are listed.

Independent director of the Company is allowed to assume the positions of independent director in not more than 2 futures companies.

Article 120 More than 1/3 (and at least 3) of the Board shall be independent directors, and most members of audit committee, nomination committee and remuneration committee under the Board shall be independent directors.

Independent directors shall serve the same period for each term of office as that of other directors at the Company. Independent directors may be reelected upon the expiration of their terms of office, however, for a period not exceeding six (6) years in succession.

Article 121 The Company shall form a working system for independent directors, with a specific definition of the qualifications, nomination, election and replacement, rights and obligations, legal responsibilities, etc. Such system shall be approved by the general meeting.

For matters not covered in this section, laws, regulations, rules and listing rules at the location where the Company's shares are listed and the provisions on directors of the Company in these Articles of Association shall also apply to independent directors.

CHAPTER 12 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Section 1 General

Article 122 General manager and other senior management of the Company shall meet the following conditions:

- 1) have futures practitioner qualification;
- 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above;
- 3) some senior management shall pass the qualification test accepted by the CSRC as required.

Article 123 General manager and deputy general manager of the Company shall, in addition to the conditions as prescribed in Article 122, meet the following conditions:

- 1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice;
- 2) have held the post of a person-in-charge of a department or above in such financial institutions as a futures company, a securities company etc. for more than 2 years or have experience of management of equivalent post.

Article 124 Chief risk officer of the Company shall, in addition to the conditions as prescribed in Article 122, have a minimum of 3 years' experience in futures business and have held the post of a person-in-charge of trade, settlement and risk management or the position of a qualified person-in-charge in a futures company for more than 2 years; or have a minimum of 1 year's experience in futures business and a minimum of 3 years' experience in risk management or compliance operations of financial institutions such as a securities company.

Article 125 Chief financial officer of the Company shall meet the following conditions:

- 1) have futures practitioner qualifications;
- 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above;
- 3) have a professional accountant title or above or CPA qualifications.

Section 2 Secretary of the Board of the Company

Article 126 The Board shall have a secretary, who is a senior management of the Company.

Article 127 The secretary of the Board shall be a natural person with necessary professional knowledge and experience, and shall be appointed by the Board. The main duties of the secretary of the Board are:

- 1) to ensure that the Company has complete organization documents and records;
- 2) to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;
- 3) to ensure that the shareholders' register of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time.

Article 128 Director or other senior management of the Company may concurrently act as the secretary to the Board. The accountant(s) of the accounting firm which has been appointed by the Company shall not concurrently act as the secretary to the Board.

Where the secretary to the Board is held concurrently by a director and an act is required to be done by a director and a secretary to the Board separately, the person who concurrently holds the offices of director and secretary to the Board may not perform the act in a dual capacity.

Section 3 General Manager and Deputy General Manager of the Company

Article 129 The Company shall have one general manager and several deputy general managers, who shall be appointed or dismissed by the Board. The deputy general managers shall assist the general manager in his work and be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the deputy general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager, but the chairman shall not serve concurrently as general manager.

Each general manager and other senior management shall have an every term of office of three (3) years, and shall be eligible for re-election.

Article 130 The general manager of the Company shall be accountable to the Board and exercise the following functions and powers:

- 1) to manage the business operations of the Company, organize execution of the resolutions of the Board and the Party Committee, and report to the Board and the Party Committee;
- 2) to organize to execute the Company's annual business plans and investment plans;
- 3) to prepare the plan for the internal management setup of the Company;
- 4) to draft the basic management system of the Company;
- 5) to formulate the Company's specific rules;
- 6) to propose to the Board to appoint or dismiss the deputy general manager, chief financial officer of the Company;
- 7) to decide to appoint or dismiss executives other than those appointed or dismissed by the Board;
- 8) base on actual production and operation condition of the Company, the general manager is entitled to approve external investment (including consigned financial management, entrusted loan, trust product, asset management plan, security, bond, fund and other financial asset investment, and equity investment) of not more than RMB30 million, fixed asset investment of not more than RMB10 million, asset disposal (including acquisition, disposal, transfer, retirement and liquidation) of not more than RMB2 million, asset written-off of not more than RMB2 million, and standalone asset mortgage of not more than 10% of the latest audited net assets of the Company.

As for connected transactions between the Company and its connected persons, should the connected transactions not reach the standards for consideration and approval specified in Article 104 in these Articles of Association, the general manager is entitled to make the decision of consideration and approval.

For any disposal on the same asset or relevant assets or any external investment conducted by the Company in phases within twelve (12) consecutive months, the accumulated amount during the aforesaid period shall not exceed the above limits.

- 9) to exercise other functions and powers conferred in these Articles of Association and by the Board.

Article 131 The general manager of the Company shall attend Board meetings and, if not a director, shall not have voting right thereat.

Article 132 The general manager and deputy general manager of the Company, in exercising their functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and these Articles of Association.

Section 4 Chief Risk Officer

Article 133 A chief risk officer is a member of the senior management of the Company who shall conduct supervision over and inspection on the legal compliance and risk management of the operations and management of the Company.

Article 134 The Company shall have one chief risk officer, who shall be appointed or dismissed by the Board and accountable to the Board. The nomination and appointment of a chief risk officer shall be approved by all independent directors.

Article 135 The chief risk officer shall interrogate and investigate the possible violation matters and hidden risk dangers in the process of operation and management of the Company and lay emphasis on the inspection whether or not the Company comply with laws, administrative regulations and relevant regulations and establish sound and effective implementation of the following systems or matters:

- 1) safe deposits system for margin deposits of clients of the Company;
- 2) system for risk-based regulation indicator management of the Company;
- 3) administration and internal control system of the Company;
- 4) brokerage business rules, asset management business rules, clearing business rules, risk management system for clients and Information security system of the Company;
- 5) reporting system of the positions held by the relatives of the Company;
- 6) other system to ensure the security of client assets and transactions, which shall have a continuous important influence on the business of the futures company, and other related business systems required by CSRC;
- 7) other matters related to legal compliance and risk management which shall be supervised and inspected by the chief risk officer of futures companies in accordance with laws, regulations and regulatory documents.

Article 136 The chief risk officer may, as needed to perform his/her duties, exercise the following functions and powers:

- 1) to participate in or attend the Board meetings, the supervisory Committee meetings and the general manager office meetings;
- 2) to refer to the documents, files and information relating to the futures company and to raise queries on and investigate relevant matters of the Company;
- 3) to conduct interviews with relevant staff of the Company, as well as personnel of the intermediary service organizations providing audit, legal and other services to the Company;

- 4) to comprehend the business operation of the Company, to supervise and inspect the compliance of the Company's business operation, and to conduct risk assessment and give warnings;
- 5) to provide comments and recommendations on the designation of the Company's department heads in respect of risk management, compliance review, settlement, trading, technology and other key positions, and the business department head;
- 6) to provide comments and recommendations on compliance issues concerning the Company's major decisions, management systems, business rules and processes;
- 7) to identify documents, notifications and regulatory measures issued by regulatory authorities, self-regulatory organizations to the Company;
- 8) to exercise other rights specified in these Articles of Association.

Article 137 The chief risk officer is prohibited to:

- 1) commit unauthorized absence, fail to perform his/her duties without cause or reason, or authorize others to perform duties on his/her behalf;
- 2) hold any other positions in the Company other than the head of the compliance department, or engage in activities that may affect the independent performance of his/her duties;
- 3) withhold the information about, delay to report or make false report on, any illegal behavior and irregularity or significant potential risk in the Company's operation and management;
- 4) take advantage of his/her position for personal gain;
- 5) abuse his/her power to intervene the Company's normal operation;
- 6) do harm to the legitimate interests of the futures company or customers by leaking the Company secrets or customer information to third parties unrelated to the performance of his/her duties;
- 7) prejudice the legitimate interests of customers or the Company in any other ways.

Article 138 In the event of being aware that there are other problems in addition to those illegal behaviors and irregularities or significant potential risks listed in Article 139 of these Articles of Association with regards to the legal compliance and risk management in the Company's operation and management, the chief risk officer shall provide suggestions on rectifications to general manager or person in charge in a timely manner.

In case of general manager or the person in charge failing to rectify the existing problem or the rectification results failing to meet the requirements, the chief risk officer shall promptly report to the Chairman or the Board of Supervisors, and to, if necessary, the CSRC's agency at the Company's domicile.

Article 139 In the event of being aware that the Company commits following illegal behaviors and irregularities or exposes to significant potential risks, the chief risk officer shall promptly report to the CSRC's agency at the Company's domicile and to the Board and the supervisory Committee:

- 1) alleged occupation, misappropriation of customers' security deposits and other behaviors violating the customers' rights and interests;
- 2) the Company assets have been withdrawn, occupied, misappropriated, seized, frozen or used as security;
- 3) the Company's net capital is unable to consistently meet regulatory standards;
- 4) the Company may expose to significant risks due to significant litigation or arbitration;
- 5) shareholders intervene the Company's normal operation;
- 6) other circumstances specified by the CSRC.

In case of the above circumstances, the Company shall implement rectification measures as suggested by the CSRC's agency at the Company's domicile. The chief risk officer shall cooperate with rectification and report the same to the CSRC's agency at the Company's domicile.

Article 140 The chief risk officer shall, in the course of his/her work, make and keep working papers and working records to truly and fully reflect the performance of duties.

The working papers and working records shall be kept for at least 20 years.

Article 141 directors, senior management and each department shall support and cooperate with the work of the chief risk officer, and shall not, by reason of commercial secrets concerns or otherwise, limit or obstruct the performance of duties by the chief risk officer.

Shareholders and directors shall not violate the procedures provided by the Company to give instructions directly to the chief risk officer by bypassing the Board or interfere with the work of the chief risk officer.

CHAPTER 13 LEGAL ADVISER

Article 142 The Company shall engage legal advisers to specifically focus on legal affairs, with the right to handle legal affairs arising from the operation, management and decision making of the Company, as well as other rights conferred by laws, regulations, rules and the Company.

CHAPTER 14 SUPERVISORY COMMITTEE

Article 143 The Company shall have a supervisory Committee. The supervisory Committee is a standing supervisory agency of the Company which is responsible of the supervision of the Board and its members and senior management such as the general manager so as to prevent them from the misuse of authority and infringing upon lawful rights of the shareholder, the Company and the Company's employees.

Article 144 The supervisory Committee shall be composed of three members. The supervisory Committee shall have one chairman. A supervisor shall serve a term of three years and be reelected for successive terms.

Chairman of the supervisory Committee shall be appointed or removed by the votes of more than two thirds of the members of the supervisory Committee.

Article 145 The position of supervisor shall be assumed by 2 Shareholder representatives and 1 employee representative. Shareholder representatives shall be elected or replaced at general meeting, employee supervisor shall be elected or removed democratically by employees of the Company.

Article 146 director, general manager and senior management of the Company shall not concurrently act as supervisor.

Article 147 Qualifications of chairman required in Article 106 apply to chairman of the supervisory Committee.

Article 148 The supervisory Committee shall hold at least two meetings each year, and shall be convened by the chairman of the supervisory Committee.

Article 149 The supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers in accordance with the laws:

- 1) to examine financial operations of the Company;
- 2) to supervise the performance of duties by the director, general manager and senior management of the Company, and propose dismissal of director and senior management who have violated laws, administrative regulations, these Articles of Association or the resolutions of general meetings;
- 3) to require director, general manager and senior management to make corrections if their conduct has damaged the interests of the Company;
- 4) to review the financial reports, operating reports and profit distribution schemes to be submitted by the Board to the general meetings; to engage certified public accountants and practicing auditors in the name of the Company to assist reviewing if there is any doubt;
- 5) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings, to convene and preside over the general meetings;

- 6) to coordinate with director and senior management on behalf of the Company or initiate legal proceedings against director and senior management in accordance with the laws;
- 7) to propose motions to the general meeting;
- 8) to propose to convene an interim meeting of the Board;
- 9) to exercise other functions and powers specified in these Articles of Association.

The supervisor may attend Board meetings.

Article 150 Meetings of supervisory Committee shall not be held unless over half of supervisors are present. Every supervisor shall have the right to one vote. Resolutions made by the supervisory Committee shall be approved by more than two thirds of the members of the supervisory Committee.

Article 151 The Company shall bear all reasonable fees incurred in the retaining of such professionals as lawyers, certified public accountants, and practicing auditors by the supervisory Committee in the exercise of its functions and powers.

Article 152 A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with laws, administrative regulations and these Articles of Association.

CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Article 153 In any of the following circumstances, a person shall not serve as director, supervisor, general manager or other senior management of the Company:

- 1) without capacity or with limited capacity for civil conduct;
- 2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of economy, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed;
- 3) has served as a director, factory manager or manager of a company or an enterprise that was bankrupt and liquidated, and was personally liable for the bankruptcy of the company or enterprise because of mismanagement, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;
- 4) has served as the legal representative of a company or an enterprise whose Business License was revoked due to illegal activities and was personally liable for such punishment, and less than three years has elapsed since the date of revocation of the business license of the company or enterprise;
- 5) has large amount of overdue debts;
- 6) is under investigation by the judiciary authority for violation of the criminal law, and the case is still pending;
- 7) is disqualified as corporate leader in laws and administrative regulations;
- 8) is not a natural person;
- 9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;
- 10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or the director, supervisor or senior manager of a futures company or securities company who was dismissed from his position for violating laws or disciplines where not more than 5 years have elapsed since the date of his dismissal;
- 11) has served as a lawyer, a certified public accountant or a professional of an investment consultative agency, financial advisory organ, credit rating institution, assets assessment institution and verification institution, whose qualifications have been revoked for violating laws or disciplines, where not more than 5 years have elapsed since the date of the revocation;
- 12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, or securities company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed as at the date of his expulsion;

- 13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;
- 14) was given administrative sanction by the financial regulatory authority for violating laws or disciplines, where not more than 3 years have elapsed since the expiration of the enforcement period;
- 15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than 2 years have elapsed since the date of the decision;
- 16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than 3 years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, entrusted, taken over or revoked by the regulatory body;
- 17) was involved in other circumstances as prescribed by the CSRC.

If the aforesaid rules are violated in electing or appointing director, supervisor and senior management, such election, appointment or employment shall be invalid.

Where a circumstance prescribed in this article occurs during the term of office of director, supervisor or senior management, the Company shall dismiss them.

Article 154 The validity of an act of a director, general manager and other senior management of the Company on behalf of the Company for a bona fide third person is not affected by any incompliance in the appointment, election or qualification thereof.

Article 155 In addition to the obligations required by laws, administrative regulations or the listing rules of the stock exchanges where the Company's shares are listed, each of the Company's director, supervisor, general manager and senior management shall assume the following obligations in respect of each shareholder in the exercise of the functions and powers conferred on him by the Company:

- 1) not to cause the Company to exceed the scope of the business stipulated in its business license;
- 2) to sincerely act in the best interest of the Company;
- 3) not to deprive the Company of its property in any way, including (but not limited to) any opportunity favorable to the Company;
- 4) not to deprive shareholders of their personal interests, including (but not limited to) the rights to distribution and voting rights, but excluding the restructuring of the Company submitted to a shareholders' general meeting for approval in accordance with these Articles of Association.

Article 156 Each of the Company's director, supervisor, the general manager and senior management shall in the exercise of his powers or discharge of his obligations act what he shall act by exercising the due care, due diligence and skills that a reasonably prudent person should exercise in comparable circumstances.

Article 157 In fulfilling duties, the director, supervisor, the general manager and other senior management shall observe the principle of honesty and shall not set themselves in a position where their own interests conflict with their obligations. The said principle includes (but not limited to) the following obligations:

- 1) to sincerely act in the best interest of the Company;
- 2) to exercise powers within his terms of reference without ultra vires;
- 3) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; unless permitted by laws and administrative regulations or with the informed consent of the shareholders' general meeting, delegation of discretionary powers to others is prohibited;
- 4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- 5) unless otherwise provided in the Articles of Association or with the informed approval of the shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- 6) not to use the Company's assets for personal benefits in any manner without the informed consent of the shareholders' general meeting;
- 7) not to use his authority to accept bribes or other illegal income or embezzle the Company's property in any manner, including (but not limited to) any opportunity favorable to the Company;
- 8) not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders' general meeting;
- 9) to comply with the Articles of Association, to perform duties faithfully, to safeguard the Company's interests and not to seek personal gains by taking advantage of his position and authority in the Company;
- 10) not to compete with the Company in any way without the informed consent of the shareholders' general meeting;
- 11) not to misappropriate the Company's funds or to lend such funds to any other persons, not to set up accounts in his own name or in the any other names for depositing the Company's assets, and not to provide guarantees for the debts of shareholders of the Company or any other personal liabilities with the assets of the Company; and
- 12) not to release any confidential information in relation to the Company which he has obtained during his term of office without the informed consent of the shareholders' general meeting; not to use such information other than for the benefit of the Company, save that such information may be disclosed to the court or other competent authorities of the government if:

1. stipulated by laws;
2. required in the public interests;
3. required in the interests of the relevant directors, supervisors, general manager and other senior management.

Article 158 Where no re-election is made in time upon expiry of the term of a Director or any Director's resignation resulting in the number of members of the Board or the number of independent directors to fall below the statutory number under the PRC Company Law and listing rules with which the Company shall comply, the original Director shall, prior to a new Director taking up the office, continue to perform his duties as a Director in accordance with the provisions of laws, administrative regulations and the Articles of Association.

A director may resign before the expiry of his tenure. The resigning director shall submit to the Board a written resignation. The Board shall disclose the relevant information within two days.

The resignation of a Director shall become effective when the written resignation is served on the Board. However, the resignation of a Director shall become effective except the circumstances specified above, the resignation of a Director shall become effective when the written resignation is served on the Board.

Article 159 Each director, supervisor, general manager and any other senior management of the Company shall not direct the following persons or institutions ("related person") to do what they are prohibited from doing:

- 1) the spouse or minor child of the director, supervisor, general manager or other senior management;
- 2) the trustee of the Company's director, supervisor, general manager or other senior management or any person referred to in sub-paragraph (1) of this Article;
- 3) the partner of the Company's director, supervisor, general manager or other senior management or any person referred to in sub-paragraphs (1) and (2) of this Article;
- 4) a company in which the Company's director, supervisor, general manager or other senior management has sole de facto control, or a company in which the Company's director, supervisor or senior management has joint de facto control with the person referred to in subparagraphs (1), (2) and (3) of this Article or other directors, supervisors, general managers and other senior management of the Company; and
- 5) the directors, supervisors, general managers and other senior management of the controlled company referred to in sub-paragraph (4) of this Article.

Article 160 The fiduciary duties of the directors, supervisors, general managers and other senior management of the Company shall not necessarily cease upon termination of their tenures. The duty of confidentiality in respect of trade secrets of the Company shall survive the termination of their tenures. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and conditions under which the relationships between them and the Company are terminated.

Article 161 Except for the circumstances stipulated in Article 54 of the Articles of Association, a director, supervisor, general manager or other senior management of the Company may be relieved of the liability for a specific breach of his obligations with the informed consent of the shareholders' general meeting.

Article 162 Where a director, supervisor, general manager or other senior management of the Company is, directly or indirectly, materially interested in a concluded or contemplated contract, transaction or arrangement with the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board as soon as possible, whether or not such matter is subject to the approval or consent of the Board under normal circumstances.

Unless the interested director, supervisor, general manager or other senior management of the Company discloses his interests in accordance with the preceding paragraph of this Article and the relevant matters are approved by the Board at a meeting in which he is not counted towards the quorum and abstains from voting, the Company shall have the right to rescind the contract, transaction or arrangement, except as against a bona fide party thereto who does not have notice of the breach of duty by the interested director, supervisor, general manager or other senior management.

A director, supervisor, general manager or other senior management of the Company shall be taken to be interested in a contract, transaction or arrangement in which his related person is interested.

Save for the circumstances specified below, a director shall not vote on any resolution of the Board in relation to any contract, transaction, arrangement or other proposals in which he or any of his associates (as defined in the applicable Hong Kong Listing Rules in force from time to time) is materially interested. In determining the quorum of the meeting, the relevant director shall not be counted towards the quorum:

- 1) the giving of any security or indemnity to the director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries; or

the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- 2) any proposal concerning an offer of shares or debentures or other securities of or by any other person or company which the Company may promote or be interested in for subscription or purchase where the director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- 3) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 1. the adoption, modification or implementation of any employees' share scheme or any share incentive or share option scheme under which a director or his associate(s) may benefit;
 2. the adoption, modification or implementation of a pension fund or retirement, death or disability benefits scheme which relates both director, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any director (or his associate(s)) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- 4) any contract or arrangement in which the director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company.

Article 163 Where a director, supervisor, general manager or other senior management of the Company gives to the Board a notice in writing stating that, by reason of the facts specified in the notice, he is interested in a contract, transaction or arrangement which may subsequently be made by the Company, such notice shall be taken for the purposes of the preceding Article of this Chapter to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the entering into of the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 164 The Company shall not in any manner pay taxes for its directors, supervisors, general manager or other senior management.

Article 165 The Company shall not directly or indirectly make a loan to a director, supervisor, general manager or other senior management of the Company or of the Company's parent company or to any of their respective related person.

The provisions in the foregoing paragraph shall not apply to the following circumstances:

- 1) the provision by the Company of a loan to its subsidiaries;
- 2) the provision by the Company of a loan to any of its directors, supervisors, general manager or other senior management for him to settle expenditures incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders' general meeting;

- 3) if the ordinary scope of business of the Company includes the lending of money, the Company may make a loan to any of the relevant directors, supervisors, general manager or other senior management or their respective related person on normal commercial terms.

Article 166 Any person who receives funds from a loan which has been made by the Company in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.

Article 167 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager or other senior management of the Company is in breach of his duties owed to the Company, the Company shall have a right to:

- 1) demand such director, supervisor, general manager or other senior management to compensate the Company for the losses sustained thereby as a result of such breach;
- 2) rescind any contract or transaction which has been entered into by the Company with such director, supervisor, general manager or other senior management or with a third party (where such third party knows or should have known that such director, supervisor or senior management has breached his duties owed to the Company);
- 3) demand such director, supervisor, general manager or other senior management to surrender profits made as a result of the breach of his duties;
- 4) recover any monies received by the director, supervisor, general manager or other senior management which should have been received by the Company, including (but without limitation to) commissions;
- 5) demand repayment of interest earned or which may have been earned by such director, supervisor, general manager or other senior management on the monies that should have been paid to the Company.

Article 168 The Company shall enter into a contract in writing with each of the directors, supervisors, general manager and other senior management, including the following contents at least:

- 1) the directors, supervisors, general manager and other senior management shall undertake to the Company that they will comply with the Company Law, Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers, Share Buy-backs Code and other provisions of the Hong Kong Stock Exchange, and agree that the Company is entitled to access the remedial measures as stipulated in the Articles of Association. The contract and his position shall not be transferred;
- 2) the directors, supervisors, general manager and other senior management shall undertake to the Company that they will observe and perform their obligations to shareholders stipulated in the Articles of Association; and
- 3) the arbitration clauses as provided in Article 211 of the Articles of Association.

The Company shall, with the prior approval of the shareholders' general meeting, enter into a contract in writing with a director or supervisor regarding his emoluments. The aforesaid emoluments shall include:

- 1) the emoluments in respect of his service as a director, supervisor or senior management of the Company;
- 2) the emoluments in respect of his service as a director, supervisor or senior management of any subsidiary of the Company;
- 3) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries; and
- 4) the payment for compensation for the loss of office, or as a consideration for or in connection with his retirement from office.

No proceedings may be brought by a director or supervisor against the Company for any benefit receivable in respect of the aforesaid matters except pursuant to the aforesaid contract.

Article 169 The contracts concerning emoluments entered into between the Company and its directors or supervisors shall provide that in the event that the Company is acquired, the Company's directors and supervisors shall, subject to the prior approval of the shareholders' general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement.

For the purposes of the preceding paragraph, acquisition of the Company shall include any of the following:

- 1) an acquisition offer made by any person to all shareholders; or
- 2) an acquisition offer made by any person with a view to making the offeror a controlling shareholder. The term "controlling shareholder" has the same meaning as defined in Article 55 of the Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of accepting such offer. The expenses incurred in distributing such sum on a pro rata basis amongst such persons shall be borne by the relevant director or supervisor and shall not be deducted from such sum.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Article 170 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the competent finance authorities of the State Council.

Article 171 At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified.

Article 172 The Board shall present to the shareholders at every annual general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by the local governments and competent authorities. The settlement date for the Company's annual financial reports shall not exceed six months from the date of the annual general meeting.

Article 173 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days before the date of an annual general meeting. Each shareholder of the Company shall have the right to receive a copy of such financial reports referred to in this Chapter.

Unless otherwise specified by these Articles of Association, the Company shall send to each shareholder of overseas listed foreign shares by hand or prepaid mail or by other means (including through posting at the Company website or other websites designated by the relevant stock exchange) permitted by the stock exchange of the place where the shares of the Company are listed the copy of (i) the aforesaid reports or directors' report together with the balance sheet and the statement of profit and loss or statement of income of the Company; or (ii) the report of financial summary not later than twenty-one days before the date of convening the annual general meeting, to the registered address of each shareholder shown in the register of members.

Article 174 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 175 The interim results or financial information published or disclosed by the Company shall be prepared and presented in accordance with the PRC accounting standards and regulations.

Article 176 The Company shall publish its results within two months and dispatch an interim financial report within three months after the expiration of the first six months of each accounting year. The results shall be published within three months after the end of an accounting year and an annual financial report shall be dispatched within four months.

If the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

Article 177 The Company shall not maintain accounts separately other than those provided by law.

The Company's assets shall not be deposited in an account maintained in the name of any individual.

Article 178 In distributing the current year's profit after tax, 10% of the profit shall be allocated to the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, further appropriations are not required.

If the statutory reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before allocating to the statutory reserve fund in accordance with the preceding paragraph.

After allocation of its profits after tax to its statutory reserve fund, the Company may allocate its profits after tax to its discretionary reserve fund upon a resolution of the shareholders' general meeting.

The remaining profits after tax after the Company has made up its losses and allocated to its reserve funds may be distributed to its shareholders in proportion to their shareholdings.

If a shareholders' general meeting has, in violation of the preceding paragraph, distributed profits to shareholders before making up losses and allocating to the statutory reserve fund, shareholders shall return to the Company the profits distributed in violation of the provisions.

The shares held by the Company shall not be entitled to any profit distribution.

Article 179 The capital reserve fund shall include the following amounts:

- 1) the premiums received when shares are issued at a premium to their par value;
- 2) any other income required to be included in the capital reserve fund by the competent finance authorities of the State Council.

Article 180 The Company's reserve funds shall be used to make up the losses or expand the production operations, or be converted to increase the share capital of the Company. However, the capital reserve fund shall not be used to make up the losses of the Company.

When the statutory reserve fund is converted into capital, the remainder of the fund shall not be less than 25% of the Company's registered capital prior to such conversion.

Article 181 The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy according to business situation and market environment annually. The Company may distribute dividends in the form of:

- 1) cash;
- 2) shares.

Article 182 Monies paid for any Shares before the date specified by the Company for payment of Share ("payment day") shall have interests, but the holders of Shares are not entitled to dividends announced later for the said monies.

Subject to the relevant laws and regulations, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right only can be exercised after the expiration of the relevant applicable limitation.

The Company shall have the power to cease sending dividend warrants by post to a holder of overseas listed foreign shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. Such power may be exercised after the first occasion in which such a warrant is returned undelivered.

If the Company is authorized to issue warrants to holders of bearer shares, no new warrants shall be issued to replace the lost ones unless the Company is able to confirm reasonably that the original warrants have been destroyed.

The Company shall have the power to sell the shares of a holder of the overseas listed foreign shares who is untraceable by the ways considered appropriate by the Board under the following circumstances:

- 1) the Company has, during a period of twelve years, paid at least three dividends in respect of the shares in question and no dividend during that period has been claimed; and
- 2) upon the expiry of the period of twelve years, the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers in the place where the Company's shares are listed, and notifies the stock exchange on which such shares are listed of such intention.

Article 183 The Company shall appoint a receiving agent for the holders of overseas listed foreign shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.

The receiving agent appointed by the Company shall satisfy the requirements of the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange. The receiving agent appointed by the Company for holders of overseas listed foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

CHAPTER 17 APPOINTMENT OF ACCOUNTING FIRMS

Article 184 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 other financial reports of the Company.

The first accounting firm of the Company may be appointed at the inaugural meeting of the Company before the first annual general meeting. The accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting does not exercise its powers under the preceding paragraph, those powers shall be exercised by the Board.

Article 185 The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

Article 186 The accounting firm appointed by the Company shall have the following rights:

- 1) the right to review the books, records and vouchers of the Company at any time; and the right to require the directors, general manager or other senior management of the Company to supply relevant information and explanations;
- 2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations necessary for the accounting firm to discharge its duties; and
- 3) the right to be in attendance at shareholders' meetings and to receive all notices of, and other communications relating to, any shareholders' meeting which any shareholder is entitled to receive, and to speak at any shareholders' meeting on matters concerning its role as the Company's accounting firm.

Article 187 If there is a vacancy in the position of accounting firm of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of a shareholders' general meeting. However, if there is another incumbent accounting firm during the period of such vacancy, such accounting firm may continue to act.

Article 188 The shareholders' general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the accounting firm and the Company. If the accounting firm has the right to claim compensation for its removal, that right shall not be affected thereby.

Article 189 The remuneration of an accounting firm or the manner in which such remuneration is determined shall be decided by a shareholders' general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.

Article 190 The Company's appointment, removal and non-reappointment of an accounting firm shall be decided by a shareholders' general meeting and filed with the competent securities authorities of the State Council.

Where a resolution at a shareholders' general meeting is intended to be passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, to reappoint an accounting firm that was appointed by the Board to fill a vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

- 1) the proposal for the appointment or removal shall be sent (before notice of meeting is given to the shareholders) to the accounting firm proposed to be appointed or proposed to vacate its post, or to the accounting firm which has vacated its post in the relevant accounting year.

Vacating a post shall include removal, resignation and retirement.

- 2) if the accounting firm vacating its post makes representations in writing and requests the Company to notify its shareholders of such representations, the Company shall (unless the representations are received too late) take the following measures:
 1. in any notice of meeting held for making the resolution, state the fact that representations have been made by the vacating accounting firm; and
 2. attach a copy of the representations to the notice and send it to the shareholders in the manner stipulated in the Articles of Association.
- 3) if the Company fails to send out the accounting firm's representations in the manner set out in sub-paragraph (2) of this Article, such accounting firm may require that the representations be read out at a shareholders' general meeting and may make further complaints.
- 4) an accounting firm which is vacating its post shall be entitled to attend:
 1. the shareholders' general meeting at which its term of office would otherwise have expired;
 2. the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. the shareholders' general meeting which is convened as a result of its resignation.

And to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings on matters concerning its role as the former accounting firm of the Company.

Article 191 If the Company proposes to remove an accounting firm or not to renew the appointment thereof, it shall notify the accounting firm in advance, and the latter shall have the right to state its opinions at a shareholders' general meeting. If the accounting firm resigns, it shall explain to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

The accounting firm may resign from its office by depositing a written notice of resignation at the legal address of the Company. The notice shall become effective on the date of such deposit or on such later date as may be stated therein. The notice shall contain the following statements:

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

The Company shall, within fourteen days after receipt of the written notice referred to in the preceding clause, send a copy of the notice to the relevant competent authorities. If the notice contains a statement under subparagraph (2) of the preceding Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign Shares at the address registered in the register of shareholders.

If the accounting firm's notice of resignation contains a statement of any such circumstances that shall be explained, the accounting firm may request the Board to convene an extraordinary general meeting to listen to the explanation on the resignation.

CHAPTER 18 MERGER, DEMERGER, DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 192 In the event of a merger or demerger of the Company, a plan shall be proposed by the Board and shall be approved in accordance with the procedures stipulated in the Articles of Association. The Company shall then go through the relevant approval process according to the law. Shareholders who oppose the plan of merger or demerger of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The contents of the resolution on the merger or demerger of the Company shall constitute special documents which shall be available for inspection by shareholders of the Company.

For H shareholders, the aforesaid document shall be sent by mail. The address of the recipient shall be the address shown on the register of shareholders.

Merger, demerger, capital increase, capital reduction, dissolution or liquidation of the Company is subject to resolution adopted by the shareholders' general meeting and approval from CSRC and relevant regulatory authorities.

Article 193 A merger of the Company may take the form of either a merger by absorption or a merger by establishment of a new entity.

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within ten days from the date of the Company's resolution on the merger and shall publish an announcement for at least 3 times in the newspaper within thirty days from the date of such resolution.

Upon completion of the merger, the rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or by the newly established company.

Article 194 Upon separation of the Company, its property shall be split correspondingly.

For the separation of the Company, all the parties involved in the separation should sign an agreement on the separation, and formulate a balance sheet and lists of property. The Company shall inform the creditors in 10 days after the date of making the resolution for such merger, and make at least 3 times of newspaper announcements in 30 days as provided for by the applicable laws, administrative regulations or the regulatory provisions of the place where the Company's shares are listed.

Debts incurred by the Company before its separation shall be borne by the companies after the separation according to the agreement reached.

Article 195 Change in registered particulars arising from merger or division of the Company shall be registered with the company registration authority according to law and subject to the approval of the competent authority if necessary. Where the company is dissolved, an application shall be made to register the cancellation in accordance with the law. If a new company is established, such establishment shall be registered according to law and approved by the CSRC.

Increase or decrease of the registered capital of the Company must be registered with the company registration authorities in accordance with law.

Article 196 In any of the following circumstances, the Company shall be dissolved upon approval by CSRC:

- 1) a shareholders' general meeting resolves to dissolve the Company;

- 2) dissolution is necessary due to a merger or demerger of the Company;
- 3) the Company is declared bankrupt according to the law due to its failure to settle liabilities due;
- 4) the Company is ordered to close down because of its violation of laws or administrative regulations;
- 5) where the Company has experienced material difficulties in operation and management, and the continuous operation thereof would lead to substantial loss to the benefits of its shareholders which cannot be resolved by other means, shareholders holding 10% or more of the total voting rights of the Company may appeal to the people's court for dissolution of the Company.

Article 197 Where the Company is dissolved pursuant to sub-paragraphs 1) of the preceding Article, a liquidation committee shall be set up within fifteen days, and the composition of the liquidation committee shall be determined by an ordinary resolution at a shareholders' general meeting.

Where the Company is dissolved pursuant to sub-paragraph 2) of the preceding Article, the liquidation work shall be conducted by the parties involved in the merger or division according to the contracts entered into at the time of merger or division.

Where the Company is dissolved pursuant to sub-paragraphs 3) and 5) of the preceding Article, the people's court shall, according to the relevant laws, organize the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.

Where the Company is dissolved pursuant to sub-paragraph 4) of the preceding Article, the relevant competent authorities shall organize the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.

Article 198 Where the Board decides to liquidate the Company for any reason other than the Company's declaration of its own bankruptcy, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve months from the commencement of the liquidation.

All the functions and powers of the Board shall cease immediately upon the passing of the resolution by the shareholders' general meeting for the liquidation of the Company.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation; and to present a final report to the shareholders' general meeting on completion of the liquidation.

Article 199 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make at least 3 newspaper announcements within 60 days. Creditors should, within 30 days from the date of receipt of notice, or (if no written notice is received in person) within 45 days from the date of the first notice, claim for their creditors' rights to the liquidation committee. Any overdue unclaimed creditors' rights shall be deemed as a waiver of the same. Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documentation thereon. The liquidation committee should register such claims.

Article 200 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- 1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;

- 2) to notify creditors by sending notice or by making an announcement;
- 3) to dispose of and liquidate any unfinished businesses of the Company;
- 4) to pay outstanding taxes as well as taxes arising in the course of the liquidation;
- 5) to settle claims and debts;
- 6) to dispose of the remaining assets of the Company after the repayment of debts; and
- 7) to represent the Company in any civil proceedings.

Article 201 After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to a shareholders' general meeting or to the relevant competent authorities for confirmation.

The assets of the Company shall be applied to settle payments in the following order:

- 1) liquidation expenses;
- 2) unpaid staff wages, social insurance expenses;
- 3) outstanding taxes;
- 4) the Company's debts.

The remaining assets of the Company after settlement of payments in accordance with the preceding paragraph shall be distributed to shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company shall not commence any new business activities.

Article 202 If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company due to its dissolution, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, it shall immediately apply to the people's court for a declaration of bankruptcy.

After the Company is declared bankrupt by a ruling of the people's court, the liquidation committee shall hand over all matters arising from the liquidation to the people's court.

Article 203 Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of the income and expenses during the liquidation period and financial accounts, which shall be verified by PRC certified public accountants, and then submit them to a shareholders' general meeting for confirmation and to CSRC for approval. The liquidation committee shall, within thirty days after such confirmation given by the shareholders' general meeting or other relevant competent authorities, submit the aforesaid documents to the company registration authorities and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Article 204 If the Company is in dissolution or bankruptcy, proper handling of customer assets shall be arranged first, and settle future business. If the Company is in dissolution or bankruptcy, the customer assets are not bankruptcy or liquidation assets.

CHAPTER 19 NOTICE AND ANNOUNCEMENT

Article 205 The notice of the Company may be served as follows:

- 1) by personal delivery;
- 2) by mail;
- 3) by fax or e-mail;
- 4) by making announcement on the Company's website or the websites designated by Hong Kong Stock Exchange in compliance with laws, regulations, regulatory documents and listing rules of the place where the Company's shares listed;
- 5) by announcement;
- 6) by other means agreed by the Company and the recipient of the notice in advance or recognized by the recipient of the notice after receiving such notice;
- 7) through other means recognized by regulatory authorities of the place where the Company's shares are listed and other means stated in the Articles of Association.

Article 206 Where a notice of the Company is served by announcement, the notice shall be deemed as received by the relevant persons once it is published. Where there are regulations specified by the regulatory authority at the place where the Company's shares are listed, the relevant regulations shall prevail.

For notice issued by the Company to H shareholders (by way of announcement), the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange EPS for immediate release on the website of the Hong Kong Stock Exchange in accordance with the rules of the listing place. The announcement shall also be published on the Company's website. In addition, the notice shall be delivered to each of the registered addresses as appeared in the register of H shareholders by personal delivery or postage paid mail in accordance with the local listing rules so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

H shareholders of the Company may choose in writing to receive the corporate communication that the Company must send to shareholders either by post or using electronic means, and also choose to receive the English language version only or the Chinese language version only or both the English and Chinese language versions. They shall have the right at any time by reasonable prior written notice served on the Company to change their choices as to the manner of receiving the same and the language versions in accordance with applicable procedures.

In order to prove that such notices, documents, information or written statements have been already sent, shareholders or directors shall provide evidence to prove that such notice, document, information or written statement have been sent within the prescribed time in the normal way or by sending with postage prepaid to the correct address of the Company.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

CHAPTER 20 LABOUR UNION

Article 207 The employees of the Company shall, according to the Labor Union Law of the People's Republic of China, organize a labor union, which shall carry out union activities and safeguard the lawful rights and interests of the employees. The Company shall provide necessary conditions for its labor union to carry out activities. The labor union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, working hours, welfare, insurance, work safety and sanitation and other matters.

Pursuant to the Constitution and other relevant laws, the Company shall implement democratic management in the form of meeting of the representatives of the employees or any other ways.

CHAPTER 21 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 208 The Company shall amend the Articles of Association under any of the following circumstances:

- 1) upon amendments to the Company Law or relevant laws and administrative regulations or Hong Kong Listing Rules, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and administrative regulations or Hong Kong Listing Rules;
- 2) the changes arising in the Company are not consistent with the items set out in the Articles of Association;
- 3) a shareholder's general meeting decides to amend the Articles of Association.

Article 209 Any amendment to these Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the company approval department authorized by the State Council and the Securities Commission of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for the changes in accordance with the laws.

Article 210 Where the matters to be amended in the Articles of Association are required to be disclosed according to laws and regulations, the same shall be announced as required.

CHAPTER 22 SETTLEMENT OF DISPUTES

Article 211 The Company shall abide by the following principles for settlement of disputes:

- 1) any disputes or claims of rights between the holders of the overseas listed foreign shares and the Company, the holders of the overseas listed foreign shares and the Company's directors, supervisors, general manager or other senior management, or the holders of the overseas listed foreign shares and the holders of domestic shares arising from any rights or obligations under the Articles of Association, the Company Law, other relevant laws or administrative regulations in connection with the affairs of the Company, shall be referred by the relevant parties to arbitration.

Where the aforesaid disputes or claims of rights are referred to arbitration, the entire claims or disputes must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the disputes or claims or whose participation is necessary for the resolution of such disputes or claims, shall, where such person is the Company or a shareholder, director, supervisor, general manager or other senior management of the Company, submit to the arbitration.

Disputes over the definition of shareholders and the register of shareholders need not be resolved by arbitration.

- 2) a claimant may elect arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or a claim to arbitration, the other party must conduct arbitration at the arbitral body elected by the claimant.

If a claimant elects arbitration to be carried out at the Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- 3) if any disputes or claims of rights are settled by way of arbitration in accordance with subparagraph (1) above, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.
- 4) the award of an arbitral body shall be final and binding on all parties.

CHAPTER 23 INTERPRETATION OF THE ARTICLES OF ASSOCIATION

Article 212 The Articles of Association are written in Chinese. In the event of any discrepancies between the Articles of Association in other languages or different versions and the Articles of Association in Chinese, the latest approved and registered Chinese version verified by the company registration authorities shall prevail.

Article 213 The figure itself shall be included if these Articles of Association refers to any such words as “above”, “within” or “below”; the figure itself shall not be included if these Articles of Association refers to any such words as “lower than”, “over”, “less than” or “more than”.

Article 214 The meaning of “accounting firms”, “related” and “related parties” referred to in these Articles of Association is the same as the “auditor”, “related” and “related parties” referred to in the Hong Kong Listing Rules.

Article 215 The appendices to these Articles of Association include rules of procedures of the general meeting, the Board and the supervisory Committee.

Article 216 The power of interpretation of the Articles of Association shall be vested in the Company’s Board. Any matters not covered in the Articles of Association shall be proposed by the Board at a shareholders’ general meeting for approval by means of resolution.