



中信建投証券股份有限公司
CSC FINANCIAL CO., LTD.

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

(Stock Code: 6066)

ARTICLES OF ASSOCIATION

The English version is for reference only. Should there be any inconsistency between the English and Chinese versions, the latter shall prevail.

(Passed at the 2018 second extraordinary general meeting of the Company on 30 October 2018)

CONTENT

Chapter 1	General	1
Chapter 2	Operational Objective and Scope	4
Chapter 3	Shares	5
	Section 1 Issuance of Shares	5
	Section 2 Increase, Decrease and Buy-back of Shares	8
	Section 3 Transfer of Shares	12
	Section 4 Financial Assistance for Purchase of Company Shares	15
	Section 5 Share Certificates and Register of Shareholders	17
Chapter 4	Constitution of the Party	23
Chapter 5	Shareholders and the General Meetings	25
	Section 1 Shareholders	25
	Section 2 General Provisions for General Meetings	34
	Section 3 Convening of General Meetings	37
	Section 4 Proposals and Notices of General Meetings	40
	Section 5 Holding of General Meetings	44
	Section 6 Voting and Resolutions at General Meetings	50
	Section 7 Special Procedures for Voting by Class Shareholders	55
Chapter 6	Board of Directors	59
	Section 1 Directors	59
	Section 2 Independent Directors	65
	Section 3 Board of Directors	67
	Section 4 Special Committees under the Board	75
	Section 5 Secretary of the Board	79
Chapter 7	Business Management Organization of the Company	80
	Section 1 Executive Committee	80
	Section 2 General Manager and Other Senior Management	83
	Section 3 Chief Compliance Officer	85
Chapter 8	Supervisory Committee	90
	Section 1 Supervisors	90
	Section 2 Supervisory Committee	91

Chapter 9 Qualifications and Obligations of Directors, Supervisors and Senior Management Members of the Company	95
Chapter 10 Internal Control	105
Chapter 11 Financial Accounting System, Distribution of Profits and Audit of the Company	106
Section 1 Financial Accounting System	106
Section 2 Internal Audit	114
Section 3 Appointment of an Accounting Firm	114
Chapter 12 Notice and Announcement	117
Chapter 13 Merger, Division, Increase and Decrease of Capital, Dissolution and Liquidation	119
Section 1 Merger, Division, Increase and Decrease of Capital . . .	119
Section 2 Dissolution and Liquidation	121
Chapter 14 Amendments to these Articles of Association.	125
Chapter 15 Settlement of Disputes.	126
Chapter 16 Miscellaneous.	127

CHAPTER 1 GENERAL

- Article 1** In order to safeguard the legitimate interests of CSC Financial Co., Ltd. (hereinafter referred to as the “**Company**”), its shareholders and creditors, and regulate the organization and conduct of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “**Securities Law**”), the Regulations on Supervision and Management of Securities Companies, the Rules on Governance of Securities Companies, the Special Regulations of the State Council on the Overseas Share Offering and Listing of Joint Stock Limited Companies, the Guidelines on Articles of Association of Listed Companies, the Mandatory Provisions of Articles of Association of Companies Listing Overseas, the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other laws, administrative regulations, departmental rules, normative documents and requirements of the relevant regulatory authorities.
- Article 2** The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Special Regulations of the State Council on the Overseas Share Offering and Listing of Joint Stock Limited Companies and other relevant laws and administrative regulations of the PRC.
- Article 3** Approved by the Reply on Approval of the Conversion of China Securities Finance Limited into a Joint Stock Limited Company (Zhengjian Xuke [2011] No. 1037), issued by the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”), with all shareholders of the original China Securities Finance Limited as the promoters, through the overall conversion of audited book net assets of the original China Securities Finance Limited as at 31 December 2010 into the shares of the Company, the Company is established and registered at Beijing Administration for Industry and Commerce on 28 September 2011, with the Business License (creditability code: 91110000781703453H) granted.

The promoters of the Company are Beijing State-owned Capital Operation and Management Center, Central Huijin Investment Limited, Century Jinyuan Investment Group Limited, CITIC Securities Co., Ltd.

Article 4 Chinese name of the Company: 中信建投証券股份有限公司

English names of the Company: China Securities Co., Ltd. and
CSC Financial Co., Ltd.
(carrying on business in
Hong Kong with such
registered English names)

Address of the Company: Unit 4, No. 66 Anli Road,
Chaoyang District, Beijing

Postal code: 100101

Telephone No.: (8610) 85130588

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Article 5 The Company is a joint stock limited company in perpetual existence.

Article 6 The Chairman of the Board of Directors is the legal representative of the Company.

Article 7 All of the assets of the Company shall be divided into shares of equal value. Each shareholder shall be liable to the extent of the shares subscribed. The Company is liable for its debts to the extent of all of its assets.

Article 8 The Company shall establish an organization of Communist Party of China (the “**Party**”) in accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, and the Party Committee shall play the role as the leader, setting the direction, managing the overall situation and ensuring implementation. The Company shall establish the Party’s working organizations, deploy sufficient staff to deal with Party affairs and guarantee sufficient operating expenses of Party organizations.

Article 9

Upon approval through a resolution at the general meeting of the Company and by the Securities Regulatory Authorities, these Articles of Association shall take effect on the date of the listing of A shares on a domestic stock exchange under the Company's initial public offering. The previous Articles of Association of the Company shall lapse automatically once these Articles of Association take effect.

When these Articles of Association come into effect, these Articles of Association shall be legally binding on the Company's organization and conduct, the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves as well as the Company, its shareholders, Directors, Supervisors, senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with these Articles of Association.

Pursuant to these Articles of Association, a shareholder may claim against the other shareholders, and the shareholders may claim against the Company's Directors, Supervisors and senior management members. The shareholders may claim against the Company. The Company may claim against its shareholders, Directors, Supervisors and senior management members.

For the purposes of the preceding paragraph, the term "claim" shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.

Article 10

The senior management members referred to in these Article of Association include the General Manager, the chief financial officer, the chief compliance officer, the chief risk officer, the secretary of the Board, the members of the Executive Committee and such other personnel confirmed by the regulatory body or resolved and confirmed by the Board to hold important positions.

Article 11

Within the scope specified in laws and regulations, the Company may invest in other institutions including limited liability companies and joint stock limited companies, and assume liabilities to the extent of its capital contribution. The Company shall not be any unlimited liability shareholder of any profit-making organization.

In light of the needs of business development and with the approval of the Securities Regulatory Authorities of the State (hereinafter referred to as the "**Securities Regulatory Authorities**") and other governmental departments, the Company may set up branches, subsidiaries and representative offices at home and abroad.

When the Company sets up branches and subsidiaries, it shall apply for registration to the company registration authorities and obtain the business licenses.

The Company may invest in and set up subsidiaries to carry out direct investment business in compliance with laws, administrative regulations and the requirements of the Securities Regulatory Authorities. The Company may invest in and set up alternative subsidiaries to develop alternative investment businesses such as financial products and equity in compliance with laws, regulations and regulatory requirements.

CHAPTER 2 OPERATIONAL OBJECTIVE AND SCOPE

Article 12 The operational objective of the Company is to leverage on its financial strengths and talents to create sound benefits for all the shareholders, so that the Company continues to grow and expand, and becomes a large integrated international and modernized financial and securities enterprise, in accordance with the laws and regulations of the State and the financial and securities policies.

Article 13 As approved by the relevant regulatory authorities and approved by and registered with the administrative department for industry and commerce, the business scope of the Company includes:

- (1) securities brokerage;
- (2) securities investment consultation;
- (3) financial advisory business relating to securities trading and securities investment;
- (4) securities underwriting and sponsorship;
- (5) securities proprietary trading;
- (6) securities asset management;
- (7) proxy sale of securities investment fund;
- (8) provision of futures intermediary services for futures companies;
- (9) margin financing and securities lending;
- (10) proxy sale of financial products;

- (11) insurance agency service;
- (12) stock options market making;
- (13) securities investment fund custodian;
- (14) sale of precious metals;
- (15) other businesses as approved by relevant regulatory authorities.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 14 The shares of the Company shall be issued in the form of share certificates. The Company shall issue ordinary shares. With the approval from authorities authorized by the State Council, the Company may issue other classes of shares when needed.

Article 15 The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by any entities or individuals.

Article 16 All the shares issued by the Company shall have a nominal value, with each share having a nominal value of RMB1.00.

Article 17 With the approval by the Securities Regulatory Authorities or other relevant regulatory authorities, the Company may issue its shares to domestic and foreign investors.

The term “foreign investors” mentioned in the preceding paragraph refers to foreign, Hong Kong Special Administrative Region of the PRC (hereinafter referred to as “**Hong Kong**”), Macao Special Administrative Region or Taiwan investors who subscribe for shares issued by the Company. The term “domestic investors” refers to the investors within the territory of the PRC (other than the above-mentioned regions) who subscribe for the shares issued by the Company.

Article 18 Shares issued by the Company to domestic investors and other qualified investors for subscription in RMB are referred to as Domestic Shares. The Domestic Shares which are listed on domestic stock exchange shall be referred to as A Shares. Shares issued by the Company for foreign investors and other qualified investors to subscribe in foreign currency are referred to as foreign shares. The foreign shares, which are listed on an overseas stock exchange, shall be referred to as “overseas listed foreign shares”. Holders of Domestic Shares and overseas listed foreign shares have equal rights in any distribution by way of dividend or otherwise.

The foreign shares issued by the Company which are listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) shall be H Shares. H Shares are the RMB-denominated shares approved to be listed by the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars.

Foreign currencies mentioned in the preceding paragraph refer to legal tenders of other countries or regions other than RMB that are recognized by the competent authorities of the State Administration of Foreign Exchange for contribution of share capital to the Company.

The Company’s shareholders may list and trade their unlisted shares on overseas stock exchange(s) upon approvals of the State Council or the Securities Regulatory Authorities. Listing and trading of such shares on overseas stock exchange(s) shall comply with the regulatory procedures, provisions and requirements of overseas securities market(s). No shareholders’ class meeting is required to be convened for voting in respect of the listing of such shares on overseas stock exchanges.

Article 19

With the approval of the competent authorities, the Company was approved to issue a total of six thousand and one hundred million (6,100,000,000) ordinary shares upon its establishment to the promoters, representing one hundred per cent (100%) of the then total issued ordinary shares of the Company. The promoters of the Company contributed capital in 2011, and subscribed the shares of the Company through conversion of net assets into shares based on the corresponding shareholdings of former China Securities Finance Co., Limited held by them upon the establishment of the Company. Each promoter and its amount of contribution, number of shares subscribed and percentages of shareholding are set out as below:

Names of promoters	Amount of contribution (RMB)	Number of Shares	Percentage of Shareholding
Beijing State-owned Capital Operation and Management Center	2,745,000,000	2,745,000,000	45%
Central Huijin Investment Limited	2,440,000,000	2,440,000,000	40%
Century Jinyuan Investment Group Limited	488,000,000	488,000,000	8%
CITIC Securities Co., Ltd.	427,000,000	427,000,000	7%
Total	<u>6,100,000,000</u>	<u>6,100,000,000</u>	<u>100%</u>

Article 20

The total number of shares of the Company is 7,646,385,238 shares. The share capital is comprised of 7,646,385,238 ordinary shares, including 6,385,361,476 shares held by holders of Domestic Shares and 1,261,023,762 shares held by holders of overseas listed foreign shares.

Article 21

Domestic shares issued by the Company are deposited under the centralized custody of the securities depository institution that meets relevant requirements. The H Shares of the Company are mainly deposited under the custody of entrusted Hong Kong securities clearing companies and such shares may also be held under the personal names of shareholders.

Article 22

For the Company's plans for issuing overseas listed foreign shares and Domestic Shares approved by the Securities Regulatory Authorities, the Board of Directors of the Company may arrange for implementation of such plan by separate issues.

The Company may separately implement its plan for issuing overseas listed foreign shares and Domestic Shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval of the Securities Regulatory Authorities, unless otherwise provided by the Securities Regulatory Authorities.

Article 23 Where the Company issues overseas listed foreign shares and Domestic Shares respectively within the total number of shares specified in the issue plan, the respective shares shall be fully subscribed for in one go. Where it is impossible for respective shares to be fully subscribed for in one go under exceptional circumstances, the shares may be issued in several tranches subject to the approval of the Securities Regulatory Authorities.

Article 24 The registered capital of the Company is RMB7,646,385,238.

Section 2 Increase, Decrease and Buy-back of Shares

Article 25 The Company may, based on its business and development needs and in accordance with the laws, administrative regulations, normative documents, departmental rules and requirements of the relevant listing rules of the places where the shares of the Company are listed, increase its capital in the following manners upon resolutions being adopted by the shareholders' general meetings:

- (1) by public offering of shares;
- (2) by non-public offering of shares;
- (3) by placing shares to its existing shareholders;
- (4) by distributing bonus shares to its existing shareholders;
- (5) by capitalizing its capital common reserve;
- (6) by other means permitted by the law, administrative regulations or approved by the competent governmental departments.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated in the relevant laws, administrative regulations, departmental rules, normative documents in the PRC and the requirements of the listing rules of the places where the shares of the Company are listed.

Article 26 The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and the Articles of Association.

Article 27

Under the following circumstances, the Company may, after being approved according to the procedures provided in the laws, regulations and these Articles of Association and obtaining the approval from relevant national competent authorities, buy back its outstanding shares in accordance with statutory procedures:

- (1) reducing the Company's registered capital;
- (2) merging with companies which hold shares in the Company;
- (3) awarding shares to employees of the Company;
- (4) acquiring shares held by shareholders, who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company, upon their request;
- (5) other circumstances permitted by the law, administrative regulations, departmental rules, normative documents, the listing rules of the places, where the shares of the Company are listed and other relevant regulations.

The Company shall not purchase or sell the Company's shares except under the aforesaid circumstances.

Article 28

The Company may buy back its shares in one of the following manners with the approval from relevant national competent authorities:

- (1) by making a pro rata general offer of buy-back to all shareholders;
- (2) by repurchasing shares through public trading on a stock exchange;
- (3) by repurchasing through an off-market agreement;
- (4) by other means as permitted by laws and regulations and relevant regulatory authorities.

Article 29

Buy-back of the Company's shares under circumstances specified in item (1) to item (3) of Article 27 of the Articles of Association shall be subject to the approval of the shareholders' general meeting. For any buy-back of the Company's shares pursuant to items (1), (2), (4) of Article 27 of the Articles of Association, shares bought back pursuant to item (1) shall be cancelled within ten (10) days from the date of the buy-back; for circumstances described in items (2) and (4), the shares shall be transferred or cancelled within six (6) months. Share of the Company purchased according to item (3) of Article 27 of the Articles of Association shall not exceed five per cent (5%) of the total issued shares of the Company, and such purchase shall be funded by after-tax profit of the Company, and such shares purchased shall be transferred to employees within one (1) year.

Article 30

Where the Company buys back its shares through an off-market agreement, it shall seek prior approval of the shareholders' general meeting in accordance with the Articles of Association. The Company may terminate or amend an agreement entered into in the aforementioned manner or waive any of its rights thereunder with prior approval of the shareholders' general meeting obtained in the same manner.

The agreement for the share buy-back referred to in the preceding paragraph includes but not limited to agreements assuming obligations of share buy-back and acquiring the rights of the shares bought back.

The Company shall not assign an agreement for repurchasing its own shares or any of its rights thereunder.

With regard to the redeemable shares that the Company has the right to redeem, if they are not bought back on the market or by way of tender, the purchase prices of these shares shall not exceed certain maximum price; if they are bought back by way of tender, the tenders shall be available and proposed to all shareholders in the same manner.

Article 31 After the shares are bought back by the Company pursuant to the laws, the Company shall cancel such shares bought back within the period prescribed by laws and administrative regulations, and shall apply to the original company registration authority for registration of the change in the registered capital.

The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.

Article 32 Unless the Company is under liquidation, it shall comply with the following provisions in respect of the buy-back of its outstanding shares:

- (I) where the Company buys back its shares at nominal value, the amount thereof shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of shares;
- (II) where the Company buys back its shares at a price higher than nominal value, the portion corresponding to the nominal value shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of shares. The portion in excess of the nominal value shall be handled as follows:
 - (1) if the shares bought back were issued at nominal value, payment shall be deducted from the book balance of the distributable profits of the Company;
 - (2) if the shares bought back were issued at a price higher than their nominal value, payment shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of shares, provided that the amount deducted from the proceeds of the new issue of shares shall not be more than the aggregate of premiums received by the Company at the time of the issue of the shares bought back nor shall it be more than the amount of the Company's capital common reserve account (including the premiums on the new issue of shares) at the time of such buy-back;

(III) payment by the Company for the following purposes shall be paid out of the Company's distributable profits:

- (1) acquisition of rights to buy-back shares of the Company;
- (2) modification of any agreement for repurchasing shares of the Company;
- (3) release of any of the Company's obligations under any agreement for repurchasing its shares.

(IV) after the aggregate nominal value of the cancelled shares has been deducted from the registered capital of the Company in accordance with the relevant requirements, the amount deducted from the distributable profits for payment for repurchasing shares at their nominal value shall be accounted for in the Company's capital common reserve account.

Where the laws, administrative regulations, departmental rules, normative documents and relevant requirements of the Securities Regulatory Authorities in the place where the Company's shares are listed contain any other provisions in respect of the accounting treatment related to the aforementioned share buy-back, such provisions shall prevail.

Section 3 Transfer of Shares

Article 33 Save as otherwise specified by laws, administrative regulations, departmental rules, normative documents and relevant provisions of the Securities Regulatory Authorities in the place where the Company's shares are listed, shares of the Company may be transferred free from any liens in accordance with the laws. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the share registrar designated by the Company.

Article 34 All fully paid overseas listed foreign shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognize any instrument of transfer without any reasons unless the following conditions are satisfied:

- (1) instrument of transfer and any other documents related to or affecting the title of any shares shall be registered, and payment shall be made to the Company for such registration according to the standard charges stipulated by the Hong Kong Listing Rules;

- (2) the instrument of transfer only relates to the overseas listed foreign shares listed on the Hong Kong Stock Exchange;
- (3) the stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (5) if the shares are to be transferred to joint holders, the number of joint shareholders registered shall not exceed four (4);
- (6) the relevant shares are free from all liens of the Company.

If the Board of Directors refuses to register the transfer of shares, a notice of the rejection of registration of such transfer of shares shall be issued to the transferor and the transferee within two (2) months upon the duly submission of transfer application.

Article 35

All transfers of overseas listed foreign shares listed in Hong Kong may be effected by instruments of transfer in writing in a common form of the place where the Company's shares are listed or in any other form acceptable to the Board. Transfers of overseas listed foreign shares may be effected by the standard instrument of transfer specified by Hong Kong Stock Exchange. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a recognized clearing house as defined by the Securities and Futures Ordinance of Hong Kong, or its nominee) by hand or in a machine-imprinted format.

All instruments of transfer shall be deposited with the legal address of the Company, address of the share registrar of the Company or such places as the Board may designate from time to time.

Article 36

The Company shall not accept its own shares as the subject matter of a pledge.

Article 37

The shares of the Company held by the promoters shall not be transferred within one (1) year after incorporation of the Company. A Shares already issued by the Company before public offering shall be transferred under the laws, regulations and relevant listing rules.

The Directors, Supervisors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than twenty-five per cent (25%) of their shares per annum during their terms of office; the shares they hold in the Company shall not be transferred within one (1) year after the shares of the Company are listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Article 38

If the Company's Directors, Supervisors, senior management, and shareholders holding five per cent (5%) or more of the shares of the Company sell shares within six (6) months after buying the same or buy shares within six (6) months after selling the same, the earnings arising therefrom shall be attributed to the Company and the Board shall claim back the said earnings. However, the six-month restriction shall not be applicable to any sale of shares by an underwriter holding five per cent (5%) or more of the Company's shares as a result of its underwriting of the untaken shares.

If the Company's Board does not comply with the provision of preceding paragraph, the shareholders can request the Board to do so within thirty (30) days. If the Board fails to enforce such right within the said period, the shareholders are entitled to file a lawsuit with a people's court in their own names for the interests of the Company.

If the Company's Board fails to comply with the first paragraph of this Article, the accountable Directors shall assume joint and several liabilities in accordance with laws.

Section 4 Financial Assistance for Purchase of Company Shares

Article 39 The Company or its subsidiaries (including affiliated companies of the Company) shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations due to purchase of the Company's shares.

The Company or its subsidiaries (including affiliated companies of the Company) shall not, by any means and at any time, provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 41 of these Articles of Association.

Article 40 The term "financial assistance" mentioned in this section shall include (but not limited to) the following:

- (1) gift;
- (2) guarantee (including the undertaking of liability or provisions of property by the guarantor in order to guarantee the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising from the Company's own fault) and termination or waiver of rights;
- (3) provision of a loan or signing of a contract under which the obligations of the Company are to be fulfilled prior to the fulfillment of the obligations of the other party to the contract, and a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;
- (4) financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a significant reduction in the Company's net assets.

For the purposes of this section, the term “undertake obligations” shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement, whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor individually or jointly with any other person, or by changing its financial position in any other way.

Article 41

The acts listed below shall not be regarded as the acts prohibited under Article 39 of these Articles of Association:

- (1) the Company provides the relevant financial assistance in the interests of the Company in good faith, and the primary purpose of the said financial assistance is not to purchase the Company’s shares, or the said financial assistance is a part of a master plan of the Company;
- (2) the Company distributes its assets as dividends in accordance with the law;
- (3) the Company distributes dividends in the form of shares;
- (4) the Company reduces its registered capital, repurchases its shares and adjusts the equity structure in accordance with the Articles of Association;
- (5) the Company provides a loan for its normal business operations within its business scope (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profit of the Company);
- (6) the Company provides the funding for employee share scheme (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profit of the Company).

Section 5 Share Certificates and Register of Shareholders

Article 42 The share certificates of the Company shall be in registered form.

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required by the stock exchange(s) on which the Company's shares are listed.

The overseas listed foreign shares issued by the Company may take the form of overseas depositary receipt or other derivative form of share certificate in accordance with laws and securities registration and depositary practice of the listing venue.

Article 43 The share certificates shall be signed by the Chairman of the Board. Where the signatures of the General Manager or other senior management of the Company are required by the Securities Regulatory Authorities or the stock exchange(s) in the place where the Company's shares are listed, the share certificates shall also be signed by the General Manager or such other senior management. The share certificates shall become valid after the Company seal is affixed thereto or imprinted thereon. The affixing of the Company seal to the share certificates shall be authorized by the Board. The signature of the Chairman of the Board, the General Manager or such other senior management on the share certificates may also be in printed form.

In case of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the Securities Regulatory Authorities or the stock exchange(s) in the place where the Company's shares are listed shall apply.

Article 44 The Company shall establish a register of shareholders in accordance with certificates from the share registrar, and shall register therein the following particulars:

- (1) the name (title), address (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;

- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the share certificate held by each shareholder;
- (5) the date on which each shareholder is registered as a shareholder;
- (6) the date on which each shareholder ceases to be a shareholder.

The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.

Article 45

The Company may keep overseas the register of holders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authorities and the overseas Securities Regulatory Authorities. The original register of holders of overseas listed foreign shares listed in the Hong Kong Stock Exchange shall be kept in Hong Kong.

The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares. The entrusted overseas agent shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 46

The Company shall keep a complete shareholders' register. The shareholders' register shall include the following parts:

- (1) a register kept at the Company's domicile other than those specified in items (2) and (3) of this Article;
- (2) the register(s) of holders of overseas listed foreign shares kept in the place(s) of the overseas stock exchange(s) where the shares are listed;
- (3) registers of shareholders kept in other places as the Board may decide and consider necessary for listing purposes.

Article 47

The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept. The Company must ensure that all of the title documents of the securities listed on the Hong Kong Stock Exchange (including share certificates) include the statements as follows. The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of shares in the name of any individual holder unless and until he/she submits such properly executed forms to the share registrars which shall include the statements as follows:

- (1) the share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the requirements of the Company Law, the Special Regulations of the State Council on the Overseas Share Offering and Listing of Joint Stock Limited Companies, other relevant laws and regulations and the Articles of Association;

- (2) The share purchasers and the Company, each of the shareholders, Directors, Supervisors and senior management members of the Company shall agree, and the Company acting for itself and on behalf of each Director, Supervisor and senior management member shall agree with each shareholder, that all disputes or claims incurred as a result of the Articles of Association or disputes or claims incurred as a result of the rights and obligation provided by the Company Law or other relevant laws or regulations of the PRC or in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive;
- (3) The share purchasers and the Company and each of the shareholders agree that the shares of the Company may be freely transferred by the holder thereof;
- (4) The share purchasers authorize the Company to enter into a contract on their behalf with each of the Directors and senior management members. Pursuant to the contract, the Directors and senior management members undertake to observe and fulfil their responsibilities to the shareholders under the Articles of Association.

Article 48 Change of the register of shareholders arising from share transfer shall not be registered within thirty (30) days before convening of a general meeting or within five (5) days prior to the reference date set by the Company for the purpose of distribution of dividends. Provisions otherwise provided by the Securities Regulatory Authorities in the place(s) where the shares of the Company are listed shall prevail.

Article 49 When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the convener of the Board or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall be entitled to the relevant rights.

Article 50 If any person objects to the register of shareholders and requests to have his/her name (title) recorded in or deleted from the register of shareholders, the said person may apply to the court with jurisdiction to correct the register of shareholders.

Article 51

If any shareholder in the register of shareholders or any person requesting to have his/her name (title) recorded in the register of shareholders loses his/her share certificates (i.e. “**the Original Share Certificates**”), the said shareholder or person may apply to the Company to issue replacement certificates in respect of the said shares (i.e. “**the Relevant Shares**”).

If a shareholder whose share certificate of Domestic Shares has been lost applies to the Company for a replacement new share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder whose share certificate of overseas listed foreign shares has been lost applies to the Company for a replacement new share certificate, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed foreign shares is maintained.

If a shareholder whose share certificate of overseas listed foreign shares has been lost, the issue of a replacement new share certificate shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the pilferage, loss or destruction, and declaring that no other person is entitled to have his/her name entered in the register of shareholders in respect of the Relevant Shares.
- (2) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his/her name shall be entered in the register of shareholders in respect of such shares has been received.
- (3) The Company shall, if it decides to issue a replacement new share certificate, publish an announcement in respect of the issue of a replacement new share certificate in such newspapers as may be designated by the Board; the period of announcement shall be ninety (90) days and the announcement shall be reissued at least once every thirty (30) days.

- (4) The Company shall, prior to the publication of the announcement of its proposed issue of a replacement new share certificate, submit to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchange that the announcement has been exhibited at the premises of the said stock exchange. Such announcement shall be exhibited at the premises of the said stock exchange for a period of ninety (90) days. If the application for replacement of a share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.
- (5) If, upon expiry of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application in respect of the issue of replacement share certificate, the Company may issue a replacement new share certificate to the applicant accordingly.
- (6) Where the Company issues a replacement new share certificate under this Article, it shall immediately cancel the Original Share Certificates and record the cancellation and replacement issue in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of the Original Share Certificates and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until the applicant has provided reasonable security.

Article 52

Where the Company issues a new replacement share certificate pursuant to the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 53

The Company shall not be liable for any damages suffered by any person arising from the cancellation of the Original Share Certificates or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed a fraudulent act.

CHAPTER 4 CONSTITUTION OF THE PARTY

Article 54 The Company shall set up a Party Committee of CSC Financial Co., Ltd. (the “**Party Committee**”). The Party Committee shall consist of one (1) secretary, one (1) or two (2) deputy secretaries and several other members of the Party Committee. The chairman of the Board shall serve as the secretary of the Party Committee, and one deputy secretary shall be designated to assist the secretary in carrying out Party construction work. Eligible members of the Party Committee may join the Board, the Supervisory Committee and the Executive Committee through legal procedures. Eligible members in the Board, the Supervisory Committee and the Executive Committee may join the Party Committee in accordance with relevant provisions and procedures. Meanwhile, a Party Commission for Discipline Inspection of CSC Financial Co., Ltd. (the “**Commission for Discipline Inspection**”) shall be established by the Company in accordance with relevant requirements.

Article 55 The Party Committee of the Company shall perform its duties in accordance with the Constitution of the Communist Party of China, the “Regulations of the Communist Party of China on Organization Work (Interim)” and other internal laws and regulations of the Party, including:

- (1) ensuring and supervising the Company’s implementation of the policies and guidelines of the Party and the State, and implementing major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organizations;
- (2) strengthening its leadership and gatekeeping role in the management of the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision; upholding the integration of the principle that the Party manages the officials with the function of the Board in the lawful selection of the senior management and with the lawful exercise of authority of use of personnel by the senior management;

- (3) discussing and determining the reform, development and stability of the Company, significant operational and management affairs and major issues concerning employee interests according to requirements, and putting forth comments and suggestions. Supporting the shareholders' general meeting, the Board, the Supervisory Committee and the Executive Committee of the Company in performing their duties in accordance with law and supporting the employee representatives' meeting in carrying out its work;
- (4) assuming the primary responsibility to run the Party comprehensively with strict discipline, leading the ideological and political work of the Company, the united front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the labor union of the Company and the Communist Youth League; leading the construction of the Party's working style and its clean and honest administration, and supporting the Party discipline inspection committee in earnestly performing its supervisory responsibilities;
- (5) strengthening the building of the grassroots Party organizations of the Company and of its contingent of Party members, giving full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and uniting and leading officials and employees to devote themselves into the reform and development of the Company;
- (6) other important matters that fall within the duties of the Party Committee.

CHAPTER 5 SHAREHOLDERS AND THE GENERAL MEETINGS

Section 1 Shareholders

Article 56 A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of shareholders.

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

Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

- (1) the Company shall not register more than four persons as joint holders of any share;
- (2) the joint holders of any share shall assume joint and several liabilities for all amounts payable for relevant share;
- (3) if any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed as having title to the relevant shares, but the Board may, for the purpose of modifying the register of shareholders, require the surviving joint shareholders to provide a death certificate as it deems appropriate;
- (4) for joint shareholders of any share, the person whose name stands first in the register of shareholders shall be entitled to receive share certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders.

Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

Article 57

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

- (1) the right to receive dividends and other distributions in proportion to their shareholdings;
- (2) the right to request, convene, chair, attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting rights according to the law;
- (3) the right to supervise the Company's business operations, to present proposals or to raise enquires;
- (4) the right to transfer, give as a gift or pledge shares in accordance with laws, administrative regulations, normative documents and relevant requirements of the Securities Regulatory Authorities of the place where the shares of the Company are listed as well as the Articles of Association;
- (5) the right to obtain relevant information in accordance with the Articles of Association, including:
 1. the right to obtain a copy of the Articles of Association, subject to payment of cost;
 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (i) the register of all the shareholders;
 - (ii) personal particulars of each of the Company's Directors, Supervisors and senior management members;
 - (iii) the status of the Company's share capital;
 - (iv) special resolutions of shareholders' general meetings of the Company;

- (v) reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year and the aggregate amount incurred by the Company for this purpose;
- (vi) minutes of shareholders' general meetings;
- (vii) the latest audited financial report;
- (viii) a copy of the latest Annual Inspection Form that has been filed with the PRC Administration for Industry and Commerce or other competent authorities.
- (ix) counterfoils of corporate bonds;
- (x) resolutions of the Board;
- (xi) resolutions of the Supervisory Committee;
- (xii) financial accounting reports.

Documents of item (i) to (viii) (except item (ii)) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public shareholders and holders of overseas listed foreign shares to inspect free of charge (minutes of shareholders' general meetings are available for inspection by the shareholders only). If the information to be inspected and photocopied involves trade secrets or inside information of the Company, the Company may refuse to provide the same.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (7) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

- (8) other rights under laws, administrative regulations, departmental rules, normative documents, listing rules of the place(s) where the shares of the Company are listed and these Articles of Association.

The Company shall not exercise any rights to freeze or otherwise prejudice any rights attached to the shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests.

Article 58 When a shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of his/her shareholding in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity, and may charge reasonable fees for providing copies of the foregoing materials.

Article 59 If any resolution of the general meeting or the Board meeting is in violation of laws and administrative regulations, the shareholders shall be entitled to request the People's Court to invalidate the said resolution (the dispute-resolution rules of the Articles of Association shall apply to holders of overseas listed foreign shares).

If the convening procedure or voting method of the general meeting or the Board meeting is in violation of laws, administrative regulations or these Articles of Association, or if the content of any resolution is in violation of these Articles of Association, the shareholders shall be entitled to apply to the People's Court for revocation within sixty (60) days after the resolution being adopted (the dispute-resolution rules of the Articles of Association shall apply to holders of overseas listed foreign shares).

Article 60 If any Director or senior management violates laws, administrative regulations or these Articles of Association in fulfilling their duties, thereby causing any loss to the Company, the shareholder(s) individually or jointly holding one per cent (1%) or more of the shares of the Company for one hundred and eighty (180) or more consecutive days shall be entitled to request the Supervisory Committee in writing to institute legal proceedings to the people's court. If the Supervisory Committee violates laws, administrative regulations or these Articles of Association in fulfilling its duties, thereby causing any loss to the Company, the shareholders shall be entitled to request the Board in writing to institute legal proceedings to the People's Court (the dispute-settlement rules of the Articles of Association shall apply to holders of overseas listed foreign shares).

If the Supervisory Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within thirty (30) days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names for the interests of the Company (the dispute-resolution rules of the Articles of Association shall apply to holders of overseas listed foreign shares).

If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholder(s) as mentioned in the first paragraph of this Article may institute legal proceedings to the People's Court according to the provisions of the two preceding paragraphs.

Article 61 If any Director or senior management violates laws, administrative regulations or these Articles of Association, thereby causing any loss to the shareholders, the shareholders may institute legal proceedings to the People's Court (the dispute-resolution rules of the Articles of Association shall apply to holders of overseas listed foreign shares).

Article 62 The ordinary shareholders of the Company shall have the following obligations:

- (1) to abide by laws, administrative regulations and these Articles of Association;
- (2) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;
- (3) except as otherwise provided by laws and regulations, withdrawal of share capital shall be permitted;
- (4) not to remove any Director, Supervisor or senior management members of the Company without the approval by the general meeting and/or the Board;
- (5) not to interfere with the operation and management of the Company in violation of any requirement of laws, administrative regulations or the Articles of Association;

- (6) not to abuse shareholder's right to prejudice the interests of the Company or other shareholders; not to abuse the independent status of legal person of the Company or shareholder's limited liability to prejudice the interests of the creditors of the Company. Shareholders of the Company who abuse their shareholder's rights and thereby causing loss to the Company or other shareholders shall be liable for compensation according to the law. Where shareholders of the Company abuse the independent status of legal person of the Company and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.
- (7) shareholders of the Company shall notify the Company in advance if, through subscription or acquisition of the Company's shares or holding of the shares of the Company's shareholders or otherwise, the shareholders will hold five per cent (5%) or more of the Company's registered share capital. Shareholders shall be formally entitled to hold such amount of the Company's shares upon approval from the Securities Regulatory Authorities. Shareholders that hold or control five per cent (5%) or more of the Company's shares shall not have any voting rights until such approval is obtained from the Securities Regulatory Authorities. The abovementioned shareholders shall dispose of the corresponding shares if they are unable to obtain such approval from the Securities Regulatory Authorities within twelve (12) months from the date of acquiring the shares.
- (8) to fulfill other obligations as stipulated by laws, administrative regulations and these Articles of Association.

Shareholders shall not be liable for further contribution to share capital other than the conditions agreed to as a subscriber of the shares at the time of subscription.

Article 63

Shareholders holding five per cent (5%) or more of the shares of the Company shall notify the Company in writing within five (5) working days upon occurrence of any of the following circumstances:

- (1) shares of the Company they hold or control are under litigation preservation measures or mandatory enforcement measures;
- (2) change of controlling shareholders or the de facto controller;
- (3) their names are changed;
- (4) a merger or division is effected;
- (5) they are subject to regulatory measures including suspension of operation for rectification, designated custody, takeover or revocation or other regulatory measures, or proceeding with dissolution, bankruptcy or liquidation procedures;
- (6) they receive administrative penalty or are subject to criminal liability due to serious violations of laws and regulations;
- (7) they are involved in other circumstances that may lead to transfer of the shares of the Company they hold or control or affect operation of the Company.

If any shareholder who holds five percent (5%) or more of the Company's shares pledges the shares it holds, it shall report to the Company in writing on the day such pledge occurs.

The Company shall report to the local branch of the CSRC of its place of domicile, within five (5) working days after acknowledging the occurrence of the events as stated above.

Article 64

The Company shall establish an effective mechanism for communicating with its shareholders and shall protect the shareholders' right of information pursuant to laws.

The Company shall notify, in a timely manner, all of its shareholders in writing or other methods set out in the Articles of Association, and report to the local branch of the CSRC of the Company's place of domicile:

- (1) the conducts of the Company or its Directors, Supervisors and senior management officers are alleged to be in serious violation of laws and regulations;
- (2) the Company's financial position continues to deteriorate, resulting in the risk control indicators falling below the standards set by the Securities Regulatory Authorities;
- (3) the Company suffers substantial losses;
- (4) proposed change of the legal representative, the Chairman, chairman of Supervisory Committee or principal person in charge of the operation and management;
- (5) occurrence of emergencies that will or may have material adverse effect on the interests of the Company and its clients;
- (6) other matters that may affect the Company's on-going operation.

Article 65

The controlling shareholders and the de facto controllers of the Company shall not use the connected relations to prejudice the interests of the Company; otherwise, they shall be liable for compensation for the loss suffered by the Company.

The controlling shareholders and the de facto controllers of the Company owe fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholders shall exercise his/her rights as a capital contributor in strict compliance with laws. The controlling shareholders shall not make use of methods such as the distribution of profits, restructuring of assets, external investments, misappropriation of assets, borrowing or loan guarantees to prejudice the legitimate interests of the Company and public shareholders, and shall not make use of their controlling positions to prejudice the interests of the Company and public shareholders.

Save for the obligations imposed by laws, administrative regulations, departmental rules, normative documents or required by the listing rules of the place where the shares of the Company are listed, the controlling shareholders shall not, in the exercise of their shareholders' rights, make decisions prejudicial to the interests of all or part of the shareholders in the exercise of their voting rights on the issues set forth below:

- (1) releasing the responsibility of a Director or Supervisor to act in good faith in the best interests of the Company;
- (2) approving the expropriation by a Director or Supervisor for his/her own or others' benefits, in any guise, of the Company's assets, including but not limited to opportunities beneficial to the Company;
- (3) approving the expropriation by a Director or Supervisor for his/her own or others' benefit of the personal interests of other shareholders, including but not limited to any rights to distributions and voting rights, but excluding restructuring of the Company submitted to general meeting for approval in accordance with these Articles of Association.

Section 2 General Provisions for General Meetings

Article 66

The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:

- (1) to decide the business operation guidelines and investment plans for the Company;
- (2) to elect and change Directors and Supervisors who are not employees' representatives, and decide on the remunerations of Directors and Supervisors;
- (3) to consider and approve reports of the Board;
- (4) to consider and approve reports of the Supervisory Committee;
- (5) to consider and approve the annual financial budgets and final accounting proposals of the Company;
- (6) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (7) to resolve on the increase or reduction of the registered capital of the Company and issuance of shares of any class, stock warrants or other similar securities;
- (8) to resolve on the issuance of bonds of the Company;
- (9) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;
- (10) to amend these Articles of Association;

- (11) to consider and approve the material external investment projects of the Company, which are external investment projects the capital used by which in one accounting year exceeds five per cent (5%) of the latest audited net assets of the Company and the accumulated capital used by which exceeds ten per cent (10%) of the latest audited net assets of the Company;
- (12) to consider and approve the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 15% of the latest audited total assets of the Company;
- (13) to consider and approve the external guarantees to be provided by the Company;
- (14) to consider and approve connected transactions which shall be approved at the shareholders' general meeting in accordance with laws, regulations, and the listing rules of the place where the Company's shares are listed;
- (15) to determine the Company's engagement, removal or discontinuance of engagement of accounting firms;
- (16) to consider and approve matters relating to the changes in the use of proceeds;
- (17) to consider and approve share incentive schemes;
- (18) to consider and approve proposals submitted by shareholders individually or jointly holding three per cent (3%) or more of the shares of the Company;
- (19) to consider and approve the external donations by the Company which accumulatively amount to RMB ten million (10,000,000) or above in one financial year;
- (20) to consider other matters required to be resolved at the shareholders' general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 67 Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with a party (other than a Director, Supervisor, the General Manager and other senior management members) in relation to handover of the administration of all business or the important business of the Company to that party without the approval of the shareholders' general meeting by special resolution.

Article 68 General meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once (1) every year within six (6) months after the end of the previous financial year.

Article 69 The Company shall convene an extraordinary general meeting within two (2) months upon occurrence of the following events:

- (1) when the number of Directors falls below the minimum requirement of the Company Law, or is less than two thirds (2/3) of the number specified by the Articles of Association;
- (2) the unrecovered losses of the Company amount to one third (1/3) of the total amount of its paid-up share capital;
- (3) when shareholder(s) severally or jointly holding ten per cent (10%) or more of the Company's shares request(s);
- (4) the Board considers it necessary;
- (5) the Supervisory Committee proposes to convene such meeting;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

The number of shares held by the shareholder(s) as described in item (3) shall be calculated at the close of trading on the date when such shareholder(s) request in writing or on the preceding trading day (if the written request is made on a non-trading day).

Article 70

The venue of a general meeting of the Company shall be the domicile of the Company or other location specified in the notice of the general meeting.

A general meeting shall usually be in the form of physical meeting held on-site. The Company will also provide internet or other means to facilitate the participation of shareholders in general meetings in accordance with the requirements of securities regulatory authorities or stock exchanges. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting. The method of confirmation of the shareholders' identities shall comply with Article 49 of these Articles of Association. If the general meeting uses the internet or other methods, the voting timing and procedures in relation to such internet or other methods shall be clearly stated in the notice of the general meeting.

Provided that a general meeting is legally and validly held, the Company shall facilitate the participation of shareholders in the general meeting by giving priority to online voting platform and other modern information technology means through a variety of ways and methods.

If the Company cannot hold the general meeting within the periods set forth in Articles 68 and 69 of these Articles of Association, the Company shall report, together with the reasons thereof, to the local branch of the CSRC of the Company's domicile and the domestic stock exchange where the Company's shares are listed, and publish an announcement.

Section 3 Convening of General Meetings**Article 71**

The general meetings shall be convened by the Board of Directors. The Supervisory Committee or shareholders may convene the general meeting on their own initiative, subject to the relevant requirements specified in this section.

Half or more of Independent Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

Article 72

The Supervisory Committee shall be entitled to propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of the Supervisory Committee shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to respond within ten (10) days upon receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting itself.

Article 73

Shareholder(s) severally or jointly holding ten per cent (10%) or more of the shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting or class meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting or class meeting within ten (10) days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or class meeting or fails to respond within ten (10) days upon receipt of the proposal, shareholder(s) severally or jointly holding ten per cent (10%) or more of the shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting or a class meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of such meeting within five (5) days upon receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice of extraordinary general meeting or class meeting within the prescribed period, the Supervisory Committee shall be deemed as failing to convene and preside over the general meeting and the shareholder(s) severally or jointly holding ten per cent (10%) or more shares of the Company for ninety (90) or more consecutive days may convene and preside over such meeting by itself/themselves.

The shareholding of the convening shareholders shall be no less than ten per cent (10%) before a resolution passed at the general meeting is announced.

The convening shareholders shall submit the supporting documents to the local branch of the CSRC of the Company's domicile and the stock exchange upon the issuance of the notice of the general meeting and the announcement of the resolutions of the general meeting.

Article 74

Where the Supervisory Committee or shareholders convene a meeting by themselves in accordance with the provisions of this section, a written notice shall be sent to the Board and filed with the Securities Regulatory Authorities where the Company is located and relevant stock exchange. The Board and the secretary of the Board shall cooperate in terms of such meetings. The Board shall provide the register of shareholders on the shareholding record date. The expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent Directors.

Section 4 Proposals and Notices of General Meetings

Article 75 The contents of the proposals of the general meetings to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 76 When a general meeting is convened by the Company, the Board, Supervisory Committee and shareholders who severally or jointly hold three per cent (3%) or more of the shares of the Company, shall be entitled to make proposals to the general meetings.

Shareholders, who severally or jointly hold 3% or more of the shares of the Company, may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with Article 75 herein.

Article 77 Where a general meeting is convened by the Company, it shall issue a written notice forty-five (45) days prior to the convening of the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and venue of the meeting. Shareholders who intend to attend the general meeting shall deliver their written replies to the Company twenty (20) days prior to the convening of the meeting.

When calculating the time limit of the notice, the date of the meeting convened shall be excluded.

Article 78

The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting in accordance with the written replies received twenty (20) days prior to the convening of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half (1/2) or more of the total number of the Company's voting shares, the Company shall convene the general meeting. If not, the Company shall within five (5) days notify the shareholders again by publishing an announcement stating the matters to be considered as well as the date and venue of the meeting. Upon notification by the announcement, the Company is entitled to convene the general meeting.

An extraordinary general meeting shall not resolve on matters, which are not specified in the notice.

Article 79

Notice of a general meeting shall satisfy the following requirements:

- (1) be in writing;
- (2) time, venue and duration of the meeting;
- (3) matters and proposals to be considered at the meeting. Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals;
- (4) any information and explanations necessary to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;
- (5) in the event that any of the Directors, Supervisors, General Managers or other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, General Manager or other senior management as a shareholder in a manner different from the manner they affect other shareholders of the same class, the difference shall be explained;

- (6) the full text of any special resolution to be proposed for approval at the meeting;
- (7) a prominent statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;
- (8) the time and venue for lodging a proxy form for the meeting;
- (9) the record date for shareholders who are entitled to attend the general meeting;
- (10) the name and telephone number of the contact person for the meeting.

The interval between the shareholding record date of general meeting and the date of the meeting shall be in compliance with the requirements of relevant regulatory authorities of the place where securities of the Company are listed. The shareholding record date shall not be changed once confirmed.

Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals. If any matter to be discussed requires opinions of the Independent Directors, the opinions and reasons of the Independent Directors shall be disclosed together with the issuance of such notice.

Article 80

Unless the Articles of Association otherwise requires, the notice of a general meeting shall be sent to shareholders and announced in accordance with the relevant requirements in Chapter 12 of the Articles of Association.

For holders of Domestic Shares, the notice of the general meeting may also be given by way of announcement. The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the Securities Regulatory Authorities of the State Council forty-five (45) to fifty (50) days prior to the convening of the meeting. Once such an announcement is made, all holders of the Domestic Shares shall be deemed to have received the relevant notice of the general meeting.

The notices, materials or written announcement of the general meeting should be delivered to the shareholders of overseas listed foreign shares in any of the following manners, forty-five (45) days prior to the convening of said meeting:

- (1) to be delivered to every holder of overseas listed foreign shares by person or by mail to the registered addresses of such holder of overseas listed foreign shares;
- (2) announced at the websites designated by the Securities Regulatory Authorities or the stock exchange of the place where securities of the Company are listed in accordance with relevant laws, administrative regulations and listing rules;
- (3) other manners required by the stock exchange of the place where securities of the Company are listed and listing rules.

Article 81 The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

Article 82 Where the election of Directors and Supervisors are proposed to be discussed at a general meeting, the notice of the general meeting shall sufficiently disclose the detailed information about the Director and Supervisor candidate(s) in accordance with laws, regulations, listing rules of the place where Shares of the Company are listed and the requirements of the Articles of Association, including at least the following contents:

- (1) personal information including education background, work experience and part-time job;
- (2) whether he/she is connected with the Company or its controlling shareholders and de facto controller;
- (3) his/her shareholding in the Company;
- (4) whether he/she has received any penalty from the Securities Regulatory Authorities and other relevant governmental authorities and any penalty and warning from the stock exchange.

Election of every Director and Supervisor candidate shall be conducted by separate resolution.

Article 83 After the notice of the general meeting is issued, the general meeting shall not be postponed or cancelled, and the proposals set out in such notice shall not be cancelled without valid reasons. In case of adjournment under special circumstances, the Company shall promptly report to the local branch of the CSRC of the Company's place of domicile with the reasons for adjournment, the convener shall publish a notice at least two (2) working days before the original date of the general meeting and state the relevant reasons to every shareholder.

Section 5 Holding of General Meetings

Article 84 The Board of the Company and other conveners shall take necessary measures to ensure the good order of the general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles and infringing the legitimate rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 85 All shareholders or their proxies whose names appear on the register of shareholders on the shareholding record date are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his/her proxy to attend and vote at the meeting on his/her behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand a poll by himself/herself or jointly with others;
- (3) unless otherwise provided by the Articles of Association, the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

Article 86

Shareholders may attend a general meeting in person or appoint a proxy to attend and vote on their behalf. Individual shareholders attending a general meeting in person shall produce their identity cards or other valid proof or evidence of their identities, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend a general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization duly issued by such legal representatives.

Article 87

The appointment of a proxy shall be in writing and signed by the appointing shareholder or his/her attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its Director or attorney duly authorized.

The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:

- (1) the name of the proxy;
- (2) whether such proxy has any voting rights;
- (3) instruction of voting “for”, “against” or “abstain” for each resolution proposed at any general meeting;
- (4) the date of signing the proxy form and the effective period for such appointment;
- (5) the signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed;
- (6) the number of shares of the principal represented by the proxy.

If the shareholder is an authorized clearing house (as defined under the Hong Kong Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)) or its agent, such shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in any general meeting or shareholders' class meeting. If two or more persons are appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The proxies so appointed may represent the authorized clearing house (or its agent) in exercising its rights as if that proxy is an individual shareholder of the Company.

Article 88 The proxy form shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify not less than twenty-four (24) hours prior to convening of the meeting at which the relevant matters will be voted on, or twenty-four (24) hours before the designated voting time. If the principal authorizes any other person to sign the proxy form, the power of attorney or other authorization shall be notarized. The notarized power of attorney or other authorization must be delivered to the domicile of the Company or such other places specified in the notice of the meeting together with the proxy form. If the principal is a corporation, its legal representatives or any other person authorized by its board of directors or other governing body shall attend the general shareholders' meeting as a representative.

Article 89 Any proxy forms issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the proposals according to his/her free will, and instructions shall be given in respect of each single matter to be voted on at the meeting. The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, the proxy may vote as he/she thinks fit.

Article 90 If the principal dies, loses capacity, withdraws his/her appointment or the authorization to execute the appointment or if relevant shares in respect of which the proxy is given are transferred before voting, the voting made according to the proxy form shall remain valid, provided that the Company has not received any written notice in respect of such matters before the commencement of the meeting.

Article 91 The convener and the lawyer appointed by the Company shall examine legality of the shareholders' qualifications according to the register of shareholders and other effective documents provided by the securities registrations and clearing organizations. The names (titles) of shareholders and the number of voting shares shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares held.

A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of voting shares held or represented and names of appointers (or name of organizations).

Article 92 When holding a general meeting, the Company shall engage lawyers to provide legal opinions on the following issues with announcement thereon:

- (1) whether the procedures for convening and holding the general meeting are in compliance with the laws, administrative regulations, the Articles of Association;
- (2) whether the qualifications of the attendees and convener are lawful and valid;
- (3) whether the voting procedures and voting results of the shareholders' general meeting are lawful and valid;
- (4) legal opinions on other relevant issues at the request of the Company.

Article 93 All Directors, Supervisors and secretary of the Board shall attend general meetings of the Company, and the General Manager and other senior management shall be present at the meetings.

Article 94

The chairman of the Board shall preside over and act as chairman of the general meeting convened by the Board. If the chairman of the Board cannot or does not fulfill such duty, the vice chairman of the Board shall preside over and act as chairman of the meeting. Where there are two or more vice chairmen of the Board, the vice chairman of the Board selected by half or more of all Directors shall preside over and act as chairman of the meeting. Where the vice chairman of the Board is unable or fails to perform his/her duties, one (1) Director selected by half or more of all Directors shall preside over and act as chairman of the meeting. Where it is unable to select the chairman of the meeting, one (1) person selected by shareholders attending the meeting shall act as chairman of the meeting. Where the shareholders fail to elect a chairman of the general meeting for any reason, the shareholder (including his/her proxy) present in person or by proxy who holds the largest number of voting shares shall be the chairman of the general meeting.

The chairman/chairwoman of the Supervisory Committee shall preside over the general meeting convened by the Supervisory Committee. If the chairman/chairwoman of the Supervisory Committee is unable or fails to fulfill his/her duties, one (1) Supervisor jointly elected by half or more of the Supervisors shall preside over the meeting.

A representative elected by the convener shall preside over the general meeting convened by the Shareholders.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it impossible for the general meeting to continue, one (1) person may be elected at the general meeting to act as the chairman and continue the meeting, subject to the approval of the attending shareholders with more than half of the voting rights.

Article 95

The Company shall formulate rules of procedure for general meetings which shall specify the convening and voting procedure of general meetings. The rules of procedures for general meetings shall be attached as an appendix to these Articles of Association, formulated by the Board and approved by the general meeting.

Article 96

The Board and the Supervisory Committee shall report their work for the past year at the annual general meeting. Each Independent Director shall also submit his/her work report.

- Article 97** The Directors, Supervisors and senior management of the Company shall answer and explain inquiries and proposals made by shareholders at the general meeting.
- Article 98** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares, which shall be the number of shareholders and proxies present at the meeting and the total number of their voting shares as indicated in the meeting's registration record.
- Article 99** Minutes of a general meeting shall be prepared by the secretary of the Board. The minutes shall state the following:
- (1) the time, venue and agenda of the meeting and the convener;
 - (2) the name of the meeting chairman and the names of the Directors, Supervisors, General Manager and senior management who attend the meeting or are present in the meeting;
 - (3) the numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company;
 - (4) the process of review and discussion, summary of any speech and voting results with respect to each proposal;
 - (5) shareholders' inquiries, opinions or suggestions and corresponding answers or explanations;
 - (6) the names of lawyers, vote counters and scrutinizers of the voting;
 - (7) other contents to be included as specified in these Articles of Association.
- Article 100** The convener shall ensure that the contents of the minutes are true, accurate and complete. The Directors, the Supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting for a term of not less than twenty (20) years.

Article 101 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the meeting and publish an announcement and report in accordance with the relevant laws, administrative regulations, departmental rules, normative documents and listing rules of the place where the shares of the Company are listed.

Article 102 The resolutions of the general meeting shall be announced promptly. Such announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them, the percentage of such voting shares in relation to all the voting shares of the Company, the total number of shares required by the Securities Regulatory Authorities in the place where the Company's shares are listed to abstain from voting in favor and/or abstain from voting (if any), whether shareholders required to abstain from voting have in fact abstained, the voting methods, the voting result of each proposal, the details of each passed resolution and the identities of scrutinizers for vote-counting.

If a proposal is not passed, or if a resolution of the previous general meeting is changed at the said general meeting, special notes in connection therewith should be made in the announcement of the resolutions of the general meeting.

Section 6 Voting and Resolutions at General Meetings

Article 103 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by one-half (1/2) or more of the voting rights held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be adopted by two thirds (2/3) or more of the voting rights held by shareholders (including their proxies) attending the general meeting.

Article 104 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) work reports of the Board and the Supervisory Committee;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) appointment or dismissal of the members of the Board and Supervisory Committee, remuneration and payment methods thereof;
- (4) annual budget and final accounts,
- (5) the Company's annual report;
- (6) the Company's engagement, removal or discontinuance of engagement of accounting firms;
- (7) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed or the Articles of Association.

Article 105 The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) increase or reduction of the registered capital of the Company and issue of shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) division, merger, dissolution and liquidation or change in the form of the Company;
- (4) external guarantees to be provided by the Company;
- (5) purchase or disposal of major assets of the Company within one year with the transaction amount exceeding 15% of the latest audited total assets of the Company;
- (6) amendments to the Articles of Association;

- (7) share incentive scheme;
- (8) any other matters as required by laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed or the Articles of Association of the Company and matters which, as resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be approved by way of special resolutions.

Article 106 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Subject to the applicable laws, administrative regulations, departmental rules, normative documents or listing rules of the place where the shares of the Company are listed, the Board, Independent Directors and shareholders who meet the relevant requirements may solicit voting rights from shareholders. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.

Article 107 When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of voting shares.

The announcement of the resolutions of the general meeting shall fully disclose the voting of independent shareholders. Where the applicable laws, administrative regulations, departmental rules, normative documents or listing rules of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

- Article 108** Pursuant to the applicable laws, administrative regulations, departmental rules, normative documents and listing rules of the place where the shares of the Company are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.
- Article 109** Voting on all resolutions by Shareholders at the general meeting will be decided by registered ballot except where the chairman of the meeting in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
- Article 110** If the matter to be resolved by a poll is the election of the chairman of the shareholders' general meeting or the adjournment of the meeting, a poll shall be taken immediately. The chairman can decide when a poll will be taken for any other matters, and the meeting may proceed to discuss other matters, and the results of that poll shall be considered as resolutions passed at the meeting.
- Article 111** On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his/her votes for or against in the same way.
- Article 112** The general meeting shall vote on all the proposed resolutions separately; in the event of several proposed resolutions for the same issue, such proposed resolutions shall be voted on in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposed resolutions shall neither be shelved nor refused at the general meeting.
- Article 113** When considering a proposed resolution at a general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, for which the voting shall not proceed in that meeting. The same vote may only be cast once at the location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

Article 114 Before the relevant proposed resolution is voted on at the general meeting, two (2) representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. If any shareholder is related to the matter under consideration, such shareholder and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll. When votes are cast on proposed resolutions at the general meeting, the lawyers, representatives of the shareholders and the representative of Supervisors shall be jointly responsible for scrutinizing and counting votes and shall announce the voting results at the general meeting. The voting results in connection with the resolution shall be recorded in the minutes.

Shareholders of the Company or their proxies who cast their votes via the internet or through other permitted means shall have the right to monitor the voting results by the corresponding voting platform.

Article 115 A general meeting shall not be declared closed for the physical meeting at a time earlier than that for attendance via the internet or other means. The chairman of the meeting shall announce the voting details and results of each proposal and shall declare whether or not a proposal is adopted on the basis of the relevant voting results.

Prior to formally announcing the voting results, all those who are involved in the meeting whether in person or via internet or other means, including any companies, tellers, scrutineers, major shareholders, internet service providers and other relevant parties shall have the obligation to keep matters related to the voting confidential.

Article 116 A shareholder attending a general meeting shall express one of the following opinions on any proposed resolutions to be voted on: for, against or abstain, except for the declaration by securities registration and clearing institutions as the nominal holder of shares under the mutual market access scheme between PRC and Hong Kong stock markets, based on the intentions of the actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain".

Article 117 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the announcement of the voting result, the chairman of the meeting shall have the votes counted immediately.

In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.

Article 118 A shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes within seven (7) days of receipt of the reasonable payment therefor.

Article 119 Where a proposed resolution on the election of Directors or Supervisors is passed at the general meeting, the term of office of the newly-elected Director or Supervisor shall be determined at the same time and shall commence at the passing of the relevant resolution at the general meeting and upon the approval of qualification.

Article 120 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves is passed at a general meeting, the Company shall implement the specific plans within two (2) months after the conclusion of the general meeting.

Section 7 Special Procedures for Voting by Class Shareholders

Article 121 Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations and the Articles of Association.

Apart from holders of other classes of shares, holders of Domestic Shares and overseas listed foreign shares are deemed to be shareholders of different classes.

Where the share capital of the Company includes shares which do not carry voting rights, the words “**non-voting shares**” must appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “**restricted voting**” or “**limited voting**”.

Article 122 The Company shall not proceed to change or abrogate the rights of class shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class shareholders so affected in accordance with Articles 124 to 128.

Article 123 The following circumstances shall be deemed as change or abrogation of the rights of a certain class shareholder:

- (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 voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) to change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (3) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of the said class;
- (4) to reduce or cancel rights attached to the shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (5) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of the said class;
- (6) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of the said class;
- (7) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;

- (8) to restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;
- (9) to issue rights to subscribe for, or to convert into, shares of the said class or another class;
- (10) to increase the rights and privileges of the shares of another class;
- (11) to restructure the Company in such a way as to cause shareholders of different classes to undertake liabilities disproportionately during the restructuring;
- (12) to amend or cancel provisions in the section.

Article 124

Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders' class meetings in respect of matters referred to in items (2) to (8) and (11) to (12) in Article 123 hereof, except that interested shareholders shall not vote at such shareholders' class meetings.

The term "interested shareholders" in the preceding paragraph shall mean:

- (1) in case of a buy-back of shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with Article 28 hereof, the controlling shareholders as defined in Chapter 16 of these Articles of Association shall be the **"interested shareholders"**;
- (2) in case of a buy-back of shares by the Company by an off-market agreement in accordance with Article 28 hereof, holders of shares in relation to such agreement shall be the **"interested shareholders"**;
- (3) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligation than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the **"interested shareholders"**.

Article 125 Resolution of a shareholders' class meeting shall be passed only by two thirds (2/3) or more of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders' class meeting in accordance with Article 124.

Article 126 When the Company is to convene a shareholders' class meeting, it shall issue a written notice forty-five (45) days prior to the date of such meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall deliver their written replies to the Company of their attendance twenty (20) days prior to the date of the meeting. In determining the commencement date and the period, the Company shall not include the date on which the meeting is held.

In the event that the number of the voting shares represented by the shareholders intending to attend the meeting is one half (1/2) or more of the total number of voting shares of that class, the Company may convene a shareholders' class meeting. Otherwise, the Company shall within five (5) days notify the shareholders once again, by way of public announcement, of the matters to be considered at the meeting and the date and place of the meeting. Upon notification by public announcement, the Company may then proceed to convene the shareholders' class meeting.

If there are any special requirements by the listing rules of the place where the Company's shares are listed, such requirements shall prevail.

Article 127 The notice of a shareholders' class meeting shall be sent to the shareholders entitled to vote at such meeting only.

The procedure of a shareholders' class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Provisions of the Articles of Association relevant to procedure for the holding of a general meeting shall be applicable to a shareholders' class meeting.

Article 128

In the following circumstances, the special procedures for voting by class shareholders shall not apply:

- (1) with the approval by a special resolution at the general meeting, the Company issues Domestic Shares or overseas listed foreign shares alone or at the same time at each interval of twelve (12) months and the number of the Domestic Shares and overseas listed foreign shares does not exceed twenty per cent (20%) of the respective outstanding shares of such class;
- (2) the Company has made the plans to issue Domestic Shares or overseas listed foreign shares at the time of incorporation and the implementation of such plan has been completed within 15 months from the date of approval by the Securities Regulatory Authorities;
- (3) with the approval of the Securities Regulatory Authorities, shareholders of the Company list and trade their unlisted shares in any overseas stock exchanges.

CHAPTER 6 BOARD OF DIRECTORS**Section 1 Directors****Article 129**

Directors of the Company shall have their qualifications approved by the CSRC or its branches before assuming office. The Company shall not appoint any personnel who has not obtained the qualification to be Director, and shall not violate the provision by authorizing unqualified personnel to effectively exercise the duties.

Article 130

A Director of the Company shall meet the following criteria:

- (1) being of honesty, integrity and good behaviour;
- (2) being familiar with securities laws, administrative regulations, rules and other normative documents and having the operation and management ability necessary for performing the duties;
- (3) meeting such years of work experience requirements in securities, finance, economy, law and accounting as provided for by the CSRC;
- (4) meeting such education requirements as provided for by the CSRC;

- (5) other criteria as provided for by laws, administrative regulations and the provisions of these Articles of Association.

Article 131

Directors shall be elected and replaced at the general meeting and serve a term of three (3) years for each session. A director may serve consecutive terms if re-elected upon the expiry of his/her term, unless otherwise required by the relevant regulations and the Articles of Association. Before the expiry of a Director's term of office, the general meeting shall not remove such Director without cause.

The term of office of a Director shall be calculated from the date when such Director takes office, until the expiry of the term of the Board of Directors.

A general meeting may remove a director before expiry of his/her term of office by an ordinary resolution subject to compliance with relevant regulations. Removal of Director shall not prejudice such Director's right to claim for compensation under any contract.

A Director need not hold any shares in the Company.

Article 132

If the members of the Board of Directors fall below the minimum requirements stipulated in the Articles of Association because no re-election is timely conducted upon expiry of the term of office of a Director, or due to the resignation of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant regulations and the provisions of these Articles of Association until a newly elected Director takes office.

A Director may request to resign prior to the expiry of his/her term of office. If a Director resigns, such Director shall tender in writing a letter of resignation to the Board of Directors, and the Board of Directors shall disclose relevant information within two (2) days. Excepted that the members of the Board of Directors fall below the minimum statutory requirements due to the resignation of a Director set out in this Article, the resignation of a Director shall take effect at the time when the letter of resignation has been served on the Board of Directors, unless a later effective date of resignation is prescribed in the letter of resignation.

Article 133

When a Director resigns or his/her term of office expires, the Director shall complete all handover procedures with the Board of Directors. The fiduciary duty of such Director towards the Company and the shareholders shall remain for a reasonable period after the termination of the term of office. The length of such period shall be decided upon in accordance with the principle of fairness, taking into account the time elapsed between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminates. Their confidentiality obligation in relation to the Company's trade secrets shall remain for a period of two (2) years from the expiry of their terms of office.

Article 134

A Director shall comply with laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and these Articles of Association, and shall owe fiduciary duties towards the Company in the following aspects:

- (1) not to use his/her powers and positions to receive bribes or other illegal income or embezzle the properties of the Company or its clients;
- (2) not to misappropriate the assets of the Company or its clients;
- (3) not to deposit the assets or funds of the Company in the accounts in his/her own name or other person's name;
- (4) not to lend the funds of the Company to any persons or provide guarantee to other persons with the assets of the Company, without the approval of a general meeting or the Board of Directors, in violation of the provisions of these Articles of Association;
- (5) not to lend the funds of clients to any persons or to provide guarantee for any debts of the Company, the shareholders of the Company or any other institutions or individuals with the assets of clients in violation of laws;
- (6) not to enter into any contracts or transactions with the Company in violation of the provisions of these Articles of Association or without the approval of a general meeting;

- (7) not to use his/her powers and position to obtain for himself/herself or others any business opportunities which should have been the business opportunities of the Company or to be engaged for himself/herself or others in the same type of business which the Company is engaged in, without the approval of a general meeting;
- (8) not to encroach the commission generated as a result of any transaction with the Company;
- (9) not to disclose any secrets of the Company without any authorization;
- (10) not to prejudice the interests of the Company by using his/her related relationship;
- (11) other fiduciary duties as provided for by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and the provisions of these Articles of Association.

Any income obtained by a Director in violation of the above provisions shall be attributable to the Company; if the Company suffers any losses, such Director shall be liable to compensate.

Article 135

A Director shall comply with laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and these Articles of Association, and shall owe duties of diligence towards the Company in the following aspects:

- (1) to exercise the rights conferred on him/her by the Company in a prudent, careful and diligent manner to ensure that the business conduct of the Company is in compliance with the requirements of the state laws, administrative regulations and various economic policies and the business activities of the Company are not beyond the business scope as stipulated in the business licence;
- (2) to give equal treatment to all shareholders;
- (3) to understand the operation and management of the business of the Company in a timely manner;

- (4) to confirm any regular reports of the Company by signing on such reports; to ensure that the information disclosed by the Company is true, accurate and complete;
- (5) to provide relevant true information and materials to the Supervisory Committee and not to interfere with the duties and powers exercised by the Supervisory Committee or any Supervisors;
- (6) other duties of diligence as provided for by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and the provisions of these Articles of Association.

Article 136

The Directors shall, both collectively and individually, fulfill fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. Every Director must, in the performance of his/her duties as a Director:

- (1) act honestly in good faith in the interests of the Company as a whole;
- (2) act for proper purpose;
- (3) be accountable to the listed issuer for the application or misapplication of its assets;
- (4) avoid actual and potential conflicts of interest and duty;
- (5) disclose fully and fairly his/her interests in contracts with the listed issuer; and
- (6) apply such degree of skill, care and diligence as may reasonably be expected of a person of his/her knowledge and experience and holding his/her office as a Director of the listed issuer.

Article 137

If a Director fails to attend any two (2) consecutive meetings of the Board of Directors in person or by appointing other Directors to attend such meetings on his/her behalf, such Director shall be deemed incapable of performing his/her duties, and the Board of Directors shall make recommendation to a general meeting for replacement.

- Article 138** Without any legal authorization by these Articles of Association or the Board of Directors, no Director shall use his/her personal capacity to act on behalf on the Company or the Board of Directors. If any third parties reasonably believe that a Director acts on behalf of the Company or the Board of Directors while such Director acts in his/her own name, such Director shall make a prior statement as to his/her position and capacity.
- Article 139** If the Company suffers any losses due to the exercise of the duties by a Director in violation of laws, administrative regulations, departmental rules and the provisions of these Articles of Association, such Director shall be liable to compensate.
- Article 140** Unless otherwise required by the Articles of Association, the methods and procedures to nominate Directors are as follows:
- (1) the candidates for Directors may be nominated by the Board of Directors based on the number of Directors to be elected subject to the number specified by the Articles of Association;
 - (2) shareholder(s) individually or jointly holding three per cent (3%) or more of the shares of the Company may nominate the candidates for Directors, but the number of persons nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected;
 - (3) before the convening of general meeting of the Company, candidates for Directors shall make written commitments stating their acceptance of the nomination, confirming that the information of candidates for Directors is true and complete, and undertaking to faithfully perform the duties of Directors if elected;
 - (4) the written notices of the intention to nominate a candidate for election as a Director and the acceptance of nomination by such candidate, shall be given to the Company no less than seven (7) days prior to the date of convening the general meeting;
 - (5) the period given by the Company to relevant nominators and nominees to submit the aforesaid notices and documents (which period shall commence from the day following the date of despatch of the notice of general meeting) shall be no less than seven (7) days.

Section 2 Independent Directors

Article 141 Independent Directors refer to the Directors who do not hold any other positions in the Company (other than as a Director of the Company), and are not related to the Company and its shareholders in a way that may hinder their independent and objective judgment, and comply with the independent requirements under the listing rules of the place where the Company shares are listed.

The Company's Board of Directors shall include Independent Directors. There shall be no less than three (3) Independent Directors and they shall constitute no less than one-third (1/3) of the Board of Directors. At least one Independent Director shall possess the appropriate professional qualifications or have appropriate accounting or related financial management expertise and one Independent Director shall reside in Hong Kong.

Apart from the qualifications and obligations of Directors provided in the relevant provisions in Section 1 of this Chapter, an Independent Director shall also meet the following requirements:

- (1) shall have five (5) years or more of experience in the work of securities, finance, law or accounting;
- (2) shall have a university diploma at or above the undergraduate level, and a bachelor's degree or higher degree;
- (3) shall have the time and capacity necessary for the performance of his/her duties as an Independent Director;
- (4) shall have the basic knowledge of the operation of a financial institution and be familiar with the relevant laws, regulations and rules, and with a good reputation;
- (5) shall meet the independence requirements provided in the relevant provisions required by the Securities Regulatory Authorities of the State Council and the securities regulatory rules of the place where the Company's shares are listed.

Article 142 The term of office of the Independent Directors is the same as those of other Directors of the Company. An Independent Director may be re-elected after the expiration of his/her term of office but shall not serve for more than six (6) consecutive years.

Article 143 Where the Independent Director resigns or be removed during his/her term of office, the Independent Director himself/herself and the Company shall separately report and provide a written explanation to the Securities Regulatory Authorities in the company's place of domicile and the general meeting, respectively.

If at any time the number of the Independent Directors of the Company does not satisfy the number, qualifications or independence requirements under the listing rules of the main board, the Company shall notify the Hong Kong Stock Exchange promptly, and shall state in the form of announcement the particulars and reasons. The Company shall also appoint a sufficient number of Independent Directors to meet the requirements of the listing rules of the main board within three months after its failure to comply with the relevant requirements.

Article 144 The Independent Director shall have the following powers in addition to those powers conferred upon him/her by the Company Law and other relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and these Articles of Association:

- (1) to propose to the Board of Directors to convene extraordinary general meetings. If the Board of Directors refuses to do so, he/she may propose to the Supervisor Committee to convene extraordinary general meetings;
- (2) to propose to convene Board meetings;
- (3) to engage auditing firms or consultancy firms necessary for performing duties;
- (4) to offer independent opinions on matters related to the remuneration plans, incentive scheme and so forth for the Company's Directors and senior management members;
- (5) to offer his/her independent opinions on the material connected transactions (as determined according to the criteria issued by the regulatory authorities in the place(s) of listing from time to time);
- (6) publicly solicit proxies from shareholders before shareholders' general meetings.

The Independent Director shall perform his/her Director's duties independently in accordance with laws, administrative regulations and requirements of the Securities Regulatory Authorities, and shall submit his/her work report at the annual general meeting.

The Independent Director who fails to perform his/her duties diligently shall undertake the corresponding responsibilities.

The Company shall ensure that Independent Directors will enjoy the same right to information as other Directors.

Section 3 Board of Directors

Article 145 The Company shall have a Board of Directors which shall be accountable to the general meeting.

Article 146 The Board of Directors consists of fourteen (14) members, five (5) of whom are Independent Directors.

The number of internal Directors in the Board of Directors shall not exceed one-half (1/2) of the number of Directors.

Article 147 The Board of Directors shall exercise the following powers and duties:

- (1) to convene a general meeting and submit work report to such meeting;
- (2) to implement the resolutions of a general meeting;
- (3) to decide on the operation plan and investment scheme of the Company;
- (4) to determine the objectives of the Company's compliance management, assume responsibility for the effectiveness of compliance management of the Company and perform the corresponding duties of compliance management;
- (5) to prepare the draft annual budget and final accounts of the Company;

- (6) to prepare the profit distribution plan and the loss recovery plan of the Company;
- (7) to prepare the plan for the Company to increase or reduce its registered capital, issuance of corporate bonds and other securities and listing plans;
- (8) to prepare plans of the Company with respect to mergers, divisions, dissolution or changes of the form of the Company;
- (9) to prepare plans of the Company with respect to material acquisitions, acquisition of the Company shares;
- (10) to appoint or remove the General Manager, the Chief Compliance Officer, the Chief Risk Officer and the Secretary of the Board nominated by the Chairman of the Board of Directors and decide the remunerations and rewards and punishments thereof; to appoint or remove the Chief Financial Officer, members of the Executive Committee and other senior management members nominated by the Chairman of the Board of Directors or the General Manager, and decide the remunerations and rewards and punishments thereof;
- (11) to decide on the establishment of the internal management organizations of the Company;
- (12) to determine the composition of special committees under the Board, and the chairman (convener) of each special committee;
- (13) to establish a basic management system of the Company;
- (14) to prepare plans to amend these Articles of Association;
- (15) to file an application for bankruptcy on behalf of the Company;
- (16) to prepare plans of the Company with respect to the material external investments, material assets acquisition and disposal, material guarantees and material connected transactions;
- (17) to consider and approve the external investment matters that do not require approval by the general meeting as prescribed in these Articles of Association;

- (18) to consider and approve the assets acquisition and disposal matters that do not require approval by the general meeting as prescribed in these Articles of Association;
- (19) to consider and approve the connected transactions that should be considered and approved by the Board of Directors pursuant to laws, regulations and the listing rules of the place where the Company shares are listed;
- (20) to consider and approve the external donation matters of the Company with the accumulated donation amount below RMB10 million (RMB10,000,000) within one financial year;
- (21) to decide on the Company's external investments, acquisition and disposal of assets, pledge of assets, external guarantees, trust management, connected transactions and other matters within the scope of authorization by a general meeting;
- (22) to decide on mergers, divisions, establishments or revocations of domestic branches;
- (23) to manage the disclosure of information by the Company;
- (24) to propose to the general meeting with respect to the engagement or replacement of the audit firm of the Company;
- (25) to receive the work report of the General Manager of the Company and examine such work;
- (26) to exercise any other duties and powers specified in relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed or these Articles of Association.

For the above matters of duties and powers exercised by the Board of Directors which is beyond the scope of authorization of the shareholders' general meeting or any transaction or arrangement of the Company which shall be considered and approved by a general meeting according to the listing rules of the places where the shares of the Company are listed, shall be submitted to the general meeting for consideration and approval.

The Board of Directors shall define the limits of authority of external investment, acquisition and disposal of assets and connected transaction, and set up a stringent investigation and decision making procedure. Specialists and professionals should be organized to assess the material external investment and seek shareholders' approval in a general meeting.

Article 148 The Board shall consult the Party Committee of the Company before making decisions on important issues of the Company.

Article 149 In cases where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with value of fixed assets disposed within four months before the proposed disposal, exceeds thirty-three per cent (33%) of the fixed assets value set out in the latest balance sheet approved by the general meetings, the Board of Directors shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

The term "fixed assets disposal" referred to in this Article includes (among other things) transferring certain interests in assets, but excludes provision of guarantees with fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a violation of the first paragraph of this Article.

Article 150 The Board of Directors shall give explanations at the general meeting on the qualified auditing opinions issued by the certified public accountants to the Company's financial reports.

Article 151 The Board of Directors shall formulate the rules of procedures for meetings of the Board of Directors to ensure the implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the Board of Directors shall be appended to these Articles of Association. It shall be formulated by the Board of Directors and approved by the general meeting.

Article 152 The Board of Directors shall have one (1) chairman and two (2) vice chairmen who shall be elected and removed by more than one half of all the Directors. The chairman and vice chairman shall serve a term of three (3) years and may be re-elected upon the expiry of their terms.

Article 153

The chairman shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (2) to procure and check the implementation of resolution of the Board of Directors;
- (3) to sign on securities issued by the Company;
- (4) to sign on important documents of the Board of Directors;
- (5) to exercise the functions and powers as the legal representative;
- (6) other functions and powers authorized by the Board of Directors;
- (7) other functions and powers stipulated in the laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed and these Articles of Association.

Article 154

The vice chairman of the Company shall assist the chairman. When the chairman is unable to or does not carry out his/her duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties shall be carried out by the vice chairmen nominated by half or more of the Directors). If the vice chairman is unable to or does not carry out his/her duties, they shall be carried out by one (1) Director nominated by half or more of the Directors.

Article 155

The Board meetings include regular Board meetings and extraordinary Board meetings.

Regular meetings of the Board of Directors shall be held at least four (4) times a year. Meetings of the Board of Directors shall be convened by the Chairman of the Board by giving a notice to all Directors and Supervisors fourteen (14) days before the meeting is held. The required period of notice of regular meetings of the Board of Directors may be waived upon unanimous consent of Directors in writing.

The chairman shall, convene and preside over the extraordinary meeting of the Board of Directors within ten (10) days upon receipt of the proposal in any of the following circumstances:

- (1) proposal of shareholders holding one-tenth (1/10) or more of the voting rights;
- (2) when the Chairman considers necessary;
- (3) proposal of one-third (1/3) or more of the Directors;
- (4) proposal of one half or more of the Independent Directors;
- (5) proposal of the Supervisory Committee;
- (6) proposal of the General Manager;
- (7) under situations regulated by laws and regulations and the listing rules of the place where the Company is listed, or requested by securities regulatory departments.

The extraordinary Board meetings shall be convened by giving a notice in writing to all Directors five (5) days before the meeting is held. The required period of notice of extraordinary meetings of the Board of Directors may be waived upon unanimous consent of Directors.

When a director has attended a meeting, he/she shall be deemed to have been served with a notice of the meeting if he/she fails to state he/she did not receive the notice of the meeting before or during the meeting.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board of Directors which the Board of Directors has determined to be material, the matter shall be dealt with by way of holding a Board meeting rather than written resolutions. Independent Directors who, and whose close associates, have no material interest in the transaction should be present at such Board meeting. Subject to the Articles of Association of the Company and the laws and regulations where the Company was incorporated, the Directors can be deemed as attending a Board meeting in person if they attended a meeting through electronic means such as telephone or video conference.

A Board meeting should be held to discuss the appointment and dismissal of the company secretary and the matter should be dealt with by holding a Board meeting rather than a written resolution.

Article 156 The Board meeting shall be convened by way of on-site meeting, video-conference or teleconference in principle. Should an on-site meeting, video-conference or teleconference be unable to be held in case of emergency or owing to force majeure or other special reasons, it can be held by means of written communication.

Where the Board meeting is convened by way of written communication, sufficient background information of the resolution required for consideration by the Directors shall be provided or supplemented according to the requirements of the Directors when giving the meeting notice, in order to fully listen to the view of Directors on the resolutions and circulate the views to all Directors until final resolutions are reached.

The regular Board meeting shall not be convened by way of written circulation.

Article 157 A notice of Board meeting shall include the following contents:

- (1) the date, venue and duration of the meeting;
- (2) the method of holding the meeting;
- (3) the subject matters and topics of the meeting;
- (4) the date of dispatch of the notice.

Article 158 The Board meeting shall not be held unless more than one half of the Directors are present.

Article 159 Except for matters set out in items (7), (8) and (14) of Article 147 of these Articles of Association which are required to be approved by voting by two-thirds (2/3) or more of the Directors, other matters can be approved by voting by more than half of the Directors as resolutions of the Board of Directors.

As for the voting on a Board resolution, each Director shall have one vote only.

- Article 160** When a Director is related to companies which are the subject of a resolution to be decided at a Board meeting, the related Director shall not vote on that resolution, and shall not vote on behalf of other Directors. Such Board meeting can be held if more than one half of the non-related Directors attend. Resolutions made by the Board meeting shall be passed by more than one half of the non-related Directors (resolutions involving items (7), (8) and (14) of Article 147 of these Articles of Association shall be approved by voting by two-third (2/3) or more of the non-related Directors). The Independent Directors shall offer their independent opinions on the material connected transactions. If less than three (3) non-related Directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.
- Article 161** The Board meeting shall vote by way of a show of hands, disclosed ballot or other means of voting approved by the regulatory authority. Any resolution made by video-conference, teleconference, facsimile or other communication equipment in the Board meeting shall be signed by the voting Directors.
- Article 162** The Directors shall attend a Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. The authorized Director shall present authorization letters and exercise the voting right to the extent of the authorization given. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.
- Article 163** The Board of Directors shall keep minutes of its resolutions on the matters discussed at the meeting. The Directors, who attended the meeting and the recorder, shall sign on the minutes of that meeting.
- The minutes of the Board meeting shall be kept as corporate archives for a period of no less than twenty (20) years.

The Directors shall be responsible for the resolutions of the Board of Directors. Where a resolution of the Board of Directors is in violation of laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the Directors who took part in the resolution shall be liable for the damages suffered by the Company. However, where a Director can prove that he/she expressed his/her opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, the Director shall be relieved from such liability.

Article 164

The minutes of the Board meeting shall include:

- (1) the date, venue and convener of the meeting;
- (2) the names of the Directors attending the meeting and the names of the Directors (proxies) appointed by other Directors to attend the meeting;
- (3) the agenda of the meeting;
- (4) the main points of the speeches of the Directors;
- (5) the methods and results of the voting for each resolution (the voting results shall state the number of votes voting for, against, or in abstention).

Section 4 Special Committees under the Board

Article 165

The Board of Directors consists of special committees, namely the Development Strategy Committee, Risk Management Committee, Audit Committee and Remuneration and Nomination Committee.

The chairmen/chairwomen of Audit Committee and Remuneration and Nomination Committee shall be Independent Directors. Audit Committee shall consist of at least three members, all of whom shall be Non-executive Directors and not less than half (1/2) of the members shall be Independent Directors. There shall be at least one Independent Director who shall be an accounting professional with five (5) years or more of working experience in accounting. Not less than half (1/2) of the members of the Remuneration and Nomination Committee shall be Independent Directors.

All special committees shall be accountable to the Board of Directors and may submit proposals to the Board of Directors in respect of the specific matters, which they are responsible for. The Board of Directors shall seek advice of the special committees before making any decision on matters related to the duties of the special committees. Each special committee shall submit its annual work report to the Board of Directors.

Article 166

The Development Strategy Committee is responsible for researching and forecasting the Company's long-term development strategy and establishing the Company's development strategy plans. Its main duties are as follows:

- (1) to understand and oversee the overall operation of the Company;
- (2) to understand, analyze and monitor the current situation of the international and domestic industry;
- (3) to understand and monitor the relevant national policies;
- (4) to study the short-term, medium-term and long-term development strategies of the Company or the relevant issues;
- (5) to provide consultancy advice on the Company's long-term development strategy, major investment, reform and other major decisions;
- (6) to consider and approve the special study report on the development strategy;
- (7) to publish the daily research report in a regular or irregular manner;
- (8) other duties determined by the Board of Directors and other duties required by the listing rules or regulatory requirements of the places where the Company's shares are listed.

Article 167

The Risk Management Committee shall be mainly responsible to monitor the overall risk management of the Company and control such risks within reasonable limits, so as to ensure that the Company may implement effective risk management plans with respect to various risks in the business related activities of the Company. Its main duties are as follows:

- (1) to review and advise on the general objectives and basic policies of compliance management and risk management;
- (2) to determine strategic structures and resources for the risk management of the Company, and to ensure that they are compatible with the internal risk management policies of the Company;
- (3) to review and advise on the establishment and duties of the institution for compliance management and risk management;
- (4) to evaluate the risks relating to major decisions to be considered and approved by the Board and the solutions for such major risks, and to provide advice in this regard;
- (5) to define the limits of major risks;
- (6) to supervise, examine and make recommendation to the Board on relevant risk management policies;
- (7) to review and approve the compliance reports and risk evaluation reports required to be considered and approved by the Board, and providing advice in this regard;
- (8) other duties to be determined by the Board of Directors and other duties required by the listing rules or regulatory requirements of the places where the Company's shares are listed.

Article 168

The Audit Committee is responsible for the compliance control of the operating management and investment business of the Company and the review and supervision of the internal auditing works and results of the Company. Its main duties are as follows:

- (1) to supervise the annual audit and make judgment on the truthfulness, accuracy and completeness of the audited information contained in the financial reports before submitting the reports to the Board;
- (2) to propose to engage or dismiss the external auditor of the Company, and to supervise the practice of external auditors;
- (3) to supervise the internal audit system and its implementation;

- (4) to be responsible for the communications between the internal audit and the external audit;
- (5) to review and approve the financial information of the Company and its disclosure;
- (6) to examine the internal control system of the Company;
- (7) other duties determined by the Board of Directors and other duties required by the listing rules or regulatory requirements of the places where the Company's shares are listed.

Article 169

The Remuneration and Nomination Committee is mainly responsible for formulation of the appraisal standards of the Company's Directors and the senior management, as well as conducting appraisal; formulation and examination of remuneration policy and proposal for the Directors and the senior management (including but not limited to performance evaluation standards, procedures and major evaluation systems, major programs and systems of incentives and penalties); researching the selection standard of Directors and the senior management and making suggestions of the candidates. Its main duties are as follows:

- (1) to formulate and implement a performance evaluation system responsive to the changing market conditions, competitive remuneration package and the incentive measures for awards and punishments related to operating results, in accordance with the features of the financial and securities industry, the respective scope, responsibilities, significance of the Directors and senior management and remuneration levels of similar positions in other related enterprises;
- (2) to assess the fulfillment of duties of the Directors and senior management of the Company and to appraise their annual performance;
- (3) to review and advise on the appraisal and remuneration system for the Directors and senior management;
- (4) to monitor the implementation of the remuneration system for the Directors and senior management;

- (5) to review and advise on the election standards and procedures of the Directors and senior management; to search for eligible candidates for Directors and senior management; to review and provide opinions on the qualification criteria of candidates for Directors and senior management;
- (6) other duties determined by the Board of Directors and other duties required by the listing rules or regulatory requirements of the places where the Company's shares are listed.

Article 170 Each special committee shall formulate its own rules of procedures to perform its respective duties. The rules of procedures shall be considered and approved by the Board of Directors. Each special committee shall perform its respective duties in accordance with such rules of procedures.

Article 171 The special committees may engage external professionals to provide services and the reasonable expenses incurred shall be borne by the Company.

Section 5 Secretary of the Board

Article 172 The Company shall have a Secretary of the Board. The Secretary of the Board shall be one of the senior management and accountable to the Board of Directors.

Article 173 The Secretary of the Board shall be a natural person with prerequisite professional knowledge and experience and be engaged or dismissed by the Board of Directors. The Secretary of the Board serves a term of three (3) years and may serve consecutive terms if re-appointed upon the expiration of his/her term. The provisions in the Articles of Association relating to the circumstances in which a person is not allowed to serve as a Director of the Company shall apply to the Secretary of the Board.

Article 174 The main duties of Secretary of the Board are:

- (1) to prepare the Company's general meetings and Board meetings, keep the documents and sort out the information of the Company's shareholders;
- (2) to ensure that the Company has a complete set of constitution documents and records;

- (3) to ensure that the Company prepares and submits the reports and documents required by competent authorities according to the law;
- (4) to ensure that the register of shareholders of the Company is properly created and the persons entitled to obtain the relevant records and documents of the Company obtain such records and documents promptly;
- (5) to handle the matters of information disclosure;
- (6) other duties required by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company's shares are listed or these Articles of Association.

Article 175

Any Directors or other senior management members of the Company may serve concurrently as the Secretary of the Board of the Company. The Supervisors of the Company shall not serve concurrently as Secretary of the Board. The Certified Public Accountants of the accounting firm and the lawyers of the law firm engaged by the Company shall not serve concurrently as the Secretary of the Board of the Company.

In the case of a Director serving concurrently as the Secretary of the Board of the Company, if an act should be made separately by a Director and the Secretary of the Board of the Company, the Director serving concurrently as the Secretary of the Board of the Company shall not make such an act in both capacities.

**CHAPTER 7 BUSINESS MANAGEMENT ORGANIZATION
OF THE COMPANY**

Section 1 Executive Committee

Article 176

The Company established the Executive Committee to operate and manage its business. The Executive Committee consists of the Chairman and vice chairman (the vice chairman served by an Executive Director) of the Board of Directors, the General Manager, the Secretary of the Board, the Chief Financial Officer and other members of the senior management.

Article 177

The Executive Committee of the Company shall, according to the resolutions of the Board of Directors or the relevant requirements, perform the following duties:

- (1) to carry out the operational guidelines of the Company, and determine major matters in relation to the operation and management of the Company;
- (2) to implement the objectives of the Company's compliance management, assume responsibility for the compliant operation of the Company, and perform the corresponding duties to compliance management;
- (3) to draft the financial budget plan of the Company, and submit the same to the Board of Directors for formulation;
- (4) to draft the final accounting plan, the profit distribution plan, and loss recovery plans of the Company, and submit the same to the Board of Directors for formulation;
- (5) to draft the plan to change the registered capital, and the plan to issue bonds, of the Company, and submit the same to the Board of Directors for formulation;
- (6) to draft the plan for the merger, division, alteration or dissolution of the Company, and submit the same to the Board of Directors for formulation;
- (7) to draft the plan for the operation, investment, financing or assets disposition of the Company, and submit the same to the Board of Directors for approval in accordance with corresponding authority;
- (8) to draft the plan for the establishment of an internal management organization of the Company, and submit the same to the Board of Directors for approval;
- (9) to decide the appointment and dismissal of the management (other than the Directors and senior management of the Company);

(10) to draft and approve the remuneration plan and the award and punishment plan for employees (other than Directors and senior management of the Company);

(11) to exercise other powers granted by the Board of Directors.

The Company drafts the rules of procedure of the Executive Committee, which shall be approved by the Board of Directors of the Company.

Article 178 The meeting of the Executive Committee of the Company shall be proposed by the Chairman of the Board of Directors, or proposed by the General Manager and other members of the committee and confirmed by the Chairman of the Board of Directors. It shall be convened by the Chairman of the Board of Directors. The meeting shall be held only when two thirds (2/3) or more of the members are present.

Article 179 The issues and resolutions presented at the meeting of the Executive Committee of the Company shall be fully justified by the competent leaders and the relevant departments before the meeting. The issues and resolutions shall contain specific opinions or options and shall be submitted to the Executive Committee three (3) working days prior to the meeting. In case of emergencies, the above procedures can be appropriately simplified.

Article 180 The resolution of the meeting shall, in principle, be passed through an oral voting. However, in case of disagreement, it shall adopt a voting by a show of hands and shall be passed with more than one half of all members. For important matters of resolution, if necessary, the signature procedures shall be performed. After the resolution is passed, the key content shall not be altered. Where there is a need for a major adjustment, it shall be approved by more than one half of all members.

If the resolution pending for voting involves the interests of the members of the meeting, such person concerned shall abstain from voting.

Article 181 The minutes of the meeting shall be kept for the meetings of the Executive Committee of the Company and the meeting summary shall be compiled. The meeting summary shall be issued by the Chairman of the Board of Directors.

Section 2 General Manager and Other Senior Management

- Article 182** The Company shall have one (1) General Manager who shall be appointed or dismissed by the Board of Directors. The General Manager shall serve for a term of three (3) years. The General Manager may be re-appointed.
- Article 183** The General Manager and other senior management of the Company shall comply with the requirements in respect of the qualifications of senior management of the Securities Regulatory Authorities and relevant policies and regulations, and shall obtain the qualifications approved by the CSRC or its branches before they take office.
- Article 184** The fiduciary duties and duties of diligence of the Directors as contained in these Articles of Association shall also be applicable to any senior management.
- Article 185** A person who serves the position other than a director in the controlling shareholders or de facto controller entities, shall not serve as senior management of the Company.
- The senior management may at most hold the office of director or supervisor concurrently in two (2) companies in which the Company has shareholding but shall not hold an office other than those aforesaid in such companies. They shall not engage themselves concurrently in any other profit-making organizations or other operation activities.
- Article 186** The General Manager shall be accountable to the Board of Directors and exercise the following duties:
- (1) to take charge of the operation and management of the Company, organize the implementation of resolutions of the Board of Directors and report to the Board of Directors;
 - (2) to organize the implementation of the annual business plan and investment scheme of the Company;
 - (3) to carry out the financial budget of the Company;
 - (4) to draft the Company's basic management system;

- (5) to formulate specific rules and regulations of the Company;
- (6) to propose to the Board of Directors for the appointment or dismissal of other senior management other than those that shall be nominated by the Chairman of the Board of Directors;
- (7) to propose to convene extraordinary meetings of the Board of Directors;
- (8) to carry out the Company's risk control system, and to ensure the Company complies with the risk control index prescribed by the Securities Regulatory Authorities;
- (9) to perform other powers and duties authorized by the Articles of Association or the Board of Directors.

The General Manager of the Company may present at the Board meetings but shall have no voting right if he/she is not a Director.

Article 187 The General Manager shall perform his/her duties as stipulated in the laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed, these Articles of Association and as authorized by the Board of Directors, commence various external activities on behalf of the Company within the authorized scope, and assume the leadership responsibilities in respect of the compliance of the operational activities of the Company and the safety of customers' assets.

Article 188 The General Manager shall set up an effective internal control and risk management system in the course of daily operation and management of the Company to ensure the implementation of various rules and systems. The General Manager shall proactively maintain the effective operation of the control system and tackle and rectify the deficiencies or problems arising from the internal control in a timely manner. The General Manager shall be responsible for ineffective internal control and inability to tackle or rectify deficiencies and problems arising from the internal control promptly.

Article 189 The General Manager may resign before the expiration of his/her terms of office. The precise resignation procedure and method for General Manager are set out in the service contracts entered into between the General Manager and the Company.

Article 190 If a senior management violates any laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed or the provisions of these Articles of Association in the course of performing his/her duties of the Company and causes losses to the Company, he/she shall be liable for compensation.

Section 3 Chief Compliance Officer

Article 191 The Company formulates the basic compliance management system, which shall be implemented upon the consideration and approval of the Board of Directors.

Article 192 The Company shall have one (1) Chief Compliance Officer, who shall be appointed, dismissed and appraised by the Board of Directors. For the appointment of Chief Compliance Officer, the Company shall file his resume and the relevant certification materials to the relevant local office of the CSRC. The Chief Compliance Officer of the Company shall take office upon the approval by the relevant local office of the CSRC. The dismissal of the Chief Compliance Officer by the Company before the expiry of his term of office shall be supported by proper reasons. A written report on the reasons for the dismissal shall be submitted to the local office of the CSRC within 10 working days before the relevant board meeting is convened.

The proper reasons referred to in the preceding paragraph include situations such as the application for resignation by the Chief Compliance Officer himself, or changes as ordered by the CSRC and its local office, or where there is evidence showing that he is unable to perform his duties properly or has failed to act diligently.

Article 193 Any removal of the Chief Compliance Officer by the Company shall be determined by the Board of Directors and notified to the Chief Compliance Officer. If the Chief Compliance Officer considers the removal to be insufficiently justified, he has the right to file a petition to the Board of Directors. The relevant notices, decisions and petition shall be recorded in writing for record and inspection.

If the petition of the Chief Compliance Officer is rejected by the Board of Directors, the Chief Compliance Officer may file a petition to the CSRC and its local office or apply to the Securities Association of China for mediation.

Article 194

If the Chief Compliance Officer is unable to perform his duties or is absent, his duties shall be performed by the Chairman or the chief operation and management officer of the Company. A written report shall be submitted to the relevant local office of the CSRC within 3 working days from the date of such determination. The period during which the performance of the Chief Compliance Officer's duties is substituted by another person shall not exceed six months. The Company shall appoint a qualified person under relevant regulatory requirements as the Chief Compliance Officer during such period. During such period, the person who performs the duties of the Chief Compliance Officer shall not directly manage any business departments performing duties that conflict with the managerial duties of the Chief Compliance Officer.

The Chief Compliance Officer may tender an application for resignation to the Board of Directors with one month advance notice and shall also report such application to the relevant local office of the CSRC. The Chief Compliance Officer shall continue to perform his duties until the resignation application is approved.

Article 195

The Chief Compliance Officer shall familiarize himself with relevant laws, regulations and standards, be honest and trustworthy, familiarize himself with securities and fund businesses, possess the expertise and skills required for compliance management, and be equipped with the following qualifications:

- (1) he/she has 10 years or more of experience in securities and fund businesses and has passed the competence examination for compliance management personnel of the Securities Association of China; or he/she has 5 years or more of experience in securities and fund businesses and has passed the legal professional qualification examination; or he/she has 10 years or more of work experience in the Securities Regulatory Authorities and self-disciplinary organizations of securities and fund industries;
- (2) he/she has not been imposed with administrative penalties or material administrative regulatory measures by financial regulators in the last three years;

- (3) other conditions prescribed by the CSRC.

Article 196

The Chief Compliance Officer, who is a member of senior management of the Company, shall examine, supervise and inspect the compliance concerning the operation, management and practice conduct of the Company and its personnel. The Chief Compliance Officer shall be internally accountable to the Board of Directors of the Company and externally accountable to the Securities Regulatory Authorities, and shall perform the following duties:

- (1) to organize the formation of the basic compliance management system and other compliance management systems and supervise the implementation of such systems by the Company;
- (2) to advise the Board of Directors or Executive Committee of any changes to the laws, regulations and standards in a timely manner and urge the relevant departments to assess the effect of such changes on compliance management and to amend and optimize relevant rules and business processes;
- (3) to conduct compliance examinations on the Company in respect of its internal management system, major decisions, new products and new business schemes, and issue written compliance examination opinions; and conduct compliance examinations and sign off on the compliance review advice on application materials or reports submitted by the Company in accordance with the requirements of the Securities Regulatory Authorities; to submit the relevant matters to the Board of Directors for determination where the Company does not adopt the compliance review advice from the Chief Compliance Officer;
- (4) to supervise the Company and staff in respect of the compliance of their operation, management and practice, and make regular or irregular examinations in accordance with the requirement of the Securities Regulatory Authorities and the rules of the Company;

- (5) to assist the Board of Directors and the Executive Committee in the implementation of the conflict management systems, anti-money laundering system and information firewall system; to provide compliance advice and organizing compliance training in accordance with the requirements of the Company to senior management, each department and branch and each subsidiary; to supervise the relevant departments of the Company in handling the reports and complaints regarding the Company and its staff in respect of their behaviors in violation of laws and regulations;
- (6) to report on the compliance of the Company's operation and management and the implementation of the compliance management system to the Board of Directors and the General Manager as required by the Company;
- (7) to report to the Board of Directors and the General Manager in a timely manner and in accordance with the requirements of the Articles of Association when the Company's conduct is identified to be in breach of the relevant laws and regulations or there are potential compliance risks; to provide advice on remedies, and procure the Company to rectify and report to the local office of the CSRC in time; to report directly to the local office of the CSRC if the Company fails to report in time; to report to relevant self-disciplinary organizations in the event of violation of industrial standards and self-disciplinary rules;
- (8) to deal with matters on which the Securities Regulatory Authorities and the self-disciplinary organizations require investigation in a timely manner; to cooperate with the Securities Regulatory Authorities and the self-disciplinary organizations in their inspection or investigation of the Company; to follow up and evaluate the implementation of the supervisory opinions and requirements;
- (9) to keep for inspection, the documents and information in relation to the duties performed, such as issued compliance review advice, expressed compliance consultancy advice, signed documents of the Company, original drafts on compliance review; to record the details of duties performed;

(10) to perform other duties stipulated by the relevant laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the securities market under which the Company's shares are listed and the Articles of Association.

Article 197 The Company shall ensure that the Chief Compliance Officer is entitled to exercise the right to information and the right to investigate as necessary for the performance of his duties.

The Company shall give prior notice to the Chief Compliance Officer where a Board meeting, meeting of the Executive Committee or other important meetings of the Company as well as those meetings which the Chief Compliance Officer requests to attend or observe, is to be convened. The Chief Compliance Officer has the right to attend or observe the relevant meetings and inspect and reproduce relevant documents and information as necessary in performing his duties.

In performing his duties, the Chief Compliance Officer has the right to request relevant personnel of the Company to provide explanations on relevant matters where necessary and consult the intermediaries which provide audit and legal services to the Company.

The Chief Compliance Officer may, on behalf of the Company, directly engage external professional institutions or persons to assist him in carrying out his duties as necessary, and the expenses shall be borne by the Company.

Article 198 The Company shall ensure the independence of the Chief Compliance Officer. The shareholders, Directors and senior management of the Company shall not give instructions directly to the Chief Compliance Officer or interfere with his duties by violating the duties and procedures as stipulated. The Directors, Supervisors and senior management of the Company shall support and cooperate with the Chief Compliance Officer on his work and shall not restrict or prevent the Chief Compliance Officer in performing his duties.

Article 199 The Chief Compliance Officer shall submit compliance reports to the Board of Directors, the Supervisory Committee and the Securities Regulatory Authorities on a regular basis.

The Company shall submit an annual compliance report to the Securities Regulatory Authorities while submitting an annual report.

CHAPTER 8 SUPERVISORY COMMITTEE

Section 1 Supervisors

- Article 200** The Supervisors of the Company shall comply with the requirements in respect of the qualifications of Supervisors of the Securities Regulatory Authorities and relevant policies and regulations, and pass the qualification examination.
- Directors, the General Manager and other senior management members, as well as their immediate relatives and primary social contacts, shall not hold the position of Supervisors.
- Article 201** The Supervisors shall comply with the laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed and these Articles of Association, and perform their duty of loyalty and duty of diligence to the Company. They shall not abuse their positions to accept bribes or other illegal income and not to misappropriate any properties of the Company. The duty of loyalty and duty of diligence of the Directors as contained in these Articles of Association shall also be applicable to the Supervisors.
- Article 202** The Supervisors shall serve for a term of three (3) years. The term of a Supervisor is renewable and subject to re-election upon the expiration of his/her term of office.
- A Supervisor may resign prior to the expiry of his/her term of office. The provisions in respect of the resignation of the Directors in these Articles of Association shall be applicable to the Supervisors.
- Article 203** If no re-election is timely conducted upon expiry of the term of office of a Supervisor, or if the number of Supervisors is less than the quorum due to the resignation of a Supervisor during his/her term of office, the original Supervisor shall continue to perform his/her duties as a Supervisor in accordance with the requirements of laws, administrative regulations and these Articles of Association until a newly elected Supervisor takes office.
- Article 204** The Supervisors shall ensure that all information disclosed by the Company are true, accurate and complete.
- Article 205** The Supervisors may attend Board meetings as non-voting participants, and put forward queries or suggestions regarding resolutions at Board meetings.

Article 206 The Supervisors shall not exploit their related relationship with the Company to prejudice the interests of the Company. In the case of damages caused to the Company, they are liable for compensation.

Article 207 The Supervisors shall discharge supervisory duties in good faith in accordance with the laws, administrative regulations and these Articles of Association.

If a Supervisor violates any laws, administrative regulations, departmental rules or the provisions of these Articles of association in the course of performing his/her duties of the Company and results in losses to the Company, he/she shall be liable for compensation.

Section 2 Supervisory Committee

Article 208 The Company shall have a Supervisory Committee. The Supervisory Committee shall be comprised of six (6) Supervisors, of which four (4) shall be Shareholder Representative Supervisors and two (2) shall be Employee Representative Supervisors. The proportion of Employee Representative Supervisors shall not be less than one third (1/3). Shareholder Representative Supervisors shall be elected and dismissed by the general meetings. Employee Representative Supervisors shall be elected by employee representative meetings, employee meetings or other forms of democratic elections.

The Supervisory Committee shall have one (1) chairman, which shall be appointed or dismissed by the votes of two thirds (2/3) (two thirds inclusive) or more of the members of the Supervisory Committee.

Article 209 The Supervisory Committee shall exercise the following duties and powers:

- (1) to examine the Company's periodic reports prepared by the Board and give written examination opinions;
- (2) to review the financial position of the Company;
- (3) to supervise the performance of Directors and senior management members of their duties to the Company, and propose dismissal of Directors and senior management members that have violated the laws, administrative regulations, these Articles of Association or the resolutions of the general meetings;

- (4) to demand rectification by Directors and senior management members when the acts of such persons are prejudicial to the Company's interest and, if necessary, report to the general meeting or relevant national competent authorities;
- (5) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the Board fails to perform such duties as specified by the Company Law;
- (6) to put forward proposals to general meetings;
- (7) to attend the Board meetings as non-voting participants, and put forward queries or suggestions regarding resolutions at Board Meetings;
- (8) to arrange exit audit on senior management members;
- (9) to initiate litigations against Directors and senior management members in accordance with provisions of the Company Law;
- (10) to review financial information such as financial reports, business reports, and profit distribution plans as proposed by the Board to the general meetings, and to engage certified public accountants and practicing auditors in the name of the Company to assist with further examination if there are any queries;
- (11) to conduct investigation in case of any abnormality found in the operation of the Company; and if necessary, to retain at the expense of the Company such agencies as certified accounting firm and law firm to assist its work;
- (12) other duties and powers conferred by the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company is listed and these Articles of Association.

Article 210

Meeting of the Supervisory Committee shall be held at least once every six (6) months, and shall be convened and presided over by the chairman/chairwoman of the Supervisory Committee. If the chairman/chairwoman of the Supervisory Committee fails to or is unable to perform and exercise his/her functions and powers, a meeting of the Supervisory Committee shall be convened and presided over by a Supervisor jointly nominated by more than half of the Supervisors.

Any Supervisor may propose an extraordinary meeting of the Supervisory Committee to be held.

Article 211 The meeting of the Supervisory Committee shall in principle be convened by way of an physical meeting, video-conference or teleconference. Should an physical meeting, video-conference or teleconference be unable to be held in case of an emergency or owing to force majeure or other special reasons, it can be held by means of written communication.

Where the meeting of the Supervisory Committee is convened by way of written communication, sufficient background information of the resolution required for consideration by the Supervisors shall be provided or supplemented according to the requirements of the Supervisors when giving the meeting notice, in order to fully listen to the view of Supervisors on the resolutions and to circulate the views to all Supervisors until final resolutions are reached.

Article 212 Notices of regular meetings of the Supervisory Committee shall be served to all Supervisors ten days before the meetings are convened. Notices of the extraordinary meetings of the Supervisory Committee shall be served to all Supervisors five days before the meetings are convened. The aforesaid notice period for the meetings of the Supervisory Committee may be exempted if written consent is given by all Supervisors.

The notice for the meetings of the Supervisory Committee shall include the following:

- (1) the date, venue and duration of the meeting;
- (2) the method of holding the meeting;
- (3) the reasons and proposals of the meeting;
- (4) the date of despatch of the notice.

Article 213 A meeting of the Supervisory Committee shall be attended by more than one half of the Supervisors. Each Supervisor has one vote. Supervisors shall attend meetings of the Supervisory Committee in person. In the event a Supervisor is unable to attend the meeting for any reason, he/she may authorize another Supervisor in writing to attend the meeting on his/her behalf. Such power of attorney shall specify the scope of authorization.

Every resolution of the Supervisory Committee shall be passed by the votes representing two thirds (2/3) or more of the members of the Supervisory Committee.

Article 214 The meeting of the Supervisory Committee shall vote by way of a show of hands, disclosed ballot or other means of voting approved by the regulatory authority. Any resolution made by video-conference, teleconference, facsimile or other communication equipment in the meeting of the Supervisory Committee shall be signed by the voting Supervisors.

Article 215 All reasonable fees incurred in the engagement of professionals such as lawyers, certified public accountants or practicing auditors by the Supervisory Committee in the exercising of its duties and powers shall be borne by the Company.

Article 216 The Supervisory Committee shall formulate rules of procedures for the Supervisory Committee, which shall clearly specify the meeting and voting procedures, in order to ensure work efficiency and scientific decision-making. The rules of procedures for the Supervisory Committee shall be an annex to these Articles of Associations, which shall be proposed by the Supervisory Committee and approved by the general meetings of the Company.

Article 217 The Supervisory Committee shall keep minutes of its resolutions on the matters discussed at the meeting. The Supervisors who attended the meeting, and the recorder shall sign the minutes of that meeting.

Each Supervisor is entitled to request that an explanation of his/her comments made at the meetings be noted in the minutes. The minutes of the Supervisory Committee meetings shall be kept as corporate archives for at least twenty (20) years.

The minutes of the meeting of Supervisory Committee shall include the following:

- (1) the date, venue and convener of the meeting;
- (2) the names of the Supervisors attending the meeting and the names of the Supervisors (proxies) appointed by other Supervisors to attend the meeting;
- (3) the agenda of the meeting;
- (4) the main points of the speeches of the Supervisors;

- (5) the methods and results of the voting for each resolution (the voting results shall state the number of votes voting for, against, or in abstention).

CHAPTER 9 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 218 Apart from the appointment conditions as prescribed in other articles of these Articles of Association, a person may not serve as a Director, Supervisor, and senior management member of the Company if any of the following circumstances apply:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging social economic order and has been punished for committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the end of such punishment or deprivation;
- (3) a person who is a former Director, factory manager or manager of a company or enterprise, which has entered into insolvent liquidation because of mismanagement and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise, which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of overdue debts;
- (6) a person currently subject to restrictions from engaging in the securities market by the Securities Regulatory Authorities;

- (7) a person in charge of a stock exchange or securities registration and clearing institution or a director, supervisor or senior management of a securities company who has been removed from his/her position due to his/her irregularity or disciplinary breach, and less than five (5) years have elapsed following the date of removal;
- (8) a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of the conviction;
- (9) a person who is a lawyer, certified public accountant or a professional of an investment advisory institution, financial consultancy institution, credit rating institution, assets appraisal institution or asset verification institution, have been disqualified for irregularity or disciplinary breach and less than five (5) years have elapsed following the date of revocation;
- (10) a government personnel and other personnel prohibited by laws and regulations to take up concurrent posts at companies;
- (11) a person subject to administrative penalties imposed by financial regulatory authorities for material violation of the law or disciplinary breach and less than three (3) years have elapsed following the date of completion of the penalties;
- (12) a person whose post-holding qualification is revoked by the Securities Regulatory Authorities and less than three (3) years have elapsed following the date when the post-holding qualification is revoked;
- (13) a person who is declared unfit by the Securities Regulatory Authorities and less than two (2) years have elapsed following the date of the declaration;
- (14) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (15) a non-natural person;

- (16) a person who is under investigation for alleged disciplinary breach, or whose case has been established for investigation by the judicial authorities as a result of violation of the criminal law, and such case has not been closed;
- (17) other circumstances as determined by the Securities Regulatory Authorities;
- (18) other contents as prescribed by laws, administrative regulations, departmental rules, normative documents or relevant rules of the Securities Regulatory Authorities where the Company is listed.

Where the Company elects, appoints or employs its Directors, Supervisors, General Managers or other senior management members in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be invalid. Where, during his/her term of office, a Director, Supervisor, General Manager or other senior management member is found to be a person as specified in the preceding paragraph of this Article, the Company shall remove him/her from office.

Article 219 The validity of an act carried out by a Director, General Manager and other senior management members of the Company on its behalf shall, as against a bona fide third party, not be affected by any non-compliance in his/her office, election or any defect in his/her qualification.

Article 220 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's Directors, Supervisors, General Manager and other senior management members owes the following duties to each shareholder when exercising the functions and powers of the Company entrusted to him/her:

- (1) not to cause the Company to exceed the scope of business stipulated in its business license;
- (2) to act honestly and in the best interests of the Company;
- (3) not to expropriate the Company's property in any way, including, but not limited to, usurpation of opportunities which benefit the Company;

- (4) not to expropriate individual rights of shareholders, including, but not limited to, rights to distribution and voting rights, except for the restructuring of the Company, which has been submitted to the shareholders for approval in accordance with these Articles of Association.

Article 221 Directors, Supervisors, General Managers and other senior management members of the Company, in the exercise of his/her powers and in the discharge of his/her duties, shall be liable to exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

Article 222 The Directors, Supervisors, General Managers and other senior management members of the Company shall exercise his/her powers or perform his/her duties in accordance with the fiduciary principle; and shall not put himself/herself in a position where his/her interest and his/her duty may conflict. This principle includes, but is not limited to, discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to act within the scope of his/her powers and shall not exceed such powers;
- (3) to exercise the discretion conferred on him/her in person and shall not allow himself/herself to act under the control of others, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his/her discretion to others;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in these Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property in any way for his/her own benefit, without the informed consent of the shareholders given in a general meeting;

- (7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property in any way, including, but not limited to, opportunities which are favorable to the Company;
- (8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given in a general meeting;
- (9) to comply with these Articles of Association, to perform his/her duties in a faithful manner, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her own interests;
- (10) not to compete with the Company in any way, except with the informed consent of the shareholders given in a general meeting;
- (11) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his/her own name or in the name of any other person or to use such assets to provide guarantee for the debts of a shareholder of the Company or any other personal liabilities;
- (12) not to disclose any confidential information, which he/she has obtained during his/her term of office, without the informed consent of the shareholders in a general meeting; nor shall he/she use such information other than for the Company's benefit, save that disclosure of such information to the court or other competent governmental authorities is permitted if:
 - (i) disclosure is required by law;
 - (ii) required in the public interests;
 - (iii) the interests of such Director, Supervisor, General Manager or other senior management member so require.

Article 223

The Directors, Supervisors, General Managers and other senior management members of the Company shall not direct the following persons or institutions (hereinafter referred to as the “**associate(s)**”) to act in a manner, which he/she is prohibited from acting:

- (1) the spouse or minor child of the Directors, Supervisors, General Managers or other senior management members of the Company;
- (2) the trustee of the Directors, Supervisors, General Managers or other senior management members of the Company or of any person referred to in item (1) of this Article;
- (3) the partner of the Directors, Supervisors, General Managers or other senior management members or any person referred to in items (1) and (2) of this Article;
- (4) a company in which the Directors, Supervisors, General Managers or other senior management members of the Company, whether alone or jointly with the persons referred to in items (1), (2) and (3) of this Article or other Directors, Supervisors, General Managers and other senior management members, has de facto controlling interest;
- (5) the Directors, Supervisors, General Manager and other senior management members of a company, which is being controlled in the manner referred to in item (4) of this Article.

Article 224

The fiduciary duties of the Directors, Supervisors, General Manager and other senior management members of the Company do not necessarily cease with the termination of their tenure. Their duties of confidentiality in respect of trade secrets of the Company survive the termination of their tenure. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has elapsed between the termination, the act concerned, the circumstances and the terms under which the relationship between such Directors, Supervisors, General Managers and the senior management members and the Company was terminated.

Article 225

Subject to situations provided under Article 65 of these Articles of Association, the Directors, Supervisors, General Managers and other senior management members of the Company may be released from liabilities for specific breaches of his/her duty with the informed consent of the shareholders given at a general meeting.

Article 226

Where the Directors, Supervisors, General Managers or other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than the service contracts between the Company and the Directors, Supervisors, General Managers and other senior management members), he/she shall declare the nature and extent of his/her interests to the Board of Directors at the earliest opportunity, whether or not the matter therefor is otherwise subject to the approval of the Board of Directors.

Unless the interested Directors, Supervisors, General Managers and other senior management members of the Company discloses his/her interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested Directors, Supervisors, General Managers or other senior management members of the Company are not counted as part of the quorum and refrains from voting, such contract, transaction or arrangement is voidable at the discretion of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by such Directors, Supervisors, General Managers or other senior management members.

The Directors, Supervisors, General Managers or other senior management members of the Company are deemed to be interested in a contract, transaction or arrangement in which the associate of such Directors, Supervisors, General Managers and other senior management members is interested.

In addition to exceptions permitted under the Main Board Listing Rules and applicable regulations, a Director shall not vote on any contract, transaction, arrangement or any proposal in which he/she or any of his/her close associate (as defined in the applicable Main Board Listing Rules effective from time to time) has a material interest nor shall he/she be counted in the quorum present at the meeting when determining whether there is a quorum or not.

Article 227 Where the Directors, Supervisors, General Managers or other senior management members of the Company give to the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts, transactions or arrangements, which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient disclosure of his/her 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 execution of the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 228 The Company shall not pay taxes for its Directors, Supervisors, General Managers or other senior management members in any manner.

Article 229 The Company shall neither directly or indirectly make a loan to or provide any security for the Directors, Supervisors, General Managers or other senior management members of the Company or its parents, nor make a loan or provide any security for any of their respective associates.

The foregoing provision is not applicable in the following circumstances:

- (1) the provision by the Company of a loan to or a security for its subsidiary;
- (2) the provision by the Company of a loan or a security or any other funds available to its Directors, Supervisors, General Managers and other senior management members to meet expenditure incurred or to be incurred by him/her for the purpose of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (3) if the ordinary business scope of the Company includes the lending of money and provision of security, the Company may make a loan to or provide a security to the relevant Directors, Supervisors, General Managers and other senior management members or their respective associates on normal commercial terms.

- Article 230** Any person who receives funds from a loan, which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.
- Article 231** A security for the repayment of a loan, which has been provided by the Company acting in breach of Article 229(1) shall not be enforceable against the Company, save in respect of the following circumstances:
- (1) the security was provided in connection with a loan, which was made to an associate of the Directors, Supervisors, General Managers and other senior management members of the Company or its parents and the lender of such funds is not informed;
 - (2) the collateral, which has been provided by the Company has already been legally disposed of by the lender to a bona fide purchaser.
- Article 232** For the purposes of the foregoing provisions of this Chapter, a “security” includes an undertaking or property provided to secure the obligor’s performance of his/her obligations.
- Article 233** In addition to any rights and remedies provided by the laws and administrative regulations, where the Directors, Supervisors, General Managers and other senior management members of the Company breach the duties which he/she is liable to the Company for, the Company has the right to adopt the following measures:
- (1) to demand such Directors, Supervisors, General Managers or other senior management members to compensate for losses sustained by the Company as a result of such breach;
 - (2) to rescind any contract or transaction, which has been entered into between the Company and such Directors, Supervisors, General Managers or other senior management members, or between the Company and a third party (where such third party knows or should have known that such Directors, Supervisors, General Managers or other senior management members on behalf the Company have breached his/her duties liable to the Company);

- (3) to demand such Directors, Supervisors, General Managers or other senior management members to turn in profits gained as a result of the breach of his/her duties;
- (4) to recover any monies, which should have been received by the Company but were received by such Directors, Supervisors, General managers or other senior management members instead, including (but without limitation to) commissions;
- (5) to demand repayment of interest earned or which may have been earned by such Directors, Supervisors, General Managers or other senior management members on monies that should have been paid to the Company.

Article 234

With prior approval given at a general meeting, the Company shall enter into written contracts relating to emoluments with the Directors and Supervisors. Such emoluments include:

- (1) emoluments in respect of his/her service as Directors, Supervisors or senior management members of the Company;
- (2) emoluments in respect of his/her service as Directors, Supervisors or senior management members of subsidiaries of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the Company and its subsidiaries;
- (4) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

No litigation shall be brought by the Directors or Supervisors against the Company for any benefit due to him/her in respect of the above mentioned matters except pursuant to the contracts mentioned above.

Article 235

The contract relating to the emoluments between the Company and its Directors and Supervisors should provide that in the event that the Company is acquired, the Directors and Supervisors of the Company shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. For the purpose of this paragraph, the acquisition of the Company includes any of the following:

- (1) an offer made by any person to all the shareholders;
- (2) an offer made by any person with a view to become a “controlling shareholder”.

If such Directors and Supervisors do not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum on a pro rata basis among such persons shall be borne by the such Directors or Supervisors and shall not be paid out of such sum.

CHAPTER 10 INTERNAL CONTROL**Article 236**

The Company shall establish a sound compliance system of the Company in accordance with the relevant provisions of the laws, administrative regulations and the Securities Regulatory Authorities, which clarifies the responsibilities of the compliance personnel, and supervises and inspects the compliance of the Company’s operation and management behaviours.

The Company insists on full compliance within the Company, led by the management to achieve compliant operation, which includes the creation of value in a compliant manner. Compliance is the fundamental concept for the survival of the Company. The Company shall initiate and push forward the establishment of compliance culture, nurture compliance awareness of the staff and enhance pride and level of professionalism of the personnel in charge of compliance management.

The Board, the Supervisory Committee and the senior management members of the Company shall perform their duties related to compliance management in accordance with the provisions of laws, regulations and the Articles of Association, and be responsible for the effectiveness of the Company’s compliance management.

The officers in charge of each department and branch of the Company shall strengthen the supervision and administration of compliance over the practice of the employees of their respective departments and branches, and shall be responsible for the effectiveness of compliance management in their respective departments and branches.

All staff members of the company should be familiar with the laws, regulations and standards related to their practice, and should take the initiative to identify and control the compliance risk of their practice and be responsible for the compliance of their practice.

Article 237 The Company shall establish sound risk management system in accordance with the relevant provisions of the laws, administrative regulations and the Securities Regulatory Authorities, which specifies the duties of the risk management personnel, and prevents and controls the Company's business operation and internal management risks.

Article 238 The Company shall implement an internal auditing system in accordance with the relevant provisions of the laws, administrative regulations and the Securities Regulatory Authorities, which is deployed with full-time auditors and have specified the responsibilities of the relevant auditors for conducting internal audit and supervision over financial income and expenses, as well as the economic activities of the Company.

Article 239 Senior management personnel of the Company in charge of compliance management, risk management and auditing and auditing departments shall not concurrently take up posts or departments in conflict with the responsibilities of compliance management, risk management and auditing.

CHAPTER 11 FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT OF THE COMPANY

Section 1 Financial Accounting System

Article 240 The Company shall establish its financial and accounting systems, profit distribution and auditing systems in accordance with laws, administrative regulations and requirements of relevant authorities in the PRC.

Article 241 The Company shall submit its annual financial accounting report to the CSRC and the domestic stock exchange within 4 months from the end of each fiscal year, its semi-annual financial accounting report to the local branch of the CSRC and the domestic stock exchange within 2 months after the end of the first 6 months of each fiscal year, and its quarterly financial accounting report to the local branch of the CSRC and the domestic stock exchange within 1 month from the end of first 3 months and first 9 months of each fiscal year, respectively.

The aforementioned financial accounting reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental regulations.

Article 242 The accounting year of the Company is based on the Gregorian calendar year, that is, an accounting year ranges from January 1 to December 31 of the Gregorian calendar.

The Company shall prepare a financial report at the end of each accounting year, and such financial statement shall be audited by an accounting firm in compliance with laws. The financial statement shall be prepared in accordance with the provisions of laws, regulations and requirements of the relevant authorities in the PRC.

Article 243 The Board of Directors of the Company shall, at each annual general meeting, submit to the Shareholders the financial reports that shall be prepared by the Company under relevant laws and regulations, and normative documents of local governments and competent authorities.

Article 244 The financial report of the Company shall be kept at the Company and shall be made available to the Shareholders at least twenty (20) days before the annual general meeting is held. Each Shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

Unless otherwise stated in these Articles of Association, in accordance with relevant provisions of notice and announcement under Chapter 12 of these Articles of Association, the Company shall publish the aforesaid report or directors' report with the balance sheet, income statement or statement of income and expenditure, or summary of financial statement at least twenty one days before the annual general meeting.

- Article 245** The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting principles and regulations, be prepared in accordance with either international accounting principles, or those of the place outside the PRC where the Company's shares are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting principles, such difference shall be stated in the financial statements. In distributing its after-tax profits, the lower of the two amounts shown in the financial statements shall be adopted.
- Article 246** Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with the PRC accounting principles and regulations, and also in accordance with either international accounting principles or those of the place overseas where the Company's shares are listed.
- Article 247** The Company shall publish two (2) financial reports in each fiscal year; the interim financial report shall be published within sixty (60) days after the end of the first six (6) months of the fiscal year; the annual financial report shall be published within one hundred and twenty (120) days after the end of the financial year.
- The Company shall announce two results in each fiscal year; the preliminary interim results shall be published within two months after the end of the first six months of the fiscal year; the annual results shall be published within three months after the end of the fiscal year.
- Other regulations of the Securities Regulatory Authorities at the place where the shares of the Company are listed shall prevail.
- Article 248** The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.
- Article 249** The profit distribution proposal of the Company for each year shall be reviewed and approved at the general meeting. The Company shall distribute its after-tax profit for the current year in the order of:
- (1) recovering losses of the preceding year;
 - (2) withdrawing ten per cent (10%) after-tax profit of the current year as a statutory common reserve fund;

- (3) withdrawing a risk reserve in accordance with relevant national requirements;
- (4) withdrawing a discretionary common reserve fund according to resolutions of the general meeting;
- (5) distributing dividends to shareholders.

The Company may not withdraw a statutory common reserve fund if the cumulative amount has reached fifty percent (50%) or more of the Company's registered capital. The general meeting shall determine whether to allocate the discretionary reserve after allocating the statutory reserve and the risk reserve.

If the statutory reserve could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing the statutory reserves.

Where the general meeting distributes profits to shareholders in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision. After losses have been covered and the statutory reserve and risk reserve have been allocated in accordance with these Articles of Association, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Company's Articles of Association.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 250

The common reserve fund of the Company shall be used to make up for the losses, expand the operating scale or increase the capital of the Company. However, the capital reserve shall not be used to recover the losses of the Company. Upon the conversion of statutory common reserve into capital, the balance of the statutory common reserve shall not be less than twenty-five percent (25%) of the registered capital of the Company before such conversion.

Capital reserve includes the following:

- (1) premium arising from issuance exceeding the nominal value of the stock;
- (2) other revenues required by the financial authority under the State Council to be stated as capital reserve.

Article 251 After a profit distribution plan is resolved at a general meeting, the Board shall complete the dividend (or share) distribution within two (2) months after the general meeting.

Article 252 The basic principles of the profit distribution policy of the Company shall be as follows:

- (1) the Company attaches much importance to providing reasonable returns to investors and maintaining the continuity and stability of the Company's dividend distribution policy, while taking into account the company's long-term interests, the overall interests of all shareholders and the company's sustainable development;
- (2) the profit distributed by the Company shall not exceed its accumulated distributable profit, and the Company shall ensure that, upon the implementation of the profit distribution policy, all risk control indicators shall conform to the requirements for the early warning standards set forth in the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》);
- (3) the Company shall give priority to the distribution of dividends in cash;

Article 253 The policy of profit distribution of the Company is as follows:

- (1) forms of profit distribution: The Company may distribute its profits in cash, shares or a combination of both or in any other forms as permitted by the laws;
- (2) specific conditions and proportions of dividends in cash: Provided that the Company does not have material investment plans, major cash expenses, etc. and that the capital needs for normal operation of the Company are met, the profits distributed by the Company in cash shall not be less than 10% of the distributable profits of the same year, and within any consecutive three years, the accumulated profit distribution in cash shall not be less than 30% of the average annual distributable profit for those three years;
- (3) intervals of profit distributions: The Company generally distributes its profit on a yearly basis. The Board may propose interim distribution of profits (including interim distribution of cash dividends) according to the Company's profitability and capital needs and other conditions;

- (4) specific conditions of distributing dividends: Provided that the Company's operation is in good condition and that the Board considers the distribution of share dividends is beneficial to the overall interest of all shareholders of the Company due to a mismatch between the Company's stock price and its scale of share capital, the Company may distribute dividends in the form of shares if the above cash dividend conditions are met;
- (5) differential cash dividend policy: The Board may propose a differential dividend policy in accordance with the requirements of applicable laws, regulations and listing rules and the procedures prescribed in these Articles of Association.

Article 254

Decision-making procedures and mechanisms of profit distribution plans are as follows:

- (1) the profit distribution plan of the Company shall be formulated by the Board. The Board shall fully discuss the rationality of the profit distribution plan and formulate the special proposal to be implemented upon consideration and approval at the general meeting. Independent Directors shall give clear opinions. Before the specific plan of profit distribution is considered at the general meeting, the Company shall actively communicate with the shareholders, especially the minority shareholders, via multiple channels, fully listen to the views, complaints and requests of the minority shareholders, and timely respond to the concerns of the minority shareholders. When the profit distribution plan is considered at the general meeting, the shareholders shall be provided with access to online voting.
- (2) if the Company cannot determine the profit distribution plan for the current year in accordance with the established cash dividend policy or the minimum cash dividend ratio under exceptional circumstances, the Company shall disclose the specific reasons and the clear opinions of the Independent Directors in the annual report. The profit distribution plan of the Company shall be adopted by 2/3 or more of the voting rights held by the shareholders attending the general meeting.

- (3) in the event of any war, natural disasters and other force majeure, or changes in the external business environment of the Company having a significant impact on the Company's production and operation, or if the Company's own business or financial position has changed greatly or the relevant laws, regulations or regulatory requirements have been changed or adjusted, or if the Board deems necessary, the Company may adjust the profit distribution policy.

Should the Company adjust the profit distribution policy, the Board shall have a detailed discussion about the feasibility of the adjustment and form a special proposal to be submitted to the general meeting subject to approval by 2/3 or more of the voting rights held by the shareholders attending the general meeting. Independent Directors shall give clear opinions. Before the specific plan of adjusted profit distribution is considered at the general meeting, the Company shall actively communicate with the shareholders, especially the minority shareholders, via multiple channels, fully listen to the views, complaints and requests of the minority shareholders, and timely respond to the concerns of the minority shareholders. When the adjustment of profit distribution policy is considered at the general meeting, the shareholders shall be provided with access to online voting.

Article 255

The Company pays cash dividends and other payments to shareholders of Domestic Shares in RMB. The Company shall pay cash dividends and other payments to the shareholders of the foreign-capital shares, denominated and declared in RMB and paid in foreign currency. The Company shall pay the foreign currency required for the cash dividends and other payments to the shareholders of the foreign-capital shares according to the relevant provisions of the State on the foreign exchange administration.

Unless otherwise stipulated by relevant laws and regulations, for the payment of cash dividends and other payments in Hong Kong dollars, the exchange rates shall apply the average central parity of the exchange rate announced by the People's Bank of China one calendar week before the declaration date of the dividends and other payments.

Article 256

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

Subject to the relevant PRC laws and regulations and rules of the Hong Kong Stock Exchange, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.

The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.

The Company has the power to sell, by a method deemed fit by the Board, the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:

- (1) the Company has distributed dividends on such foreign shares for at least three times in twelve (12) years, which dividends are not claimed by anybody during the period;
- (2) upon expiration of the twelve (12)-year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers, and notify the local Securities Regulatory Authorities, at the place where the stock of the Company is listed.

Article 257

The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends and other payables distributed by the Company for the overseas listed foreign shares.

The collection agents appointed by the Company shall be in compliance with the requirements of the laws or local stock exchange at the place where the shares of the Company is listed.

The collection agents appointed by the Company for holders of overseas listed foreign shares, which are listed in Hong Kong, shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.

Section 2 Internal Audit

Article 258 The Company shall adopt the internal auditing system, with full time auditors, in order to conduct internal auditing on the balance of payments and economic activities of the Company.

Article 259 The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the Board. The officer in charge of internal audit shall be accountable to the Board and report his/her work to the same.

Section 3 Appointment of an Accounting Firm

Article 260 The Company shall appoint an independent firm of accountants, which is qualified under relevant national regulations to audit the Company's annual financial report, review other financial reports of the Company, and provide financial statements auditing, net assets verification and other relevant consulting services.

The first accounting firm of the Company may be appointed by the inaugural meeting before the first annual shareholders' general meeting and the term of appointment of the accounting firm shall end at the close of the first annual shareholders' general meeting.

If the inaugural meeting does not exercise its duties and powers in accordance with the aforementioned provisions, then the Board of Directors shall exercise its duties and powers.

The accounting firm appointed by the Company shall hold office for one (1) year from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting. The accounting firm is eligible for reappointment.

Article 261 The accounting firm appointed by the Company shall have the following rights:

- (1) a right to access the account books, records or vouchers at any time, and to ask Directors, General Managers or other senior management of the Company to provide relevant documents and explanations;
- (2) a right to require the Company to take all reasonable actions to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;

- (3) a right to be present at a general meeting and to receive notices of, and information relating to, any general meeting, which any shareholder is entitled to receive, and to speak at any general meeting for matters in relation to its capacity as the Company's accounting firm.

Article 262 If there is a vacancy in the position of auditor of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting, but the appointment shall be confirmed by the shareholders in the next general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.

Article 263 Regardless of the terms in the contract concluded between the accounting firm and the Company, the general meeting may, through an ordinary resolution, resolve to dismiss the said accounting firm before the expiration of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

Article 264 The Company shall ensure the provision of true and complete accounting document, accounting books, financial statements and other financial information to the appointed accounting firm which shall not be withheld, omitted or falsified.

Article 265 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

Article 266 The appointment, removal or discontinuance of engagement of the accounting firm shall be subject to the decision of the general meeting and shall be filed with the Securities Regulatory Authorities.

Article 267 Where the Company dismisses or ceases to re-appointing an accounting firm, prior notice shall be given to the accounting firm, and the accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm resigns, it shall explain at the shareholders' meeting whether there is any improper circumstances of the Company.

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm, which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, the re-appointment of a retiring accounting firm, which was appointed by the Board to fill a casual vacancy, or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply:

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

The leaving of an accounting firm includes the removal, resignation or retirement of such firm.

- (2) if the accounting firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations have been received after the prescribed time) take the following measures:
 1. state the fact that the retiring accounting firm has made such representations in any notice of the resolution given to shareholders;
 2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner as stipulated in these Articles.
- (3) if the Company fails to send out the representations of the accounting firm in the manner set out in item (2) above, such accounting firm may require that the representations be read out at the meeting and may make a further appeal.
- (4) the leaving accounting firm shall be entitled to attend the following meetings:
 1. the general meeting at which its term of office expires;
 2. the general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. the general meeting, which is convened as a result of its resignation.

The leaving accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

Article 268

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

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

The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant responsible department within fourteen (14) days after receipt. If the notice contains a statement as mentioned in item (2) of the preceding paragraph, a copy of such statement shall be placed at the Company for the inspection of shareholders. The Company shall also send out notices or publish announcements in accordance with Chapter 12 of these Articles of Association.

If the notice of resignation of the accounting firm contains a statement in respect of any circumstances requiring an explanation, it may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

CHAPTER 12 NOTICE AND ANNOUNCEMENT

Article 269

Notices of the Company shall be served by the following methods:

- (1) by hand;
- (2) by mail;
- (3) by facsimile or e-mail;

- (4) by making an announcement on the website or newspapers designated by the Company and stock exchanges in accordance with the laws, regulations and the listing rules of the places where the Company's shares are listed;
- (5) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (6) by other means approved by the laws, regulations, relevant regulatory authorities at the place where the Company's shares are listed or specified in these Articles of Association.

Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the notice unless it is otherwise required by the regulatory authorities of the place where the Company's shares are listed.

Unless otherwise provided in these Articles of Association, the notice delivered to each holder of the H Shares, if delivered by public announcement, the Company shall submit an electronic version, which may be published immediately to the Hong Kong Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Stock Exchange. The announcement shall be published on the Company's website at the same time. In addition, the Company shall deliver the notice to each holder of the H Shares in person or by postpaid mails according to their registered address.

Unless the context otherwise requires, "announcement" referred to herein means an announcement made to holders of Domestic Shares or as to the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association, means an announcement published in information disclosure media (including newspapers) as specified by PRC laws and regulations or designated by stock exchanges. In respect of the announcement sent to holders of H Shares or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be published in the designated newspapers in Hong Kong as required by the relevant listing rules. All the circulars or other documents required to be submitted to the Hong Kong Stock Exchange by the Company pursuant to Chapter 13 of the Listing Rules of the Hong Kong Stock Exchange shall be compiled in English or attached with a signed and certified English version.

Under the premise of the Company's observation to the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of the overseas listed foreign shares in accordance with requirements of such listing rules, the Company may also electronically or at the company's website or such website of the stock exchange, post such information so as to send out such information to such holders, instead of such delivery by hand or postage prepaid mail.

Article 270 Unless otherwise provided in these Articles of Association, the notice means as set out in the preceding Article, may also be applicable to notices for shareholders' general meetings, meetings of Board or the Supervisory Committee.

Article 271 If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signature or affixed seal on the service return slip. If the notice is sent by speedpost, the date of service is the second working day from the date of delivery at the post office. If the notice is given by e-mail, the date of such e-mail entering the recipients' designated electronic data exchange system shall be the date of service. If the notice is given by fax, the sent date on the sender's fax record shall be the date of service.

Article 272 Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of the listing rules of the place(s) where the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version, as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills.

CHAPTER 13 MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Decrease of Capital

Article 273 The merger of the Company may take the form of either merger by absorption or merger by incorporation.

Absorption by a company of the company(ies) is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by incorporation, whereby the merged companies shall be dissolved.

Article 274 The merger or division of the Company shall be proposed by the Board of Directors and shall go through the relevant approval process according to the law after being approved by the procedures required by these Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company's merger and division for shareholders' inspection.

For holders of overseas listed foreign shares, the aforesaid documents shall be delivered by mail or by other means as permitted by relevant laws, regulations or the listing rules of the listing place.

Article 275 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement in a newspaper recognized by the Stock Exchange of the place where the Company's shares are listed, and clear off its debts or provide corresponding guarantees as required by the creditors according to relevant laws.

Article 276 Upon the completion of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger.

Article 277 As for the division of a company, the properties thereof shall be divided accordingly.

In the event of a division, balance sheets and checklists of properties shall be prepared. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement in a newspaper recognized by the Stock Exchange of the place where the Company's shares are listed.

Article 278 Debts owed by the Company prior to the division shall be jointly assumed by the companies in existence after the division, save as otherwise agreed by written agreement on settlement of debts with creditors prior to the division.

Article 279 When the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify the creditors and make an announcement on the newspapers recognised by the stock exchange where the shares of the Company were listed in accordance with the Company Law, and shall repay its debts or provide corresponding guarantees as required by the creditors according to the law.

The registered capital of the Company following the reduction of capital shall not be less than the minimum statutory requirement.

Article 280 The merger or division of the Company shall be executed in accordance with the laws, administrative regulations and relevant provisions required by the Securities Regulatory Authorities and shall be subject to the approval of the approving authorities such as the Securities Regulatory Authorities. When the merger or division involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

When the Company increases or reduces its registered capital, it shall go through the approval procedures in accordance with the law, and register the change with company registry authorities.

Section 2 Dissolution and Liquidation

Article 281 The Company shall be dissolved for the following reasons:

- (1) Circumstance for dissolution specified in these Articles of Association arises;
- (2) The general meeting has resolved to dissolve the Company;
- (3) Merger or division of the Company requires a dissolution;
- (4) The business license is revoked in accordance with the law, or the Company is ordered to close or is cancelled;

- (5) The Company is declared bankrupt in accordance with the law because it is unable to pay its debts as they fall due;
- (6) If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other means, the shareholders holding ten per cent (10%) or more of the total voting rights of the Company may request the People's Court to dissolve the Company.

Article 282 In the circumstance set out in item (1) of Article 281 of these Articles of Association, the Company may continue to subsist by amending the Articles of Association.

An amendment to the Articles of Association according to the provisions as mentioned in the preceding paragraph requires affirmative votes by two-thirds (2/3) or more of the votes held by shareholders attending the general meeting.

Article 283 Where the Company is dissolved under the circumstances set out in items (1), (2), (4) and (6) of Article 281 of the Articles of Association, the Company shall establish a liquidation committee within fifteen (15) days upon the approval of the Securities Regulatory Authorities. The composition of the liquidation committee shall be determined by ordinary resolution at shareholders' general meeting. If the Company fails to establish a liquidation committee on time, creditors may request the people's court to designate certain persons to form a liquidation committee to perform liquidation.

Where the Company is dissolved under the circumstance set out in item (3) of Article 281 of the Articles of Association, the Company shall apply to the Securities Regulatory Authorities with reasons for dissolution and liabilities settlement scheme. The Company shall be dissolved after obtaining the approval from the Securities Regulatory Authorities.

Where the Company is dissolved under the circumstance set out in item (5) of Article 281 of the Articles of Association, the people's court shall, according to the applicable laws, order the formation of a liquidation committee comprising shareholders, relevant authorities and professionals to process the liquidation in accordance with the applicable bankruptcy law of enterprises.

Article 284

Where the Board resolves to liquidate the Company for any reason other than bankruptcy, the Board shall include a statement in its notice convening a shareholders' general meeting to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company shall be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

The Board of the Company shall lose its powers immediately after the resolution for liquidation is passed at the shareholders' general meeting.

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

Article 285

The liquidation committee shall exercise the following functions and powers:

- (1) to examine and take possession of the Company's assets and prepare the balance sheet and a property inventory;
- (2) to inform creditors by notice or announcement;
- (3) to deal with the outstanding businesses of the Company relating to liquidation;
- (4) to pay outstanding taxes and the taxes arising during liquidation;
- (5) to settle claims and debts;
- (6) to dispose of the remaining assets of the Company after repayment of debts;
- (7) to represent the Company in civil proceedings.

Article 286

The liquidation committee shall notify all creditors within ten (10) days after its establishment and shall publish announcements in newspapers within sixty (60) days. The creditors shall declare their rights to the liquidation committee within thirty (30) days after receipt of the notice or within forty-five (45) days after the announcement if the creditors have not received the notice.

The creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights.

In the creditor's rights declaration period, the liquidation committee shall not make repayment to the creditors.

Article 287

After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the general meeting or People's Court for confirmation.

The assets of the Company shall be settled in the following order:

- (1) payment of the liquidation expenses;
- (2) payment of employees' salaries, social insurance expenses and statutory compensations;
- (3) payment of outstanding taxes;
- (4) payment of the Company debts;
- (5) distribution to shareholders according to their proportion of capital contribution.

Before the assets of the Company are applied for settlement in accordance with the requirements of (1) to (4) above, they cannot be distributed to shareholders.

During the liquidation period, the Company remains in existence; however, it shall not commence any business activity that is unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to settling debts pursuant to the foregoing provision.

Article 288 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the People's Court to declare the Company bankrupt.

Following a ruling by the People's Court that the Company is declared bankrupt, the liquidation committee shall hand over all matters relating to the liquidation to the People's Court.

Article 289 Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, submit the same to the general meeting or the relevant authorities in charge for confirmation. Within thirty (30) days from the date of confirmation of the aforementioned documents by the general meeting or the relevant authorities in charge, the liquidation committee shall deliver the same to the company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's dissolution.

Article 290 Members of the liquidation committee shall perform their duties faithfully when carrying out the liquidation in accordance with laws. Members of the liquidation committee shall not abuse their powers by taking bribes or receiving other illegal income and misappropriate the assets of the Company.

A member of the liquidation committee who causes loss to the Company or its creditors due to his/her intentional misconduct or gross negligence shall be liable for damages.

CHAPTER 14 AMENDMENTS TO THESE ARTICLES OF ASSOCIATION

Article 291 The Company may amend these Articles of Association pursuant to laws, administrative regulations and Articles of Association.

Article 292 The Company shall amend the Articles of Association in any of the following circumstances:

- (1) the Articles of Association is contradictory to any provision of the amended relevant laws, administrative regulations, departmental rules, normative documents or the listing rules of the place where the Company's shares listed;

- (2) changes to the Company's situation, which leads to inconsistency with matters recorded in the Articles of Association;
- (3) shareholders' general meeting adopts a resolution to amend the Articles of Association.

Article 293 Where the amendments to the Articles of Association passed by the general meeting require approval of competent authorities, the amendments shall be submitted to the competent authorities for approval. If such amendments involve any registered particulars of the Company, application shall be made for change of registration in accordance with laws.

Article 294 The Board may amend the Articles of Association in accordance with the resolution of the general meeting in relation to the amendment to Articles of Association and examination and approval opinions from relevant authorities.

Article 295 Should the matter amended in the Articles of Association require disclosure in accordance with the laws and regulations, an announcement shall be made accordingly.

CHAPTER 15 SETTLEMENT OF DISPUTES

Article 296 The Company follows the following rules for the settlement of disputes:

- (1) all disputes and claims between the Company and its Directors, Supervisors or senior management, between shareholders of overseas listed foreign shares and the Company, between shareholders of overseas listed foreign shares and the Company's Directors, Supervisors, General Managers and other senior management, or between shareholders of overseas listed foreign shares and shareholders of Domestic Shares arising from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company shall be referred by the relevant parties to arbitration.

The aforementioned disputes or claims shall be referred to arbitration as a whole. All parties involved in the same dispute or claim shall abide by the arbitration if such parties are the Company or the shareholders, Directors, Supervisors, General Managers or other senior management of the Company.

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

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

If a claimant elects arbitration at the Hong Kong International Arbitration Center, 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 Center.

- (3) if any disputes or claims of rights prescribed in item (1) above are referred to arbitration, 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 arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 16 MISCELLANEOUS

Article 297 Definitions

- (1) The “controlling shareholder” shall refer to a person that satisfies any of the following conditions:
 - 1. he/she, acting alone or in concert with others, has the power to elect half or more of the total number of Directors;
 - 2. he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty per cent (30%) or more of the Company's voting rights;

3. he/she, acting alone or in concert with others, holds thirty per cent (30%) or more of the issued and outstanding shares of the Company;
 4. he/she, acting alone or in concert with others, has de facto control over the Company in any other manner.
- (2) The “de facto controller” refers to that although such controller is not a shareholder of the Company, he/she is a person who can actually dominate the Company through investment relations, agreements or other arrangements.
- (3) The “connected relations” refers to the relationship between the Company’s controlling shareholders, de facto controller, Directors, Supervisors, senior management officers and those enterprises, which are directly or indirectly controlled by the foregoing parties and such other relationship, which may cause the interests of the Company to be transferred. However, the state-controlled enterprises do not have connected relations merely because they are all being controlled by the State.
- (4) The “internal Directors” shall refer to such Directors who are concurrently taking other positions in the Company.

Article 298 These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other version, the latest Chinese version of these Articles of Association approved by and registered with the competent authority for registration of industry and commerce shall prevail.

Article 299 The term “or more”, “within”, “below”, as stated in these Articles of Association shall all include the given figure; the term “not exceeding”, “except”, “more than”, “less than”, “exceeding”, “over” shall all exclude the given figure.

Article 300 The Board may formulate by-laws in accordance with the provisions of these Articles of Association, provided that such by-laws shall not be in violation of these Articles of Association.

Article 301 The Board shall be responsible for the interpretation of these Articles of Association.