



招商证券股份有限公司
China Merchants Securities Co., Ltd.

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

ARTICLES OF ASSOCIATION

(Considered and approved at the general meeting of the Company
on 22 June 2018)

CHAPTER I GENERAL PROVISIONS

Article 1 The Articles of Association is formulated in accordance with the *Company Law of the People's Republic of China* (the "Company Law"), *Securities Law of the People's Republic of China* (the "Securities Law"), *Code of Corporate Governance for Listed Companies in China*, *Rules for Governance of Securities Companies*, *Guidelines for Articles of Association of Listed Companies*, *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, *Special Regulations of the State Council on Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (the "Special Regulations"), *Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas*, *Letter about Suggestions on Amendment to Articles of Association of Companies to be Listed in Hong Kong*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "Hong Kong Listing Rules") and other relevant provisions, for the purpose of safeguarding the legitimate rights and interests of China Merchants Securities Co., Ltd. (the "Company"), its shareholders and creditors, and regulating the organization and activities of the Company.

Article 2 The Company is a limited liability company by shares established in accordance with the Company Law, the Securities Law and other relevant regulations. The Company was approved by document ZJJGZ (2001) No. 285 of China Securities Regulatory Commission ("CSRC") and document SFG (2001) No. 49 of People's Government of Guangdong Province. The Company is entirely evolved from and established by the original shareholder of Guo Tong Securities Co., Ltd. The Company was registered at Shenzhen Administration for Industry & Commerce in Guangdong Province on December 26, 2001, and secured the Business License for the Enterprise as a Legal Person. On June 28, 2002, the Company was renamed to "China Merchants Securities Co., Ltd." from "Guo Tong Securities Co., Ltd." and completed the change procedure at Shenzhen Administration for Industry & Commerce in Guangdong Province.

Article 3 On November 2, 2009, the Company issued 358,546,141 RMB ordinary shares (A-shares) to the public for the first time with the approval of document [2009] No. 1132 of CSRC. On November 17, 2009, the Company was listed on Shanghai Stock Exchange.

Upon approval by CSRC on 3 August 2016, the Company issued initially 891,273,800 overseas listed foreign shares (H-shares) pursuant to document [2016] No. 1735, and was listed on the Stock Exchange of Hong Kong Limited on 7 October 2016 ("SEHK").

Article 4 The registered name of the Company in Chinese is: 招商证券股份有限公司. The name of the Company in English is: CHINA MERCHANTS SECURITIES CO., LTD.

Article 5 Address: No. 111, Fuhuay Road, Futian District, Shenzhen
Post Code: 518046
Tel: 0755-82943666
Fax: 0755-82943100

Article 6 The registered capital of the Company is RMB6,699,409,329.

Article 7 The Company is a limited liability company by shares which exists on a perpetual basis.

Article 8 The legal representative of the Company is the Chairman.

Article 9 The Company's total assets are divided into shares of equal par value and shareholders shall be accountable to the Company to the extent of their shareholding. The Company is liable for the debts of the Company with all of its assets.

Article 10 In accordance with the requirements of the Constitution of the Communist Party of China, an organization of the Communist Party of China shall be established. The Party committee shall perform the core leadership and core political functions to provide directions, manage overall situations and ensure implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

Article 11 These Articles of Association shall be passed by the resolutions of a shareholders' meeting and approved by the securities supervision and administration authority of China, which shall come into effect from the date on which the overseas listed foreign shares (H-shares) issued by the Company are listed on SEHK.

Commencing from the date when it becomes effective, the Articles of Association shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations of the Company and each shareholder and among the shareholders. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior officers. All of such personnel are entitled, in accordance with the Articles of Association, to claim for rights with regard to the affairs of the Company. Pursuant to the Articles of Association, a shareholder may take action against another shareholder, any directors, supervisors, general manager and other senior officers of the Company. A shareholder may also take action against the Company, whilst the Company may take action against any of its shareholders, directors, supervisors, general manager and other senior officers.

The actions referred to in the preceding paragraph include court proceedings and arbitrations submitted to arbitration institutions.

Article 12 "Other senior officer(s)" referred to in the Articles of Association include deputy general managers, the secretary to the Board of Directors, the Chief Financial Officer, the Compliance Officer, the Chief Risk Officer of the Company, and other personnel identified as senior officers by the resolutions of the Board of Directors.

CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

Article 13 The Company's objectives are to give full play to the role of a securities company, provide quality and efficient services, and achieve the organic unity of its own economic benefit with the social benefit by earnestly implementing and executing the national economic and financial guidelines and policies, carrying on various activities in line with the principle of the socialist market economy, and positively participating in the activities of financial capital market.

Article 14 As approved or recorded by the relevant regulatory authority, the Company's scope of business is as follows: securities brokerage; securities investment consulting; financial consulting relating to securities trading and securities investment activities; securities underwriting and sponsorship; proprietary securities dealing; margin financing and securities lending; selling of securities investment funds on a commission basis; intermediary services to futures companies; selling of financial products on a commission basis; insurance agency; securities investment fund custody; stocks and options market-making business.

Article 15 The Company may establish wholly-owned subsidiaries to respectively carry on direct investment business, financial product investment and other alternative investment businesses, or securities asset management business and other businesses approved by the regulatory authority.

Article 16 To the extent permitted by laws and regulations, the Company may invest in other limited liability companies or joint stock limited companies. The Company's liability to an investee company shall be limited to the amount of its capital contribution to the investee company.

CHAPTER III SHARES

Section I Share Issuance

Article 17 All the shares of the Company shall be issued in the form of stocks.

The Company shall have ordinary shares. The Company may, upon the approval of the departments as authorized by the State Council, arrange other classes of shares if necessary.

Article 18 The shares of the Company shall be issued on the basis of openness, fairness and equity, and shall rank pari passu among each other in the same class. Stocks of the same class issued at the same time shall be equal in issue price and shall be subject to the same issuance conditions. The same price shall be paid by any institution or individual for each share subscribed.

Article 19 Any and all stocks issued by the Company have a par value of one RMB.

Article 20 Subject to the approval by the securities regulatory authority under the State Council, the Company may issue shares to domestic investors and foreign investors.

“Foreign investors” means those investors who subscribe for the shares of the Company and who are located in foreign countries or in the regions of Hong Kong, Macau and Taiwan. “Domestic investors” means those investors who subscribe for the shares of the Company and who are located within the territory of the PRC (excluding the regions of Hong Kong, Macau and Taiwan).

Article 21 With the approval of competent authorities, the Company issued a total of 2,400,280,638 ordinary shares, which were issued to its promoters upon incorporation, representing 100% of the total number of ordinary shares which may be issued by the Company.

The initiators of the Company made their capital contributions in 2001. Their respective amount and percentage of capital contribution are as follows:

No.	Shareholder Name	Amount	Percentage
1	China Merchants Finance Investment Holdings Co., Ltd.	359,368,947	14.97%
2	China Merchants Steam Navigation Co., Ltd.	311,556,426	12.98%
3	China Ocean Shipping(Group) Company	248,756,356	10.36%
4	Qinhuangdao Port Bureau of Ministry	243,896,661	10.16%
5	China Harbor Construction (Group) Company	216,272,922	9.01%
6	Guangzhou Maritime Transport (Group) Co., Ltd.	203,381,233	8.47%
7	China Merchants Shekou Industrial Zone Co., Ltd.	192,022,451	8.00%
8	Shenzhen Baoheng (Group) Co., Ltd	155,333,288	6.47%
9	China Shipping Haisheng Co., Ltd.	96,011,225	4.00%

No.	Shareholder Name	Amount	Percentage
10	Shenzhen Huaqiang Holdings Limited	96,011,225	4.00%
11	Deer Gongwuji Co., Ltd.	70,917,382	2.95%
12	Shenzhen Ocean Shipping Co., Ltd.	44,583,030	1.86%
13	China Shipping (Group) Company	29,286,696	1.22%
14	Shanghai Motor Industry Co., Ltd.	26,309,257	1.10%
15	China International Marine Containers (Group) Co., Ltd.	24,019,171	1.00%
16	Shandong Provincial Transport Development Investment Company	18,474,523	0.77%
17	Guangzhou Dredging Company	16,250,990	0.68%
18	China Road and Bridge (Group) Corporation	12,848,047	0.54%
19	CNTIC Trading Co., Ltd.	9,127,612	0.38%
20	Shanghai Railway Bureau	4,433,972	0.18%
21	Zhonggang Fourth Harbor Engineering	2,211,531	0.09%
22	Shanghai Municipal Postal Administration	2,058,786	0.09%
23	China National Electronics Imp. & Exp. Corporation	1,846,034	0.08%
24	Shenzhen Hongkai (Group) Co., Ltd.	1,846,034	0.08%
25	Zhejiang Transportation Engineering Construction Group	1,825,304	0.08%
26	Guangzhou Port Bureau	1,825,304	0.08%
27	Wuhan Yanco (Group) Company Limited	1,528,542	0.06%
28	Financial Street Holdings Co., Ltd.	1,344,157	0.06%
29	Shanghai Huayi (Group) Company	912,106	0.04%
30	Sichuan Road & Bridge (Group) Co., Ltd.	912,106	0.04%
31	Shanghai Eastern China Electricity Enterprise Co., Ltd.	615,344	0.03%
32	Shenyang Liaoneng Investment Co., Ltd.	615,344	0.03%
33	Shenzhen Shatoujiao Free Trade Zone Investment Development Company	615,344	0.03%
34	Shenzhen Sanding Oil Shipping Trade Co., Ltd.	615,344	0.03%
35	Shenzhen Lishengda Enterprise Co., Ltd.	615,344	0.03%

No.	Shareholder Name	Amount	Percentage
36	Jiangxi Hongdu Aviation Industry Co., Ltd.	576,067	0.02%
37	Beijing North Star Industrial Group Company	536,790	0.02%
38	Shenzhen Shipping Company	306,581	0.01%
39	Shenzhen China Union Holdings Ltd.	306,581	0.01%
40	China National Cereals, Oils & Foodstuffs Import & Export Corporation	306,581	0.01%

Article 22 The Company issued a total of 6,699,409,329 ordinary shares, of which, 5,719,008,149 shares were held by domestic investors, representing 85.37% of the total number of ordinary shares which may be issued by the Company, and 980,401,180 shares were held by foreign investors, representing 14.63% of the total number of ordinary shares which may be issued by the Company.

Article 23 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares listed overseas are called overseas-listed foreign shares.

Foreign shares listed on SEHK are called H Shares.

With the approval from the securities regulatory authority under the State Council, the holders of domestic shares of the Company may transfer the shares held by them to foreign investors, and such shares can be listed and traded abroad. The listing and trading of such transferred shares on overseas stock exchange shall also comply with the regulatory procedures, rules, and requirements of the overseas securities market. For the listing and trading of the transferred shares on the overseas stock exchange, no separate class of general meeting shall be convened for voting.

Article 24 As for the proposal of the issuance of the overseas-listed foreign shares and domestic shares of the Company approved by the securities regulatory authority under the State Council, the Board of Directors of the Company may make separate arrangements for offerings.

The Company may implement its proposal to issue overseas-listed foreign shares and domestic shares separately pursuant to the provisions of the preceding paragraph within fifteen (15) months from the date of approval by the securities regulatory authority under the State Council.

Article 25 The Company shall have the respective overseas-listed foreign shares and domestic shares fully subscribed within the planned number of total shares in the issuance proposal. If the shares cannot be fully subscribed at one time due to special circumstances, the shares may, subject to the approval by the securities regulatory authority under the State Council, be issued in separate batches.

Article 26 The Company or its subsidiaries (including affiliates) shall not, at any time, provide any form of financial assistance, such as gift, advance, guarantee, compensation or loan, to the subscriber or potential subscriber of the Company's shares.

Section II Increase, Decrease or Repurchase of Shares

Article 27 The Company may, based on its operating and development needs and in accordance with laws, rules and regulations, increase its registered capital in the following ways, subject to resolution adopted by the shareholders' general meeting:

- (I) By public offering of shares;
- (II) By private offering of shares;
- (III) By placing new shares to its existing shareholders;
- (IV) By issuing bonus shares to its existing shareholders;
- (V) By capitalization of its capital reserve funds into share capital; or
- (VI) By other means permitted by laws, administrative regulations, rules, and subject to the approval by relevant regulatory authority.

After the Company's increase of share capital by means of issuing new shares shall have been approved pursuant to the Articles of Association, the issuance thereof shall be conducted in accordance with the procedures set out by relevant laws, administrative regulations and rules.

Article 28 The Company may reduce its registered capital. The reduction of the Company's registered capital shall be conducted in accordance with the procedures stipulated by the Company Law and the Articles of Association.

Article 29 When the Company reduces its registered capital, it must prepare a balance sheet and an inventory list of its assets.

The Company shall notify its creditors within ten (10) days after the date of resolution on reducing the registered capital and announce it in a newspaper within thirty (30) days. Creditors shall have the right to demand the Company to repay its debts or to provide relevant debt settlement guarantee within thirty (30) days after receiving the notice or within forty five (45) days after the date of announcement if no such notice has been received.

The Company's registered capital must not, after the reduction in capital, be less than the minimum amount required by law.

Article 30 The Company may, in accordance with the procedures set out in laws, administrative regulations, departmental rules and the Articles of Association, repurchase its shares issued under the following circumstances:

- (I) reduction of its registered capital;
- (II) merger with other companies that hold shares in the Company;
- (III) distribution of shares to the Company staff as incentives;
- (IV) repurchase of shares upon demand of any shareholder opposing a resolution in connection with a merger or division of the Company put to a shareholder's general meeting;

Save for the circumstances set out above, the Company shall not purchase or sell any share in the Company.

Article 31 The Company may repurchase shares in any of the following ways:

- (I) By making a repurchasing offer to all of its shareholders on a pro rata basis;
- (II) By repurchasing shares through public trading on a stock exchange;
- (III) By repurchasing shares by an off-market agreement; or
- (IV) Other ways permitted by laws, regulations, rules, normative documents, or approved by the relevant competent authority.

Article 32 If the Company acquires its own shares by reasons of paragraphs (1) to (3) of Article 30 of the Articles of Association, the proposed resolution shall be passed at the general meeting. Upon the acquisition of its own shares by the Company pursuant to Article 29, in the case of paragraph (1), the acquired shares shall be cancelled within ten (10) days from the date of acquisition; in the case of paragraphs (2) and (4), the acquired shares shall be transferred or cancelled within six months.

The number of shares to be acquired by the Company pursuant to paragraph (3) of Article 30 shall not exceed 5% of the total issued shares of the Company. The funds to be used for the acquisition shall be paid out of the after-tax profit of the Company. The shares so acquired shall be transferred to the employees within one year.

Article 33 The Company must obtain the prior approval of the shareholders at a general meeting (in the manner provided in the Company's Articles of Association) before it can repurchase shares by means of an off-market agreement. The Company may cancel or change the agreement established in the aforementioned manner or waive any rights under such agreement with the prior approval from a shareholders' general meeting obtained in the same manner.

The agreement for the repurchase of shares referred to in the preceding paragraph includes (but not limited to) an agreement to become obliged to repurchase shares or an agreement to acquire the right to repurchase shares.

The Company cannot transfer the contract specifying its repurchase of shares or any rights under such contract.

If the redeemable share that the Company is entitled to repurchase is repurchased off-market or by bidding, the repurchase price of such shares must be capped. For the share repurchase by bidding, the relevant bidding invitations must be sent to all of its shareholders equally without discrimination.

Article 34 After repurchasing its own shares lawfully, the Company shall cancel these repurchased shares and apply for the change in registered capital at the original registration authority of the Company within the period prescribed by laws, administrative regulations and rules.

The aggregate par value of the shares so cancelled shall be deducted from the Company's registered capital.

Article 35 Unless the Company has entered the course of liquidation, it shall comply with the following provisions in relation to a repurchase of its issued shares:

- (I) Where the Company repurchases shares at par value, payment shall be made out of book balance of the Company's distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose;
- (II) Where the Company repurchases shares at a premium to its par value, payment up to the par value shall be made out of book balance of the Company's distributable profits or out of the proceeds of a new issue of shares made for that purpose. Payment of the proportion in excess of the par value shall be effected as follows:
 - 1. If the shares being repurchased were issued at par value, payment shall be made out of the book balance of its distributable profits;
 - 2. If the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book balance of its distributable profits or out of the proceeds of a new issue of shares made for that purpose; provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of the premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's capital reserve (including the premiums on the new issue) at the time of the repurchase;
- (III) The Company shall make the following payment out of the Company's distributable profits:
 - 1. Payment for the acquisition of the right to repurchase its own shares;
 - 2. Payment for the variation of any contract for the repurchase of its shares;
 - 3. Payment for the release of its obligations under any contract for the repurchase of shares.
- (IV) After the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for the payment of the par value of shares which have been repurchased shall be transferred to the capital reserve account of the Company.

If laws, regulations, rules, normative documents or relevant provisions of the securities regulatory authority at the place where the securities are listed otherwise specify the financial treatment provisions in relation to the repurchase of shares as mentioned above, these provisions shall prevail.

Section III Shares Transfer

Article 36 The Company's shares are freely transferable without any liens, unless otherwise specified in laws, regulations, rules, normative documents and relevant requirements of the securities regulatory authority at the place where the securities are listed. The transfer of the overseas-listed foreign shares listed in Hong Kong must be registered at the Hong Kong registration entity entrusted by the Company.

Article 37 All fully paid-up overseas-listed foreign shares listed on SEHK may be freely transferable in accordance with the Articles of Association, provided however, that such transfer complies with the following requirements, otherwise the Board of Directors may refuse to recognize any instrument of transfer and will not need to provide any reason therefor:

- (I) A fee shall have been paid up to the Company for the necessary registration of the instrument of transfer and other documents relating to or with impact on the right of ownership of the shares in accordance with the standard fees set out in Hong Kong Listing Rules, which shall not exceed the maximum fees permitted by Hong Kong Listing Rules from time to time;
- (II) The instrument of transfer shall only relate to overseas-listed foreign shares listed on SEHK;
- (III) The stamp duty which is chargeable on the instrument of transfer shall have been paid;
- (IV) The relevant share certificate(s) and any other evidence that the Board of Directors may reasonably require to prove that the transferor has the right to transfer the shares shall have been provided;
- (V) If it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall be no more than four (4);
- (VI) The Company shall not have any lien over the relevant shares.

If the Board of Directors refuses to register any transfer of shares, the Company shall, within two (2) months of the formal application for the transfer, provide the transferor and the transferee with a notice of refusal to register such transfer.

Article 38 All overseas-listed foreign shares which are listed in Hong Kong shall be transferred by a written instrument in a usual or common form (including the standard transfer form or registration form provided by SEHK) or any other form the Board of Directors may approve. The instrument of transfer may be signed by hand, or be affixed with a stamp if the transferor or transferee is a company. If the transferor or transferee is a recognized clearing house ("Recognized Clearing House") or its nominee defined by relevant regulations in effect from time to time in accordance with the laws of Hong Kong, the transfer form may be signed by hand or in mechanically- printed form.

All the instruments of transfer shall be retained at the legal address of the Company or any other address specified by the Board of Directors from time to time.

Article 39 The Company shall not accept any of its shares as the subject matter of a pledge.

Article 40 The shares of the Company held by the promoters cannot be transferred within one (1) year after the incorporation of the Company. The shares issued before the initial public offering of A-shares cannot be transferred within one (1) year after the A-shares are listed for trading on the stock exchange.

The directors, supervisors, and senior officers of the Company shall report to the Company their holdings of shares and any changes thereof. The shares transferred each year during their term of office cannot exceed 25% of the total shares they hold. None of these personnel is allowed to transfer the shares of the Company held by them within half a year from their departure from office.

If laws, regulations, rules, normative documents and relevant requirements of the securities regulatory authority at the place where the securities are listed specify otherwise, such provisions shall prevail.

Article 41 When any director, supervisor, senior officer of the Company or any shareholder of the Company holding more than 5% of the Company's shares disposes of his/her/its shares in the Company within six months of purchase, or purchases shares in the Company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company. However, the disposals by brokerage companies holding more than 5% of the shares in the Company due to the fact that their underwritten shares remain unsubscribed shall not be subject to the six-month period restriction.

If the Board of Directors fails to comply with the provisions of the preceding paragraph, the shareholders shall have the right to require the Board of Directors to comply with the provisions within thirty (30) days. If the Board of Directors fails to comply with the provisions within the prescribed period, the shareholders shall, for the benefit of the Company and in their own names, have the right to institute legal proceedings directly at a People's Court.

If the Board of Directors of the Company does not comply with the provisions of the first paragraph set out above, the responsible directors shall bear joint and several liabilities legally accordingly.

If laws, regulations, rules, normative documents and relevant requirements of the securities regulatory authority at the place where the securities are listed specify otherwise, such provisions shall prevail.

Section IV Financial Assistance for Acquisition of Shares

Article 42 The Company or its subsidiaries shall not, by any means at any time, provide any financial assistance to a person who acquires or proposes to acquire shares of the Company. The person referred herein shall include a person who directly or indirectly incurs any obligation due to the acquisition of such shares.

The Company or its subsidiaries shall not, by any means at any time, provide any financial assistance to the aforesaid obligor for the purpose of relieving or discharging the obligations assumed by that person due to acquisition or proposed acquisition of shares.

This Article shall not apply to the circumstances specified in Article 44 of these Articles of Association.

Article 43 For the purpose of this Chapter, “financial assistance” includes (but is not limited to) the following:

- (I) Gift;
- (II) Guarantee (including the assumption of liability by the guarantor or by the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (excluding the compensation in respect of the Company’s own default), or release or waiver of any rights;
- (III) Provision of loan or any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change of parties to, or the assignment of the rights under, such loan or contract;
- (IV) Any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

For the purpose of the Chapter, “assumption of obligations” includes the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable and irrespective of whether such obligation is to be borne solely by the obligor or jointly with other persons), or by any other means which results in a change in the financial position.

Article 44 The following actions shall not be deemed to be activities prohibited by Article 42 of the Articles of Association;

- (I) The provision of financial assistance by the Company is given in good faith to the benefit of the Company, and the principal purpose of this assistance is not for the acquisition of shares of the Company, or the financial assistance is an incidental part of certain master plan of the Company;
- (II) The lawful distribution of the Company’s assets as dividends;
- (III) The distribution of dividends in the form of shares;
- (IV) A reduction of registered capital, a repurchase of shares or reorganization of the shareholding structure of the Company effected in accordance with the Company’s Articles of Association;
- (V) The provisions of loans by the Company for ordinary business activities within the scope of business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits); and
- (VI) The contributions made by the Company to the employee share ownership schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).

Section V Share Certificates and Register of Shareholders

Article 45 Share certificates of the Company shall be in registered form. The share certificates of the Company shall contain the following particulars:

- (I) Name of the Company;
- (II) Incorporation date of the Company;
- (III) Class, par value and the number of the shares that each share certificate represents;
- (IV) Serial number of the share certificates;
- (V) Other particulars required by the Company Law, Special Regulations and the provisions of the securities regulatory authority at the place where the securities are listed;
- (VI) Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting rights” must appear in the designation of such shares;
- (VII) 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”.

The Company may take the form of overseas depository receipt or other derivative form of share certificate to issue overseas-listed foreign shares in accordance with laws as well as the registration and depository practice of the listing venue.

Article 46 During the period when H shares are listed in Hong Kong, the Company must ensure the relevant H shares are provided with the following statements, and instruct and facilitate its share registrar to refuse the registration of any subscription, purchase or transfer of any individual holder, unless and until such individual holder submit the duly signed form of such share to the share registrar, and such form must include the following statements:

- (I) There are agreements between shares purchaser, the Company and every shareholder, and between the Company and its shareholder, on observance and compliance with Company Law, Special Regulations, Articles of Association, and other relevant laws and administrative regulations;
- (II) Share purchasers, and the Company, each of its shareholders, directors, supervisors, General Manager, and other senior officers agree, and the Company, acting on behalf of the Company itself and each of its directors, supervisors, General Manager and other senior officers, also agree with each of its shareholders, that any dispute or claim relating to the affairs of the Company and arising out of the rights or obligations provided for in these Articles of Association, the Company Law, or other relevant laws or administrative regulations, shall be referred to arbitration in accordance with the Articles of Association. The submission for arbitration shall be deemed as authorizing an arbitral tribunal to conduct a public hearing and announce its decision. The arbitration award shall be final.

- (III) Share purchaser, the Company and each of its shareholders, agree that the Company's shares shall be freely transferable by their holders;
- (IV) The share purchaser authorizes the Company to enter into a contract with each of its directors, General Manager and other senior officers on their behalf, pursuant to which each of such directors, General Manager and other senior officers undertakes to observe and fulfill their responsibility to shareholders in accordance with the Articles of Association.

Article 47 The share certificates shall be signed by the chairman of the Board of Directors. In case that the signatures of other senior officers of the Company are required by the local securities regulatory authorities or the stock exchange where the shares of the Company are listed, the share certificates shall also be signed by such other officers. The share certificates shall take effect after being affixed with the seal of the Company physically or in its printed form. The affixing of seal shall be authorized by the Board of Directors. The signature of the chairman of the Board of Directors of the Company or other relevant senior officers on the share certificates may also be made in printed form.

With paperless issuance and trading of the Company's shares in operation, provisions otherwise provided by the securities regulatory authorities or the stock exchanges where the shares of the Company are listed shall apply.

Article 48 The Company shall maintain a register of shareholders and record the followings:

- (I) The name or designation, address or domicile, occupation or nature of each shareholder;
- (II) The class and number of shares held by each shareholder;
- (III) The amount paid or payable by each shareholder for the respective shares held;
- (IV) The serial numbers of shares held by each shareholder;
- (V) The date when each shareholder is registered as a shareholder; and
- (VI) The date when each shareholder ceases to be a shareholder.

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

Article 49 The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities under the State Council and overseas securities regulatory authorities, maintain the register of shareholders of overseas-listed foreign shares aboard, and mandate overseas agents to manage such register of shareholders. The original copy of the register of shareholders of overseas-listed foreign shares listed on SEHK shall be maintained in Hong Kong.

The Company shall maintain a duplicate copy of the register of shareholders of overseas-listed foreign shares at the premises of the Company. The overseas agents so mandated shall, at any time, ensure the consistency of the original and copy of the register of shareholders of overseas-listed foreign shares.

In case of any discrepancy between the original and copy of the register of shareholders of overseas-listed foreign shares, the original shall prevail.

Article 50 The Company shall have a complete register of shareholders, which shall include the following parts:

- (I) A register of shareholders kept at the premises of the Company other than those specified in items (2) and (3) of this Article;
- (II) The register of shareholders of overseas-listed foreign shares kept at the locality of the overseas stock exchanges on which the shares are listed; and
- (III) The register of shareholders kept in such other places as the Board of Directors may consider necessary for the purpose of the listing of the Company's shares.

Article 51 Different parts of the register of shareholders shall not overlap with each other. The transfer of shares registered in 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 made in accordance of the respective laws of the place where the relevant part of the register of shareholders is maintained.

Article 52 Within thirty (30) days prior to the convening of a shareholders' general meeting or within five days prior to the benchmark date for the determination of dividend distribution by the Company, no change shall be made in the register of shareholders arising from share transfer.

Provisions otherwise provided by the securities regulatory authorities in the place where the shares of the Company are listed shall prevail.

Article 53 Any person objecting to the register of shareholders and requesting to have his/her name (or its designation) entered or removed from the register of shareholders may apply to the court of competent jurisdiction for correction of the register.

Article 54 Any person who is a registered shareholder or requests to have his/her name (or its designation) to be entered in the register of shareholders may apply to the Company to reissue new share certificate for his/her/its respective shares (i.e. "relevant shares") if his/her/its share certificate (i.e. "original share certificate") is lost.

An application for a replacement share certificate by a holder of domestic shares that has lost his/her/its share certificate shall be dealt with in accordance with the Company Law.

An application for a replacement share certificate by a holder of overseas-listed foreign shares that has lost his/her/its share certificate shall be dealt with in accordance with the law of the place where the original register of shareholders of the overseas-listed foreign shares is maintained, the rules of the stock exchange or other relevant regulations.

The issue of a replacement share certificate to a holder of overseas-listed foreign shares listed in Hong Kong for a share certificate lost shall be conditional upon the satisfaction of the following requirements:

- (I) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the ground upon which the application is made and the circumstances and evidence of the loss, and declaring that no other person is entitled to have his/her/its name entered in the register of shareholders in respect of the relevant shares.
- (II) Before the Company decides to issue the replacement share certificate, no statement made by any other person other than the applicant declaring his/her/its name shall be entered in the register of shareholders in respect of such shares has been received.
- (III) The Company shall, if it intends to issue a replacement share certificate, publish an announcement of its intention to do so at least once every thirty (30) days within a period of ninety (90) days in such newspapers as designated by the Board of Directors.
- (IV) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the announcement to be published, and upon the receipt of confirmation from such stock exchange that the announcement has been displayed on the premises of the stock exchange, may publish the announcement. The display of such announcement on the premises of the stock exchange shall be for a period of ninety (90) days.

In the case of an application for a replacement share certificate which 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.

- (V) If, upon expiry of the 90-day display period referred to in paragraphs (3) and (4) of this Article, the Company has not received any objection from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share to the applicant accordingly.
- (VI) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and record the cancellation of the original share certificate and the issuance of a replacement share certificate in the register of shareholders accordingly.
- (VII) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable security is provided by the applicant therefor.

Article 55 Where the Company issues a replacement share certificate in accordance with the Articles of Association, the name (or designation) of the bona fide purchaser acquiring the aforesaid new share certificate or the shareholder who is subsequently registered as the owner of such share (in the case of a bona fide purchase) shall not be removed from the register of shareholders.

Article 56 For any damages incurred to persons arising from cancellation of original share certificates or the issuance of the replacement share certificates, the Company assumes no liability for compensation, unless they can prove that the Company has committed fraud. For share warrants to bearer, no issuance of any new replacement warrant for a lost original warrant is allowed, unless the Company believes beyond reasonable doubt that the original warrant has been destroyed.

CHAPTER IV SHAREHOLDERS AND THE GENERAL MEETING

Section I Shareholders

Article 57 The Company shall maintain a register of shareholders based on vouchers provided by securities registries. The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company. Shareholders of the Company are those lawfully holding the shares of the Company, with his/her name (or designation) registered in the register of shareholders. A shareholder shall enjoy rights and assume obligations according to the class of shares held. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Any entity or individual is prohibited from directly or indirectly holding 5% or above of the shares in the Company without the approval of CSRC, failing which such act shall be rectified in due course and relevant shares will not carry voting rights before such rectification.

Where more than two persons are registered as the joint shareholders of any share, they shall be deemed as the joint owners of such shares, subject to the following restrictions:

- (I) The Company shall not register more than four (4) persons as joint shareholders for any share;
- (II) All joint shareholders of any shares shall be jointly and severally liable for the payment of all fees payable for the relevant shares;
- (III) If any of those joint shareholders passes away, only the surviving joint shareholders shall be deemed by the Company as the owners of the relevant shares, but the Board of Directors shall be entitled to request for the surviving shareholders to provide the death certificate it thinks fit for the purpose of amending the register of shareholders; and
- (IV) For joint shareholders of any shares, only the joint shareholder whose name appears first on the register of shareholders shall have the right to receive the share certificate of the relevant shares and notice from the Company as well as attending the shareholders' general meeting of the Company or exercising the voting rights of the relevant shares. Any notice served to such shareholder shall be deemed to have been served to all joint shareholders of the relevant shares. Any of the joint shareholders may sign a proxy form, provided,

however, where the number of the joint shareholders presenting at a meeting in person or by proxy is more than one, the vote cast by the shareholder whose name appears in prior sequence shall be regarded as the vote of the joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding relevant shares as prescribed in the Company's register of shareholders.

The Company shall sign a share custody agreement with share registries for the purpose of consulting the information and shareholding change (including share pledge) of major shareholders on a regular basis, in order to be fully aware of the shareholding structure of the Company in a timely manner.

Article 58 When the Company convenes a general meeting, distributes dividends, commences liquidation or involves itself in other activities requiring the identification of shareholders, the Board of Directors or the convener of any such general meeting shall decide the record date of equity rights. The shareholders whose names appear on the register of shareholders at the close of trading on the record date are entitled to the relevant rights.

Article 59 The holders of the Company's ordinary shares shall enjoy the following rights:

- (I) To receive dividends and other forms of benefit distribution in proportion to their shareholdings;
- (II) To lawfully demand, convene, preside, or attend shareholders' general meetings either in person or by proxy and exercise the corresponding voting right;
- (III) To supervise the Company's business operations, and raise suggestions or make inquiries;
- (IV) To transfer, offer as gift or pledge their shares in accordance with laws, regulations, rules, normative documents, relevant requirements of the securities regulatory authorities in the place where the securities of the Company are listed and these Articles of Association;
- (V) To obtain relevant information in accordance with the Articles of Association, including:
 - 1. To receive a copy of the Articles of Association, subject to payment of the cost of such copy; and
 - 2. To inspect and photocopy, subject to the payment of a reasonable fee:
 - (1) all parts of the register of shareholders;
 - (2) personal data of directors, supervisors, General Manager and other senior officers of the Company, including:
 - (a) Present and former name and alias;
 - (b) Principal address (place of residence);
 - (c) Nationality;

- (d) Full-time and all other part-time occupations and duties;
 - (e) Identification documents and numbers thereof.
- (3) Share capital of the Company;
 - (4) Report showing the aggregate par value, quantity, highest and lowest prices of each class of shares repurchased by the Company since the end of the last financial year, and all the costs paid by the Company for this purpose;
 - (5) Minutes of general meetings (for review by shareholders only);
 - (6) The latest audited financial statements, and reports from the Board of Directors, auditor and the Board of Supervisors;
 - (7) Special resolutions;
 - (8) Copy of the latest annual return submitted to China Administration for Industry & Commerce or other competent authorities for filing;
 - (9) Counterfoils of corporate bonds, resolutions of Board meetings, resolutions of meetings of the Board of Supervisors, and financial and accounting reports. Documents of Items (1) to (8) (except Item (2)) 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 and holders of overseas-listed foreign shares to inspect free of charge;
- (VI) To participate in the distribution of remaining assets of the Company in proportion to his/her/its shareholding in the event of the termination or liquidation of the Company;
 - (VII) To enjoy other rights conferred by laws, regulations, rules, normative documents, the Hong Kong Listing Rules and these Articles of Association.

Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company cannot exercise any rights to freeze or otherwise undermine any right of such person attached to the shares solely for this reason.

Article 60 Any shareholder who wishes to inspect or request any relevant information or material referred to in the preceding Article shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall, after verifying the identity of shareholders, provide such relevant information or materials as requested by such shareholder.

Article 61 If any resolution passed at the general meeting or the Board meeting is in violation of the laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution.

If the convening procedure and 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 request the people's court for revocation within sixty (60) days after the resolution being passed.

Article 62 Where any directors or senior officers violates laws, administrative regulations or these Articles of Association in carrying out his/her/its duties, thereby incurring any loss to the Company, the shareholder(s) severally or jointly holding over 1% of the shares of the Company for one hundred and eighty (180) consecutive days or above shall be entitled to request the Board of Supervisors in writing to initiate legal proceedings at the people's court.

Where the Board of Supervisors or the Board of Directors refuses to initiate legal proceedings upon receipt of the written request of shareholders as stipulated in the preceding paragraph, or fails to initiate legal proceedings within thirty (30) days upon receipt of the request, or in the event that any failure to immediately initiate legal proceedings will result in irreparable damage to the interests of the Company in the case of an emergency, the shareholders as prescribed in the preceding paragraph shall, for the benefit of the Company and in their own names, have the right to directly initiate legal proceedings at the people's court.

Where any person infringes the legitimate rights and interests of the Company and causes losses to the Company, the shareholders as prescribed in the first paragraph of this Article may initiate legal proceedings at the people's court in accordance with the provisions of the two preceding paragraphs.

Article 63 If any of the directors or senior officers is in contravention of laws, administrative regulations or these Articles of Association and detrimental to the interests of shareholders, shareholders may initiate legal proceedings at the people's court.

Article 64 The holders of the Company's ordinary shares shall assume the following obligations:

- (I) To comply with the Articles of Association of the Company;
- (II) To pay subscription funds based on the number of shares subscribed and the method of subscription;
- (III) Not to withdraw shares unless in the circumstances stipulated by laws and regulations;
- (IV) Not to abuse shareholder's rights to prejudice the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person or the limited liability of a shareholder to prejudice the interests of the creditors of the Company;

Shareholders of the Company who abuse their shareholder's rights and thereby causing losses to the Company or other shareholders shall be liable for compensation by operation of law.

Where shareholders of the Company abuse the status of the Company as an independent legal person or the limited liability of shareholders for the purpose of evading repayments of debts and materially impairs the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the liabilities of the Company.

- (V) To fulfill other obligations imposed by laws, administrative regulations and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed by the subscriber of the relevant shares on subscription.

Article 65 Shareholders holding or controlling 5% or above voting shares of the Company shall notify the Company promptly after occurrence of any of the following circumstances:

- (I) Shares of the Company they hold or control is under litigation preservation measures or mandatory enforcement measures;
- (II) Shares of the Company they hold is pledged;
- (III) The actual controller is changed;
- (IV) Names are changed;
- (V) A merger or division is effected;
- (VI) 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;
- (VII) They receive administrative penalty or are investigated for criminal responsibility due to serious violations of laws and regulations; and
- (VIII) They are involved in other circumstances that may lead to transfer of the shares in the Company they hold or control or affect operation of the Company.

In the event of Item (I), (II), (III), (V), (VI) or (VIII) of the preceding paragraph, shareholders having 5% or above voting shares of the Company or the actual controller shall submit a written report to the Company on the same day as the occurrence of such circumstances. In the event of Item (IV) or (VII) of the preceding paragraph, shareholders having 5% or above voting shares of the Company or the actual controller shall submit a written report to the Company within five (5) business days after the occurrence of such circumstances. As required by the local stock exchange in the place where the securities of the Company are listed, the Company shall make a timely announcement.

The Company shall report to relevant regulatory authorities, such as the local office of CSRC of its place of domicile, within five working days after acknowledging the occurrence of the events as stated above (if the shareholder is a recognized clearing house, as defined by relevant laws and regulations, of the place where the securities of the Company are listed, this sub-clause does not apply).

Article 66 The controlling shareholders or the actual controllers of the Company shall not use their affiliations to damage the interests of the Company. In the event of any contravention of the requirements and causes losses to the Company, the controlling shareholder or the actual controller of the Company shall assume the liability for compensations thereof.

The controlling shareholders and the actual controllers of the Company have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholder and actual controller of the Company shall exercise his/her/its rights as a capital contributor in strict compliance with laws and shall not impair the legitimate rights and interests of the Company and the public shareholders of the Company by way of, among other things, distribution of profits, restructuring of assets, external investment, misappropriation of funds and loan guarantee.

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the local stock exchange where the securities of the Company are listed, a controlling shareholder shall not make any decision to exercise his/her/its voting rights in respect of the following matters in a manner prejudicial to the interests of all or any of the shareholders of the Company;

- (I) To relieve a director or supervisor of his/her duty to act faithfully in the best interest of the Company;
- (II) To approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person), in any manner, of the Company's assets, including (without limitation) any opportunity beneficial to the Company;
- (III) To approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) the rights to distributions and voting rights, except for any corporate restructuring submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

Article 67 The Board of the Directors applies the "occupancy freeze" mechanism to shares of the Company held by the controlling shareholder. Once the controlling shareholder is found to embezzle the assets of the Company, the application for judicially freezing the shares held by the controlling shareholder shall be immediately submitted. Where the embezzled asset of the Company is not restorable or settled in cash or in other ways as approved by a general meeting, the embezzled asset shall be repaid by the realization of the shares held by the controlling shareholders.

The directors, supervisors and senior officers are legally obliged to safeguard the asset security of the Company. If any director or senior officer assists or connives at the embezzlement of Company's assets by the controlling shareholder, actual controller or their affiliates, the Board of Directors will sanction the directly responsible person based on the severity of the circumstances, and will propose at a general meeting to remove from office such director who is materially accountable therefor.

Section II General Provisions on Shareholders' General Meeting

Article 68 The shareholders' general meeting is the organ of authority in the Company, and shall exercise the following functions and powers in accordance with the law:

- (I) To decide the business policies and investment plans of the Company;
- (II) To elect and replace those directors and supervisors who are not employees' representatives, and decide on matters related to the remuneration of the directors and supervisors;
- (III) To consider and approve the report of the Board of Directors;
- (IV) To consider and approve the report of the Board of Supervisors;

- (V) To consider and approve the annual financial budget and final accounts of the Company;
- (VI) To consider and approve the profit distribution plan and loss recovery plan of the Company;
- (VII) To resolve on the increase or decrease of the Company's registered capital;
- (VIII) To resolve on the issuance of corporate bonds of the Company;
- (IX) To resolve on matters such as merger, division, dissolution or liquidation of the Company, or change of the corporate form of the Company;
- (X) To amend the Articles of Association of the Company;
- (XI) To resolve on the appointment or dismissal of auditors by the Company;
- (XII) To consider and approve the external guarantees specified in Article 68;
- (XIII) To consider the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
- (XIV) To consider the Company's external investment within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
- (XV) To consider and approve any related-party transaction which shall be considered at shareholders' general meeting as required by the listing rules of the place where the securities of the Company are listed, and other provisions;
- (XVI) To consider and approve the change in uses of proceeds raised;
- (XVII) To consider equity incentive plan; and
- (XVIII) To consider any other matters which shall be resolved at the shareholders' general meeting as required by laws, administrative regulations, departmental rules or these Articles of Association.

The functions and powers of the shareholders' general meeting mentioned above shall not be delegated to the Board of Directors or any other body or individual.

Article 69 The following external guarantee of the Company shall be deliberated and approved by the shareholders' general meeting:

- (I) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which reaches or exceeds 50% of the latest audited net assets of the Company;
- (II) Provision of any external guarantee by the Company, the total amount of which reaches or exceeds 30% of the latest audited total assets of the Company (net of clients' margins);
- (III) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%; and

- (IV) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company.

The external guarantee to be approved by the shareholder's general meeting cannot be submitted to the shareholders' general meeting for approval until being considered and approved by the Board of Directors.

Article 70 A shareholders' general meeting is either an annual general meeting or an extraordinary general meeting. The annual general meeting shall be convened once a year, and shall be held within six months after the end of the previous financial year.

Article 71 The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (I) The number of directors falls short of the quorum stipulated in the Company Law or is less than two thirds of the number specified in these Articles of Association;
- (II) The Company's uncovered losses amount to one third of the total amount of its paid-up share capital;
- (III) Shareholder(s) severally or jointly holding 10% or above of the Company's shares for 90 consecutive days or more request(s) the holding of an extraordinary general meeting;
- (IV) The Board of Directors considers it necessary;
- (V) The Board of Supervisors proposes to convene such meeting; and
- (VI) Other circumstances stipulated by laws, administrative regulations, departmental rules, provisions of the local securities regulatory authorities where the securities of the Company are listed, and these Articles of Association.

Article 72 The shareholder's general meeting of the Company shall be convened at the domicile of the Company or any other location determined by the Board of Directors.

A shareholders' general meeting shall be in the form of physical meeting to be held on site at the venue or any other forms permitted by the regulatory authority. According to the relevant regulatory requirements, the Company shall provide convenience for shareholders to attend the shareholder's general meeting, such as network or other ways. A shareholder who participates in a shareholders' general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 73 The Company shall engage lawyers to advise on the following issues with announcements made thereon for the convening of the shareholders' general meeting:

- (I) Whether the convening of the shareholders' general meeting and its procedures are in compliance with laws, administrative regulations and these Articles of Association;
- (II) Whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;

- (III) Whether the procedures of voting and the voting result of the meeting are lawful and valid; and
- (IV) Legal opinions on other related matters at the request of the Company.

Section III Convening of Shareholders' General Meeting

Article 74 More than half of the independent directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board of Directors shall, pursuant to relevant laws, administrative regulations and these Articles of Association, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board of Directors. If the Board of Directors does not agree to hold the extraordinary general meeting, it shall state the reasons and publish an announcement thereof. If the Board of Directors disagrees the convening of such meeting, independent director s shall have the right to propose to the Board of Supervisors to convene the extraordinary general meeting.

Article 75 The Board of Supervisors shall be entitled to propose, essentially in writing, to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, pursuant to relevant laws, administrative regulations and these Articles of Association, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the proposal.

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

Where the Board of Directors does not agree to hold the extraordinary general meeting or gives no feedback within ten (10) days after receipt of the proposal, it shall be deemed to be incapable of, or failure in, performing its duty of convening the general meeting, and the Board of Supervisors may convene and preside over the meeting on its own.

Article 76 Shareholder(s) severally or jointly holding 10% or above shares of the Company for ninety (90) consecutive days or more shall be entitled to request the Board of Directors to convene an extraordinary general meeting, and shall put forward such request to the Board of Directors in writing. The Board of Directors shall, pursuant to relevant laws, administrative regulations and these Articles of Association, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the request.

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

If the Board of Directors does not agree to convene the extraordinary general meeting or gives no feedback within ten (10) days after receipt of the request, shareholder(s) severally or jointly holding 10% or above shares of the Company for ninety (90) consecutive days or more shall be entitled to request the Board of Supervisors to convene an extraordinary general meeting, and shall put forward such request to the Board of Supervisors in writing.

Where the Board of Supervisors agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within five (5) days after the receipt of the said request. In the event of any change to the original request set forth in the notice, the consent of the relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice for the shareholders' general meeting within the prescribed period, the Board of Supervisors shall be deemed as failing to convene and preside over the general meeting. As a result of its failure to do so, shareholder(s) severally or jointly holding 10% or above shares of the Company for ninety (90) consecutive days or more shall be entitled to convene and preside over such meeting by itself/themselves.

Article 77 Where the Board of Supervisors or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board of Directors in writing and file with the local office of the CSRC and the stock exchange in the place where the Company is located.

The shareholding of shareholders who convene the shareholders' general meeting shall be no less than 10% before a resolution passed at the shareholder's general meeting is announced.

The convening shareholders shall, when the notice on the convening of the shareholders' general meeting is delivered and a resolution passing at the shareholders' general meeting is announced, submit relevant supporting documents to the local office of the CSRC and the stock exchange in the place where the Company is located.

Article 78 The Board of Directors and secretary to the Board shall cooperate with the Board of Supervisors or shareholders in respect of any shareholders' general meeting held by the latter. The Board shall provide the register of shareholders as of the record date of the equity interests.

Article 79 Expenses necessary for a shareholders' general meeting held by the Board of Supervisors or shareholders on its own shall be borne by the Company, and deducted from the amount payable by the Company to the defaulting directors.

Section IV Proposals and Notices of Shareholders' General Meeting

Article 80 The contents of the proposal shall fall into the scope of functions and powers of the shareholders' general meeting with definite topics and specific resolution, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 81 The Board of Directors, the Board of Supervisors, and shareholder(s) severally or jointly holding 3% or above shares of the Company for one hundred and eighty (180) consecutive days or more shall be entitled to submit proposals to the Company at the shareholders' general meeting.

Shareholder(s) severally or jointly holding 3% or above shares of the Company for one hundred and eighty (180) consecutive days or more shall have the right to submit temporary proposal to the convener in writing ten (10) days prior to the holding of the shareholders' general meeting. The convener shall, within two (2) days after receipt of a proposal, issue a supplementary notice of the shareholders' general meeting, and announce the contents of the temporary proposal.

Save for the circumstances specified in the preceding paragraph, the convener shall not amend the proposal set out in the notice of the shareholders' general meeting or add any new proposal after the said notice is announced.

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with Article 80 of these Articles of Association shall not be voted and resolved at the shareholders' general meeting.

Article 82 When the Company convenes a shareholders' general meeting, a 45-day prior written notice of the meeting shall be given to notify all the shareholders whose names appear on the register of shareholders of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver a written reply concerning the attendance of the meeting to the Company twenty (20) days before the date of the meeting.

In determining the starting date, the Company shall not include the date on which the meeting is held.

Article 83 The Company shall, based on the written replies received from the shareholders twenty (20) days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reach one half or more of the Company's total voting shares, the Company may convene the shareholders' general meeting. If not, the Company shall, within five (5) days, notify the shareholders again by way of a public announcement, of matters to be considered, the date and the place of the meeting. The Company may then hold the shareholders' general meeting after publication of such announcement.

An extraordinary general meeting shall not decide on the matters not stated in the notice for the meeting.

Article 84 A notice of shareholders' general meeting shall be made in writing and include the following contents:

- (I) Specify the time and date, place and duration of the meeting;
- (II) State the matters and motions to be considered at the meeting;
- (III) Provide materials and explanations necessary for the shareholders to make an informed decisions regarding the matters to be discussed, including (but not limited to) specific terms and contracts (if any) and a detailed explanations of its reasons and effect for a proposed transaction such as a merger, repurchase of shares, restructuring of share capital or other forms of restructuring;

- (IV) Contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager and other senior officer in the matters to be discussed, and difference in the effect which the matters to be discussed will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;
- (V) Contain the full text of any special resolution proposed to be passed at the meeting;
- (VI) State the time and address for the delivery of the proxy form used at the meeting;
- (VII) Contain a conspicuous statement that all shareholders are entitled to attend and vote at the shareholders' general meeting, the shareholder shall have the right to appoint a proxy in writing to attend the meeting and vote on his/her/its behalf, and that a proxy needs not to be a shareholder of the Company;
- (VIII) Specify the record date for the entitlement of the shareholder eligible to attend the shareholders' general meeting;
- (IX) State the names and telephone numbers of the standing contact persons for the meeting;
- (X) If a shareholders' general meeting is held online or otherwise, the designated time and procedure for voting online or through other means shall be expressly stated in the notice of such meeting.

The interval between the shareholding record date and the date of the meeting shall not be subject to the requirements of the competent authorities in the place where the securities of the Company are listed. The shareholding record date shall not be changed once confirmed.

Any notice and supplementary notice of the shareholder's general meetings shall sufficiently and completely disclose all specific contents of all motions in full. 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 or supplementary notice of the shareholders' general meeting.

Article 85 Unless otherwise specified in the Articles of Association, the notice of the shareholders' general meeting shall be delivered to the shareholders (regardless of whether they are entitled to vote at the general meeting), by personal delivery or by prepaid mail to their address as shown in the register of shareholders. For the holders of domestic shares, notice of the meeting may also be given by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities under the State Council within the period of forty-five (45) to fifty (50) days prior to the convening of the meeting. After the publication of such announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

The notification, materials or written announcement of the shareholders' 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 holding of said meeting:

- (I) Such notification, material or announcement should be delivered to every shareholder of overseas-listed foreign shares by person or by mail to the registered address of the shareholders;
- (II) Publish the announcement at the website of the Company or websites designated by the local stock exchange where securities of the Company are listed in accordance with applicable laws, regulations and relevant listing rules;
- (III) Other manners required by the local stock exchange where securities of the Company are listed and the listing rules.

Article 86 The accidental omission to give the notice of a meeting to, or the failure to receive such notice by, any person entitled to receive such notice shall not invalidate the meeting or the resolutions passed at the meeting.

Article 87 Where the election of directors and supervisors are scheduled to be considered at the shareholders' general meeting, the notice of the shareholders' general meeting shall sufficiently disclose the detailed information about the director and supervisor candidate(s), including at least the following:

- (I) Personal information including educational background, working experience and part-time employments;
- (II) Interested relationship, if any, with the Company, or its controlling shareholders and actual controller;
- (III) The number of shares in the Company held;
- (IV) Penalties, if any, by CSRC and other relevant authorities and any warning from the stock exchange;
- (V) Other disclosable information as required by the Hong Kong Listing Rules.

Except the election of directors and supervisors by means of cumulative voting, election of every director and supervisor candidate shall be conducted by separate resolution.

Article 88 After the notice of the shareholders' general meeting is issued, the general meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a shareholders' general meeting has to be postponed or cancelled, the convener shall publish a public announcement at least two (2) working days before the original date of the shareholders' general meeting and state the reasons.

Section V Convening of Shareholders' General Meeting

Article 89 The Board of Directors and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or 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 90 Any shareholders entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more persons (a shareholder or not) as his/her/its proxy to attend and vote on his/her/its behalf. The proxy (proxies) so appointed by the shareholder may exercise the following rights pursuant to the authorizations of that shareholder:

- (I) The same right as the shareholder to speak at the meeting;
- (II) The right to demand a poll alone or jointly with others; and
- (III) The right to exercise voting rights by a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

Article 91 The shareholder shall appoint proxy in writing. The proxy form shall be signed by the shareholder or his/her/its agent duly authorized in writing. If the shareholder is a legal person or any other institution, the proxy form shall be affixed with the legal person's seal or be signed by a director or legal representative or agent duly authorized.

Individual shareholders attending a shareholders' general meeting in person shall present their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall present 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 the shareholders' general meeting. Legal representatives attending the shareholders' general meeting shall present 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 present their identity cards and the letters of attorney duly issued by such legal representatives.

If the shareholder is a recognized clearing house of the place(s) where the securities of the Company are listed or its agent, such a shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in the shareholders' 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 power of attorney shall be signed by the respective proxies appointed by the recognized clearing house. The proxies so appointed may represent the recognized clearing house (or its agent) in exercising its rights at any meeting (without being required to present share certificate, certified proxy form and/or further evidence of due authorization) as if that proxy is an individual shareholder of the Company.

Article 92 The proxy form shall be deposited at the domicile of the Company or such other place specified for that purpose in the notice of convening the meeting, not less than twenty-four (24) hours prior to convening of the meeting at which the proxy proposes to vote, or twenty-four (24) hours before the time appointed for voting. If the proxy form is signed by the agent on behalf of the shareholder, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents must be delivered to the domicile of the Company or such other place specified in the notice of the meeting together with the proxy form.

If the appointer is a legal person, its legal representative or such person authorized by resolution of its Board of Directors or other decision-making body may attend the shareholders' general meeting of the Company as its representative.

Article 93 Any instrument issued to a shareholder by the Board of Directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The proxy form shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

Article 94 A vote given in accordance with the terms of a proxy form shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of any such matters prior to the commencement of the meeting at which the proxy is used.

Article 95 The proxy form to appoint a proxy to attend any shareholders' general meeting by a shareholder shall contain the following:

- (I) Name of the proxy;
- (II) Indication of whether voting power is granted;
- (III) Instruction of voting "for", "against" or "abstention" for each matter on the agenda of any shareholders' general meeting;
- (IV) Date of signing the proxy form and the effective period for such appointment;
- (V) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the legal entity shall be affixed.

Article 96 A register of attendants at the meeting shall be compiled by the Company. The meeting register shall contain items including but not limited to the name of each attendant (or name of the organization), his/her identity card number, residential addresses, the number of shares held or representing the voting rights and name (or name of the organization) of each of the principals.

Article 97 The convener and the legal counsel appointed by the Company shall examine the legality of the shareholders' qualifications according to the register of shareholders and other effective documents provided by the securities registration and clearing organizations. The name (or designation) of each of the shareholders and the number of shares with voting rights held by each shareholder shall be registered. The registration at the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of the shares held with voting rights.

Article 98 All directors, supervisors and secretary to the Board shall attend the shareholders' general meetings of the Company, and the general manager and other senior officers shall be present at the meetings.

Article 99 The chairman of the Board shall preside over and act as chairman of the shareholders' general meeting convened by the Board. If the chairman of the Board is unable or fails to perform such duties, a director elected jointly by more than half of the directors shall preside over and act as the chairman of the meeting. If the Board of Directors is unable or fails to perform the duties of convening a shareholders' general meeting, the Board of Supervisors shall in due course convene and preside over the meeting. If the Board of Supervisors fails to convene and preside over a shareholders' general meeting, shareholders severally or jointly holding 10% or above shares of the Company for more than ninety (90) consecutive days shall have the right to convene and preside over the meeting. Where the shareholders fail to elect a chairman of the shareholders' general meeting for whatsoever reasons, the shareholder (including the proxy) present who holds the largest number of voting shares may act as the chairman and preside over the meeting.

The chairman of the Board of Supervisors shall preside over the general meeting convened by the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform such duties, a supervisor elected jointly by more than half of the supervisors shall preside over the meeting.

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

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

Article 100 The Company shall establish rules of procedure for shareholders' general meetings which shall specify the convening and voting procedure of shareholders' general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization and definite and specific authorization to the Board of Directors by the shareholders' general meeting. The rules of procedure for shareholders' general meetings shall be prepared by the Board of Directors and approved by the shareholders' general meeting.

Article 101 The Board of Directors and the Board of Supervisors shall report their work for the past year at the annual general meeting. Each independent director shall also submit his/her work report.

Article 102 The directors, supervisors and senior officers of the Company shall respond to inquiries and proposals made by shareholders at the shareholders' general meeting.

Article 103 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's register.

Article 104 Minutes of a shareholder's general meeting shall be kept by the secretary to the Board. The minutes shall contain:

- (I) Time, place and agenda of the meeting and names or designations of the convener;
- (II) The name of the person chairing the meeting and the names of the directors, supervisors and senior officers attending or present at the meeting;
- (III) The number of shareholders and proxies attending the meeting, the number of voting shares each of them represent and the percentage of the voting shares held by each shareholder to the total number of shares of the;
- (IV) The process of deliberation, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) Name of each of the lawyer, vote counter and scrutinizer of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

Article 105 The convener shall ensure that the minutes of meetings are true, accurate and complete. The directors, supervisors, the secretary to the Board, the convener or representative thereof attending the meeting, and the chairman of the 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.

Article 106 The convener shall ensure that the shareholders' general meeting is held continuously until final resolutions have been reached. In the event that the shareholders' 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 the meeting shall be terminated directly and a timely announcement shall be published. The convener shall report the same to the local office of the CSRC and the stock exchange in the place where the Company is located according to relevant requirements.

Section VI Voting and Resolutions at Shareholders' General Meetings

Article 107 The resolutions of the shareholders' general meeting can be classified into ordinary resolutions and special resolutions.

Ordinary resolutions at a shareholders' general meeting shall be passed by more than half of the voting rights held by shareholders (including proxies) attending the shareholders' general meeting.

Special resolutions at the shareholders' general meeting shall be passed by more than two thirds of the voting rights held by shareholders (including proxies) attending the shareholders' general meeting.

Article 108 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (I) Work reports of the Board of Directors and the Board of Supervisors;
- (II) Plans formulated by the Board of Directors for profit distribution and losses recovery;
- (III) Appointments or dismissal of the members of the Board of Directors and Board of Supervisors, their remunerations and payment methods;
- (IV) Annual budgets, final accounts, balance sheet, profit statement and other financial statements of the Company;
- (V) Annual reports of the Company;
- (VI) Matters other than those required by the laws, administrative regulations or the Articles of Association to be passed by special resolution.

Article 109 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (I) Increase or reduction of the registered capital of the Company;
- (II) Issue of shares of any class, stock warrants or other similar securities;
- (III) Issue of the corporate bonds;
- (IV) Division, merger, dissolution or liquidation of the Company, or change in the corporate form of the Company;
- (V) Amendments to the Articles of Association of the Company;
- (VI) Any purchase or disposal of major assets made or guaranteed within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
- (VII) Stock incentive plan;

(VIII) Any other matters as required by laws, administrative regulations or the Articles of Association of the Company to be subject to approval by special resolution at the meeting and matters which, if resolved by way of an ordinary resolution at a shareholders' general meeting, will have a material impact on the Company.

Article 110 Shareholders (including proxies) shall exercise their voting rights based on the number of voting shares they represent, with one vote for each share.

When major events affecting the interests of medium and small investors are considered at a shareholders' general meeting, the votes of medium and small investors shall be counted separately. Results of the separate vote counts shall be disclosed publicly in a timely manner.

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

The Board of Directors, independent directors and shareholders who meet the relevant requirements may solicit voting rights from shareholders.

Information including the specific voting preference shall be fully disclosed to the shareholders from whom voting rights are being solicited. Solicitation of shareholders' voting rights by payment or de facto payment is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.

Article 111 When a connected transaction is considered at a shareholders' general meeting, connected shareholders shall abstain from voting, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement of the resolutions of the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

When a connected transaction is considered at a shareholders' general meeting, the connected shareholders shall not attend the general meeting. If the meeting requires the connected shareholders to make a statement on site, the connected shareholders have the responsibility and obligation to truthfully state the situation.

The chairman of the meeting shall, at the beginning of the meeting, announce that the connected shareholders shall refrain from and not participate in the voting of the connected transaction.

Article 112 On a poll taken at a meeting, a shareholder (or their proxy) entitled to two or more votes need not cast all his votes for, against or abstention in the same manner.

In the case of an equality of votes, the chairman of the meeting shall have a casting vote.

Article 113 Provided that the lawfulness and validity of a shareholders' general meetings is ensured, the Company shall facilitate the participation of shareholders at the shareholders' general meetings by various means and ways, with priority first giving to the provision of modern information technology means, such as an online voting platform.

Article 114 The Company shall not, without the approval of special resolution made at a shareholders' general meeting, enter into any contract with any person other than a director, supervisor, general manager, or other senior officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save that the Company is in special circumstances such as a crisis.

Article 115 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting for voting by way of proposal. The nomination of directors and supervisors shall follow the process and procedures as below:

- (I) The Board of Directors and Board of Supervisors shall be entitled to recommend the candidate of director and provide the resume and basic information of the candidate to the Board of Directors, and present the same at the shareholders' general meeting for election.

Shareholder(s) severally or jointly holding 3% or above shares of the Company for one hundred and eighty (180) consecutive days or more shall have the right to recommend a list of candidates for directors or for supervisors provided that the supervisor candidates are not employee's representatives, in which case such shareholder(s) shall provide the resume and basic information of each of such candidates, and present the same at the shareholders' general meeting for election.

Existing supervisors shall have the right to recommend any supervisor candidate who is not employees' representative to the Board of Supervisors, in which case they shall provide the resume and basic information of the supervisor candidate, and present the same, after the qualification review approval by the Board of Supervisors, at the shareholder's general meeting.

- (II) The employees' representative included in the Board of Supervisors shall be democratically elected by employees.
- (III) The Board of Directors, Board of Supervisors or shareholder(s) severally or jointly holding 1% or above shares of the Company for one hundred and eighty (180) consecutive days or more may recommend a list of candidates for independent directors.

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

The election of directors or supervisors shall implement the cumulative voting system when the largest shareholder holds 30% or above of the total shares of the Company or the related parties jointly hold 50% or above of the total shares of the Company.

The "cumulative voting system" as referred to in the preceding paragraph means when a director or supervisor is elected at the shareholders' general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used. The Board of Directors and the Board of Supervisors shall announce the resume and basic information of each of the candidates for directors and supervisors to shareholders.

Article 116 When the cumulative voting system is adopted, the number of voting rights held by each shareholder is equal to his/her/its shares multiplied by the number of candidates for directors or supervisors. A shareholder may cast all of his/her/its votes for one or several candidates for directors or supervisors. The votes of every candidate for directors or supervisors shall be counted separately, and the candidate receiving the largest number of votes wins the election.

Article 117 Before the commencement of the cumulative voting, the chairman of the meeting shall announce the application of the cumulative voting to the election of directors or supervisors to the shareholders or proxies present, and explain the calculation method of cumulative votes and election rules.

Article 118 The Board of Directors and Board of Supervisors shall, according to the agenda of the shareholders' general meeting, prepare the special votes beforehand for cumulative voting. Such votes shall also clearly indicate the words "votes used in the cumulative voting system applied for the election of directors or supervisors" and state the following formation, in addition to the same part as other votes:

- (I) Name of the meeting;
- (II) Name of the candidate for directors or supervisors;
- (III) Name of the shareholder;
- (IV) Name of the proxy;
- (V) Number of shares held;
- (VI) Votes of the cumulative voting;
- (VII) Voting time.

Article 119 At the time of the application of cumulative voting to the election of directors, independent directors and other directors shall be elected separately, so as to ensure the proportion of independent directors in the Board of Directors of the Company.

Article 120 The candidates for directors or supervisors with the highest votes based on the desirable number of directors or supervisors will be elected. The votes of each elected director or supervisor shall be more than one half of the voting shares held by the shareholders attending the general meeting.

Article 121 In addition to the cumulative voting system, the shareholders' general meeting shall resolve on all the proposals separately. In the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' general meeting.

Article 122 When considering a proposed resolution at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposal, of which the voting shall not proceed in that meeting.

Article 123 The same vote may only be cast once at the location of a shareholders' 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 124 Voting shall be conducted by open ballot at the shareholders' general meeting, unless otherwise specified in Hong Kong Listing Rules.

Article 125 Two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll prior to any voting at a shareholder's general meeting. Any shareholder who is interested in the matter under consideration and his/her/its proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the shareholders' general meeting, 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 meeting. The voting result shall be recorded in the minutes of meeting.

Shareholders of the listed company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results through the relevant voting system.

Article 126 The ending time of an on-site shareholders' general meeting shall not be earlier than that of online or other access to the meeting. The chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

Prior to the formal announcement of voting results, the relevant parties from the listed company, vote counter, scrutineer, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the shareholders' general meeting, online or by other means, shall be obliged to keep the status of voting confidential.

Article 127 A shareholder attending a shareholders' general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention. The situation of securities registration and clearing organization as the nominal holder of some stocks that declares the votes based on the intention of the de facto holder shall be excluded.

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 "abstentions".

If Hong Kong Listed Rules require any shareholders to waive their voting rights regarding certain proposed resolution, or restrict any shareholders to vote for (or against) a proposed matter, or in the event of any violation of the relevant regulation or restrictions, the votes cast by such shareholders or their proxies shall not be counted.

Article 128 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, the chairman 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 for the counting of votes immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

If votes are counted at the shareholders' general meeting, the result shall be recorded at the minutes of the meeting.

The minutes of the meeting together with the attendance book of shareholders and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

Article 129 Resolutions of the shareholders' general meeting shall be announced in due time according to relevant laws, regulations, normative documents, relevant requirements of the securities regulatory authorities and stock exchanges of the jurisdictions where the securities of the Company are listed or the Articles of Association. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.

Article 130 Any shareholder is entitled to look up copies of the minutes free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the minutes of the meeting, the Company shall send out the copy of the minutes within seven (7) days after receiving a reasonable payment.

Article 131 Where a motion has not been passed or the resolutions of the preceding shareholders' general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 132 Where a resolution on the election of directors or supervisors is passed at the shareholders' general meeting, the term of office of the newly-elected director or supervisor shall commence on the date when the relevant resolution is passed at the shareholders' general meeting.

Article 133 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a shareholders' general meeting, the Company shall implement the specific plans within two (2) months after the conclusion of the general meeting

Section VII Special Procedures for Voting by Classes of Shareholders

Article 134 Shareholders holding different classes of shares are shareholders of different classes.

In addition to shareholders of other classes of shares, the holders of domestic shares and holders of overseas-listed foreign shares shall be deemed as shareholders of different classes.

A shareholder holding any class of shares is entitled to the rights and obligations pursuant to laws, administrative regulations and the Articles of Association.

Article 135 If the Company intends to modify or abrogate the rights of the class of shareholders, it may do so only after such modification or abrogation has been approved by a special resolution of the shareholders' general meeting and a separate shareholders' class meeting convened by the affected shareholders of that class in accordance with the provisions set forth in Article 137-141.

Article 136 Rights of shareholders of a certain class shall be deemed to be modified or abrogated under the following circumstances:

- (I) To increase or decrease the number of shares of such class, or increase or decrease of 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;
- (II) To convert all or part of the shares of such class into shares of another class, or to convert all or part of the shares of another class into shares of such class or grant of the right to such conversion;
- (III) To cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) To reduce or cancel a dividend preference, or a property distribution preference during liquidation of the Company, attached to shares of such class;
- (V) To add, cancel or reduce share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Company attached to shares of such class;
- (VI) To cancel or reduce rights to receive amounts payable by the Company in particular currencies attached to shares of such class;
- (VII) To create new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (VIII) To impose restriction or add restrictions on the transfer or ownership of shares of such class;
- (IX) To issue rights to subscribe for, or convert into, shares of such class or another class;
- (X) To increase rights and privileges of shares of another class;
- (XI) To restructure the Company in such a way as to cause shareholders of difference classes to bear disproportionate liabilities under the restructuring; and
- (XII) To amend or cancel provisions in the section.

Article 137 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meeting, shall nevertheless have the right to vote at shareholders' class meeting in respect of the matters referred to items (2) to (8), and items (11) to (12) of the Article 136, but interested shareholders shall not be entitled to vote at shareholders' class meeting.

The term "interested shareholders" in the preceding paragraph shall have the following meanings:

- (I) In case of a buyback 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 30 hereof, the controlling shareholders as defined in Article 315 of these Articles of Association shall be the "interested shareholders";
- (II) In case of a buyback of shares by the Company by an over-the-counter agreement in accordance with Article 30 hereof, holders of shares in relation to such agreement shall be the "interested shareholders";
- (III) In case of a proposed restructuring of the Company, shareholders who assume lower proportion of obligation than that 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 138 Resolutions of a shareholders' class meeting shall only be passed by two thirds or more of the total voting rights held by the shareholders of that class who are present and vote at the shareholders' voting meeting in accordance with Article 137.

Article 139 When the Company is to hold a shareholders' class meeting, a forty-five (45) day prior written notice of the meeting shall be given to notify all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall deliver their written replies of their attendance to the Company twenty (20) days before the date of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting reach one half or more of the Company's total voting shares of that class, the Company may convene the shareholders' class meeting. If not, the Company shall, within five (5) days, notify the shareholders of the class by way of an announcement, of matters to be considered, as well as the date and the place of the meeting. After such notification by announcement, the Company may hold the shareholders' class meeting.

Article 140 Notice of the shareholders' class meeting shall be delivered only to the shareholders entitled to vote thereat.

The shareholders' class meeting shall, to the extent possible, be held according to the same procedure as that applicable to a general meeting, and the provisions of the Articles of Association of the Company relevant to the procedure for the holding of a shareholders' general meeting shall be applicable to a shareholders' class meeting.

Article 141 The special procedures for voting by class shareholders shall not apply under the following circumstances:

- (I) With the approval by a special resolution at a general meeting, the Company issues domestic shares and overseas-listed foreign shares at an interval of 12 months, either separately or concurrently, and the respective numbers of domestic shares and overseas-listed foreign shares proposed to be issued do not exceed 20% of each of the issued and outstanding domestic shares and overseas-listed foreign shares;
- (II) Where the plan of the Company to issue domestic shares and overseas-listed foreign shares at its establishment is completed within fifteen (15) months from the date of approval by the securities regulatory authorities under the State Council; and
- (III) With the approval from the securities regulatory authority under the State Council, holders of domestic shares of the Company transfer their shares to overseas investors, and such shares can be listed and traded on overseas stock exchanges.

CHAPTER V BOARD OF DIRECTORS

Section I Directors

Article 142 Directors of the Company shall comply with the conditions prescribed by laws, regulations and requirements of the securities regulatory authority at the place where the securities of the Company are listed, and embody qualities necessary for the performance of duties as a director.

Directors include executive directors and non-executive directors. Executive directors refer to directors entering into labor contracts with the Company or the controlled subsidiaries of the Company, receiving fixed remuneration monthly and receiving performance remuneration after annual evaluation. Non-executive directors include independent directors and the other directors.

Article 143 Directors of the Company shall be elected or replaced at the shareholders' general meeting and serve a term of three (3) years each. At the expiration of term, directors may continue to serve as such if reelected. The shareholders' general meeting cannot dismiss any executive director before the expiration of his/her service term without cause. Without the consent by two thirds of voting shares held by shareholders present at the shareholders' general meeting, the number of replacement directors shall not be more than a third of the total members in the Board of Directors each year.

The shortest period before the notice of the proposal to elect a person as the director sent to the Company and the notice on the person's intent to accept the election sent to the Company shall be at least seven (7) days.

The period of submitting the aforesaid notices shall compute after the Company distributes the notices of the election, and such period shall not end seven (7) days (or less) before the date of the meeting.

The term of office of a director shall be commenced from the date upon which the director assumes office to the expiry of the relevant session of the Board of Directors. If the term of office of a director expires but reelection is not made responsively, the said director shall continue to fulfill the duties as director pursuant to laws, administrative regulations, departmental rules, the requirements of the securities regulatory authority at the place where the securities of the Company listed, and Articles of Association until a new director is elected. Subject to relevant laws, administrative regulations, and the requirements of the securities regulatory authority at the place where the securities of the Company listed, shareholders may remove any director whose term of office has not expired from his/her position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) at the general meeting.

A director may serve concurrently as the general manager or other senior officer, provided that the total number of directors serving concurrently as the general manager or other senior officers shall not be more than half of the number of directors of the Company.

Article 144 Directors shall undertake the following fiduciary duties to the Company in accordance with laws, administrative regulations, relevant rules of the securities regulatory authority at the place where the securities of the Company listed, and Articles of Association:

- (I) Not to abuse their official powers to accept bribes or other forms of unlawful income, and not to misappropriate the Company's property;
- (II) Not to misappropriate monies of the Company;
- (III) Not to open any bank account in their own names or in others' names for the purpose of depositing any of the Company's assets or monies;
- (IV) Not to lend monies of the Company to other persons or provide guarantee for other persons with the property of the Company in violation of the Articles of Association or without the consent of the shareholders' general meeting or the Board of Directors;
- (V) Not to conclude any contract or conduct any transaction with the Company in violation of the Articles of Association or without the consent of the general meeting;
- (VI) Not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, or conduct for themselves or others any businesses similar to those of the Company without the consent of the shareholders' general meeting;
- (VII) Not to take any commission for any transaction with the Company as their own;
- (VIII) Not to disclose any secret of the Company without authorization;
- (IX) Not to use their affiliations to damage the interests of the Company;
- (X) Not to assist in or connive at the embezzlement of Company's assets by the controlling shareholder or its affiliates;
- (XI) To fulfill other fiduciary duties stipulated by laws, administrative regulations, departmental rules, provisions of the local securities regulatory authorities where the securities of the Company are listed, and these Articles of Association.

The proceeds from the violation of such provisions by the directors shall be attributed to the Company, and he/she shall be liable for compensating the Company for the losses thereof.

Article 145 Directors shall fulfill the following obligations of diligence in accordance with laws, administrative regulations, relevant rules of the securities regulatory authority at the place where the securities of the Company listed, and these Articles of Association:

- (I) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the commercial activities of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (II) To treat all shareholders impartially;
- (III) To keep themselves informed of the operation and management conditions of the Company;
- (IV) To initial and approve periodic reports of the Company and to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) To honestly provide the Board of Supervisors with relevant information and materials, and not to hinder the Board of Supervisors or supervisors from exercising their functions and powers;
- (VI) To fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules, provisions of the local securities regulatory authorities where the securities of the Company are listed, and these Articles of Association.

Article 146 If any director fails to attend Board meetings in person or by proxy (with appointing another director as a proxy to attend the meeting on his/her behalf) for two consecutive times, the said director shall be deemed incapable of performing his duties, and the Board of Directors shall suggest that the shareholders' general meeting remove the said director.

Article 147 Directors may tender their resignations prior to the expiration of their terms of office. When a director resigns, he/she shall submit a written resignation notice to the Board of Directors. The Board of Directors will disclose the relevant information within two (2) days.

If the resignation of a director causes the number of in-service directors to fall below the statutory minimum, the incumbent director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, and the Articles of Association until the incoming director assumes his/her position.

Save as provided in the preceding paragraph, a director's resignation shall be effective when his/her resignation is served to the Board.

Article 148 A director shall complete all of the handover procedures with the Board of Directors once his/her resignation becomes effective or his/her term of office expires. The fiduciary duties to the Company and the shareholders are not necessarily released upon expiry of his/her term of office. The duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets enter the public domain. Other duties may continue for such a period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances and conditions under which the relationship between the director and the Company was terminated.

Article 149 In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his/her personal capacity on behalf of the Company or the Board of Directors. A director shall declare his/her stance and capacity in advance if, such director is acting in his/her private capacity, insofar as a third party would reasonably believe that he/she is acting on behalf of the Company or the Board of Directors.

Article 150 If a director, when carrying out his/her duties, breaches the laws, administrative regulations, departmental rules, relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, or these Articles of Association and causes loss to the Company, he/she shall be responsible for damages.

Section II Independent Directors

Article 151 The Company shall establish an independent director system. Independent directors are directors who do not hold any positions in the Company other than as independent director and do not maintain with the Company and its substantial shareholders a connection which may possibly hamper their independent and objective judgments. One third or above of the members of the Board of Directors shall be independent directors, including at least one financial management and accounting professional (accounting professionals refer to persons holding senior titles or qualifications of certified public accountants) and meet the requirements of the Rule 3.10(2) of Hong Kong Listing Rules. Independent directors assume obligations of integrity and diligence towards the Company and all shareholders of the Company. Independent directors shall perform their duties diligently so as to protect the Company's interests, and in particular, to ensure that the legal rights of the minority shareholders will not be affected, in accordance with relevant laws, regulations and requirements of these Articles of Association.

Independent directors, in principle, can concurrently serve as the independent director in at most five listed companies or two securities companies, and shall make sure they have enough time and energy to effectively perform the duties as independent directors.

Independent directors shall have independence in accord with the requirements of Rule 3.13 of Hong Kong Listing Rules.

Independent directors shall act in accordance with laws, administrative regulations, relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, and departmental rules.

Article 152 An independent director shall meet the following basic conditions:

- (I) Having the qualifications as a director of a company in accordance with the laws and administrative regulations of the listing venue, rules of the stock exchange on which shares are listed and other relevant provisions;
- (II) Being independent as required in the *Guidance on Establishment of Independent Director System By Listed Companies*;
- (III) Holding a bachelor's degree or above;

- (IV) Being proficient in securities laws, administrative regulations, rules and other normative documents, and having the operation and management ability necessary to perform the duties;
- (V) Having five or above years of experience in securities, financial, legal and accounting work or other work required for fulfilling duties as independent director;
- (VI) Other conditions required by the Articles of Association.

Article 153 Independent directors shall be independent and the following persons shall not act as independent directors:

- (I) Persons employed by the Company or its subsidiaries or affiliates and their immediate family members and major social connections and core connected persons as defined in the Hong Kong Listing Rules;
- (II) Natural person shareholders who directly or indirectly hold 1% or above of the issued shares of the Company or natural persons who are among the top 10 shareholders of the Company or their immediate family members;
- (III) Persons employed by corporate shareholders which directly or indirectly hold 5% or above of the Company's issued shares or employed by the top five corporate shareholders of the Company or being their immediate family members;
- (IV) Persons providing financial, legal or consulting services to the Company or its subsidiaries or being the immediate family members and major social connections of such persons;
- (V) Persons who fall into the four aforesaid categories with the preceding year;
- (VI) Persons holding positions other than independent directors in other securities companies;
- (VII) Other persons specified in the Articles of Association;
- (VIII) Other persons identified by CSRC, the securities regulatory authority at the location where the securities of the Company are listed and other relevant regulatory authorities.

When any of the foregoing circumstances occurs during the term of office of any independent directors, the Company shall promptly dismiss such directors and report to the local office of CSRC at the domicile of the Company.

Immediate family members shall include spouse, parents, and children (unless otherwise stated hereinafter). Major social connections shall include siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, or siblings of spouse.

Article 154 The Board of Directors, Board of Supervisors or shareholder(s) severally or jointly holding 1% or above shares of the Company for one hundred and eighty (180) consecutive days are entitled to nominate candidates for independent directors to be elected at a shareholders' general meetings.

Article 155 Independent directors shall have the same term of office as other directors. At the expiration of term, independent directors may continue to serve as such if reelected, but no independent director shall serve on this position for more than six (6) years.

Article 156 Where the independent director resigns, or is dismissed during his/her tenure, the said independent director himself/herself and the Company shall submit a written explanation respectively to the shareholders' general meeting and report to the regulatory authority by rule.

Article 157 Independent directors have the following functions and powers:

- (I) Power to endorse a major connected transaction to be discussed at the Board meeting or engage an intermediary to present an independent financial advisory report as the basis for his/her judgment;
- (II) Power of recommendation to the Board of Directors for the appointment and removal of auditors;
- (III) Power to recommend to the Board of Directors for the convening of extraordinary general meetings;
- (IV) Power to recommend the convening of Board meetings;
- (V) Power to independently engage external auditors and consultants;
- (VI) Power to publicly solicit voting rights from shareholders prior to the convening of shareholders' general meetings.

Article 158 An independent director may also express independent opinion to the Board meeting or shareholders' general meeting on the following matters:

- (I) Nomination, appointment and removal of directors;
- (II) Appointment or dismissal of senior officers;
- (III) Determination of remuneration or incentive plans for directors and senior officers;
- (IV) Flow of funds between shareholders of the Company, actual controllers, affiliates and the Company, and whether effective steps are taken by the Company to recover arrears;
- (V) Matters that the independent directors consider would impair the interests of minority shareholders;
- (VI) Other matters stipulated by laws, administrative regulations, departmental rules, normative documents, operational rules of stock exchange and the Articles of Association.

Article 159 The Board of Directors can require the replacement of the independent directors who fail to attend the Board meeting in person for three consecutive sessions at the shareholders' general meeting.

Article 160 Independent directors shall submit the work report at the annual general meeting of the Company.

Article 161 The Company shall establish necessary independent director liability system to reduce the possible risks as a result of the normal performance of the duties as the independent directors.

Section III Board of Directors

Article 162 The Company shall set up a Board of Directors which shall be accountable to the shareholders' general meeting.

Article 163 The Board of Directors shall consist of fifteen (15) directors, and the independent directors shall account for at least one-third of the total directors, including at least one financial or accounting professional.

Article 164 The Board of Directors consists of five special committees, namely, the Risk Management Committee, the Audit Committee, the Strategy Committee, the Nomination Committee, and the Remuneration and Assessment Committee. All of the special committees carry out the work with the authorization of the Board of Directors, provide suggestions for the decision of the Board of Directors, and are responsible to the Board of Directors. The composition and function of the special committees shall be determined by the Board of Directors.

All members of the special committees shall be directors. Half or above of the members of the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee shall be independent directors who shall act as convener. All members of the Audit Committee shall be non-executive directors, and there shall be at least three directors, including one independent director who is the financial management or accounting professional. Each special committee may engage the external professional to provide services, and reasonable expenses arising therefrom shall be borne by the Company. The special committees shall submit the work report to the Board of Directors.

Article 165 The Board of Directors is entitled to exercise the following functions and powers:

- (I) To convene shareholders' general meetings and report to general meetings;
- (II) To implement the resolution of the shareholders' general meeting;
- (III) To decide the business plans and investment schemes of the Company;
- (IV) To formulate the annual financial budget plan and final accounts plan of the Company;
- (V) To formulate the profit distribution plan and loss recovery plan of the Company;
- (VI) To prepare plans for increase or reduction of registered capital of the Company, issuance of bonds and other securities and their listing;

- (VII) To formulate plans for significant acquisition of the Company, repurchase of the Company's shares or merger, division, dissolution and change in the corporate form of the Company;
- (VIII) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, and other matters of the Company within the authority granted by the general meeting;
- (IX) To decide on the establishment of the internal management structure of the Company;
- (X) To appoint or dismiss the Company's general manager, secretary to the Board; to appoint or dismiss the Company's vice general manager, chief financial officer, chief compliance officer, Chief Risk Officer and other senior officers as nominated by the general manager and determine their remunerations, rewards and penalties;
- (XI) To set up the basic management system including the compliance management of the Company;
- (XII) To formulate the proposals for any amendment to the Articles of Association;
- (XIII) To manage the disclosure of information by the Company;
- (XIV) To propose to the shareholders' general meeting the adjustment of the scale and personnel composition of the Board of Directors;
- (XV) To propose to shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company;
- (XVI) To listen to the work report of the general manager of the Company and examine the general manager's work;
- (XVII) To determine the Company's goal of compliance management and be responsible for its effectiveness; to review and approve the basic system of compliance management; to review and approve the annual compliance report; to ensure the independence of the chief compliance officer, establish a direct communication mechanism with the chief compliance officer, and safeguard the smooth reporting between the chief compliance officer and the regulatory authority; to assess the effectiveness of compliance management and procure solutions for the problems relating to compliance management;
- (XVIII) To be ultimately responsible for the overall risk management, facilitate the risk management culture, review and approve the Company's basic overall risk management system, risk preference, risk tolerance and material risk limits, review the regular risk assessment reports of the Company, and establish a direct communication mechanism with the Chief Risk Officer, etc. The Board of Directors may authorize the relevant risk management committee to fulfil part of its risk management duties;
- (XIX) To exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or these Articles of Association.

The resolution of the Board of Directors stated in the preceding paragraph shall be voted and agreed by more than half of the directors, while the item (VI), (XII) and the “plan for merger, division and dissolution of the Company” of item (VII) must be voted and agreed by more than two thirds of the directors.

The matters beyond the authorization scope of the Board of Directors shall be submitted to the shareholders’ general meeting for deliberation.

The Board of Directors shall seek advice from the party committee of the Company before determining major issues.

Article 166 Where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered at the shareholders’ general meeting, the Board of Directors shall not dispose of or consent to dispose of such fixed assets without prior approval at the shareholders’ general meeting.

The term “fixed assets disposal” referred to in this Article includes transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.

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

Article 167 The Board of Directors shall make explanations to the shareholders’ general meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company.

Article 168 The Board of Directors shall formulate rules of procedure for the Board meetings in order to make sure that the Board of Directors shall implement the resolutions made by the shareholders’ general meeting, improve the work efficiency and guarantee scientific decision-making.

Article 169 The Board of Directors shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, external guarantee, and connected transactions, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders’ general meeting for approval.

The Board of Directors shall have the right to approve the following major items:

- (I) Matters related to Company’s purchase or disposal of major assets within one year with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients’ margins);
- (II) Matters related to Company’s external investment within one year with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients’ margins);
- (III) Other guarantees in addition to those as stipulated by Article 69 of these Articles of Association;

- (IV) To consider and approve the connected transaction which shall be resolved by the Board of Directors as required by the listing rules of the place where the securities of the Company are listed, and other provisions.

Major events set forth in paragraphs (I) and (II) of this Article exclude transactions arising in the ordinary course of business such as the purchase and sale of computer equipment and software, office facilities, and transportation equipment, proprietary trading in securities, securities underwriting and sponsorship, securities asset management, direct investment business, margin financing and securities lending.

Article 170 The matters related to external guarantees by the Board of Directors must be approved and resolved by two thirds or above of directors who attend the meeting.

Article 171 In the event of any of the following circumstances, the Company shall promptly notify all shareholders by way of public announcement, and report to the local office of CSRC at the domicile of the Company:

- (I) The Company or its any director, supervisor, or senior officer is suspected to have committed gross lawbreaking behaviors and crimes;
- (II) The financial position of the Company is continually worsening, which causes its risk control indicator to fall short of the standard set by CSRC;
- (III) The Company suffers heavy loss;
- (IV) The Company intends to replace the chairman of the Board of Directors, or Board of Supervisors, or the general manager;
- (V) The emergency occurred is likely to impose material adverse impact on the interests of the Company and its clients;
- (VI) Other matters that may affect the status of the Company as a going concern.

Article 172 The Board of Directors shall have one chairman, who shall be elected by more than half of all directors at the Board meeting.

Article 173 The chairman of the Board is entitled to exercise the following functions and powers:

- (I) To preside over shareholder's general meetings, and to convene and preside over Board meetings;
- (II) To supervise and examine the implementation of any resolution passed at the Board meeting;
- (III) To sign the securities issued by the Company;
- (IV) To exercise other functions and powers granted by the Board of Directors;
- (V) To exercise other functions and powers conferred by relevant rules of the securities regulatory authority at the place where the securities of the Company are listed.

Article 174 When the chairman of the Board is unable or fails to perform such duties, a director elected jointly by more than half of the directors shall fulfill the duties.

Article 175 The Board meetings shall be held at least four times a year. Meetings shall be convened by the chairman of the Board. Written notice shall be given to all directors and supervisors at least fourteen (14) days before the meeting is held. The regular meeting cannot be convened in the form of a written resolution.

Article 176 The chairman of the Board shall convene an extraordinary board meeting within ten (10) days in one of the following situations when it is:

- (I) Proposed by the shareholders representing one-tenth or above of the voting rights;
- (II) Jointly proposed by one-third or above of the directors;
- (III) Proposed by the Board of Supervisors;
- (IV) Considered necessary by the chairman of the Board;
- (V) Jointly proposed by half or above of the independent directors;
- (VI) Proposed by the general manager;
- (VII) Required by the securities regulatory authority.

Article 177 The notice of an extraordinary board meeting shall be served by direct delivery, e-mail, fax or other means to all directors three (3) days prior to the date of meeting.

If an extraordinary board meeting needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral method, provided that the convener makes an explanation thereof at the meeting.

Article 178 The notice of the Board meeting shall include the following:

- (I) Time and place of the meeting;
- (II) Duration of the meeting;
- (III) Reasons and subject matters;
- (IV) Date of issuing the notice.

Article 179 The Board meetings shall be held only if more than half of the directors are present. Unless otherwise specified in these Articles of Association or relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, resolutions made by the Board of Directors must be passed by more than half of the directors of the Company.

Each director has one vote for or against a resolution of the Board of Directors. In the case of an equality of votes, the chairman of the Board shall have a casting vote.

Article 180 If a director has connection with the enterprise involved in a resolution made at a Board meeting, he/she shall not vote on the said resolution for himself/herself or on behalf of other directors. Any such Board meeting may be held with more than half of the non-connected directors present. The resolution made at the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors present at the meetings is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

Article 181 The vote on board resolutions shall be taken by way of voting on a site poll or on a show of hands or by way of correspondence.

Article 182 The Board meeting shall be held on-site or by way of video or telephone unless such means are impossible due to emergency, force majeure and other special reasons.

As long as directors can fully express their opinions, an extraordinary board meeting may be held with the voting by fax, email or other communications when necessary, upon the consent of the convener and proposing director. The relevant motion must be sent to every director by personal delivery, email, fax, or any other means, and if number of the directors who signed and agreed one or several written motion(s) with the same format and content has reached the quorum required for the passing of the resolution and delivered the signed vote to the secretary to the Board by any one of the communication means, such proposal shall constitute the resolution of the Board meeting.

Article 183 Directors shall attend Board meetings in person. If any director is unable to attend the meeting for any reason, he/she may authorize in writing another director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director.

The appointed director who attends the meeting shall exercise the director's duties within the scope of authorization. If a director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

Article 184 The Board of Directors shall prepare minutes of the Board meetings, and accordingly may make sound recording of the meetings. The minutes of meetings shall truthfully, accurately and completely record the meeting process, resolution, directors' remarks and voting, and be kept in compliance with laws. The minutes of meeting shall be signed by both the directors present at the meeting and the person recording the minutes.

Article 185 The minutes of the Board meeting shall include the following:

- (I) The date and place of the meeting and the name of the convener;
- (II) The names of the directors present and names of directors being appointed to attend the meeting on the other's behalf (proxy);
- (III) The agenda of the meeting;
- (IV) The main points of directors' speeches;
- (V) The voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

Article 186 The directors shall sign on the minutes of meeting and be responsible for the resolutions passed at Board meetings. If any resolution of the Board of Directors breaches laws, administrative regulations, relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, or the Articles of Association, thereby causing the Company to sustain a material loss, the directors who take part in passing the resolution shall be liable to the Company for damages. However, those directors who are proved to have expressed their objection to the voting with record in the minutes of the meeting may be exempt from liability.

Section IV Secretary to the Board

Article 187 The Board shall have a secretary, who is a member of the senior management of the Company and is accountable to the Board.

Article 188 The secretary to the Board shall be a natural person appointed by the Board of Directors and with necessary professional knowledge and experience. The main responsibilities of the secretary to the Board shall be:

- (I) To arrange for shareholders' general meetings, Board meetings, and meetings of special committees under the Board of Directors;
- (II) To ensure the completeness of the Company's organizational documents and records;
- (III) To ensure the Company lawfully prepares and submits any report or document required by the competent authorities;
- (IV) To ensure that the Company's register of shareholders is duly kept and to ensure that persons with the right to receive relevant Company's records and documents receive such records and documents in a timely manner;
- (V) To fulfill other duties specified in these Articles of Association and the listing rules of the place where the securities of the Company are listed.

Article 189 A director or other senior officer of the Company may also act as the secretary to the Board.

Certified public accountants or lawyers of the law firm appointed by the Company shall not concurrently act as the secretary to the Board.

Article 190 The secretary to the Board shall be nominated by the chairman of the Board and appointed or removed by the Board of Directors. Where the secretary to the Board is also a director and an action is required to be made by a director and the secretary to the Board separately, such person who is acting both as a director and the secretary to the Board shall not make such action in both capacities.

CHAPTER VI GENERAL MANAGER AND OTHER SENIOR OFFICERS

Article 191 The Company shall have one general manager, who shall be appointed or removed by the Board of Directors. The Company shall have deputy general managers, who shall be appointed or removed by the Board of Directors.

The general manager, deputy general managers, secretary to the Board of Directors, person in charge of finance, person in charge of compliance, Chief Risk Officer and other persons confirmed by the resolution of the Board of Directors to be senior officers of the Company shall be senior officers of the Company. A director may be concurrently appointed as the senior officer.

Article 192 No senior officer of the Company shall assume an office other than as a director in the operation of its controlling shareholder. A senior officer of the controlling shareholder who is concurrently the director of the Company shall ensure enough time and vigor to undertake his/her work in the Company.

No senior officer of the Company shall carry on any business in competition with the Company or make any direct or indirect investment in any enterprise which competes with the Company. Unless in agreement with the Articles of Association or the general meeting of shareholders, no senior officer of the Company shall enter into any connected transaction with the Company.

Article 193 The provisions of Article 144 hereof concerning directors' duties of loyalty and of Clauses (IV)-(VI) of Article 145 hereof concerning the duty of diligence shall also apply to senior officers.

Article 194 No person of the Company who assumes an office other than as a director in the operation of the controlling shareholder or actual controller of the Company shall undertake the role of a senior officer in the Company.

Article 195 Each term of office of the general manager shall be three years and may be extended if he/she is reappointed.

Article 196 The general manager shall be responsible to the Board of Directors and have the authority to:

- (I) take charge of the operation and management of the Company, organize and implement resolutions of the Board of Directors and report his/her work to the Board of Directors;
- (II) organize and implement annual operation plans and investment plans of the Company;
- (III) draw up plans for the establishment of internal management departments of the Company;
- (IV) draw up the basic management system of the Company;
- (V) formulate the basic rules and regulations of the Company;
- (VI) submit a proposal to the Board of Directors for the appointment and removal of deputy general managers, person in charge finance, person in charge of compliance, Chief Risk Officer and other senior officers (other than the secretary of the Board of Directors) of the Company;

- (VII) decide the appointment or removal of responsible managers other than those to be appointed or removed by the Board of Directors; and
- (VIII) other authorities granted by the Articles of Association or the Board of Directors.

Article 197 The general manager shall attend a meeting of the Board of Directors as a non-voting delegate, and the general manager who is not a director shall have no voting power in any meeting of the Board of Directors.

Article 198 The general manager shall, as required by the Board of Directors or the Board of Supervisors, report to the Board of Directors or the Board of Supervisors the entry into and performance of material contracts, application of funds and profits and losses. The general manager shall ensure the authenticity of such report.

Article 199 The general manager shall be open to the opinions from the trade union and the workers' congress before deciding wages, welfare, safety in production, labor protection, labor insurance, dismissal (or discharge) of any staff and workers and other issues involving immediate interests of the staff and workers of the Company.

Article 200 The general manager shall formulate the detailed working rules for general management and implement the same with the approval of the Board of Directors.

Article 201 The detailed working rules for general management shall contain:

- (I) conditions and procedures for the convening of, and persons attending, general management meetings;
- (II) respective duties and division of work among the general manager and other senior officers;
- (III) application of funds and assets of the Company, authority to enter into material contracts and system of reporting to the Board of Directors and the Board of Supervisors; and
- (IV) other items deemed necessary by the Board of Directors.

Article 202 The senior management of the Company shall be responsible for implementing the compliance management target, assuming responsibilities for the compliance operations and performing the following compliance management duties:

- (I) To establish a comprehensive organizational structure for compliance management of the Company, comply with procedures of compliance management, designate an adequate number of suitable staff for compliance management, and provide adequate support and guarantee in terms of human resources, materials, finance and technology for the performance of their duties;
- (II) To report, make rectifications and carry out accountability measures in a timely manner in the event of violation of certain laws and regulations;
- (III) Other compliance management duties required by the Articles of Association of the Company or determined by the Board of Directors.

Article 203 The general manager and other senior officers may tender their resignation before the expiry of their term of office, but shall notify the Board of Directors in writing of such resignation. Specific procedures and measures concerning resignation shall be prescribed in employment contracts between the general manager or other senior officers and the Company. When the general manager and other senior management leave their posts, the Company shall conduct an audit on them as required by regulatory authorities.

Article 204 Deputy general managers shall be nominated by the general manager and appointed and removed by the Board of Directors.

Deputy general managers shall work under the leadership of the general manager, report their work to the general manager and perform relevant duties according to the scope of duties assigned.

Article 205 Senior officers shall be liable for compensating for any loss caused to the Company due to their violation of the provisions of laws, administrative regulations, department rules or the Articles of Association in the their performance of duties for the Company.

Article 206 The chief compliance officer shall be the person in charge of compliance of the Company. The Company shall have a chief compliance officer, who shall be directly accountable to the board of directors and shall examine, supervise and inspect the compliance of the operation, management and practice of the Company and its working personnel. The chief compliance officer shall not concurrently assume any office or be in charge of any department, conflicting with the duty of compliance management.

Article 207 The person selected as chief compliance officer shall be nominated by the general manager of the Company and appointed and removed by the Board of Directors of the Company.

The Company shall appoint a person who has such qualification as required by regulations and the regulatory department as chief compliance officer, and the procedures of the Company for the appointment and removal of the chief compliance officer shall be in conformity with the requirements of regulations and the regulatory department.

The Company shall submit the resume and the supporting documents of the appointed personnel to the local branch of the CSRC where the Company is located when appointing the chief compliance officer. The appointment of the chief compliance officer is subject to the approval of the local branch of CSRC where the Company is located.

The Company shall have a proper reason for the dismissal of the chief compliance officer before the expiry of his/her term of office, and shall submit a written report to the local branch of the CSRC where the Company is located ten working days before the relevant board meeting is convened.

The chief compliance officer shall submit his/her resignation to the board of directors and report to the local branch of the CSRC where the Company is located one month before his/her resignation. The chief compliance officer shall not terminate his/her term of office before obtaining the approval of resignation.

The Company shall engage a qualified person to cover the vacancy of the chief compliance officer within six months.

The abovementioned proper reason shall include the application of resignation by the chief compliance officer, or the order of the CSRC or its local branch for replacement, or evidences indicating that the chief compliance officer is unable to perform or not fully performing his/her duties.

Article 208 If the chief compliance officer is unable to perform his/her duties or the position is vacant, the duties shall be performed by the chairman of the Board of Directors or the person in charge of operation and management of the Company instead. A written report shall be submitted to the local branch of the CSRC within three working days from the day on which the decision is made. The period for such temporary assumption of duties shall last for no more than six months.

Article 209 The chief compliance officer shall perform the following duties:

- (I) to formulate the basic and other compliance management policies and to supervise and guide the implementation by all departments, all branches and subsidiaries of the Company at all levels;
- (II) to examine the compliance of internal rules and systems, major decisions, new products and new operational programs of the Company and give written compliance examination opinions; to examine the compliance of application materials or reports filed by the Company as required by the CSRC, its local branch and self-regulatory organization and sign off such application materials or reports with his compliance opinions indicated; other relevant senior officers are responsible for the truthfulness, accuracy and completeness of the facts and business data contained in the application materials or reports; if the Company does not adopt the compliance examination opinions of the chief compliance officer, the relevant matters shall be submitted to the Board of Directors for decision;
- (III) to supervise and examine the compliance of the operation and management and the practice of the Company and its working personnel in accordance with the requirements of the CSRC and its local branch and the provisions of the Company;
- (IV) to assist the Board of Directors and senior officers to establish and operate Chinese wall, management of conflict of interests and anti-money laundering systems;
- (V) to provide compliance advice, and organize compliance training for senior officers, departments, branches and subsidiaries of the Company at all level in accordance with the requirement of the Company;
- (VI) to guide and supervise the relevant departments of the Company to deal with complaints and reports involving the Company's and its working personnel's violation of laws and rules;
- (VII) to draw up and annually file compliance reports in accordance with the provisions of laws and regulations or the requirements of the local branch of the CSRC in the place where the Company is located;
- (VIII) to report to the Board of Directors and person in charge of operation and management, the compliance of business operation of the Company and the implementation of compliance management works in accordance with the provisions of the Company;

- (IX) to report any violation of laws and regulations or any hidden compliance risks found in the Company to the Board of Directors and person in charge of operation and management in accordance with these Articles, to advise on and supervise the remedial actions to be taken; meanwhile, to ensure that the Company promptly reports to the local branch of the CSRC in the place where the Company is located; if the Company fails to make such report, he/she shall report directly to the local branch of the CSRC in the place where the Company is located; in case of violation of industry codes of practice or the rules of self-regulation to make a further report to the relevant self-regulatory organization;
- (X) in the case of any change in laws, regulations and guidelines, to promptly advise the Board of Directors or senior officers of the Company to and direct relevant departments of the Company to, assess the effect of such change on the compliance management of the Company and modify and perfect relevant systems and business procedures;
- (XI) to promptly deal with investigation required by the CSRC, its local branch and the self-regulatory organization, to cooperate with the CSRC, its local branch and the self-regulatory organization in the inspection and investigation of the Company, and to follow up and assess the implementation of regulatory opinions and regulatory requirements;
- (XII) When the Company convenes an important meeting such as Board meeting or business decision meeting and other meetings the chief compliance officer requests to participate in or attend, the chief compliance officer shall be informed in advance. The chief compliance officer shall have the right to participate in or attend any relevant meeting and to access and copy relevant documents and materials necessary for the performance of duties;
- (XIII) to have the right to require explanation by relevant persons of the Company on relevant matters and make enquiries to the firms providing services in respect of audit and legal matters to the Company, as required necessary for the performance of duties;
- (XIV) to directly retain in the name of the Company external professional institutions or personnel to assist his/her work if he/she deems necessary at the expense of the Company;
- (XV) to conduct specific examination on senior officers and all departments, branches and subsidiaries at all levels of the Company in respect of the effectiveness of compliance management as well as compliance of the operation, management and business practices;
- (XVI) other duties specified by laws and regulations, rules of the securities regulatory authority or the Articles of Association of the Company.

Article 210 The Company shall ensure the independence of the chief compliance officer and compliance executives, and that the chief compliance officer and compliance executives are able to fully exercise the right to be informed and the right of investigation required to perform duties.

CHAPTER VII BOARD OF SUPERVISORS

Section I Supervisors

Article 211 Directors and senior officers of the Company and their direct relatives and main social relations shall not concurrently be supervisors of the Company.

Article 212 Supervisors shall comply with laws, administrative regulations, relevant rules of the securities regulatory authority in the place where securities of the Company are listed and the Articles of Association, and bear the duty of loyalty and duty of care to the Company, and may not abuse their authorities to receive bribe or other illicit income nor misappropriate properties of the Company.

Article 213 Supervisors shall be representatives of shareholders and of the staff and workers of the Company. Supervisors who are representatives of the staff and workers of the Company shall be no less than one third of the total number of supervisors.

Where directors elected by any shareholder of the Company accounts for more than half of the total number of directors, supervisors elected by such shareholder may not exceed one third of the total number of supervisors.

Article 214 Each term of office of a supervisor shall be three years. A supervisor may, if reelected upon expiration of the term of office, serve consecutive terms.

Article 215 Where no reelection is held in time before the expiration of the term of office of a supervisor, or the number of supervisors is less than the statutory number due to the resignation of a supervisor during his/her term of office, the existing supervisor shall, before the supervisor reelected takes office, continue to perform his/her duties as a supervisor in accordance with the provisions of laws, administrative regulations, relevant rules of the securities regulatory authority in the place where securities of the Company are listed and the Articles of Association.

Article 216 Supervisors shall guarantee the trueness, accuracy and completeness of information disclosed by the Company.

Article 217 A supervisor may attend the meeting of the Board of Directors as a non- voting delegate and address inquiries to or suggestions on matters to be resolved by the Board of Directors.

Article 218 Supervisors may not take advantage of their affiliations in a manner detrimental to the Company's interest and shall be liable for compensating for any loss caused to the Company.

Article 219 Supervisors shall faithfully perform their duty of supervision in accordance with laws, administrative regulations, departmental rules, relevant rules of the securities regulatory authority in the place where securities of the Company are listed and the Articles of Association. Supervisors shall be liable for compensating for any loss caused to the Company due to their violation of the provisions of laws, administrative regulations, departmental rules, relevant rules of the securities regulatory authority in the place where securities of the Company are listed, or the Articles of Association in their performance of duties for the Company.

Section II Board of Supervisors

Article 220 The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of nine supervisors. The Board of Supervisors shall have one chairman, who shall be elected by more than two thirds of all the supervisors. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors; and where the chairman of the Board of Supervisors cannot perform such functions or fails to do so, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

In the Board of Supervisors, six supervisors shall be representatives of shareholders elected by the general meeting of shareholders; and three shall be representatives of the staff and workers elected by the staff and workers of the Company by democratic means.

Article 221 The Board of Supervisors shall exercise the following authorities:

- (I) to examine the Company's periodic reports prepared by the Board of Directors and give written examination opinions;
- (II) to check on the financial affairs of the Company;
- (III) to supervise directors' and senior officers' performance of duties for the Company including the performance of compliance management duties, and put forward suggestions on the removal of directors or senior officers who violate laws, administrative regulations, the Articles of Association, relevant rules of the securities regulatory authority in the place where securities of the Company are listed or the resolutions adopted by shareholders' meetings or who shall assume primary responsibility or leadership responsibility for material compliance risk;
- (IV) to inquire about the acts of directors and senior officers;
- (V) to require directors and senior officers to correct their acts which are detrimental to the interest of the Company and its customers;
- (VI) to organize the off-office audit of senior officers;
- (VII) to suggest the holding of an interim general meeting of shareholders and convene and preside over the general meeting of shareholders in the event that the Board of Directors fails to convene and preside over the general meeting of shareholders in accordance with the Company Law;
- (VIII) to submit a proposal to the general meeting of shareholders;
- (IX) to bring a lawsuit against directors and senior officers in accordance with Article 151 of the Company Law;
- (X) to attend the meeting of the Board of Directors and address inquiries to or suggestions on matters to be resolved by the Board of Directors;

- (XI) to check on the financial reports, business reports, profit distribution plans and other financial materials submitted by the Board of Directors to the general meeting of shareholders, and conduct investigation and require the person in charge of compliance and the compliance department of the Company to offer assistance in case of any doubt or any abnormality in the operation of the Company; and if necessary, to retain at the expense of the Company such professional organizations as certified public accountants' firm and law firm to assist its work;
- (XII) to supervise the performance of duties by the Board of Directors and the operation management; to supervise whether any decision and the decision flow of the Board of Directors is in compliance with rules and whether any compliance weakness determined is rectified in a timely manner; to supervise the implementation of the compliance management system of the Company; and to organize and assess the effectiveness of management compliance risks of the Company at least once each year; and
- (XIII) to take responsibility for the supervision of the overall risk management, supervise and inspect the performance on risk management of the Board of Directors and the management and supervising rectification;
- (XIV) other authorities prescribed by laws, regulations, departmental rules, other regulatory documents and the Articles of Association or granted by the general meeting of shareholders.

Article 222 The Board of Supervisors shall discuss official business by means of meeting.

The Board of Supervisors shall hold at least one meeting every six months. Supervisors may propose to convene an interim meeting of the Board of Supervisors. In respect of regular meetings and interim meetings, meeting notices shall be delivered to all the supervisors in writing ten days and three days respectively before the holding of the meetings.

Where any interim meeting of the Board of Supervisors is required to be held as soon as possible in an emergency, a meeting notice may be sent orally or by telephone at any time; provided, however, that the convener shall make a statement in the meeting.

Resolutions of the Board of Supervisors shall be subject to adoption by two thirds of supervisors.

Except that no on-site, video or telephone meeting is able to be held due to an emergency, force majeure or other special reason, meetings of the Board of Supervisors shall be held on site or by means of video or telephone.

If necessary, subject to supervisors' sufficiently expressing opinions and with the consent of the convener and the proposer, interim meetings of the Board of Supervisors may be held by means of fax or email. Relevant proposals discussed in the meeting must be delivered to each supervisor by person, mail, fax or email; if a written proposal is sent to all the supervisors, and the number of supervisors who sign on a copy, or several copies in the same form or of the same content, of the proposal to accept the same has reached the quorum for making a decision, then after the proposal has been delivered to the Company by any of the foregoing means, such proposal will become the resolution of the Board of Supervisors.

Article 223 The Board of Supervisors shall formulate the rules of procedure of the Board of Supervisors to define the methods of discussion and voting procedures of the Board of Supervisors for the purpose of ensuring the working efficiency of, and the scientificity of decisions made by, the Board of Supervisors.

Article 224 Minutes shall be written up and sound records may be made for meetings of the Board of Supervisors. The minutes of meeting shall truly, accurately and completely record the process of the meeting, the content of resolutions, speeches of supervisors and voting situation, and shall be kept in accordance with the law. Supervisors attending the meeting and the recorder shall sign on the minutes of meeting.

Article 225 The meeting notice of the Board of Supervisors shall contain:

- (I) the date, venue and term of the meeting;
- (II) main content and topics for discussion; and
- (III) date of the notice.

Article 226 The Company shall bear all reasonable costs arising from the engagement of lawyers, certified public accounts, independent auditors and other professional personnel by the Board of Supervisors for the purpose of exercising its authorities.

CHAPTER VIII QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND SENIOR OFFICERS OF THE COMPANY

Article 227 None of the following persons shall serve as a director, supervisor, general manager or other senior officer of the Company:

- (I) a person who has no or limited capacity for civil conduct;
- (II) a person who was sentenced to criminal punishment for corruption, bribery, embezzlement, misappropriation of property or for sabotage of the socialist market economy order, where less than five years have elapsed after the expiration of the period of execution; or a person who was deprived of his political rights for the commission of a crime, where no more than five years have elapsed since the expiration of the period of execution;
- (III) a person who was a director or factory manager or general manager of a company or enterprise that went into bankruptcy liquidation due to bad management and assumed personal liabilities for the bankrupt company (enterprise), where no more than three years have elapsed since the completion of bankruptcy liquidation of such company or enterprise;
- (IV) a person who was the legal representative of a company or enterprise of which the business license was revoked due to the violation of law and which was ordered to close down, and was personally liable for the above, where no more than three years have elapsed since the date of revocation of the business license of such company or enterprise;

- (V) a person who fails to discharge personal debts of a relatively large amount when they are due;
- (VI) a person who has been ordered by CSRC not to enter the securities market for a period which has not been expired yet;
- (VII) a person in charge of a securities exchange or securities registration and clearing institution or a director, supervisor or senior officer of a securities company who was removed from office due to his/her violation of law or discipline, where no more than five years have elapsed since the date of such removal;
- (VIII) a person who was judged by the relevant authority to have violated relevant securities regulations and committed any fraud or dishonest conduct, where no more than five years have elapsed since the date of such judgment;
- (IX) any lawyer or certified public accountant or any professional of an investment consultation institution, financial consultation institution, credit rating institution, assets assessment institution or certification institution who was disqualified due to his/her violation of law or discipline, where no more than five years have elapsed since the date of such disqualification;
- (X) any working personnel of a state organ and other personnel who are prohibited by laws, administrative regulations or relevant rules of the securities regulatory authority in the place where securities of the Company are listed from taking part-time jobs in the Company;
- (XI) a person who carried any administrative penalty imposed by the financial regulatory department due to his/her material violation of law or discipline, where no more than three years have elapsed since the maturity of enforcement period;
- (XII) a person who had his/her job qualification revoked by CSRC, where no more than three years have elapsed since the date of such revocation;
- (XIII) a person who was determined to be inappropriate by CSRC, where no more than two years have elapsed since the date of such determination;
- (XIV) a person who cannot be the leader of an enterprise in accordance with laws and administrative regulations;
- (XV) a non-natural person;
- (XVI) a person who is investigated by a judicial body due to his/her violation of criminal law, with the case not closed yet;
- (XVII) a person who is involved in any other circumstance determined by CSRC; and
- (XVIII) a person who is involved in any other circumstance specified by laws, administrative regulations, relevant rules of the securities regulatory authority in the place where securities of the Company are listed or departmental rules.

No election, appointment or engagement of any director, supervisor, general manager or other senior officer in contravention of this Article shall be valid. Where, during his/her term of office, a director, supervisor, general manager or other senior officer is found to be such a person as specified above in this Article, the Company shall remove him/her from office.

Article 228 The validity of any director's, the general manager's or any other senior officer's act on behalf of the Company against a bona fide third party shall not be affected by any non-compliance in his/her appointment, election or qualification.

Article 229 Except for obligations required by laws, administrative regulations or listing rules of the securities exchange in the place where shares of the Company are listed, directors, supervisors, the general manager and other senior officers of the Company shall, while exercising authorities granted to them by the Company, further assume the following obligations to each shareholder:

- (I) not to cause the Company to operate beyond its business scope;
- (II) to act in good faith for the maximum benefit of the Company;
- (III) not to dispossess in whatever form properties of the Company, including (without limitation) opportunities favorable to the Company; and
- (IV) not to deprive shareholders of their personal rights and interests, including (without limitation) right to distribution and right to vote, but excluding right to vote on the restructuring of the Company submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.

Article 230 Each of directors, supervisors, general manager and other senior officers of the Company shall, when exercising his/her rights and performing his/her obligations, be obliged to act in such careful, diligent and skillful manner as a reasonably careful person would act in under similar circumstances.

Article 231 Directors, supervisors, general manager and other senior officers of the Company shall perform their duties in good faith and shall not place themselves in any unfavorable situation in which there is likely to be a conflict between their own benefits and their obligations. The principle of good faith includes (without limitation) the performance of the following obligations:

- (I) to act in good faith for the maximum benefit of the Company;
- (II) to exercise their powers in their respective capacity;
- (III) to personally exercise discretions granted to them subject to no manipulation by others; and not to delegate their discretions to any third party unless permitted by laws and administrative regulations or agreed by the general meeting of shareholders after being informed of such delegation;
- (IV) to equally treat shareholders in the same class, and to fairly treat shareholders in different classes;

- (V) not to enter into any contract, transaction or arrangement with the Company unless otherwise provided in the Articles of Association or otherwise approved by the general meeting of shareholders after being informed of such entry;
- (VI) not to make use in whatever way of the Company's properties to seek personal gains unless agreed by the general meeting of shareholders after being informed of such use;
- (VII) not to abuse any power to take bribes or other illegal gains nor misappropriate in whatever form properties of the Company, including (without limitation) opportunities favorable to the Company;
- (VIII) not to accept any commission relating to any transaction of the Company unless agreed by the general meeting of shareholders after being informed of such acceptance;
- (IX) to abide by the Articles of Association, faithfully perform their duties, and safeguard benefits of the Company, and not to take advantage of their positions and authorities in the Company to seek personal gains;
- (X) not to compete in whatever way with the Company unless agreed by the general meeting of shareholders after being informed of such competition;
- (XI) not to embezzle funds of the Company nor lend funds of the Company to any other third party; not to deposit any assets of the Company in any account opened in their personal names or other names; and not to provide any security for any shareholder or other personal debts over the Company's assets; and
- (XII) not to disclose any confidential information relating to the Company obtained by them during their term of office unless agreed by the general meeting of shareholders after being informed of such disclosure; and not to make use of such information, except for the benefit of the Company, provided that such information may be disclosed to any court or other governmental body if such disclosure is required:
 - 1. by laws;
 - 2. for public interest; or
 - 3. for own benefits of such directors, supervisors, general manager and other senior officers.

Article 232 No director, supervisor, general manager and other senior officer shall instigate any of the following persons or organizations ("related persons") to do anything which directors, supervisors, general manager and other senior officers are prohibited from doing:

- (I) spouses or under-age children of directors, supervisors, general manager and other senior officers of the Company;
- (II) trustees of directors, supervisors, general manager and other senior officers of the Company or persons referred to in (I) above;

- (III) partners of directors, supervisors, general manager and other senior officers of the Company or persons referred to in (I) and (II) above;
- (IV) companies which as a matter of fact are solely controlled by directors, supervisors, general manager and other senior officers of the Company, or companies under de facto common control by persons referred to in (I), (II) and (III) above or by other directors, supervisors, general manager and other senior officers of the Company; or
- (V) directors, supervisors, general manager and other senior officers of controlled companies referred to in (IV) above.

Article 233 The duty of good faith of directors, supervisors, general manager and other senior officers of the Company shall not absolutely terminate due to the expiry of their terms of office, and their duty of confidence for trade secrets of the Company shall survive the expiry of their terms of office. The duration of other obligations shall be determined according to the principle of fairness, depending on the length of period from the occurrence of the event to their leaving of their posts and on the circumstances and conditions under which their relationships with the Company end.

Article 234 Liability of any director, supervisor, general manager or other senior officer of the Company for his/her breach of a certain obligation may be discharged by the general meeting of shareholders after being informed of the same, except under such circumstances as specified in Article 66 hereof.

Article 235 Any director, supervisor, general manager or other senior officer of the Company shall, as soon as practicable, disclose to the Board of Directors the nature and extent of the material interest (if any) which he/she directly or indirectly has in any contract, transaction or arrangement entered into or to be entered into by the Company (other than employment contracts between the Company and directors, supervisors, general manager and other senior officers), regardless of whether relevant matters are required to be approved or agreed by the Board of Directors under normal circumstances.

Subject to exceptions allowed by Note 1 in Appendix 3 to the Hong Kong Listing Rules, no director shall vote on any contract or arrangement in which he/she has any material interest through himself/herself or any of his/her close associates (as defined in the Hong Kong Listing Rules) or on any other proposed resolution of the Board of Directors; and he/she shall not be counted when determining whether a quorum is present in the meeting.

Unless the interested director, supervisor, general manager or other senior officer has made a disclosure to the Board of Directors as required above and the Board of Directors has approved relevant matters in a meeting of which such person was not counted into the quorum and which such person did not participate in voting, the Company shall have the right to cancel such contract, transaction or arrangement, with the exception that the other party to such contract, transaction or arrangement is in good faith unaware of the breach by such director, supervisor, general manager or other senior officer of his/her obligations.

Where any related person of any director, supervisor, general manager or other senior officer of the Company has an interest in a certain contract, transaction or arrangement, such director, supervisor, general manager or other senior officer shall also be deemed to have an interest in such contract, transaction or arrangement.

Article 236 If any director, supervisor, general manager or other senior officer of the Company send a written notice to the Board of Directors before the Company initially considers the entry into a contract, transaction or arrangement, stating that he/she would have an interest in such contract, transaction or arrangement to be entered into by the Company in the future due to the content contained in the notice, then to the extent indicated in such notice, such director, supervisor, general manager or other senior officer shall be deemed to have made the disclosure specified in the preceding Article in this Chapter.

Article 237 The Company may not pay taxes in any way for its directors, supervisors, general manager and other senior officers.

Article 238 The Company may not directly or indirectly provide any loan or loan guarantee for any director, supervisor, general manager or other senior officer of the Company or its parent company or for any related person of the foregoing personnel.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (I) the Company provides its subsidiaries with loans or loan guarantees;
- (II) the Company, in accordance with the appointment contract approved by the general meeting of shareholders, provides any of its directors, supervisors, general manager or other senior officers with any loan, loan guarantee or other payment in order for him/her to pay expenses incurred for the purposes of the Company or for the purpose of performing his/her duties to the Company; and
- (III) where the normal scope of business of the Company covers the provision of loans or loan guarantees, the Company may provide any loan or loan guarantee for any of its directors, supervisors, general manager and other senior officers and related persons thereof; provided, however, that such loan or loan guarantee shall be provided on normal business conditions.

Article 239 Where the Company provides any loan in violation of the preceding Article, on whatever conditions, the person receiving such loan shall repay the same immediately.

Article 240 The Company may not be forced to execute any loan guarantee provided by the Company in violation of the first paragraph in Article 238, unless:

- (I) the loan provider is not aware of such restriction when providing any loan for any related person of any director, supervisor, general manager or other senior officer of the Company or its parent company; or
- (II) the collateral provided by the Company has been legally sold by the lender to a bona fide purchaser.

Article 241 For the purposes of the foregoing articles in this Chapter, “guarantee” includes the guarantor’s assumption of liabilities or provision of properties in order to ensure the obligor’s performance of obligations.

Article 242 Where any director, supervisor, general manager or other senior officer of the Company breaches any of his/her obligations to the Company, the Company shall, in addition to rights and remedies granted by laws and administrative regulations, also have the right to:

- (I) require such director, supervisor, general manager or other senior officer to compensate for any loss caused by his/her dereliction of duty to the Company;
- (II) cancel any contract or transaction between the Company and such director, supervisor, general manager or other senior officer and any contract or transaction between the Company and any third party (when such third party knew or was reasonably expected to know the breach by such director, supervisor, general manager or other senior officer acting on behalf of the Company of his/her obligations due to the Company);
- (III) require such director, supervisor, general manager or other senior officer to surrender any proceeds arising from his/her breach of any obligation;
- (IV) recover any amount which was received by such director, supervisor, general manager or other senior officer and should be attributed to the Company, including (without limitation) commission; and
- (V) require such director, supervisor, general manager or other senior officer to return any interest which has accrued or may accrue on any amount payable to the Company.

Article 243 The Company shall enter into a written contract with each of its directors, supervisors, general manager and other senior officers, which shall at least contain the following provisions:

- (I) the director, supervisor, general manager or other senior officer undertakes to the Company that he/she shall abide by the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other provisions made by SEHK, and agrees that the Company shall have remedies specified herein and such contract and his/her office may not be assigned;
- (II) the director, supervisor, general manager or other senior officer undertakes to the Company that he/she shall comply with and perform his/her liabilities to shareholders specified herein; and
- (III) arbitration clauses set out in Article 314 hereof and the Hong Kong Listing Rules.

Article 244 The Company shall enter into a written contract with each of the directors and supervisors of the Company in respect of remuneration matters, which shall be approved by the general meeting of shareholders in advance. The foregoing remuneration matters shall include:

- (I) the remuneration as the director, supervisor or senior officer of the Company;
- (II) the remuneration as the director, supervisor or senior officer of the subsidiary of the Company;

- (III) the remuneration for the provision of other services for the management of the Company and its subsidiaries; and
- (IV) compensation obtained by such director or supervisor due to his/her loss of position or retirement.

Unless as otherwise specified in the foregoing contract, no director and supervisor shall bring a lawsuit against the Company in respect of benefits receivable by him/her due to the foregoing matters.

Article 245 It shall be provided for in the contract between the Company and any of its directors or supervisors relating to remuneration matters that, upon the acquisition of the Company, such director or supervisor shall, with the prior approval of the general meeting of shareholders, be entitled to a compensation or any other payment for his/her loss of position or retirement. The “acquisition of the Company” mentioned in the preceding paragraph shall refer to either of the following circumstances:

- (I) where any person makes an acquisition offer to all the shareholders; or
- (II) where any person makes an acquisition offer in order for the offeror to become the controlling shareholder.

If any director or supervisor fails to abide by this Article, any amounts received by him/her shall be offered to those persons who accepted the foregoing offers and sold their shares, and such director or supervisor shall be liable for expenses arising from the distribution of such amounts pro rata, which may not be deducted from such amounts.

CHAPTER IX PARTY COMMITTEE

Article 246 The Company shall establish a party committee consisting of a secretary and several other committee members. In principle, the chairman of the Board of Directors and the party committee secretary shall be the same person. Eligible party committee members may be appointed as members of the Board of Directors, the Board of Supervisors and the management team of the Company through legal procedures, while eligible party members from the Board of Directors, the Board of Supervisors and the management team of the Company may be appointed as members of the party committee pursuant to relevant requirements and procedures. A Discipline Inspection Commission shall also be established in accordance with relevant regulations.

Article 247 The party committee of the Company shall perform its duties in accordance with the Constitution of the Communist Party of China and other party regulations.

- (I) To ensure and supervise the implementation of party and national guidelines and policies by the Company, to enforce the strategic decisions of the central party committee and the State Council as well as important tasks of the party committee of the State-owned Assets Supervision and Administration Commission of the State Council and the superior party organizations;

- (II) To stick to the principle of the Party Supervising Cadres while ensuring that the Board of Directors is entitled to appoint senior management pursuant to law and senior management is entitled to appoint staff members pursuant to law. The party committee shall consider and give advice on the candidates nominated by the Board of Directors and general manager, and may nominate candidates to the Board of Directors and general manager for consideration. It shall review the proposed candidates together with the Board of Directors and provide opinions and suggestions;
- (III) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions;
- (IV) To undertake the main responsibilities of comprehensive and strict party management; guide the Company's ideological and political work, the united front work, construction of spiritual civilization, construction of corporate culture and affairs of the trade union, the Communist Youth League and other mass organizations; take leadership in the construction of the Party's working style and a clean and honest administration, and support the Discipline Inspection Commission to effectively discharge its oversight responsibilities.

CHAPTER X INTERNAL CONTROL

Article 248 The Company shall, in accordance with laws and regulations and relevant provisions of CSRC and the securities regulatory authority in the place where securities of the Company are listed, establish and perfect the compliance system of the Company for the purpose of supervising and inspecting the compliance of the operation and management of the Company.

The Company shall formulate the compliance system and define duties of compliance personnel in accordance with relevant provisions and based on its own situation.

Article 249 The Company shall, in accordance with laws and regulations and relevant provisions of CSRC and the securities regulatory authority in the place where securities of the Company are listed, establish and perfect the risk control system of the Company for the purpose of preventing and controlling business operation and internal management risks of the Company.

The Company shall formulate the risk control system and define duties of risk control personnel in accordance with relevant provisions and based on its own situation.

Article 250 Persons in charge of compliance, risk control and internal audit of the Company may not concurrently take any other office in the operating departments.

CHAPTER XI FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section I Financial Accounting System

Article 251 The Company shall formulate the financial accounting system of the Company in accordance with laws, administrative regulations and rules of relevant state departments.

Article 252 The Company shall, as required by the regulatory authority, perform the duty of information disclosure.

Article 253 The Company shall submit annual financial accounting reports to CSRC and the stock exchange within four months after the end of each accounting year, semi-annual financial accounting reports to the agencies of CSRC and the stock exchange within two months after the end of first six months of each accounting year, and quarterly financial accounting reports to the agencies of CSRC and the stock exchange within one month after the end of first three months and first nine months of each accounting year.

The foregoing financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules and relevant rules of the securities regulatory authority in the place where securities of the Company are listed.

Article 254 The Board of Directors shall, in each annual general meeting of shareholders, submit to shareholders such financial reports as the Company is required to prepare in accordance with relevant laws, administrative regulations, regulatory documents promulgated by local governments and competent departments, and relevant rules of the securities regulatory authority in the place where securities of the Company are listed.

Article 255 Financial accounting reports shall be made available in the Company for shareholders' reference twenty days prior to the holding of the annual general meeting of shareholders. Each shareholder of the Company shall be entitled to financial reports mentioned in this Chapter.

Unless otherwise specified herein, the Company shall, no later than twenty-one days prior to the holding of an annual general meeting of shareholders, send the foregoing reports or reports of the Board of Directors and balance sheets (including each document to be appended to balance sheets in accordance with statutes) and income statements or income and expenditure accounts or summary financial reports by person or by prepaid post to each shareholder of overseas listed foreign shares at such address registered in the register of shareholders.

Article 256 Financial statements of the Company shall be prepared in accordance with accounting standards and regulations of China as well as international accounting standards or other accounting standards of the place where securities of the Company are listed. In case of any material difference between financial reports prepared in accordance with two sets of accounting standards, such difference shall be indicated in the notes to financial reports. Where the Company distributes after-tax profits of relevant accounting year, the lesser of after-tax profits indicated in the foregoing two sets of financial statements shall prevail.

Article 257 Interim results or financial materials announced or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of China as well as international accounting standards or other accounting standards of the place where securities of the Company are listed.

Article 258 The Company shall publish financial reports twice each accounting year, i.e., interim financial reports within sixty days after the end of the first six months of an accounting year and annual financial reports within one hundred and twenty days after the end of an accounting year.

Provisions otherwise made by the securities regulatory authority in the place where securities of the Company are listed, if any, shall be subjected to.

Article 259 Except for statutory accounting books, the Company will not prepare any other accounting books. The Company's assets may not be deposited into any account opened in the name of any individual.

Article 260 Where the Company distributes the annual after-tax profits, it shall allocate ten percent of its profits for the statutory surplus fund. Where the accumulated amount of the statutory surplus fund of the Company exceeds fifty percent of its registered capital, further allocation may be dispensed with.

Where the statutory surplus fund of the Company is insufficient to make up the Company's losses of the previous year, the Company shall, first of all, apply its annual profits to making up its losses prior to allocation for the statutory surplus fund in accordance with the provisions of the preceding paragraph.

The Company shall allocate a portion of its annual after-tax profits for such other special reserves as specified by laws and regulations and as applicable to securities companies. After the Company allocates its after-tax profits for the statutory surplus fund and other special reserves applicable to securities companies, it may, by virtue of a resolution of the general meeting of shareholders, further allocate a portion of its after-tax profits for the discretionary surplus fund.

After the Company covers its losses and makes allocations for the statutory surplus fund and other special reserves applicable to securities companies, the remaining after-tax profits shall be distributed in the proportion of shares held of shareholders. Such portion of the Company's profits available for distribution as is distributed in cash to shareholders must be in compliance with the requirements of relevant laws and regulations, and it shall be guaranteed that, after the implementation of the profit distribution plan, such risk control indexes of the Company as net capital shall be no lower than the warning standard specified in the Measures for the Risk Control Indexes of Securities Companies.

Where the general meeting of shareholders distributes profits to shareholders before the Company covers its losses and makes allocations for the statutory surplus fund and other special reserves applicable to securities companies in violation of the foregoing provisions, or fails to distribute profits in accordance with relevant laws and regulations, shareholders must return profits distributed in violation of regulations to the Company.

Company shares held by the Company shall not be involved in profit distribution.

Article 261 The surplus fund of the Company shall be used to cover the Company's losses or to expand production and operation of the Company, or shall be converted into an increase in the Company's capital. However, the capital surplus fund shall not be used to cover the Company's losses.

Where the statutory surplus fund is converted into capital, the remaining amount of such surplus fund shall not be less than twenty-five percent of the registered capital prior to such conversion.

Article 262 After the general meeting of shareholders adopts a resolution for the profit distribution plan, the Board of Directors of the Company must complete the distribution of dividends (or shares) within two months after the holding of a general meeting of shareholders.

Article 263 The Company shall attach importance to the implementation of a lasting and stable profit distribution policy towards a reasonable return of investment for investors.

The Company shall distribute dividends in cash or in shares or in both, and first distribute profits in cash, in such proportion as proposed by the Board of Directors based on the state of operation of the Company and in accordance with relevant provisions of CSRC and decided by the general meeting of shareholders through deliberation. Subject to the Company's realization of profits and the compliance of risk control indexes with regulatory requirements and in overall consideration of the Company's needs of operation and long-term development, the Company shall actively distribute dividends in cash.

The Company shall distribute profits in accordance with the following provisions:

- (I) profits distributed by the Company in cash each year shall be no less than 10% of distributable profits realized in that year, and for any three consecutive years, profits accumulatively distributed by the Company in cash shall be no less than 30% of annual average distributable profits realized for such three years;
- (II) the Company may not distribute profits beyond the scope of accumulative distributable profits and shall ensure that, after the implementation of the profit distribution plan, all risk control indexes comply with the standard warning requirements set out in the Measures for the Risk Control Indexes of Securities Companies;
- (III) the Company shall in principle distribute profits once each year, but the Board of Directors may suggest the Company make the interim cash dividend distribution according to its profitability and funding requirements and on relevant conditions; and
- (IV) where the Company maintains the consistency of share capital expansion with business development and performance growth on the premise of complying with the provisions concerning cash dividend distribution contained in (I) above and ensuring the reasonable scale of share capital of the Company, it may distribute dividends in shares or by other means.

Article 264 The management and the Board of Directors of the Company shall put forward reasonable profit distribution proposals and plans in light of the profitability, funding requirements and plan of return to shareholders of the Company. When the Company is formulating the cash dividend distribution plan, the Board of Directors shall seriously consider and validate such matters concerning the Company's distribution of cash dividends as its timing, conditions and minimum ratio, conditions for adjustment, and requirements of decision procedures.

When the Board of Directors is making the decision and drawing up the dividend distribution plan, it shall keep detailed records of recommendations of the management, main points of remarks made by directors present in the meeting, opinions of independent directors and voting of the Board of Directors in writing and properly store them as archives of the Company.

An independent director shall express independent opinions on profit distribution plans and publicly disclose them.

Article 265 The profit distribution plan of the Company shall be submitted to the general meeting of shareholders for approval after being deliberated and adopted by the Board of Directors. The general meeting of shareholders shall, while deliberating a cash dividend distribution plan, actively communicate through various channels with shareholders, especially minority shareholders, and sufficiently listen to opinions and demands of minority shareholders, so as to safeguard public shareholders' right to reasonable return on investment.

Article 266 Where the Company realizes profits in a certain year but fails to propose a cash dividend distribution plan, the management shall submit a detailed statement to the Board of Directors, indicating reasons for non-distribution, purpose and use plan of funds not used for dividend distribution but retained in the Company, etc., and independent directors shall express independent opinions on the profit distribution plan. Such statement shall, after being deliberated and approved by the Board of Directors, be submitted to the general meeting of shareholders for deliberation, the Company shall sufficiently listen to opinions and demands of minority shareholders, and the Board of Directors shall make a statement to the general meeting of shareholders.

Article 267 Where the Company needs to adjust the profit distribution plan and the plan of return to shareholders due to any material change in external business environment or its own state of operation, the management shall submit an elaborate validation and status report to the Board of Directors and independent directors shall express specific opinions. The adjustment plan shall be submitted to the general meeting of shareholders for voting after being deliberated and adopted by the Board of Directors. The Company shall actively communicate through various channels with minority shareholders to collect opinions and demands of minority shareholders. The Company shall, after issuing a notice of a general meeting of shareholders, send a reminder notice of the general meeting of shareholders within three days after the date of equity registration, and the adjustment plan must be passed by more than two thirds of the voting powers held by shareholders present in the general meeting of shareholders.

Article 268 Interest may accrue on money paid by the Company for any share prior to any call; provided, however, that the holder of any share shall have no right to participate in the declaration of dividends in respect of money prepaid for such share.

Subject to relevant laws, regulations, regulatory documents and relevant rules of the securities regulatory authority in the place where securities of the Company are listed, the Company may exercise the right to forfeit dividends unclaimed; provided that such right may be exercised only after the expiry of any applicable period of time.

The Company shall have the right to cease to send by post any dividend warrant to any holder of overseas listed foreign shares; however, the Company may exercise such right only after dividend warrants have not been cashed for two consecutive times. Where any dividend warrant initially sent by post fails to be delivered to its addressee and is returned, the Company may exercise such right.

The Company shall have the right to sell in such manner as the Board of Directors deems appropriate shares held by shareholders of overseas listed foreign shares who cannot be contacted; provided that:

- (I) the Company shall have distributed dividends for at least three times over the past twelve years and no person has claimed such dividends for such period; and
- (II) the Company shall publish an announcement in one or more newspapers in the place where securities of the Company are listed after the expiry of such twelve-year period, stating its intention to sell such shares, and send a notice to the securities regulatory authority in the place where securities of the Company are listed.

Article 269 The Company shall appoint a receiving agent for shareholders holding overseas listed foreign shares. Such receiving agent shall collect on behalf of relevant shareholders dividends distributed by the Company in respect of overseas listed foreign shares and other amounts payable.

The receiving agent appointed by the Company shall comply with requirements of laws or relevant rules of the securities exchange in the place where securities of the Company are listed.

The receiving agent appointed by the Company for shareholders of foreign shares listed in Hong Kong shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Article 270 The capital surplus fund shall include:

- (I) the premium generated from the issuance in excess of the denomination of shares; and
- (II) other revenues recognized in the capital surplus fund as required by the financial department of the State Council.

Section II Internal Audit

Article 271 The Company shall implement the internal audit system, deploy full-time auditors and conduct internal audit and supervision over the financial revenues and expenditures and economic activities of the Company.

Article 272 The Company's internal audit system and the duties of the auditors shall apply after being approved by the Board of Directors. The person in charge of audit shall be responsible to the Board of Directors and make working reports to the Board of Directors.

Section III Engagement of Accounting Firm

Article 273 The Company shall engage an independent accounting firm that complies with relevant national regulations to audit financial statements, verify net assets and offer other relevant advisory services.

The Company shall engage an accounting firm for a term of one year from the end of each annual general meeting of shareholders to the end of next annual general meeting of shareholders, and such engagement may be renewed.

Article 274 The accounting firm engaged by the Company shall have the right to:

- (I) inspect books, records or vouchers of the Company at any time and to require any director, general manager or other senior officer of the Company to provide relevant materials and statements;
- (II) require the Company to take all reasonable measures to obtain from its subsidiaries such materials and statements as necessary for such accounting firm to perform its duties; and
- (III) attend any meeting of shareholders as a non-voting delegate, receive any notice of meeting or other information relating to the meeting which any shareholder has the right to receive, and make a statement on matters concerning its engagement as the accounting firm of the Company in any meeting of shareholders.

Article 275 If the office of the accounting firm is vacant, the Board of Directors may, prior to the holding of any general meeting of shareholders, appoint an accounting firm to fill such vacancy; however, such appointment shall be confirmed in the next general meeting of shareholders. During the period when such vacancy lasts, where the Company has any other accounting firms in office, such accounting firms may continue to act.

Article 276 Notwithstanding the provisions made in the contract between an accounting firm and the Company, the general meeting of shareholders may, prior to the expiry the term of office of any accounting firm, decide to remove such accounting firm from office by an ordinary resolution. Where such accounting firm has the right to claim compensation from the Company due to its removal from office, such right shall not be affected.

Article 277 The decision to engage, remove or discontinue the engagement of an accounting firm shall be taken by the general meeting of shareholders and submitted to the securities regulatory authority of the State Council for record.

Where the Company intends to remove or discontinue the engagement of an accounting firm, it shall send a thirty-day notice to such accounting firm. Where the removal of an accounting firm is put to the vote in a general meeting of shareholders, such accounting firm shall be allowed to state its opinions.

Where the general meeting of shareholders seeks to engage a non-incumbent accounting firm to fill any vacancy for the accounting firm, or continue to engage an accounting firm engaged by the Board of Directors to fill the vacancy, or remove an accounting firm of which the term of office does not expire, the following provisions shall be complied with:

- (I) the proposal concerning such engagement or removal shall, before a notice of general meeting of shareholders is sent, be delivered to the accounting firm which is to be engaged or leave office or has left office in the relevant accounting year.

Leaving office includes removal, resignation and retirement.

- (II) if the accounting firm to leave office makes a written statement and require the Company to notify shareholders of such statement, then unless the Company receives the written statement late, the Company shall take the following measures:
 - 1. to indicate in the notice sent for the purpose of making a resolution that the accounting firm to leave office has made such statement; and
 - 2. to deliver a copy of such statement as an attachment to the notice to shareholders in the manner prescribed herein.
- (III) if the Company fails to send the statement of the relevant accounting firm in accordance with (II) above, such accounting firm may require such statement to be read in a general meeting of shareholders and make a further appeal.
- (IV) the accounting firm leaving office shall have the right to attend the following meetings:
 - 1. the general meeting of shareholders at the end of which its term of office shall expire;
 - 2. the general meeting of shareholders with a view to filling the vacancy caused by its removal; and
 - 3. the general meeting of shareholders convened due to its resignation.

The accounting firm leaving office shall have the right to receive all notices of the foregoing meetings or other information relating to such meetings, and to make a statement on matters concerning its being the former accounting firm of the Company in the foregoing meetings.

Article 278 The Company shall ensure its provision to an accounting firm engaged thereby with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials and may not refuse, conceal and make false reports.

Article 279 The remuneration of the accounting firm or the mode of determination of the same shall be decided by the general meeting of shareholders. The remuneration of the accounting firm engaged by the Board of Directors shall be determined by the Board of Directors.

Article 280 Where an accounting firm offers to resign, it shall explain to the general meeting of shareholders whether the Company is involved in any anomaly.

An accounting firm may resign by means of placing a written notice of resignation at the legal address of the Company. Such notice shall come into effect as of the date when it is placed at the legal address of the Company or a later date indicated in the notice. Such notice shall include the following statements:

- (I) the statement that, in its opinion, its resignation does not involve any explanation owed to shareholders or creditors of the Company; and
- (II) any statement involving any explanation owed by the accounting firm.

The Company shall, within fourteen days after the receipt of the foregoing written notice, send a copy of such notice to the relevant competent authority. If such notice contains any statement referred to in (II) above, the Company shall make a copy of such statement available in the Company for shareholders' inspection. Unless otherwise specified herein, the Company shall send by prepaid post a copy of such statement to each shareholder entitled to financial condition reports of the Company at such address as registered in the register of shareholders.

Where the resignation notice of an accounting firm contains any explanation due from it, such accounting firm may require the Board of Directors to convene an interim general meeting of shareholders to listen to its explanations about its resignation.

CHAPTER XII NOTICE AND ANNOUNCEMENT

Section I Notice

Article 281 The Company's notices shall be sent by any or more of the following means:

- (I) by person;
- (II) by mail;
- (III) by fax or email;
- (IV) subject to laws, administrative regulations, departmental rules, regulatory documents, relevant rules of the relevant regulatory authority, the Articles of Association and listing rules of the place where securities of the Company are listed, by means of publication on the website designated by the securities regulatory authority or the securities exchange;
- (V) by announcement;
- (VI) by such other means as previously agreed by the Company or the addressee or as recognized by the addressee after receiving the notice; or
- (VII) by such other means as recognized by the relevant regulatory authority in the place where securities of the Company are listed or as specified herein.

In respect of the means by which the Company offers or sends a corporate communication (as defined in the Hong Kong Listing Rules) to shareholders of H shares in accordance with the requirements set out in the Hong Kong Listing Rules, the corporate communication shall be offered or sent to shareholders of H shares through the website designated by the Company and/or the website of SEHK or by any electronic means subject to laws and regulations of the place where securities of the Company are listed and the Articles of Association.

Article 282 Where a notice is sent by the Company by means of announcement, all relevant persons shall be deemed to have received the notice upon the announcement.

Article 283 The notice of meeting of the Board of Directors of the Company shall be sent by person, mail, fax, email or other means.

Article 284 The notice of meeting of the Board of Supervisors of the Company shall be sent by person, mail, fax, email or other means.

Article 285 Where any notice of the Company is sent by person, the addressee shall sign (or seal) on delivery receipt and it shall be deemed to have been served on the date when the addressee signs to acknowledge the receipt of the notice; where any notice of the Company is sent by mail, it shall be deemed to have been served on the seventh business day after its delivery to the post office; where any notice of the Company is sent by email, fax or publication on the website, it shall be deemed to have been served on the date of sending; and where any notice of the Company is sent by means of announcement, it shall be deemed to have been served on the date of publication of the first announcement.

Article 286 If the Company is required to deliver, post, distribute, send, publish or otherwise furnish documents relevant to the Company in accordance with the listing rules of the place where securities of the Company are listed, and if the Company has made an appropriate arrangement to determine whether its shareholders only wish to receive the English version or Chinese version thereof, then to the extent allowed by applicable laws and regulations, the Company may (at the option of shareholders) only send English version or Chinese version thereof to relevant shareholders.

Article 287 In case any notice of meeting is not sent to a person who is entitled to receive the notice due to any accidental omission or such person fails to receive the notice of meeting, the meeting and resolutions made at the meeting shall not be invalidated.

Section II Announcement

Article 288 The Company shall issue announcements and make information disclosures to shareholders of domestic shares through the information disclosure newspaper and website specified by laws, regulations or any securities regulatory authority of China. If any announcement shall be issued to shareholders of overseas listed foreign shares in accordance with relevant regulations, such announcement shall also be published in such manner as specified in the Hong Kong Listing Rules. Information shall be disclosed by the Company in the specified newspaper(s) and on the specified website(s) before through any other public media, and no corporate announcement shall be replaced by press release, answers to reporters' requests or other form.

The Board of Directors shall have the right to change to other information newspaper(s) for Company disclosure; however, it shall ensure that the specified information disclosure newspaper(s) comply with such qualifications and conditions as specified by relevant laws, regulations, regulatory documents, the securities regulatory authority in the place where securities of the Company are listed and the securities exchange.

CHAPTER XIII MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section I Merger, Division, Capital Increase and Capital Reduction

Article 289 Merger of companies may take the form of merger by amalgamation or merger by new establishment.

When a company has another company amalgamated with it, it is merger by amalgamation, and the amalgamated company shall be dissolved. When two or more companies merge to establish a new company, it is merger for new establishment, and all parties being merged shall be dissolved.

Article 290 In the case of merger or division of the Company, the Board of Directors shall put forward a proposal, and relevant approval procedures shall be gone through in accordance with the law after such proposal is approved by the general meeting of shareholders in accordance with procedures set out herein. Shareholders who have an objection to the merger or division plan of the Company shall have the right to require the Company or shareholders who agree with the merger or division plan of the Company to purchase their shares at a fair price. The merger or division resolution of the Company shall be documented for shareholders' inspection.

Shareholders of foreign shares listed in Hong Kong shall further be informed in writing of the foregoing documents by mail or such other means as specified herein.

Article 291 When the Company merges with another company, the parties to the merger shall sign a merger agreement, and draw up a balance sheet and a detailed inventory of assets. The Company shall, within ten days from the date the resolution on such merger is adopted, notify its creditors of the intended merger, and make an announcement about it in the newspaper or by other means within thirty days therefrom. The creditors may, within thirty days from the date they receive the notice, or if they have not received the notice, within forty-five days from the date the announcement is made, require the Company to settle their debts or provide corresponding guarantee.

Article 292 When the Company merges with another company, the claims and debts of all the parties to the merger shall be succeeded to by the company that continues to exist after the merger or by the newly established company resulting therefrom.

Article 293 Where the Company proceeds into a division, its assets shall be divided appropriately.

When the Company intends to divide itself, all parties to such division shall enter into a division agreement and draw up a balance sheet and a detailed inventory of assets. The Company shall, within ten days from the date the resolution on such division is adopted, notify its creditors of the intended division, and make an announcement about it in the newspaper or by other means within thirty days therefrom.

Article 294 The companies after the division shall assume joint and several liability for the debts of the Company prior to the division, except where the Company before the division and its creditors have otherwise reached a written agreement on repayment of the debts.

Article 295 Where the Company intends to reduce its registered capital, it shall draw up a balance sheet and a detailed inventory of assets.

The Company shall, within ten days from the date the resolution on such reduction is adopted, notify its creditors of the intended reduction, and make an announcement about it in the newspaper or by other means within thirty days therefrom. The creditors shall, within thirty days from the date they receive the notice, or if they have not received the notice, within forty-five days from the date the announcement is made, have the right to require the Company to settle their debts or provide corresponding guarantee.

After capital reduction, the Company's registered capital may not fall below the statutory lower limit.

Article 296 Where the merger or division of the Company involves changes in the registered items, such changes shall, in accordance with law, be registered with the company registration authority; where the Company is dissolved, it shall apply for cancellation of its registration according to law; and where a new company is incorporated, it shall have its incorporation registered according to law.

Where the Company increases or reduces its registered capital, it shall apply to the company registration authority for registration of such change according to law.

Section II Dissolution and Liquidation

Article 297 The Company shall dissolve and liquidate in accordance with the law if:

- (I) the general meeting of shareholders of the Company resolves that the Company be dissolved;
- (II) the Company dissolves due to merger or division;
- (III) any other cause of dissolution specified herein occurs;
- (IV) the Company is declared bankrupt due to its inability to settle its debts when they fall due;
- (V) the Company has its business license revoked, is ordered to close down or is canceled in accordance with the law; or
- (VI) shareholders holding more than ten percent of the voting powers held by all the shareholders of the Company may request a people's court to dissolve the Company to the extent that the Company is confronted with serious difficulties in operation and management, its continued existence may cause major losses to its shareholders and the difficulties cannot be surmounted by other means.

Article 298 In case of occurrence of any circumstance set out in Item (III) of Article 297, the Company may subsist by amending the Articles of Association; however, such amendment shall be passed by more than two thirds of the voting powers held by shareholders present in the general meeting of shareholders.

Article 299 Where the Company dissolves due to the occurrence of any of circumstances set out in Items (I), (III) and (VI) in Article 297 hereof, the Company shall, within fifteen days after the securities regulatory authority of the State Council approves such dissolution, set up a liquidation team, members of which shall be determined by the general meeting of shareholders by an ordinary resolution. Where the Company fails to set up a liquidation team to conduct liquidation at the expiration of the prescribed time limit, its creditors may apply to a people's court for designating relevant persons to form a liquidation team for liquidation.

Where the Company dissolves due to the circumstance set out in Item (II) in Article 297 hereof, the Company shall file an application to the securities regulatory authority of the State Council, which shall be accompanied with reasons for dissolution and relevant documents, and dissolve after being approved by the securities regulatory authority of the State Council.

Where the Company dissolves due to any of circumstance set out in Item (IV) in Article 297 hereof, a people's court shall, in accordance with relevant laws, organize the securities regulatory authority of the State Council, shareholders, relevant authorities and relevant professionals to set up a liquidation team to perform bankruptcy liquidation in accordance with laws relating to enterprise bankruptcy.

Where the Company dissolves due to any circumstance set out in Item (V) in Article 297 hereof, relevant competent authority shall organize shareholders, relevant authorities and relevant professionals to set up a liquidation team to perform liquidation.

Article 300 If the Board of Directors decides to place the Company in liquidation (except for the liquidation arising from the Company's declaration of bankruptcy), the Board of Directors shall in the notice of general meeting of shareholders convened for such purpose state that the Board of Directors has made full investigation of the status of the Company and believes that the Company may discharge all of its debts within twelve months after the commencement of liquidation.

After the resolution of the general meeting of shareholders on liquidation is passed, the authorities of the Board of Directors of the Company shall terminate with immediate effect.

The liquidation team shall, as instructed by the general meeting of shareholders, report the revenues and expenditures of the liquidation team, the business of the Company and the liquidation progress to the general meeting of shareholders at least once each year, and shall make a final report to the general meeting of shareholders at the end of liquidation.

Article 301 During the period of liquidation, a liquidation team shall exercise the following authorities:

- (I) to check up on the Company's assets and draw up a balance sheet and an inventory of its assets separately;
- (II) to notify the creditors by notice or announcement;
- (III) to dispose of and liquidate the Company's unfinished business;
- (IV) to pay off the tax arrears and the taxes generated in the process of liquidation;
- (V) to clear up claims and debts;

(VI) to dispose of the property remaining after the Company pays off its debts; and

(VII) to participate in civil lawsuits on behalf of the Company.

Article 302 A liquidation team shall, within ten days from the date it is established, notify the creditors of its establishment and make an announcement in the newspaper or other means within sixty days therefrom. The creditors shall declare their claims to the liquidation team within thirty days from the date they receive the written notice, or if they have not received such notice, within forty-five days from the date the announcement is made.

When declaring his claims, a creditor shall specify the matters in respect of each claim, and provide supporting materials. The liquidation team shall register the claims.

During the period when creditors declare their claims, the liquidation team shall not pay off the debts to them.

Article 303 After the liquidation team has checked up on the property of the Company and drawn up the balance sheet and the detailed inventory of assets, it shall work out a liquidation plan and submit the plan to the general meeting of shareholders or a people's court for confirmation.

After the Company pays off respectively the liquidation expenses, the wages of its staff and workers, the social insurance premiums and the statutory compensations, pays its tax arrears and clears up its debts, the remaining property of the Company shall be distributed in proportion to the shares held by its shareholders.

During the period of liquidation, the Company shall continue to exist, but it shall not engage in any operational activities not related to liquidation. The property of the Company shall not be distributed to its shareholders before it has made the payments as specified in the provisions of the preceding paragraph.

Article 304 If, after checking up on the property of the Company and drawing up the balance sheet and the inventory of its property, a liquidation team discovers that the property of the Company is insufficient to pay off its debts, it shall apply to a people's court for declaration of bankruptcy of the Company.

After the people's court has ruled to declare the Company bankrupt, the liquidation team shall turn the liquidation matters over to the people's court.

Article 305 After the liquidation is finished, the liquidation team shall prepare a liquidation report and a statement of revenues and expenditures and financial books for the liquidation period, and after being verified by Chinese CPAs, submit the same to the general meeting of shareholders or relevant competent authority for confirmation.

The liquidation team shall, within thirty days from the date of confirmation by the general meeting of shareholders or relevant competent authority, submit the foregoing documents to the company registration authority to apply for deregistration of the Company and to announce the termination of the Company.

Article 306 Members of the liquidation team shall be faithful in the discharge of their duties and perform their obligation of liquidation in accordance with the law, and shall not take advantage of their authorities to accept bribes or other illegal income, or to take illegal possession of the property of the Company.

Where a member of the liquidation team causes losses to the Company or its creditors intentionally or through gross negligence, he/she shall be liable for compensation.

Article 307 Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

CHAPTER XIV AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 308 The Company may amend the Articles of Association in accordance with laws, administrative regulations and the Articles of Association.

Article 309 The Company shall amend the Articles of Association if:

- (I) after any amendment is made to the Company Law or relevant laws, administrative regulations or relevant rules of the securities regulatory authority in the place where securities of the Company are listed, provisions contained herein conflict with the laws or administrative regulations so amended;
- (II) the situation of the Company changes and thus is inconsistent with the provisions contained herein; or
- (III) the general meeting of shareholders decides to amend the Articles of Association.

Article 310 Where such amendment to the Articles of Association as passed by the general meeting of shareholders by a resolution shall be approved by the competent authority, it must be reported to the competent authority for approval; where such amendment involves any registered item of the Company, the Company shall modify its registration in accordance with the law.

Article 311 The Board of Directors shall amend the Articles of Association pursuant to the resolution of the general meeting of shareholders on such amendment and the approval opinions of relevant competent authority.

Article 312 Matters concerning the amendment of the Articles of Association which are information required to be disclosed by laws and regulations shall be announced as required.

Article 313 Where any amendment to the Articles of Association involves any content of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, such amendment shall come into effect after being approved by the company approval department authorized by the State Council and the securities regulatory authority of the State Council; where such amendment involves any registered item, the Company shall modify its registration in accordance with the law.

CHAPTER XV DISPUTE SETTLEMENT

Article 314 The Company shall obey the following dispute settlement rules:

- (I) Where any dispute or claim relating to the affairs of the Company arises between any of shareholders of overseas listed foreign shares and the Company, between any of shareholders of overseas listed foreign shares and any of the directors, supervisors, general manager or other senior officers of the Company, and between any of shareholders of overseas listed foreign shares and any of shareholders of domestic shares in respect of rights and obligations under the Articles of Association, the Company Law and other relevant laws and administrative regulations, relevant parties shall settle such dispute or claim through arbitration.

Such dispute or claim shall be submitted to arbitration as a whole; all persons who take actions for the same cause or are required to participate in the settlement of such dispute or claim shall agree to arbitration if they are the Company or shareholders, directors, supervisors, general manager or other senior officers of the Company.

Disputes relating to the definition of shareholders and the register of shareholders may be settled by means other than arbitration.

- (II) The applicant for arbitration may file an application for arbitration to the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. After the applicant for arbitration submits any dispute or claim to arbitration, the other party shall be subject to the arbitration in the arbitration institution chosen by the applicant.

If the applicant for arbitration applies for arbitration to the Hong Kong International Arbitration Center, either party may, in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center, request arbitration to be made in Shenzhen.

- (III) Settlement of such dispute or claim as referred to in (I) above by arbitration shall be governed by laws of the People's Republic of China, save as otherwise specified by laws and administrative regulations.
- (IV) The award granted by the arbitration institution shall be final and binding upon both parties. In respect of any arbitration submitted, the arbitration tribunal shall be deemed to have been authorized to hold a public hearing and publish its award.

CHAPTER XVI SUPPLEMENTARY PROVISIONS

Article 315 Interpretation

- (I) "Controlling shareholder" refers to a shareholder the shares held by whom occupy more than fifty percent of the total amount of the Company's share capital or a shareholder who holds less than fifty percent of the same but by whom the voting powers attached to the shares held is enough to impose significant impact on the resolution of the general meeting of shareholders.

- (II) “Actual controller” refers to a person who is able to actually govern the behavior of the Company through investment relations, agreements or other arrangements, although the person is not a shareholder of the Company.
- (III) “Affiliation” refers to the relation between the Company and such affiliate as defined in the listing rules of the place where securities of the Company are listed.

Article 316 The Board of Directors may formulate detailed rules of the articles of association in accordance with the provisions of the Articles of Association. Such detailed rules may not conflict with the Articles of Association.

Article 317 The Articles of Association shall be made in Chinese. In case of any conflict between the version in any other language or a different version and the Articles of Association, the latest version of the Articles of Association in Chinese approved and registered with the competent industrial and commercial registration authority shall prevail. In case of any conflict between the Articles of Association and laws, administrative regulations, other relevant regulatory documents and the listing rules of the place where securities of the Company are listed, the provisions of such laws, administrative regulations, other relevant regulatory documents and the listing rules of the place where securities of the Company are listed shall prevail.

Article 318 The terms “no less than”, “within” and “no more than” used herein shall include the given figure whilst the terms “under”, “beyond”, “below” and “more than” shall exclude the given figure.

Article 319 The Articles of Association shall be construed by the Board of Directors of the Company.