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海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6837)

ANNOUNCEMENT

- (1) PROPOSED INVESTMENT ASSET ALLOCATION OF EQUITY AND NON-EQUITY PRODUCTS**
- (2) PROPOSED GRANT OF GENERAL MANDATE TO AUTHORISE, ALLOT OR ISSUE A SHARES AND/OR H SHARES**
- (3) PROPOSED CHANGE OF JOINT COMPANY SECRETARY**
- (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE FOR BOARD MEETINGS AND RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE AND**
- (5) PROPOSED OVERSEAS LISTING OF HT UNITRUST**

The board (the “**Board**”) of directors (the “**Directors**”) of Haitong Securities Co., Ltd. (the “**Company**”) hereby announces that:

I. PROPOSED INVESTMENT ASSET ALLOCATION OF EQUITY AND NON-EQUITY PRODUCTS

The Board has resolved to propose a resolution regarding the investment asset allocation of equity and non-equity products at the general meeting of the Company. Details are as follows:

With strict control of actual risk exposure, the maximum amount of investment (based on initial investment costs) in proprietary equity securities and their derivatives (including stock repurchase business, same hereinafter) and proprietary non-equity securities shall not exceed 80% and 300% of net capital of the Company (estimation based on the latest assets allocation), respectively. The maximum risk exposure position of the investment in proprietary equity securities shall not exceed RMB34.0 billion, representing 43% of net capital of the Company (estimation based on the latest assets allocation).

The aforementioned investments must be conducted in line with various regulatory requirements. The management of the Company shall be authorised to flexibly allocate fund scale and adjust investment direction within the limit of the maximum amount of the proprietary investment according to market opportunities and the actual conditions of the Company, subject to various regulatory requirements.

The validity period of the aforementioned investment plan and authorisation shall commence on the date of the resolution being approved at the shareholders’ general meeting of the Company and shall end on the date of the resolution being revoked or revised by the shareholders at any shareholders’ general meeting of the Company.

II. PROPOSED GRANT OF GENERAL MANDATE TO AUTHORISE, ALLOT OR ISSUE A SHARES AND/OR H SHARES

The Board has resolved to propose a resolution regarding the grant of the general mandate to authorise, allot or issue A shares of the Company (the “**A Shares**”) and/or H shares of the Company (the “**H Shares**”) at the shareholders’ general meeting of the Company. Details of this general mandate are as follows:

In compliance with the regulations stipulated in the Company Law (the “**PRC Company Law**”) of the People’s Republic of China (the “**PRC**”), the Securities Law of the PRC (the “**PRC Securities Law**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Articles of Association, and subject to the terms and conditions set out in the following provisions (1), (2) and (3), it is proposed that the shareholders’ general meeting grant an unconditional general mandate to the Board to authorise, allot or issue A Shares and/or H Shares (including warrants, convertible bonds and other securities which carry rights to subscribe for or are convertible into shares) separately or concurrently, and to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the aforesaid matters:

- (1) the authorisation is valid for the period from the date of passing of this resolution at the shareholders’ general meeting to approve the grant of such authorisation until whichever is the earliest of:
 - (a) the conclusion of the next annual shareholders’ general meeting of the Company following the passing of this resolution at the shareholders’ general meeting;
 - (b) the expiration of the 12-month period following the passing of this resolution at the shareholders’ general meeting; or
 - (c) the date on which the authorisation set out in this resolution is revoked or varied by a resolution of the shareholders of the Company at any shareholders’ general meeting.

Should the Board, during the validity period of the authorisation, sign the necessary documents, complete the necessary formalities or take relevant steps which might be required to be performed or carried out upon or after the end of the validity period or continued until the end of the validity period, the validity period of the authorisation will be extended accordingly;

- (2) the respective number of the A Shares and/or H Shares which the Board proposes to authorise, allot or issue, or conditionally or unconditionally agrees to authorise, allot or issue (including warrants, convertible bonds and other securities that carry rights to subscribe for or are convertible into shares, which will be calculated based on the aggregate number of shares potentially convertible by them) shall not exceed 20% of the respective number of the A Shares and/or H Shares of the Company in issue as at the date of passing of this resolution at the shareholders’ general meeting;

- (3) the Board shall exercise the authorisation pursuant to the PRC Company Law, the PRC Securities Law and the Hong Kong Listing Rules and all other applicable laws, regulations and requirements of any other government or regulatory authorities and with the approval by CSRC and/or other relevant governmental authorities in the PRC.

With respect to an issue of shares pursuant to the general mandate set out in this resolution, a proposal is made to the shareholders' general meeting to authorise the Board to increase the Company's registered capital corresponding to the number of shares issued under the general mandate, to make amendments to the Articles of Association where applicable and necessary in response to the increase of the Company's registered capital, and to take any other necessary actions and complete any other necessary procedures.

After the Board has obtained the aforesaid general mandate, a proposal is made to the shareholders' general meeting to approve the Board to in turn authorise the chairman and the general manager of the Company to jointly or separately sign, execute, amend, complete and submit all agreements, contracts and documents relating to the recognition, allotment or issuance of shares under the general authorisation, unless otherwise provided by laws and regulations.

III. PROPOSED CHANGE OF JOINT COMPANY SECRETARY

The Board of the Company announces that pursuant to personal career development, Mr. Huang Zhenghong (“**Mr. Huang**”) will cease to act a secretary to the Board, a joint company secretary, a joint authorized representative of the Company (for the purpose of Rule 3.05 of the Hong Kong Listing Rules), as well as the authorized person who receives the password of the e-Submission system of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and for subsequent registration matters with effect from 29 March 2017.

Mr. Huang confirmed that he has no disagreement with the Board and there are no circumstances related to his resignation which need to be brought to the attention of the Stock Exchange and the shareholders of the Company.

The Board also announces that Mr. Jiang Chengjun (“**Mr. Jiang**”) will be appointed as a secretary to the Board, a joint company secretary, a joint authorized representative of the Company (for the purpose of Rule 3.05 of the Hong Kong Listing Rules), as well as the authorized person who receives the password of the e-Submission system of the Hong Kong Stock Exchange and for subsequent registration matters with effect from 29 March 2017 till 30 December 2017 (except for the appointment of a joint company secretary). The proposed appointment of Mr. Jiang as the joint company secretary of the Company shall be subject to the approval granted by the Hong Kong Stock Exchange in respect of a waiver from strict compliance with Rules 3.28 and 8.17 of the Hong Kong Listing Rules. The Company has applied such waiver and will separately make announcement to further update the progress of obtaining of such approval.

Mr. Jiang, born in 1968, graduated from Xiamen University with master's degree in economics in July 1993 and recognized as an economist. Mr Jiang joined the Company in August 2000 and served in various positions in the Company, including a deputy manager in the investment banking department from August 2000 to July 2007, a vice manager (in charge of affairs) in the investment banking department from July 2007 to April 2009, a member of investment banking committee from March 2010 to February 2011, a member of international business coordination committee from February 2011 to March 2014. Mr. Jiang has been a deputy director of investment banking committee of the Company since February 2011 and the manager of investment banking department of the Company since April 2009. Mr. Jiang has been a cadre of Xiamen ITG Group Co., Ltd. from July 1993 to July 1994, a deputy manager of finance and securities department, a manager of investment management and development department, an assistant to general manager, a secretary to the board of directors and a deputy general manager of Xiamen Guotai Enterprises Co., Ltd. (廈門國泰企業股份有限公司) from July 1994 to August 2000.

The Board would like to take this opportunity to thank Mr. Huang for his contribution towards the Company and welcome Mr. Jiang on his new appointment.

IV. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE FOR BOARD MEETINGS AND RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE

The Board has resolved to amend relevant articles in the articles of association of the Company (the “**Articles of Association**”), and to amend the corresponding articles of the Rules of Procedure for Board Meetings of the Company and the Rules of Procedure for the Supervisory Committee of the Company, details of which are set out in Annex I, Annex II and Annex III:

Such amendments to the Articles of Association, the Rules of Procedure for Board Meetings and the Rules of Procedure for the Supervisory Committee will come into effect after being considered and approved at the general meeting of the Company and after approval by securities regulatory authorities. The Board has resolved to propose a resolution at the general meeting of the Company to authorise the Board in turn to authorise the management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved in such amendments, and to make wording adjustments to such amendments according to opinions of regulatory authorities.

A circular containing, among other things, details of the above resolutions, together with the notice of the shareholders' general meeting, will be despatched to the shareholders in due course.

V. PROPOSED OVERSEAS LISTING OF HT UNITRUST

(I) The Overseas Listing of Haitong Unitrust International Leasing Corporation Complies with the Circular on Issues in Relation to Regulating Offshore Listing of Subsidiaries of Domestic Listed Companies

The Board has resolved to submit to the Shareholders' Meeting of the Company for consideration and approval the Proposal that the Overseas Listing of Haitong Unitrust International Leasing Corporation Complies with the *Circular on Issues in Relation to Regulating Offshore Listing of Subsidiaries of Domestic Listed Companies* (《關於規範境內上市公司所屬企業到境外上市有關問題的通知》), the details of which are as follows:

Under the *Circular on Issues in Relation to Regulating Offshore Listing of Subsidiaries of Domestic Listed Companies* (Zheng Jian Fa [2004] No. 67)(the “**Circular**”), issued by the China Securities Regulatory Commission (“**CSRC**”), the Company, as the controlling shareholder of Haitong Unitrust International Leasing Corporation (“**HT UniTrust**”), complies with the following conditions under Article 2 of the Circular:

1. The listed company has been profitable in the latest three years consecutively
2. The businesses and assets in which the listed company has invested with the proceeds from its share issues and fundraisings within the latest three fiscal years was not used as its capital contribution to the subsidiaries for the purpose of applying for overseas listing.
3. The net profits of the subsidiary that the listed company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year did not exceed 50% of the net profit in the consolidated statements of the listed company.
4. The net assets of the subsidiary that the listed company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year did not exceed 30% of the net assets in the consolidated statements of the listed company.
5. There is no competition within the same industry between the listed company and the subsidiary, and they are independent from each other in assets and finance, and have no overlapping management.

6. The share of the subsidiary held by the directors, senior management and related personnel of the listed company and its subsidiaries did not exceed 10% of the total share capital of the subsidiary prior to the overseas listing.
7. The funds or assets of the listed company are not in the possession of the individual, legal person or other organization and their related parties which has the actual controlling power over the company, and there are no major related party transactions that would prejudice the interests of the listed company.
8. The listed company has no acts of major violations of laws or regulations in the latest three years.

In conclusion, the overseas listing of HT UniTrust, a subsidiary of the Company complies with the relevant provisions under the Circular.

(II) The Plan of the Overseas Listing of HT UniTrust

The Board has resolved to submit to the Shareholders' Meeting of the Company for consideration and approval the Proposal in Relation to the Plan of the Overseas Listing of HT UniTrust, the details of which are as follows:

To approve the overseas listing plan of HT UniTrust. Since this is a preliminary plan pending submission to CSRC and the Hong Kong Stock Exchange for consideration and approval, in order to ensure the smooth application process of the overseas listing of HT UniTrust, it will be proposed at the Shareholders' Meeting of the Company that authorization be granted to the Board to determine or adjust the said plan of the overseas listing of HT UniTrust depending on actual circumstances.

The details of the plan of overseas listing of HT UniTrust is as follows:

1. Issuer: HT UniTrust
2. Place of listing: the Main Board of The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**").
3. Type of shares to be issued: Overseas listed foreign invested shares (H shares) to be listed on the Main Board of the Hong Kong Stock Exchange.
4. Par value per share: RMB1.00.
5. Target subscribers: Foreign institutional investors, enterprises and natural persons, qualified domestic institutional investors and other investors qualified under the regulations.
6. Timing of Issuance: The listing will be completed at an optimum market window within the effective period of the resolutions of the restructured HT UniTrust Shareholders' Meeting. The specific issuance date will be determined by the board of directors of the restructured HT UniTrust or the subcommittee thereof as authorized by the restructured HT UniTrust Shareholders' Meeting, taking into account domestic and overseas capital market conditions and approval progress of domestic and overseas regulating authorities.

7. Method of issuance: The issuance will be conducted by way of Hong Kong public offering and international offering. Depending on the international practice and the capital market condition, the international offering may include but is not limit to: (1) offering to qualified institutional buyer (QIBs) in the United States in accordance with Rule 144A (or other exemption) of the Securities Act of 1933 of the United States as amended; (2) offering outside the United States in accordance with Regulation S of the Securities Act of 1933 of the United States as amended.
8. Size of issuance: The initial issuance of H shares will not exceed 25% of the enlarged share capital immediately after issuance (before exercise of the over-allotment option). The lead underwriter(s) shall be granted an over-allotment option of no more than 15% of the said H shares to be issued.
9. Method of pricing: The offer price will be negotiated and determined by the board of directors of the restructured HT UniTrust or a subcommittee thereof as authorized by the HT UniTrust Shareholders' Meeting, together with the lead underwriter(s), after full consideration of the interests of the existing shareholders of HT UniTrust, acceptability to the investors, issuance risk and other circumstances, and taking into account the international practice, the overseas capital market conditions at the time of issuance, the average valuation level of the industry that HT UniTrust operates in, conditions of market subscriptions and the results of overseas road show and book building.
10. Application for the outstanding unlisted foreign shares converting to H shares: On condition that it is in compliance with the regulatory policy and requirement by CSRC and regulatory authority in the place of listing, HT UniTrust will, before the issuance of H shares or after the listing, in accordance with the request of the Company apply to such regulatory authority for converting all or part of those outstanding unlisted foreign shares to overseas listed foreign invested shares (H shares) and listing those shares on the Main Board of the Hong Kong Stock Exchange.

(III) The Undertaking of the Company to Maintain its Independent Listing Status

The Board has resolved to submit to the Shareholders' Meeting of the Company for consideration and approval the Proposal in Relation to the Undertaking of the Company to Maintain its Independent Listing Status, the details of which are as follows:

The Company and HT UniTrust are independent from each other in the aspects of staff, assets, finance, institution, business and others. They have their respective independent accounting systems and independently undertake liabilities and risks.

The overseas listing of HT UniTrust will have no adverse impact on the sustainable operation of the listed company in other business segments, nor will it affect the listed company's ability to maintain its independent listing status and compliance with applicable laws, regulations, rules, normative documents and the requirements set out in the Circular issued by the CSRC. In accordance with the Circular, the Company will engage a securities institution registered with the CSRC as a sponsor institution to act as the financial adviser of the Company and provide financial advice to ensure the continuance of its independent listing status and retaining of sustainable operation ability of the core assets and businesses of the Company after the overseas listing of HT UniTrust, as well as to supervise the Company to maintain its independent listing position.

(IV) The Description of the Sustainable Profitability and Prospects of the Company after Listing of HT UniTrust

The Board has resolved to submit to the Shareholders' Meeting of the Company for consideration and approval the Proposal in Relation to the Description of the Sustainable Profitability and Prospects of the Company after Listing of HT UniTrust, the details of which are as follows:

The overseas listing of HT UniTrust will not have any material effect on the sustainable operation of the Company in other business segments. Through the spin-off listing, HT UniTrust will further accelerate its development by direct financing. Meanwhile, its revenue and profit will be reflected in the consolidated financial statements of the Company, which will benefit the overall financial performance of the Company. The overseas listing of HT UniTrust will allow the Company to allocate more resources to other business segments. In addition, the overseas listing of HT UniTrust will firmly facilitate the strategic upgrade of the listed company, as well as further consolidate the core competitiveness of the Company and promote the sustainable development of the Company.

In conclusion, upon the overseas listing of HT UniTrust, the Company is able to continue to maintain favorable sustainable operation ability and sustainable profitability.

(V) Proposing at the Shareholders' Meeting of the Company to Authorize the Board and Persons Authorized by the Board to Deal with the Overseas Listing Matters of HT UniTrust in Their Sole Discretion

The Board has resolved to submit to the Shareholder's Meeting of the Company for consideration and approval the Proposal for the Shareholders' Meeting to Authorize the Board and Persons Authorized by the Board to Deal with the Overseas Listing Matters of HT UniTrust in Their Sole Discretion.

In accordance with the provisions of the *Company Law of the People's Republic of China* and the *Articles of Association of Haitong Securities Co., Ltd.* and subject to the operational needs of the said offering and listing, authorization is proposed to be granted by the Shareholders' Meeting of the Company to the Board, and to be delegated from the Board to the chairman of the Board and/or the general manager, in dealing with, in their sole discretion, matters regarding the overseas listing of HT UniTrust, including but not limited to:

1. To exercise on behalf of the Company, in their sole discretion, the shareholders' right over HT UniTrust, and to make relevant resolution(s) in relation to the spin-off and overseas listing of HT UniTrust at the Shareholders' Meeting (except for matters that are required to be resolved at the Shareholders' Meeting of the Company pursuant to the laws and regulations).
2. To adjust and change the relevant matters, plans and contents thereof in relation to the overseas listing of HT UniTrust according to the actual circumstances.
3. To authorize the Board and persons authorized by the Board to deal with, in their sole discretion, the matters relating to the submission of spin-off listing application to the Hong Kong Stock Exchange and submission of listing application matters to CSRC and other related regulators in respect of the spin-off and overseas listing of HT UniTrust, including but not limited to submission of the spin-off and listing application to the Hong Kong Stock Exchange, communication with the Hong Kong Stock Exchange in relation to the said spin-off listing application, and making adjustment(s) and change(s) to matters in relation to the spin-off listing of HT UniTrust pursuant to requests by the Hong Kong Stock Exchange.
4. To deal with other specific matters relating to the spin-off and overseas listing, including but not limited to engaging relevant intermediaries, amending, signing, submitting, receiving, announcing and performing agreements, contracts, undertakings and legal documents that involve the Company during the overseas listing process of HT UniTrust, and disclosing relevant information in accordance with applicable regulatory rules.

The term of such authorization is 18 months, commencing from the day on which the proposal is considered and approved at the Shareholders' Meeting.

(VI) Provision of Assured Entitlement Only to the Holders of H Shares of the Company for the Spin-off and Overseas Listing of HT UniTrust

The Board has resolved to submit to the Shareholders' Meeting of the Company, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval the Proposal in relation to the Provision of Assured Entitlement Only to the Holders of H Shares of the Company for the Spin-off and Overseas Listing of HT UniTrust, the details of which are as follows:

Regarding the spin-off and overseas listing of HT UniTrust, pursuant to the requirements under Practice Note 15 of *the Listing Rules* of the Hong Kong Stock Exchange (the “**Practice Note 15**”), the Company shall have due regard to the interests of its existing shareholders by providing the existing shareholders with an assured entitlement to the new shares of HT UniTrust.

Due to the impediments arising from legal and policy perspectives for providing the assured entitlement to existing holders of A shares, the Company is only able to provide the assured entitlement to holders of H shares in the Company in order to comply with the requirements under Practice Note 15 in relation to the spin-off and overseas listing of HT UniTrust.

A circular containing, among other things, details of the above resolutions, together with the notice of the shareholders’ general meeting, will be despatched to the shareholders in due course.

By order of the Board
Haitong Securities Co., Ltd.
ZHOU Jie
Chairman

Shanghai, the PRC
29 March 2017

As at the date of this announcement, our executive directors are Mr. ZHOU Jie and Mr. QU Qiuping; our non-executive directors are Ms. YU Liping, Mr. CHEN Bin, Mr. XU Jianguo, Mr. WANG Hongxiang, Ms. ZHANG Xinmei and Mr. SHEN Tiedong; and our independent non-executive directors are Mr. LIU Cheeming, Mr. XIAO Suining, Mr. LI Guangrong, Mr. ZHANG Ming and Mr. FENG Lun.

* *For identification purpose only*

ANNEX I

Comparison Chart of Amendments to the Articles of Association

Original article	To be amended as	Basis
CHAPTER ONE GENERAL PROVISIONS		
	<p>Add a new article at the end of “CHAPTER ONE GENERAL PROVISIONS”:</p> <p><u>According to the provisions of the Constitution of the Communist Party of China (“CPC”), the Company is required to establish an organization to carry out CPC activities. The Company shall provide necessary conditions to facilitate activities of CPC organization.</u></p> <p><u>CPC organization plays a core political role in the Company. The Board shall take into account the opinions of CPC organization before making decisions on major matters. The Board shall make decision according to study and discussion with CPC organization in respect of major operational and management matters involving the national macroeconomic control measures, national development strategies and national security.</u></p>	<p>Article 19 Company Law of the People’s Republic of China and relevant policy requirements</p>

CHAPTER FIVE DIRECTORS AND THE BOARD OF DIRECTORS

<p>Article 151 The Board exercises the following powers:</p> <ul style="list-style-type: none"> (i) to convene shareholders' general meetings and report its work to the shareholders' general meeting; (ii) to implement the resolutions of shareholders' general meetings; (iii) to decide on the Company's business plans and investment plans; (iv) to formulate the Company's plans on annual financial budgets and final accounts; (v) to formulate the Company's profit distribution plans and plans on making up losses; 	<p>Article 151 The Board exercises the following powers:</p> <ul style="list-style-type: none"> (i) to convene shareholders' general meetings and report its work to the shareholders' general meeting; (ii) to implement the resolutions of shareholders' general meetings; (iii) to decide on the Company's business plans and investment plans; (iv) to formulate the Company's plans on annual financial budgets and final accounts; (v) to formulate the Company's profit distribution plans and plans on making up losses; 	<p>According to Article 7 of the Norms for Overall Risk Management of Securities Companies (《證券公司全面風險管理規範》), "the board of directors of securities companies shall be ultimately responsible for the overall risk management and perform the following duties:</p> <ul style="list-style-type: none"> (i) to push forward the cultivation of the risk awareness culture; (ii) to consider and approve the fundamental system of overall risk management of the company;
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<p>(vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;</p> <p>(vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(viii) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions of the Company within the authorisation of the shareholders' general meeting;</p> <p>(ix) to formulate the implementation plan of the long-term incentives program for the management and employees;</p> <p>(x) to determine the establishment of the Company's internal management structure;</p> <p>(xi) to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager, assistants of general manager and chief financial controller of the Company and to determine their remunerations, incentives and punishments;</p>	<p>(vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;</p> <p>(vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(viii) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions of the Company within the authorisation of the shareholders' general meeting;</p> <p>(ix) to formulate the implementation plan of the long-term incentives program for the management and employees;</p> <p>(x) to determine the establishment of the Company's internal management structure;</p> <p>(xi) to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager, assistants of general manager and chief financial controller, <u>chief information officer and chief risk officer</u> of the Company and to determine their remunerations, incentives and punishments;</p>	<p>(iii) to consider and approve the risk appetite, risk tolerance level and the limit of important risks;</p> <p>(iv) to consider and approve the regular risk assessment reports of the company;</p> <p>(v) to appoint and remove the chief risk officer and determine the remuneration packages thereof;</p>
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<p>(xii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company’s own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;</p> <p>(xiii) to formulate proposals for amendment to the Articles of Association;</p> <p>(xiv) to manage information disclosure of the Company;</p> <p>(xv) to propose at shareholders’ general meetings for the appointment or change of accountants’ firm conducting auditing for the Company;</p> <p>(xvi) to hear the work report and inspect the work of the general manager;</p> <p>(xvii) to consider and approve the fundamental system of compliance management and the compliance reports; responsible for monitoring the implementation of compliance policies;</p>	<p>(xii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company’s own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;</p> <p>(xiii) to formulate proposals for amendment to the Articles of Association;</p> <p>(xiv) to manage information disclosure of the Company;</p> <p>(xv) to propose at shareholders’ general meetings for the appointment or change of accountants’ firm conducting auditing for the Company;</p> <p>(xvi) to hear the work report and inspect the work of the general manager;</p> <p>(xvii) to consider and approve the fundamental system of compliance management and the compliance reports; responsible for monitoring the implementation of compliance policies;</p> <p><u>(xviii) to undertake the ultimate responsibility of comprehensive risk management;</u></p>	<p>(vi) to establish a mechanism for direct communication with the chief risk officer;</p> <p>(vii) to perform other risk management duties stipulated in the articles of association.</p> <p>The board of directors may authorize its special committees in relation to risk management to perform part of its duties in terms of overall risk management.”</p>
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<p>(xviii) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p> <p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p>	<p>(xix) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p> <p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p>	
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**CHAPTER SIX
GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS**

<p>Article 181 The Company shall have one general manager, who shall be appointed and dismissed by the Board.</p> <p>The Company shall have a certain number of deputy general managers to assist the general manager. Their appointment and dismissal are to be nominated by the general manager for approved by the Board.</p> <p>The Company’s general manager, deputy general managers, general manager’s assistant, secretary to the Board, chief financial officer, chief compliance officer and other members who actually perform the aforesaid duties are the Company’s senior management members.</p>	<p>Article 181 The Company shall have one general manager, who shall be appointed and dismissed by the Board.</p> <p>The Company shall have a certain number of deputy general managers to assist the general manager. Their appointment and dismissal are to be nominated by the general manager for approved by the Board.</p> <p>The Company’s general manager, deputy general managers, general manager’s assistant, secretary to the Board, chief financial officer, chief compliance officer, <u>chief information officer, chief risk officer</u> and other members who actually perform the aforesaid duties are the Company’s senior management members.</p>	<p>Actual situations of the Company</p>
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<p>Article 182 The general manager and other senior management members shall have the following qualifications on the job:</p> <ul style="list-style-type: none"> (i) They shall not be prohibited by the laws and administrative regulations to assume office as the senior management member in securities companies; (ii) They shall pass the benchmark test approved by the China Securities Regulatory Commission to qualify as the senior management member; (iii) They shall be a university graduate above the first degree level, or obtain a bachelor degree or higher degree; (iv) They shall be of good character, faithful and honest; (v) They shall be familiar with the laws, administrative regulations, rules and other regulatory documents related to the operation and management of a securities company, and have the operation and management capacity necessary to perform the senior management members' duties; (vi) They shall be licensed to practice in the securities industry; (vii) They shall have three years of experience in the practice of securities operation or five years in the field of finance, law or accountancy; 	<p>Article 182 The general manager and other senior management members shall have the following qualifications on the job:</p> <ul style="list-style-type: none"> (i) They shall not be prohibited by the laws and administrative regulations to assume office as the senior management member in securities companies; (ii) They shall pass the benchmark test approved by the China Securities Regulatory Commission to qualify as the senior management member; (iii) They shall be a university graduate above the first degree level, or obtain a bachelor degree or higher degree; (iv) They shall be of good character, faithful and honest; (v) They shall be familiar with the laws, administrative regulations, rules and other regulatory documents related to the operation and management of a securities company, and have the operation and management capacity necessary to perform the senior management members' duties; (vi) They shall be licensed to practice in the securities industry; (vii) They shall have three years of experience in the practice of securities operation or five years in the field of finance, law or accountancy; 	<p>Actual situations of the Company</p>
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<p>(viii) They shall have at least two years of experience in charge of a department or even of a higher capacity in a securities company or no less than four years in charge of a department or even of a higher capacity in such financial institutions as funds management, futures, banking, insurance and so forth or of comparable management experience.</p> <p>The employment of the general manager and other senior management members shall be null and void if it has violated the provisions of this article. The Company shall remove the incumbent general manager and other senior management members from office if he or they have been found to have the situation under this article.</p> <p>What are stipulated in Article 132 related to the Director's faithful obligations and Article 133(iv)~(vi) related to the diligent obligations are applicable to the senior management members.</p>	<p>(viii) They shall have at least two years of experience in charge of a department or even of a higher capacity in a securities company or no less than four years in charge of a department or even of a higher capacity in such financial institutions as funds management, futures, banking, insurance and so forth or of comparable management experience.</p> <p><u>(ix) Where the laws, regulations and regulatory documents have any other provisions in respect of the qualifications of general manager and other senior management, such provisions shall prevail.</u></p> <p>The employment of the general manager and other senior management members shall be null and void if it has violated the provisions of this article. The Company shall remove the incumbent general manager and other senior management members from office if he or they have been found to have the situation under this article.</p> <p>What are stipulated in Article 132 related to the Director's faithful obligations and Article 133(iv)~(vi) related to the diligent obligations are applicable to the senior management members.</p>	
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<p>Article 191 Directors, general manager, deputy general manager, assistant of general manager, chief financial controller and other senior management members as well as direct relatives and major social relationships thereof shall not hold the position of Supervisors.</p> <p>Prior to their appointment, Supervisors of the Company shall have their qualification be approved by CSRC.</p> <p>In addition to the basic conditions of being a Supervisor, the Chairman of the Supervisory Committee shall possess the following conditions:</p> <ul style="list-style-type: none"> (i) He shall have more than three years of experience in securities, more than five years of experience in finance, laws, or accountancy, or more than ten years of experience in economics; (ii) He shall be a university graduate above the first degree level, or obtain a bachelor degree or higher degree; (iii) He shall pass the benchmark test approved by the China Securities Regulatory Commission. 	<p>Article 191 Directors, general manager, deputy general manager, assistant of general manager, secretary to the Board, chief financial officer, chief compliance officer, chief information officer, chief risk officer and other senior management members as well as direct relatives and major social relationships thereof shall not hold the position of Supervisors.</p> <p>Prior to their appointment, Supervisors of the Company shall have their qualification be approved by CSRC.</p> <p>In addition to the basic conditions of being a Supervisor, the Chairman of the Supervisory Committee shall possess the following conditions:</p> <ul style="list-style-type: none"> (i) He shall have more than three years of experience in securities, more than five years of experience in finance, laws, or accountancy, or more than ten years of experience in economics; (ii) He shall be a university graduate above the first degree level, or obtain a bachelor degree or higher degree; (iii) He shall pass the benchmark test approved by the China Securities Regulatory Commission. 	<p>Actual situations of the Company</p>
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CHAPTER SEVEN THE SUPERVISORY COMMITTEE

Article 199 The Company shall have a Supervisory Committee. The Supervisory Committee shall compose of 13 Supervisors, including representatives of shareholders and representatives of employees, of which the ratio of employees’ representatives shall not be less than one-third. The Supervisory Committee shall have one Chairman and one vice Chairman. The election or removal of the Chairman of the Supervisory Committee and vice Chairman shall be determined by the affirmative votes of two-thirds or more of the members of the Supervisory Committee. Meetings of the Supervisory Committee shall be convened and presided over by the Chairman of the Supervisory Committee. Where the Chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, the vice Chairman of the Supervisory Committee shall convene and preside over the meetings; if the vice Chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, a Supervisor elected by not less than half of the Supervisors shall convene and preside over Supervisory Committee meetings.

In the event that the number of Directors elected by any one of the shareholders of the Company accounts for more than half of the members of the Board, the number of Supervisors elected by him/her shall not exceed one third of the members of the Supervisory Committee.

Article 199 The Company shall have a Supervisory Committee. The Supervisory Committee shall be composed of **at least 11 but not more than 13** Supervisors, including representatives of shareholders and representatives of employees, of which the ratio of employees’ representatives shall not be less than one-third. The Supervisory Committee shall have one Chairman and one vice Chairman. The election or removal of the Chairman of the Supervisory Committee and vice Chairman shall be determined by the affirmative votes of two-thirds or more of the members of the Supervisory Committee. Meetings of the Supervisory Committee shall be convened and presided over by the Chairman of the Supervisory Committee. Where the Chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, the vice Chairman of the Supervisory Committee shall convene and preside over the meetings; if the vice Chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, a Supervisor elected by not less than half of the Supervisors shall convene and preside over Supervisory Committee meetings.

In the event that the number of Directors elected by any one of the shareholders of the Company accounts for more than half of the members of the Board, the number of Supervisors elected by him/her shall not exceed one third of the members of the Supervisory Committee.

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<p>Employee representative Supervisor of the Supervisory Committee shall be admitted to the Supervisory Committee directly after he/she is being elected by the employee representatives assembly.</p>	<p>Employee representative Supervisor of the Supervisory Committee shall be admitted to the Supervisory Committee directly after he/she is being elected by the employee representatives assembly.</p> <p><u>The Supervisory Committee shall comprise a secretary. The secretary of the Supervisory Committee shall be nominated by the Chairman of the Supervisory Committee and appointed by the Supervisory Committee.</u></p>	
<p>Article 200 The Supervisory Committee shall be accountable to the shareholders' general meeting and shall perform the following duties:</p> <ul style="list-style-type: none"> (i) to review the Company's periodical reports prepared by the Board and to express its comments in writing; (ii) to inspect the Company's financial position; (iii) to supervise the establishment and implement of internal control by the Board; (iv) to supervise the behaviors of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meetings; (v) to enquire on the conduct of Directors and senior management members; 	<p>Article 200 The Supervisory Committee shall be accountable to the shareholders' general meeting and shall perform the following duties:</p> <ul style="list-style-type: none"> (i) to review the Company's periodical reports prepared by the Board and to express its comments in writing; (ii) to inspect the Company's financial position; (iii) to supervise the establishment and implement of internal control by the Board; <u>(iv) to conduct supervision on comprehensive risk management of the Company and monitor the diligent performance of the Board and senior management in risk management and recommend their rectification;</u> (v) to supervise the behaviors of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meetings; 	<p>According to Article 8 of the Norms for Overall Risk Management of Securities Companies (《證券公司全面風險管理規範》), "the supervisory committee of securities companies shall be responsible for the supervision of overall risk management to supervise and inspect the diligent performance of duties the board of directors and the management in terms of risk management and recommend their rectification.</p>

<ul style="list-style-type: none"> (vi) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company's interest; (vii) to propose to convene an extraordinary general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting; (viii) to engage an accountant firm qualified for engaging securities related business to conduct the audits on retiring or resigning senior management members; (ix) to propose motions in a shareholders' general meeting; (x) to take legal actions against Directors and senior management members in accordance with Article 152 of the Company Law; (xi) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, to conduct investigations whenever queries or unusual conditions of operation of the Company arises and if necessary, to engage professional personnel such as certified public accountants, practising auditors and lawyers to assist in the investigations; 	<ul style="list-style-type: none"> (vi) to enquire on the conduct of Directors and senior management members; (vii) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company's interest; (viii) to propose to convene an extraordinary general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting; (iv) to engage an accountant firm qualified for engaging securities related business to conduct the audits on retiring or resigning senior management members; (x) to propose motions in a shareholders' general meeting; (xi) to take legal actions against Directors and senior management members in accordance with Article 152 of the Company Law; (xii) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, to conduct investigations whenever queries or unusual conditions of operation of the Company arises and if necessary, to engage professional personnel such as certified public accountants, practising auditors and lawyers to assist in the investigations; 	
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<p>(xii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;</p> <p>(xiii) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.</p>	<p>(xiii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;</p> <p>(xiv) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.</p>	
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ANNEX II

Comparison Chart of Amendments to the Rules of Procedure for Board Meetings

Original article	To be amended as	Basis
<p>Article 2 Duties of the Board</p> <p>The Board exercises the following powers:</p> <p>(i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;</p> <p>(ii) to implement the resolutions of shareholders' general meetings;</p> <p>(iii) to decide on the Company's business plans and investment plans;</p> <p>(iv) to formulate the Company's plans on annual financial budgets and final accounts;</p> <p>(v) to formulate the Company's profit distribution plans and plans on making up losses;</p>	<p>Article 2 Duties of the Board</p> <p>The Board exercises the following powers:</p> <p>(i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;</p> <p>(ii) to implement the resolutions of shareholders' general meetings;</p> <p>(iii) to decide on the Company's business plans and investment plans;</p> <p>(iv) to formulate the Company's plans on annual financial budgets and final accounts;</p> <p>(v) to formulate the Company's profit distribution plans and plans on making up losses;</p>	<p>According to Article 7 of the Norms for Overall Risk Management of Securities Companies (《證券公司全面風險管理規範》), "the board of directors of securities companies shall be ultimately responsible for the overall risk management and perform the following duties:</p> <p>(i) to push forward the cultivation of the risk awareness culture;</p>

<p>(vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;</p> <p>(vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(viii) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions of the Company within the authorisation of the shareholders' general meeting;</p> <p>(ix) to formulate the implementation plan of the long-term incentives program for the management and employees;</p> <p>(x) to determine the establishment of the Company's internal management structure;</p> <p>(xi) to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager, and chief financial controller of the Company and to determine their remunerations, incentives and punishments;</p>	<p>(vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;</p> <p>(vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(viii) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions of the Company within the authorisation of the shareholders' general meeting;</p> <p>(ix) to formulate the implementation plan of the long-term incentives program for the management and employees;</p> <p>(x) to determine the establishment of the Company's internal management structure;</p> <p>(xi) to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager, chief financial controller, <u>chief information officer and chief risk officer</u> of the Company and to determine their remunerations, incentives and punishments;</p>	<p>(ii) to consider and approve the fundamental system of overall risk management of the company;</p> <p>(iii) to consider and approve the risk appetite, risk tolerance level and the limit of important risks;</p> <p>(iv) to consider and approve the regular risk assessment reports of the company;</p> <p>(v) to appoint and remove the chief risk officer and determine the remuneration packages thereof;</p> <p>(vi) to establish a mechanism for direct communication with the chief risk officer;</p> <p>(vii) to perform other risk management duties stipulated in the articles of association.</p>
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<p>(xii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company’s own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;</p> <p>(xiii) to formulate proposals for amendment to the Articles of Association;</p> <p>(xiv) to manage information disclosure of the Company;</p> <p>(xv) to propose at the shareholders’ general meetings for the appointment or change of accountants’ firm conducting auditing for the Company;</p> <p>(xvi) to hear the work report and inspect the work of the general manager;</p> <p>(xvii) to consider and approve the fundamental system of compliance management and the compliance reports; responsible for monitoring the implementation of compliance policies; and</p> <p>(xviii) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p>	<p>(xii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company’s own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;</p> <p>(xiii) to formulate proposals for amendment to the Articles of Association;</p> <p>(xiv) to manage information disclosure of the Company;</p> <p>(xv) to propose at the shareholders’ general meetings for the appointment or change of accountants’ firm conducting auditing for the Company;</p> <p>(xvi) to hear the work report and inspect the work of the general manager;</p> <p>(xvii) to consider and approve the fundamental system of compliance management and the compliance reports; responsible for monitoring the implementation of compliance policies; and</p> <p><u>(xviii) to undertake the ultimate responsibility of comprehensive risk management;</u></p> <p>(xix) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p>	<p>The Board may authorize its special committees in relation to risk management to perform part of its duties in terms of overall risk management.”</p>
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<p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p> <p>When the Board is not in session, the Chairman of the Board shall supervise and examine the execution of resolutions of the Board, and listen to the report of the general manager on the execution of the resolutions of the Board.</p>	<p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p> <p>When the Board is not in session, the Chairman of the Board shall supervise and examine the execution of resolutions of the Board, and listen to the report of the general manager on the execution of the resolutions of the Board.</p>	
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ANNEX III

Comparison Chart of Amendments to the Rules of Procedure for the Supervisory Committee

Original article	To be amended as	Basis
<p>Article 2 Duties of the Supervisory Committee</p> <p>(i) to review the Company’s periodical reports prepared by the Board of Directors (the “Board”)and to express its comments in writing;</p> <p>(ii) to inspect the Company’s financial position. Chief Financial Officer of the Company shall regularly and truthfully report the analysis on financial statements to the Supervisory Committee;</p> <p>(iii) to supervise the establishment and implementation of internal control by the Board;</p> <p>(iv) to supervise the behaviours of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders’ general meetings;</p> <p>(v) to enquire on the conduct of Directors and senior management members;</p> <p>(vi) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company’s interest;</p> <p>(vii) to propose to convene an extraordinary shareholders’ general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders’ general meeting as required by the Company Law, to convene and preside over the shareholders’ general meeting;</p>	<p>Article 2 Duties of the Supervisory Committee</p> <p>(i) to review the Company’s periodical reports prepared by the Board of Directors (the “Board”)and to express its comments in writing;</p> <p>(ii) to inspect the Company’s financial position. Chief Financial Officer of the Company shall regularly and truthfully report the analysis on financial statements to the Supervisory Committee;</p> <p>(iii) to supervise the establishment and implementation of internal control by the Board;</p> <p>(iv) to conduct supervision on comprehensive risk management of the Company and monitor the diligent performance of the Board and senior management in risk management and recommend their rectification;</p> <p>(v) to supervise the behaviours of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders’ general meetings;</p> <p>(vi) to enquire on the conduct of Directors and senior management members;</p> <p>(vii) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company’s interest;</p>	<p>According to Article 8 of the Norms for Overall Risk Management of Securities Companies (《證券公司全面風險管理規範》), “the supervisory committee of securities companies shall be responsible for the supervision of overall risk management to supervise and inspect the diligent performance of duties the board of directors and the management in terms of risk management and recommend their rectification.</p>

<p>(viii) to engage an accountant firm qualified for engaging securities related business to conduct the audits on retiring or resigning senior management members;</p> <p>(ix) to propose motions in a shareholders' general meeting;</p> <p>(x) to take legal actions against Directors and senior management members in accordance with Article 152 of the Company Law;</p> <p>(xi) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;</p> <p>(xii) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination; and</p> <p>(xiii) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.</p>	<p>(viii) to propose to convene an extraordinary shareholders' general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting;</p> <p>(ix) to engage an accountant firm qualified for engaging securities related business to conduct the audits on retiring or resigning senior management members;</p> <p>(x) to propose motions in a shareholders' general meeting;</p> <p>(xi) to take legal actions against Directors and senior management members in accordance with Article 152 of the Company Law;</p> <p>(xii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;</p> <p>(xiii) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination; and</p> <p>(xiv) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.</p>	
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<p>The Supervisory Committee may require the Directors, personnel of manager level and other related personnel to attend meetings of the Supervisory Committee to answer any questions raised by the Supervisory Committee.</p> <p>When the Supervisory Committee investigate the conduct of Directors, personnel of manager level of the Company in the performance of their duties, it may understand the situation through the Directors, personnel of manager level and the other involved personnel of the Company, who should provide assistance.</p> <p>The Supervisory Committee shall carry out his/her compliance management duties in accordance with the requirements of the laws, regulations and the Articles of Association, and shall be responsible for the validity of the compliance management of the Company.</p>	<p>The Supervisory Committee may require the Directors, personnel of manager level and other related personnel to attend meetings of the Supervisory Committee to answer any questions raised by the Supervisory Committee.</p> <p>When the Supervisory Committee investigate the conduct of Directors, personnel of manager level of the Company in the performance of their duties, it may understand the situation through the Directors, personnel of manager level and the other involved personnel of the Company, who should provide assistance.</p> <p>The Supervisory Committee shall carry out his/her compliance management duties in accordance with the requirements of the laws, regulations and the Articles of Association, and shall be responsible for the validity of the compliance management of the Company.</p>	
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