

山東省國際信託股份有限公司  
**Shandong International Trust Co., Ltd.**  
**Articles of Association**

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## Chapter 1 General Provisions

**Article 1.** In order to safeguard the legitimate interests of Shandong International Trust Co., Ltd. (hereinafter referred to as the “Company”), its shareholders, creditors and trustors, regulate the organisation and conduct of the Company, and promote the establishment of a sound corporate governance structure and internal control system of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Trust Law of the People’s Republic of China (hereinafter referred to as the “Trust Law”), the Administrative Measures of Trust Companies, the Guidelines for Governance of Trust Companies, the Standards for Corporate Governance of Banking and Insurance Institutions, the Interim Measures for the Equity Management of Trust Companies, the Special Regulations of the State Council on the Overseas Share Offering and Listing of Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listing Overseas, the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other laws and regulations.

**Article 2.** The Company is a joint stock limited company and a non-bank financial institution established in accordance with the Company Law, the Special Regulations and other relevant laws and administrative regulations of the People’s Republic of China (hereinafter referred to as the “PRC”).

The Company was established by way of promotion on 10 July 2015 and was converted from Shandong International Trust Corporation into a joint stock limited company as approved by the Reply of the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government on Relevant Issues Concerning the Conversion of Shandong International Trust Corporation into a Joint Stock Limited Company (Lu Guo Zi Shou Yi Zi [2015] No. 4), and obtained a new business licence upon change of registration with Shandong Administration for Industry & Commerce on 30 July 2015 according to the Reply of the Shandong Office of China Banking Regulatory Commission on the Change of Name of Shandong International Trust Corporation (Lu Yin Jian Zhun [2015] No. 191) issued by the Shandong Office of China Banking Regulatory Commission (currently, the Shandong Office of China Banking and Insurance Regulatory Commission, hereinafter referred to as the “Shandong Office of CBIRC”) in relation to the change of name of the Company involved in the restructuring of the Company. The unified social credit code of the Company is: 9137000016304514XM.

**Article 3.** Registered Chinese name of the Company: 山東省國際信託股份有限公司

Short name of Chinese name: 山東國信

English name: Shandong International Trust Co., Ltd.

English abbreviation: SITC

**Article 4.** Address of the Company: Partial area of 1/F, 2/F and 13/F, 32-35/F and 40/F, Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province

Postal Code: 250101

Telephone No.: 0531-86566555

Fax No.: 0531-86968708

**Article 5.** The legal representative of the Company is the chairman of the board of directors of the Company (hereinafter referred to as the “Board”).

**Article 6.** The Company is a joint stock limited company in perpetual existence.

The Company is an independent enterprise as a legal person with independent properties and rights therein, which shall enjoy civil rights and bear civil liability in accordance with laws.

All capital of the Company is divided into equal shares. Shareholders shall be liable towards the Company to the extent of the shares they respectively subscribed. The Company shall be liable for its debts to the extent of all of its assets.

**Article 7.** Upon approval by way of a special resolution at the general meeting of the Company and by the Shandong Office of CBIRC, these Articles of Association shall take effect on the date the overseas listed shares of the Company are listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”). The previous Articles of Association of the Company shall lapse automatically.

Upon its effective date, the Articles of Association have become a legally binding document which regulates the organisation and activities of the Company, the rights and obligations between the Company and its shareholders, and the rights and obligations among its shareholders.

**Article 8.** The Articles of Association are legally binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members. Any of the aforesaid persons are entitled to claim rights regarding the affairs of the Company in accordance with the Articles of Association.

Subject to Article 255 of the Articles of Association, in accordance with the Articles of Association, shareholders of the Company may bring actions against the Company and vice versa, and shareholders may bring actions against each other or against the directors, supervisors, general manager and other senior management members of the Company.

The “actions” in the preceding paragraph include court proceedings and arbitration proceedings.

**Article 9.** In light of its business development needs and upon the decision of its internal competent department and the approval of relevant domestic competent authorities, the Company may set up subsidiaries, branches, representative offices and offices at home and abroad in accordance with the laws, regulations, normative documents and the provisions of the Articles of Association.

**Article 10.** Upon the decision of its internal competent department and the approval of relevant domestic competent authorities, the Company may invest in other limited liability companies or joint stock limited companies. The Company shall be liable towards the companies which it invests in to the extent of its respective amount of investment. However, unless otherwise provided by law, the Company shall not be jointly and severally liable to such enterprise for their liabilities as their investor.

## **Chapter 2 Purposes of Business and Scope of Business**

**Article 11.** The Company’s business objectives are: to raise, utilise and carry out scientific management of domestic and overseas capital pursuant to provisions of laws and regulations so as to safeguard the legitimate rights and interests of the Company, shareholders, creditors and trustors; adhering to our principal direction for business development of “wealth management for and on behalf of the trustors”, to deal with trust affairs for the maximum legitimate interests of the beneficiaries under the principles of good faith, credibility, cautiousness and effective management in accordance with the provisions under the trust documents.

**Article 12.** The scope of business of the Company shall be limited to activities approved by the competent authorities regulating the industry the Company operates in and the industry and commerce administration authorities.

The Company may, with the approval by the China Banking and Insurance Regulatory Commission (hereinafter referred to as the “CBIRC”), engage in the following businesses in Renminbi or foreign currencies:

- (i) fund trusts;
- (ii) trusts of movable property;
- (iii) real estate trusts;
- (iv) trusts of marketable securities;
- (v) trusts of other properties or property rights;
- (vi) engaging in fund investment business as the promoter of an investment fund or a fund management company;
- (vii) engaging in business including enterprise asset restructuring, mergers and acquisitions, project financing, corporate finance, financial consulting and others;
- (viii) entrusted securities underwriting business as approved by relevant departments of the State Council;
- (ix) mediation, advising, credit investigation business and others;
- (x) bailment and safe deposit locker facility business;
- (xi) utilisation of proprietary assets by way of deposits at banks and other financial institutions, lending to banks and other financial institutions, loans, leasing and investments;
- (xii) provision of guarantees for other parties with proprietary assets;
- (xiii) engaging in interbank lending business;
- (xiv) other business stipulated by laws and regulations or approved by the China Banking and Insurance Regulatory Commission.

### Chapter 3 Shares, Transfer of Shares and Registered Capital

**Article 13.** There must, at all times, be ordinary shares in the Company; and all shares currently issued by the Company are ordinary shares. Subject to the approval of the approving department authorised by the State Council, the Company may, according to its needs, create other classes of shares.

**Article 14.** The equities of the Company shall be represented by shares. The shares issued by the Company shall each have a par value of Renminbi one yuan. The par value of shares of other classes approved to be issued by the Company, such as preference shares, shall comply with the provisions of relevant laws and regulations.

“Renminbi” aforesaid refers to the lawful currency of the PRC.

**Article 15.** Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

Shares issued in the same tranche and within the same class shall be issued on the same conditions and at the same price. The price payable for each of the shares subscribed by any entity or individual shall be the same.

**Article 16.** Subject to the approval of the relevant competent authorities of the State Council, the Company may issue shares to domestic investors and foreign investors.

“Foreign investors” in the preceding paragraph refer to those investors who subscribe for the shares of the Company and are located in foreign countries and in the Hong Kong Special Administrative Region of the PRC (Hong Kong), Macau Special Administrative Region of the PRC (Macau) and Taiwan. “Domestic investors” refer to those investors who subscribe for the shares of the Company and are located within the territory of the PRC excluding the areas aforesaid.

**Article 17.** Shares which the Company issues to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Shares issued with the approval of authorities authorised by the State Council and listed and traded on an overseas stock exchange with the approval of the overseas securities regulatory authorities shall be referred to as “overseas listed shares”. Holders of domestic shares and holders of overseas listed shares shall be the same as holders of ordinary shares.

“Foreign currencies” in the preceding paragraph refer to the lawful currencies of countries or districts outside the PRC which are recognised by the foreign exchange administration authority of the state and can be used for payments of the shares to the Company.



Overseas listed shares of the Company listed in Hong Kong shall be referred to as “H shares” for short. H shares are shares approved to be listed on Hong Kong Stock Exchange, the par value of which is denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.

**Article 18.** Upon the approval of the competent department, the Company issued a total of 2,000 million ordinary shares to its promoters when the Company was converted into a joint stock limited company.

The promoters have made their contribution with the assessed net assets of Shandong International Trust Corporation as of 30 September 2014, and fully paid up by 10 July 2015. The number of shares held by each of the promoters and the percentage of such shares relative to the total issued ordinary shares of the converted joint stock limited company are as follows:

<b>Name of shareholder</b>	<b>Number of shares held (0,000 shares)</b>	<b>Percentage of the total issued ordinary shares</b>
Shandong Luxin Investment Holdings Group Co., Ltd.	126,041.67	63.02%
CNPC Assets Management Co., Ltd.	50,000.00	25.00%
Shandong High-Tech Venture Capital Co., Ltd.	12,500.00	6.25%
Shandong Gold Group Co., Ltd.	4,583.33	2.29%
Jinan Energy Investment Co., Ltd.	3,437.50	1.72%
Weifang Investment Group Co., Ltd.	3,437.50	1.72%
Total	<u>200,000.00</u>	<u>100%</u>

**Article 19.** The total number of shares of the Company is 4,658,850,000, and the shareholding structure of the Company is as follows: 4,658,850,000 ordinary shares, of which 3,494,115,000 shares are held by the domestic shareholders, representing 75% of the total ordinary shares issued by the Company, and 1,164,735,000 overseas listed shares, representing 25% of the total ordinary shares issued by the Company.

Domestic shares issued by the Company are under centralised depositary of China Securities Depository and Clearing Corporation Limited, whereas overseas listed shares issued by the Company are mainly under the depositary of the custodian company of Hong Kong Securities Clearing Company Limited or held in the name of individual shareholders.

**Article 20.** After the plan for issuing overseas listed shares and domestic shares of the Company has been approved by the competent securities regulatory authority of the State Council, the Board may arrange for implementation of such plan by means of separate issue.

The Company's plan for separate issues of overseas listed shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months from the date of approval by the competent securities regulatory authority of the State Council.

Subject to approval by the securities regulatory authority of the State Council, shareholders of the Company may arrange for the listing and trading of its unlisted shares on the stock exchange outside the PRC. The listing and trading of the above shares on the overseas stock exchanges shall comply with the regulatory procedures, rules and requirements of the overseas securities markets. Approval by the class shareholders' general meeting is not required for the listing and trading of such shares on stock exchange(s) outside the PRC. The domestic shares held by shareholders of the Company which are permitted to be listed and traded overseas shall be converted to overseas listed shares.

**Article 21.** If the Company issues overseas listed shares and domestic shares separately within the total number of shares specified in the offering plan, such issues shall be fully subscribed for once at their respective offerings. If the shares cannot be fully subscribed for once due to extraordinary circumstances, the shares may, subject to the approval of the competent securities regulatory authority of the State Council, be issued in several tranches.

**Article 22.** The registered capital of the Company is RMB4,658,850,000.

**Article 23.** The Company may, upon proposal by the Board, approval at the general meeting and submission to the relevant regulatory authority for approval pursuant to the provisions under the laws and regulations, approve the increase of capital in accordance with the relevant requirements of the Articles of Association and based on the needs of operations and business development.

The Company may increase its capital in the following ways:

- (i) public offering of shares;
- (ii) private placement of shares;
- (iii) placing new shares to its existing shareholders;
- (iv) distributing new shares to its existing shareholders;
- (v) capitalisation of capital reserve; or
- (vi) other ways as permitted by laws and administrative regulations and approved by the competent securities regulatory authorities under the State Council.

The increase in the share capital of the Company by issuing new shares shall be approved in accordance with the Articles of Association and shall be conducted in accordance with the procedures under relevant laws and administrative regulations of the PRC.

The conversion of the convertible bonds issued by the Company into shares will result in the increase in its registered capital, and the convertible bonds shall be converted into shares in accordance with the requirements of relevant laws, regulations, normative documents and the offering document in relation to the convertible bonds.

The Company shall file the registration in relation to such change with the original industry and commerce administration authorities of the Company and publish an announcement upon the increase or reduction in capital.

**Article 24.** Unless otherwise provided by laws, administrative regulations, securities regulatory authority at the place where the shares of the Company are listed, fully paid-up shares of the Company are freely transferable and are not subject to any lien.

To transfer the overseas listed shares listed in Hong Kong, the transferor shall carry out registration at the local stock registration institution entrusted by the Company in Hong Kong.

**Article 25.** All the fully paid-up overseas listed shares that are listed in Hong Kong can be freely transferred in accordance with the Articles of Association. Unless the following requirements are met, the Board may refuse to accept any transfer documents without giving any explanation for such refusal:

- (i) any transfer documents and other documents which are relevant to or which would affect the ownership of the shares have been registered with the fee payable to the Company in accordance with the Hong Kong Listing Rules stipulated by Hong Kong Stock Exchange have been paid;
- (ii) such transfer documents only relate to the overseas listed shares listed on the Hong Kong Stock Exchange;
- (iii) any stamp duty payable on the transfer documents have been duly paid in accordance with the laws of Hong Kong;
- (iv) relevant share certificates and other proof which prove the transferor's right to transfer the shares shall be provided, as the Board may reasonably require;
- (v) there shall only be a maximum of four joint holders in the event that the shares are to be transferred to joint holders;
- (vi) the relevant shares shall not be subject to any lien imposed by the Company.

Where the Board refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of registration of such transfer of shares to the transferor and the transferee within two months from the date of formal application for transferring the shares.

**Article 26.** The Company shall not accept any of its own shares as the subject of a pledge.

**Article 27.** The Company's shares held by the promoters and shareholders whose qualifications are verified by the CBIRC or its local office shall be subject to the restrictive requirements in relation to the transfer of shares as stipulated by the Company Law and CBIRC.

Directors, supervisors and the senior management members of the Company shall declare to the Company their shareholdings in the Company and any change to such shareholdings. The shares of the Company transferable by them during each year of their term of office shall not exceed 25% of their total shareholdings. They shall not transfer the shares of the Company they held within one year from the date of the listing of the Company's shares on a stock exchange, or six months after their resignation from their positions with the Company. If the restrictions on the transfer of shares provided herein relate to overseas listed shares, compliance with the relevant requirements under the Hong Kong Listing Rules and relevant applicable laws and regulations shall be required.

#### **Chapter 4 Reduction of Share Capital and Repurchase of Shares**

**Article 28.** The Company may reduce its registered capital in accordance with the Company Law and other relevant laws, regulations, normative documents and the Articles of Association.

**Article 29.** The Company must prepare a balance sheet and an inventory of assets when it is to reduce its registered capital.

The Company shall notify its creditors within 10 days of the adoption of the resolution to reduce its registered capital and shall publish an announcement in a newspaper at least three times within 30 days. Creditors shall, within 30 days of receiving the notice or within 90 days since the date of the announcement for those who have not received the notice, be entitled to demand the Company to repay its debts in full or to provide a corresponding guarantee for repayment.

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

The Company shall submit an application to the banking regulatory authority for approval when it is to reduce its registered capital.

**Article 30.** The Company may repurchase its issued shares outstanding through statutory procedures in the following circumstances in accordance with the laws, regulations and provisions of the Articles of Association and subject to the approval of the relevant competent authority of the PRC:

- (i) reducing the registered capital of the Company;
- (ii) merging with any other companies that hold shares of the Company;
- (iii) applying the shares to employee share ownership plan or share incentive plan;
- (iv) being requested to repurchase the shares of the Company by the shareholders objecting to the resolutions adopted at the general meeting concerning merger or division of the Company;
- (v) applying the shares to converting convertible corporate bonds issued by the Company;
- (vi) being necessary to maintain the value of the Company and the interests of its shareholders; and
- (vii) other circumstances permitted by laws and administrative regulations.

Other than the abovementioned circumstances, the Company may not purchase or sell its own shares.

**Article 31.** The Company may repurchase its shares in any of the following ways after being approved by relevant competent authorities of the PRC:

- (i) making a repurchase offer pro rata to all shareholders;
- (ii) repurchasing by means of public dealing on a stock exchange;
- (iii) repurchasing by an off-market agreement; or
- (iv) other methods as recognised by relevant regulatory authorities.

Where the Company purchases its shares pursuant to items (iii), (v) and (vi) of Article 30, it shall be conducted through open and centralised transactions.

Where the laws, administrative regulations, departmental rules, provisions of the Articles of Association, and stock exchanges and securities regulatory authorities in the place where the Company's shares are listed have other provisions on the relevant matters involved in the aforementioned share repurchase, the provisions shall prevail.

**Article 32.** Where the Company repurchases its shares by an off-market agreement, the prior approval of general meeting shall be obtained in accordance with the Articles of Association. The Company may terminate or amend a contract entered into in the aforementioned ways or waive its rights thereunder with prior approval by shareholders at general meeting obtained in the same manner.

A contract to repurchase shares referred to in the preceding paragraph includes, but not limited to, an agreement under which the party becomes obliged to repurchase or acquires the right to repurchase shares.

The Company shall not assign a contract to repurchase its shares or any rights thereunder.

For the redeemable shares which can be repurchased by the Company, other than such repurchases made through the stock exchange or by tender, the repurchase price shall be limited to a certain single maximum price. If such repurchases are made by tender, tenders shall be available to all shareholders alike.

**Article 33.** Any share repurchased by the Company under circumstances (i) and (ii) of Article 30 shall be resolved upon by the general meeting. Any repurchase of the shares of the Company under provisions set out in items (iii), (v) and (vi) of Article 30 shall be resolved by the Board's meeting where over two-thirds of the directors are present.

After the Company repurchases its shares pursuant to Article 30, it shall, under the circumstance as mentioned in item (i), cancel the repurchased shares within ten days after the repurchase; while under either circumstance as mentioned in items (ii) or (iv), transfer them or cancel them within six months; while under any of the circumstances as mentioned in items (iii), (v) or (vi), the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue and the Company shall transfer them or cancel them within three years.

Where the Company repurchases its shares, it shall fulfil the obligations of information disclosure pursuant to the Securities Law, Hong Kong Listing Rules and relevant regulations. If the Company cancels the shares as a result of repurchase of such shares, it shall register such change of registered capital with the original company registration authority. The aggregate par value of the cancelled shares shall be deducted from the registered share capital of the Company.

**Article 34.** Unless the Company is in the course of liquidation, it shall comply with the following provisions when repurchasing its issued shares outstanding:

- (i) Where the Company repurchases its own shares at par value, the payment shall be deducted from the book balance of distributable profits of the Company and the proceeds from the new share issue for the purpose of repurchasing the existing shares;
- (ii) Where the Company repurchases shares of the Company at a price higher than the par value, the portion equivalent to the par value shall be deducted from the book balance of the distributable profits of the Company and the proceeds from the new share issue for the purpose of repurchasing the existing shares, and the portion beyond the par value shall be handled as follows:
  - (1) if the shares repurchased were issued at par value, the payment shall be deducted from the book balance of the distributable profits of the Company;
  - (2) if the shares repurchased were issued at a price higher than the par value, the payment shall be deducted from the book balance of the distributable profits of the Company and the proceeds from the new share issue for the purpose of repurchasing the existing shares, provided that the amount deducted from the proceeds from the new share issue shall neither exceed the aggregate premium from the issue of the existing shares repurchased nor shall it exceed the amount in the premium account (or the capital reserve account) at the time of repurchase (including the premiums from the new share issue);
- (iii) Payments for the following purposes shall be made out of the distributable profits of the Company:
  - (1) acquisition of the right to repurchase shares of the Company;
  - (2) modification of any contract to repurchase shares of the Company;
  - (3) release of any of the Company's obligations under any contract to repurchase its shares.
- (iv) after the total par value of the cancelled shares is deducted from the registered capital of the Company in accordance with the relevant requirements, the amount deducted from the distributable profits for the repurchase of shares at par value shall be transferred to the premium account (or the capital reserve account) of the Company.
- (v) for financial treatment involved in share repurchase otherwise provided by the laws, regulations, normative documents and relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed, those requirements shall prevail.

## **Chapter 5 Financial Assistance for Acquisition of the Company's Shares**

**Article 35.** The Company or its subsidiaries shall not offer any financial assistance at any time by any means to purchasers or prospective purchasers of the shares of the Company. Such purchasers of the shares of the Company shall include those who directly or indirectly assume the obligations in relation to the purchase of the shares of the Company.

The Company or its subsidiaries shall not offer any financial assistance to the aforesaid obligor at any time by any means in order to reduce or release the obligations assumed by such person.

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

**Article 36.** The “financial assistance” referred to in this chapter includes (without limitation to) the following meanings:

- (i) gift;
- (ii) guarantee (including the assumption of obligations by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation resulted from the Company's own fault), release or waiver of any rights;
- (iii) provision of loan or entering into a contract under which the obligations of the Company are to be fulfilled prior to the performance of the obligations by another party, and a change in the parties to, and the assignment of rights arising under, such loan or contract; and
- (iv) any other form of financial assistance provided by the Company when the Company is insolvent, has no net assets or when its net assets would thereby be reduced to a material extent.

“Assuming an obligation” referred to in this chapter includes the assuming of obligations (whether assumed individually or jointly with any other persons) by changing of the obligor's financial position by way of entering into a contract, or by making of an arrangement (whether enforceable or not), or by any other means.

**Article 37.** Except as otherwise prohibited by relevant laws, administrative regulations, departmental rules and normative documents, the following activities shall not be deemed to be prohibited for the purpose of Article 35 of this chapter:

- (i) the provision of financial assistance by the Company is given in good faith and in the interest of the Company, and the principal purpose in providing the financial assistance is not for the purchase of the shares of the Company, or the provision of the financial assistance is an incidental part of a master plan of the Company;



- (ii) the lawful distribution of the Company's assets as dividends;
- (iii) the allotment of shares as dividends;
- (iv) a reduction of registered capital, a repurchase of shares or a reorganisation of the share capital structure effected in accordance with the Articles of Association;
- (v) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company); and
- (vi) the provision of money by the Company for an employee shareholding scheme (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 of the Company).

## **Chapter 6 Share Certificates and Register of Members**

**Article 38.** Share certificates of the Company shall be in registered form.

Share certificates of the Company shall state clearly the following items:

- (i) name of the Company;
- (ii) incorporation date of the Company;
- (iii) class of shares, par value and the number of shares so represented;
- (iv) stock code;
- (v) other items required by the Company Law, the Special Regulations and the stock exchange on which the shares of the Company are listed.

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

During the period when the H shares are listed on Hong Kong Stock Exchange, the Company must ensure that all of the documents (including H share certificates) relating to the title to the securities listed on the Hong Kong Stock Exchange include the statements as follows. The Company shall instruct and procure its share registrars not to register the subscription, purchase or transfer of shares in the name of any individual holder unless and until such individual holder submits such duly executed forms to the share registrars which shall include the statements as follows:

- (i) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have reached in complying with and be in accordance with the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.
- (ii) the purchaser of the share agrees with the Company, each of the shareholders, directors, supervisors, general manager and other senior management members of the Company, and the Company when acting on behalf of itself and each director, supervisor, general manager and other senior management members agree with each shareholder, that all of the disputes and claims arising from the Articles of Association, or disputes or claim of rights arising from any rights and obligations stipulated in the Company Law and other relevant laws and administrative regulations in the PRC and relevant to the affairs of the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award which is final.
- (iii) the purchaser of the share, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.
- (iv) the purchaser of the share authorises the Company to reach an agreement on his behalf with each of the directors, general manager and other senior management members that such directors, general manager and other senior management members undertake to comply with and perform their duties to the shareholders in accordance with the Articles of Association.

**Article 39.** Share certificates shall be signed by the chairman of the Board. In case the general manager and other senior management members of the Company are required to sign under the requirements of the stock exchange on which the shares of the Company are listed, the share certificates shall also be signed by such persons. The signature on share certificates by the chairman of the Board, general manager or other relevant senior management members of the Company could also be made in printed form. The share certificates shall be effective upon the affixture of the Company's seal or the affixture of the securities seal in printed form. Authorisation from the Board shall be obtained for the affixture of the Company's seal on the share certificates.

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

**Article 40.** The Company shall maintain a register of members which sets out the following information:

- (i) the name, address (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 number 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 members shall be the sufficient evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.

**Article 41.** The Company may, pursuant to the mutual understanding and agreement made between the competent securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agency(ies) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a copy of the register of holders of overseas listed shares in the domicile of the Company. Overseas agency so engaged shall at any time ensure the consistency between the original copy and the copy of the register of holders of overseas listed shares.

If there is any discrepancy between the original copy and the copy of the register of holders of overseas listed shares, the original copy shall prevail.

**Article 42.** The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (i) the register of members maintained in the domicile of the Company other than those described in items (ii) and (iii) of this article;
- (ii) the register of holders of overseas listed shares maintained in the place of overseas stock exchange where the shares of the Company are listed; and

- (iii) the register of members maintained in other places as the Board may consider necessary for the purpose of the listing of the shares of the Company.

**Article 43.** Different parts of the register of members shall not overlap. No transfer of any shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register.

Alternations or amendments on any part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.

**Article 44.** The transfer of the overseas listed shares listed in Hong Kong shall be effected by transfer documents in a normal or ordinary form or any other transfer documents in writing accepted by the Board (including standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time); transfer documents may be signed by hand only or under seal (if the transferor or transferee is a company). If the transferor or transferee is a recognised clearing house (hereinafter referred to as the “Recognised Clearing House”), as defined by relevant ordinances applicable from time to time in accordance with the laws of Hong Kong, or its attorney, the transfer form may be signed by hand or printed by machine.

All of the transfer documents shall be deposited in the domicile of the Company or at such other place as specified by the Board from time to time.

**Article 45.** Where the laws, administrative regulations, departmental rules, other normative documents and the securities regulatory authorities of the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders prior to the convening of a general meeting or on the base date for distribution of dividends determined by the Company, such requirements shall prevail.

**Article 46.** Whenever the Company convenes a general meeting, distributes dividends, liquidates or engages in other acts requiring the confirmation of shareholding, a date shall be determined by the Board or the convener of the general meeting as the determination date for the registration of shareholdings, and upon the closing of market on such date, those shareholders whose names appear in the register of members shall be the shareholders entitled to the relevant interests.

**Article 47.** Any person who has an objection to the register of members and requests to have his/her/its name entered in or removed from the register of members may apply to the court of competent jurisdiction for rectification of the register of members.

**Article 48.** Any shareholder registered in the register of members or any person requesting for the registration of his/her/its name in the register of members may apply to the Company to reissue new share certificate for his/her/its respective shares (i.e. “relevant shares”) if his/her/its original share certificate (i.e. “original share certificate”) is lost.

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

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

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

- (i) The applicant shall submit his/her/its application in the standard form prescribed by the Company with the notarial certificate or statutory declaration documents attached. The notarial certificate or statutory declaration documents shall include the ground for application, circumstances and evidences of the loss of share certificate, as well as a declaration that no other person may request for the registration as the holder of the relevant shares.
- (ii) Before the Company makes the decision on the reissuance of new share certificate, no declaration of the request for the registration as holders of such shares by any person other than the applicant has been received.
- (iii) In case the Company decides to reissue new share certificate to the applicant, an announcement of such reissuance shall be published on the newspapers designated by the Board at least every 30 days within a period of 90 days.
- (iv) Before the Company publishes the announcement of the reissuance of new share certificate, a copy of the announcement proposed to be published shall be submitted to the stock exchange of the place where the shares are listed. Upon the receipt of response from such stock exchange that confirms that such announcement has been exhibited in the premises of the stock exchange, the announcement may be published. Such announcement shall be exhibited in the premises of the stock exchange for a period of 90 days.

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

- (v) Upon the expiration of 90 days period of the announcement and exhibition referred to in items (iii) and (iv) of this Article, if no objection on the replacement of the share certificate has been received by the Company, a new share certificate may be issued pursuant to the applicant's application.
- (vi) When the Company reissues new share certificate pursuant to this Article, the original share certificate shall be cancelled immediately, and such cancellation and replacement shall be registered in the register of members.
- (vii) All costs for the cancellation of the original share certificate and the reissuance of new share certificate incurred shall be borne by the applicant. Until the applicant provides any reasonable guarantee, the Company shall be entitled to refuse to take any action.

In the event that the Company is authorised to issue anonymous warrant, no new warrant shall be issued to replace the lost original warrant unless the Company is convinced that the original warrant has been destroyed beyond reasonable doubt.

**Article 49.** After the reissuance of a new share certificate by the Company pursuant to the Articles of Association, the name of the bona fide purchaser acquiring the aforesaid new share certificate or of the person subsequently registered as the owner of such shares (in the case that he/she/it is a bona fide purchaser) shall not be removed from the register of members.

**Article 50.** The Company has no obligation to compensate for those who suffer loss from cancellation of original share certificates or reissuance of new share certificates unless they can prove that the Company has engaged fraudulent conduct.

**Article 51.** Any transfer of shares by a shareholder of the Company shall be subject to the approval from the CBIRC or its local office, except those who individually or jointly hold with related parties the outstanding shares of the Company representing less than 5% of the total number of shares of the Company.

Where the shares held by a shareholder of the Company exceeds 5% of the total number of shares of the Company, such shareholder shall report to the Company in writing on the date of occurrence of such fact.

If, in the absence of the prior approval of the banking regulatory authorities, the number of shares held by a shareholder is equal to or in excess of 5% of the total number of the issued shares of the Company (hereinafter referred to as the "excess shares"), prior to the approval of the banking regulatory authorities, such shareholder holding the excess shares shall be subject to the necessary restrictions provided in item (xii) of the Article 56 of the Articles of Association when exercising the shareholders' right in respect of the excess shares as stipulated in the Article 53 of the Articles of Association.

Notwithstanding the foregoing provisions, shareholders holding the excess shares shall not be subject to any restriction when exercising other rights as stipulated in the Article 53 of the Articles of Association. If a shareholder holding the excess shares fails to obtain the approval from the banking regulatory authorities, such shareholder must transfer such excess shares within the period prescribed by the banking regulatory authorities.

## **Chapter 7 Rights and Obligations of Shareholders**

**Article 52.** A shareholder of the Company is a person who lawfully holds the shares of the Company and whose name appears in the register of members.

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

If a shareholder of the Company is a legal entity, the rights shall be exercised by its legal representative or the agent of such legal representative.

In the case of the holders of overseas listed shares, where two or more persons are registered as the joint holders of any share(s), they shall be deemed as the joint owners of such share(s), provided that:

- (i) the Company shall not register more than four persons as the joint holders of any share(s);
- (ii) all the joint holders of any share(s) shall be jointly and severally liable for payment of all amounts payable for such share(s);
- (iii) if one of the joint shareholders is deceased, only the other surviving persons among the joint shareholders shall be regarded as the title owners of relevant shares of the Company, provided that the Board shall have the right to require such persons to provide a certificate of death deemed appropriate by the Board for the purpose of amending the register of members;

- (iv) for joint shareholders of any shares, only the joint shareholder whose name appears first in the register of members has the right to receive the share certificate of the relevant shares from the Company and to receive notices of the Company, and any notice served on such shareholder shall be deemed as having been served on all joint shareholders of the relevant shares. Anyone of the joint shareholders may sign the proxy form; only if there is more than one joint shareholder who attend the meeting either in person or by proxy, the vote tendered by the joint shareholder of higher priority attends either in person or by proxy shall be accepted as the sole vote which represents the rest of joint shareholders. For this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding of the relevant shares.

With regard to the joint shareholders of any shares, if the Company pays distribution or allotment such as dividend, bonus or return on capital that should be paid to the joint shareholders to any one shareholder among the joint shareholders, the payment shall be regarded as having paid the aforesaid distribution or allotment to all the joint shareholders of the relevant shares.

**Article 53.** Holders of ordinary shares of the Company shall be entitled to the following rights:

- (i) the right to receive dividends and other forms of distributions in proportion to their shareholdings;
- (ii) the right to attend or appoint a proxy to attend general meetings and to exercise voting rights;
- (iii) the right to supervise and manage the Company's business operations, and to put forward proposals or raise queries;
- (iv) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (v) the right to obtain relevant information in accordance with the Articles of Association, including:
  - (1) the right to obtain a copy of the Articles of Association, subject to payment for costs for such copy;
  - (2) the right to inspect and copy, subject to payment of a reasonable fee:
    - 1. all parts of the register of members;



2. personal particulars of each of the Company's directors, supervisors, general manager and other senior management members, including:
  - (a) present and former names and alias;
  - (b) principal address (place of residence);
  - (c) nationality;
  - (d) primary and all other part-time occupations and duties;
  - (e) identification documents and the numbers thereof.
- (3) the status of the Company's share capital;
- (4) reports showing the aggregate par value, total number, highest and lowest price paid in respect of each class of Shares repurchased by the Company since the last fiscal year as well as the aggregate amount of fee paid by the Company for such purpose;
- (5) minutes of general meetings, special resolutions, resolutions of the meetings of the Board and resolutions of the meetings of the board of supervisors;
- (6) financial and accounting reports and reports of the Board, auditors and board of supervisors;
- (7) counterfoils of the bonds of the Company.

Any shareholder demanding inspection of the relevant information or copies of the materials mentioned above shall provide the Company with written documents evidencing the class and number of shares held by him/her, and the Company shall provide such information as requested by the said shareholder upon verification of the identity of the shareholder.

- (8) copies of the latest annual inspection report submitted to the Administration of Industry and Commerce of the PRC or other competent authorities for record purposes.

The Company shall place the documents referred to in items (1) to (8) mentioned above and any other applicable documents at the Company's address in Hong Kong in accordance with the requirements of the Hong Kong Listing Rules for inspection by the public and holders of overseas listed shares free of charge while minutes of general meetings are for inspection by shareholders only.

Upon request of any shareholder for a copy of the relevant meeting minutes, the Company shall deliver the copy within seven days upon receipt of reasonable charges.

- (vi) the right to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (vii) the right to require the Company to buy their shares in the event of the shareholders objecting to resolutions adopted by the general meeting concerning merger or division of the Company; and
- (viii) other rights stipulated by laws, regulations, normative documents and the Articles of Association.

If any person directly or indirectly holding interest in the Company exercises his/her/its right attached to the shares of the Company without disclosing such interest to the Company, the Company shall not impair such person's right attached to the shares of the Company by freezing it or in any other ways.

**Article 54.** Where a shareholder requests to inspect relevant information or obtain relevant materials pursuant to item (v) in Article 53 of the Articles of Association, such shareholder shall first submit a written request to the Company together with written documents evidencing his/her shareholding in the Company and the number of shares held by such shareholder, and the Company shall provide at the request of such shareholder the above information upon verification of identity of such shareholder.

**Article 55.** If a resolution of a general meeting or a Board resolution violates the laws or regulations, a shareholder shall have the right to submit a petition to the court to render the same as invalid.

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

If the Company has completed the registration for such change pursuant to a resolution of a general meeting or a Board resolution, the Company shall apply to such registration authority for cancelling the registration for such change after a people's court has declared that such resolution is invalid or has rescinded such resolution.

**Article 56.** Holders of ordinary shares of the Company shall assume the following obligations:

- (i) to abide by laws, administrative regulations, regulatory requirements and the Articles of Association;
- (ii) to pay subscription monies according to the number of shares subscribed by them and the methods of subscription;
- (iii) not to withdraw their contributed share capital or demand the Company to repurchase the shares held by them unless in such circumstances as stipulated by the laws and regulations;
- (iv) to use their proprietary funds from legitimate sources to invest in the Company, and not to use entrusted funds, debt funds or other non-proprietary funds to invest in the Company, unless otherwise provided by the laws, regulations or regulatory system;
- (v) comply with the regulatory provisions in respect of the shareholding ratio and the number of institutions holding the shares and not to entrust others or accept entrustment from others to hold the shares in the Company;
- (vi) truthfully inform the Company of their financial information, shareholding structure, sources of funds to invest, controlling shareholders, de facto controllers, related parties, parties acting in concert, ultimate beneficiaries and investments in other financial institutions, etc. in accordance with the laws, regulations and regulatory provisions;
- (vii) if there is a change in the controlling shareholders, de facto controllers, related parties, parties acting in concert or ultimate beneficiaries of a shareholder, the relevant shareholder shall inform the Company of the change in writing in a timely manner in accordance with the laws, regulations and regulatory provisions;
- (viii) if a shareholder undergoes a merger or division, is subject to an order for business suspension and measures involving designated custody, receivership, revocation, or enters into dissolution, liquidation or bankruptcy proceedings, or if there is a change in its legal representative, company name, business premises, business scope or other material matters, such shareholder shall inform the Company in writing of the relevant circumstances in a timely manner in accordance with the laws, regulations and regulatory provisions;

- (ix) if the Company's shares held by a shareholder are involved in litigation, arbitration, legal compulsory measures taken by judicial authorities, etc., or are pledged or released from a pledge, such shareholder shall inform the Company of the relevant information in writing in a timely manner in accordance with the laws, regulations and regulatory provisions;
- (x) shareholders who transfer or pledge their shares in the Company, or enter into related party transactions with the Company, shall comply with the laws, regulations and regulatory provisions, and shall not prejudice the interests of other shareholders and the Company;
- (xi) shareholders, their controlling shareholders and de facto controllers shall not abuse their shareholders' rights or use their affiliation to impair the legitimate interests of the Company, other shareholders and stakeholders; not interfere with the decisionmaking and management rights of the Board and senior management in accordance with the Articles of Association; not bypass the Board and senior management to directly interfere with the operation and management of the Company; and not abuse the independent legal person status of the Company and the limited liability of shareholders to impair the interests of any creditor of the Company; shareholders of the Company shall be jointly and severally liable for the debts of the Company if such shareholders abuse the independent legal person status of the Company and the limited liability of shareholders and evade the repayment of debts, resulting in material damages to the interests of any creditor of the Company.

If a shareholder of the Company abuses its shareholder's rights and thereby causes losses to the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law.

- (xii) Any shareholder who should obtain approval from the regulatory authority but did not do so, or who fails to report to the regulatory authority, shall be forbidden to exercise, inter alia, the right to request for convening a general meeting, voting right, nomination right, motion right and disposal right.
- (xiii) For any shareholder who makes false representation, abuses shareholder's rights or commits other acts which are detrimental to the interests of the Company, CBIRC or its local offices may, inter alia, restrict or prohibit the Company from entering into related party transaction with such shareholder, limit the ratio of equity interest held by such shareholder in the Company, and may, inter alia, restrict his/her/its right to request for convening a general meeting, his/her/its voting right, nomination right, motion right and disposal right.
- (xiv) in the event of a risk event or material non-compliance by the Company, shareholders shall cooperate with the regulatory authorities in investigation and risk disposal;
- (xv) to assume such other obligations as required by the laws, regulations, normative documents, regulatory provisions and the Articles of Association.

Shareholders shall not be liable to make any further contributions to the share capital other than the conditions agreed by the subscribers at the time of share subscription.

The Company shall establish a corresponding loss absorption and risk prevention mechanism in case of major risks by formulating recommendations on the recovery plan and the disposal plan.

In the event that the Company encounters difficulties in its operation and requests for support from substantial shareholders, the substantial shareholders shall be obligated to provide the Company with necessary liquidity support. In the event of insufficient capital or other circumstances affecting the stable operation of the trust company, the substantial shareholders shall perform the undertakings made at the time of subscription and provide capital to the trust company by means of capital increase. Any substantial shareholder who fails to fulfil his/her commitments or is unable to fulfil his/her commitments due to shareholder qualification, he/she shall agree with other shareholders or qualified investors to adopt a reasonable plan to increase capital. The substantial shareholders shall also comply with other relevant requirements and regulations of the banking regulatory authorities regarding the obligations of substantial shareholders.

**Article 57.** Holders of ordinary shares of the Company shall be prohibited from engaging in the following acts:

- (i) false investment, overstated contribution and withdrawal of capital or withdrawal of capital in disguised form;
- (ii) to make use of the positions of shareholders to seek improper interests;
- (iii) to interfere with the daily management of the Company, either directly or indirectly;
- (iv) to request the Company to make a commitment on minimum return or dividend;
- (v) to request the Company to provide guarantee for him/her;
- (vi) to carry out related party transactions with the Company in violation of regulations;
- (vii) misappropriation of proprietary assets or trust assets of the Company;
- (viii) to dispose of its investment in the form of share custody, trust documents, confidential agreements, etc., except the holders of ordinary shares of the Company whose qualifications are not verified by the CBIRC of its local office;
- (ix) other acts that harm the legitimate interests of the Company, other shareholders and beneficiaries.

**Article 58.** A shareholder whose qualifications are verified by the CBIRC or its local office shall notify the Company in writing within 15 working days from the date of occurrence of any of the following events:

- (i) that the shares of the Company he/she/it holds are under preservative measures or other enforcement measures;
- (ii) to pledge the trust company's equity or establish trust and other financial products with equity and his/her/its rights to receive benefit (income) in violation of the commitments;
- (iii) to pledge the equity of the shareholder's company by his/her/its controlling shareholders and de facto controllers or establish trust and other financial products with the equity of the shareholder's company and his/her/its rights to receive benefit (income);
- (iv) that there are difficulties to complete the relevant procedures for equity changes within the legal time limit after obtaining the administrative permits from the banking regulatory and administrative authorities under the State Council or their local offices to change the equity or adjust the shareholding structure;
- (v) to changes his/her/its name;
- (vi) to engage in any merger or division;
- (vii) any other circumstances that may affect the qualifications and conditions of shareholders or lead to changes of the shares of the Company he/she/it holds.

**Article 59.** Where the substantial shareholders of the Company, their controlling shareholders and de facto controllers are prohibited from being the substantial shareholders of the trust company, such substantial shareholders shall notify the Company in writing within 15 working days from the date of occurrence of the relevant circumstances. The details are as follows:

- (i) having a large number of affiliates and a complex or insufficiently transparent equity ownership structure, and frequently engaging in unusual related party transactions;
- (ii) being listed as a target of joint punishment for dishonesty by relevant authorities;
- (iii) any record of inappropriate investment in the open market;
- (iv) frequently changing their equities or de facto controllers;

- (v) committing any act of seriously evading or cancelling the due debts;
- (vi) providing false materials or making misstatements, or having invested in the trust industry and providing false materials or making misstatements;
- (vii) assuming major responsibility for business failure or major violation of laws and regulations of the trust company invested before, or assuming major responsibility for business failure or major violation of laws and regulations of other financial institutions invested before within five years;
- (viii) failing to actually carry out business for a long period of time, suspending their business or undergoing bankruptcy liquidation, or having guarantee, litigation, arbitration or other significant matters that may seriously affect their sustained operation;
- (ix) rejecting or obstructing financial management departments from implementing regulation in accordance with the laws;
- (x) having been investigated and punished by any financial management department or relevant government department for violation of laws and regulations which resulted in adverse impact;
- (xi) other circumstances that may have a material adverse impact on the performance of shareholders' responsibilities or on the Company.

Where the controlling shareholders or de facto controllers of the Company's substantial shareholders change, the substantial shareholders shall provide the Company with relevant materials accurately and completely within 15 working days after such change, including the background of the change, the changed controlling shareholders, de facto controllers, related parties, parties acting in concert, ultimate beneficiaries and other information, as well as the explanation on whether the controlling shareholders and de facto controllers have any of the circumstances specified in the preceding paragraphs.

The substantial shareholders of the Company shall report their capital replenishment capacity to the banking regulatory and administrative authorities under the State Council or their local offices through the Company on an annual basis.

**Article 60.** A shareholder who voted against the resolution of the general meeting may request the Company to purchase his/her/its shares at a reasonable price, under any of the following circumstances:

- (i) the Company's failure to distribute profits to shareholders for five consecutive years, while it has recorded profits for those five years and meets the conditions for profit distribution as stipulated under the laws;
- (ii) merger, division and transfer of material assets of the Company;
- (iii) the occurrence of the event that leads to dissolution of the Company as prescribed in the Articles of Association, and the general meeting approving a resolution to amend the Articles of Association so as to maintain the Company's existence.

A shareholder may bring a lawsuit before a people's court within 90 days from the date of approval of the resolution by the general meeting, if such shareholder fail to reach an agreement on share purchase with the Company within 60 days from the date of approval of the resolution by the general meeting.

**Article 61.** Shareholders and the Company shall be strictly separated in terms of business, personnel, assets, finance, office and other aspects, and shall carry out independent operation and independent auditing and undertake their own responsibility and risk.

**Article 62.** Shareholders shall not pledge their holding of equity interests of the Company or establish trust and other financial products with the equity and their rights to receive benefits (income), except under special circumstances such as risk disposal or takeover measures taken by the banking regulatory and administrative authorities under the State Council or their local offices. Investors and their related parties or parties acting in concert who, individually or jointly, hold the listed and circulating shares of the Company and whose total shareholding does not reach 5% of the total shares of the Company shall not be subject to the provisions of the preceding paragraph of this Article.

**Article 63.** The controlling shareholders (as defined in the article below) owe fiduciary duty to the Company and public shareholders of the Company. The controlling shareholders shall strictly comply with laws, regulations, normative documents and the Articles of Association when exercising their rights as investors, and shall neither harm the legitimate interests of the Company and public shareholders of the Company by means of profit distribution, asset restructuring, external investments, funds retention, guarantee on borrowings and other schemes to act in detriment to the lawful rights and interests of the Company and the public shareholders, nor exploit their controlling position to gain improper benefits, or cause detriment to the legitimate interests of the Company and public shareholders.



In addition to obligations imposed by laws, administrative regulations or relevant requirements of the listing rules of the securities regulatory authority at the place where the shares of the Company are listed, the controlling shareholders, when exercising his/her rights as a shareholder, shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders:

- (i) to relieve the obligations of directors and supervisors to act honestly in the best interest of the Company;
- (ii) to approve the expropriation by directors and supervisors (for the interest of themselves or others), by any means, of the Company's assets, including (without limitation to) opportunities advantageous to the Company;
- (iii) to approve the expropriation by directors and supervisors (for the interest of themselves or others) of the individual rights of other shareholders, including (without limitation to) rights to distribution and voting rights, save for restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision, thus resulting in damage to the Company, they shall be liable for such damages.

**Article 64.** "Controlling shareholders" referred to in the preceding article shall be any person who meets any of the following conditions:

- (i) a person who when acting alone or in concert with others may elect not less than half of the directors;
- (ii) a person who when acting alone or in concert with others may exercise 30% or more of the voting rights of the Company or may control the exercise of 30% or more of the voting rights of the Company;
- (iii) a person who when acting alone or in concert with others holds 30% or more of the outstanding shares of the Company in issue;
- (iv) a person who when acting alone or in concert with others is in de facto control of the Company by other ways.

The "acting in concert" referred to in this article means that two or more persons reach an agreement (whether orally or in writing) to obtain voting rights of the Company by any of them so as to obtain or strengthen the control of the Company.

## Chapter 8 General Meeting

**Article 65.** The general meeting of the Company consisting of all shareholders is the organ of authority of the Company and shall exercise functions and powers in accordance with the Company Law and other laws, regulations, the Hong Kong Listing Rules and the Articles of Association.

**Article 66.** The general meeting shall exercise the following functions and powers:

- (i) to decide on the Company's operating policies, strategic development plans and investment plans;
- (ii) to elect and replace the directors and decide on remuneration matters of directors;
- (iii) to elect and replace shareholder representative supervisors and external supervisors and decide on remuneration matters of supervisors;
- (iv) to consider and approve the reports of the Board;
- (v) to consider and approve the reports of the board of supervisors;
- (vi) to consider and approve the annual financial budgets and final accounts of the Company;
- (vii) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (viii) to adopt a resolution on the increase or decrease in the registered capital of the Company;
- (ix) to adopt a resolution on matters including the merger, division, dissolution, liquidation or conversion of the corporate form of the Company;
- (x) to adopt a resolution on issuing bonds by the Company;
- (xi) to adopt a resolution on the engagement, dismissal or replacement of accounting firm of the Company;
- (xii) to make amendments to the Articles of Association;

- (xiii) to consider major equity investment, investment of debentures, purchases of assets, disposal of assets, writing off of assets and external guarantees in the course of proprietary business that requires the approval from the general meeting pursuant to the laws, regulations and listing rules of the listing place;
- (xiv) to consider and approve share incentive plans;
- (xv) to consider related party transactions which are required by the laws and securities regulations of the place where the Company's shares are listed to be considered and approved by the general meeting;
- (xvi) to consider any matters proposed by shareholders, individually or in aggregate, representing 5% or more of the shares of the Company with voting rights;
- (xvii) to consider and approve the Procedural Rules for the General Meeting, the Procedural Rules for the Board of Directors and the Procedural Rules for the Board of Supervisors;
- (xviii) other matters which are required by the laws, administrative regulations, the listing rules of the listing place and the Articles of Association to be resolved by the general meeting.

The above matters which are within the scope of authority of the general meeting shall be considered and approved by the general meeting. The general meeting shall be clear and specific with regard to the contents authorised to the Board. The general meeting may authorise the Board to decide on specific matters related to the matters to be resolved that cannot or need not be decided immediately at the general meeting under necessary, reasonable and lawful circumstances, except for the authority of the general meeting which shall not be delegated to the Board under the laws, regulations and regulatory provisions. Matters which are subject to approval by the CBIRC or its local office shall not take effect unless such approvals are duly obtained.

**Article 67.** The Company shall not, without the prior approval of general meeting, enter into any contract with any person, other than a director, supervisor, general manager and other senior management members of the Company, whereby the Company delegates the management and administration of all the business or principal business of the Company to such person.

**Article 68.** General meetings include annual general meetings and extraordinary general meetings. An annual general meeting shall be convened once each year and within six months from the end of the preceding fiscal year.

**Article 69.** An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (i) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (ii) the outstanding loss of the Company has reached one-third of the total paid-up capital;
- (iii) shareholders who individually or jointly hold 10% or more of the shares of the Company have requested to convene the extraordinary general meeting in writing;
- (iv) the Board deems it necessary to convene the meeting;
- (v) the board of supervisors proposes to convene the meeting;
- (vi) any other circumstances as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

The shareholding mentioned in item (iii) of the preceding paragraph shall be determined at the close of trading on the date on which such shareholders demand to convene the meeting in writing, or if it is not a trading day, the last trading day prior to such date.

**Article 70.** The general meetings shall be convened by the Board. The board of supervisors or shareholders may convene the general meetings on their own initiative, in the event that the Board fails to perform or is unable to perform the duties of convening the general meetings.

The general meetings convened by the Board shall be presided over by the chairman of the Board, and the chairman of the Board shall act as the chairperson of the meeting. If the chairman of the Board is unable or fails to perform his duties, the vice chairman of the Board shall act as the chairperson of the meeting and preside over the meeting. If both the chairman of the Board and the vice chairman of the Board are unable or fail to perform their duties, the general meeting shall be presided over by a director elected by more than one half of the directors, and such director shall act as the chairperson of the meeting.

The general meetings convened by the board of supervisors on its own initiative shall be presided over by the chairman of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his duties, the general meeting shall be presided over by a supervisor elected by more than one half of the supervisors.

The general meetings convened by shareholders on their own initiative shall be presided over by the representative elected by the convening shareholders. If the chairman of the general meeting breaches the rules of procedures, which results in the general meeting's inability to proceed, subject to consent of more than one half of shareholders with voting rights attending the general meeting in person, the general meeting may elect a person to act as the chairperson of the meeting and such meeting may continue. If shareholders are unable to elect the chairperson of the meeting for any reason, the chairperson of the meeting shall be served by the shareholder (including proxies) with the greatest number of voting shares attending the general meeting.

**Article 71.** More than one half (at least two) of the independent directors shall have the right to propose the Board to convene extraordinary general meetings and such proposal shall be made in writing. The Board shall reply in writing regarding the approval or disapproval to convene an extraordinary general meeting within 10 days upon the receipt of such proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board approves to convene an extraordinary general meeting, a notice in relation to the convening of the general meeting shall be issued within five days after the Board resolves to do so. If the Board disapproves the convening of such extraordinary general meeting, reasons for such disapproval shall be provided.

**Article 72.** When the Company convenes a general meeting, a written notice of the meeting shall be given 20 days before the date of the meeting to notify all registered shareholders of the matters to be considered, the date and venue of the meeting. When the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting.

**Article 73.** When the Company convenes a general meeting, the Board, the board of supervisors and the shareholders individually or jointly holding not less than 5% (inclusive) of the total number of shares carrying voting rights of the Company shall have the right to put forward proposals to the Company in writing. The Company shall include the matters falling within the scope of duties of the general meeting set out in the proposal in the agenda of the meeting.

Shareholders individually or jointly holding not less than 5% of the shares of the Company may submit an interim proposal to the convener of the general meeting in writing 10 days prior to the date of the general meeting. The convener shall issue a supplementary notice of the general meeting to notify other shareholders within two days upon receipt of the proposal, and shall include the matters falling within the scope of duties of the general meeting set out in the proposals in the agenda of the meeting and submit to the general meeting for consideration. As otherwise stipulated by the listing rules of the stock exchange of the place where the shares of the Company are listed, the requirements of the listing rules shall also be satisfied.

**Article 74.** The annual general meeting and extraordinary general meeting shall not decide on any matter not set out in the notice for the meeting.

**Article 75.** A notice of general meeting shall meet the following requirements:

- (i) it shall be made in writing;
- (ii) it shall specify the venue, date and time of the meeting;
- (iii) it shall set out the matters to be discussed at the meeting; and fully disclose the contents of all proposals. If it is necessary to amend the matters involved in the resolutions of the previous general meeting, the contents of such proposals shall be complete and shall not only include the amendments;
- (iv) it shall provide the shareholders the information and explanation necessary for them to make decisions on the matters to be discussed. This principle shall include (but not limited to) the provision of the specific conditions and contract (if any) of the proposed transaction under discussion and earnest explanation of the cause and consequence thereof when the Company proposes a merger, share repurchase, reorganisation of share capital or other restructuring;
- (v) if any director, supervisor, general manager and other senior management members have material interests in the matters subject to discussion, the nature and extent of such interests shall be disclosed, and if the effect of the matters to be discussed on such director, supervisor, general manager and other senior management member in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;
- (vi) it shall contain the full text of any special resolution proposed to be adopted at the meeting;
- (vii) it shall contain a clear statement that shareholders entitled to attend and vote have the right to appoint one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder;
- (viii) it shall state the date of registration of equity entitlements for shareholders having the right to attend the general meeting;
- (ix) it shall state the time and place for the service of the proxy form for the meeting;

- (x) the name, telephone number and email address of the standing contact person of the meeting; and
- (xi) other requirements as stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the Articles of Association.

Where a general meeting is to take the form of an online meeting or others, the notice of such general meeting shall expressly provide for the voting time and the voting procedures for such online or other form of meeting.

**Article 76.** The notice of general meeting shall be served to shareholders (regardless of their voting rights at the general meeting) by hand or by prepaid registered mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic shares, notice of general meeting may also be made by way of announcement.

The announcement referred to in the preceding paragraph shall be published within a period of 20 to 25 days prior to the date of the annual general meeting and 15 to 20 days prior to the date of the extraordinary general meeting in one or more newspapers and journals designated by securities regulatory authorities of the State Council. Once an announcement is made, all holders of the domestic shares are deemed to have received the notice of the relevant general meeting.

For holders of overseas listed shares, subject to the requirements of the laws, regulations, normative documents and the relevant provisions of the securities regulatory authority of the place where the shares of the Company are listed, the Company may also publish the notice of general meeting on the website of the Company and the website of the Hong Kong Stock Exchange instead of delivering the notice of general meeting to the holders of overseas listed shares by hand or by prepaid registered mail.

**Article 77.** The accidental omission to give notice of a meeting to, or the non-receipt of the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting or any resolution adopted thereat.

**Article 78.** Where the election of directors and supervisors are proposed to be discussed at the general meeting, a notice of the general meeting shall fully disclose the particulars of the director candidates and supervisor candidates in accordance with laws, regulations, normative documents and the relevant provisions of the securities regulatory authority of the place where the shares of the Company are listed as well as the requirements of the Articles of Association, which shall include but not limited to the followings:

- (i) personal information such as education background, working experience and part-time occupations;
- (ii) whether or not the candidate is related to the Company or its controlling shareholders and de facto controllers;
- (iii) disclosure on the number of shares of the Company held by the candidate;

- (iv) whether or not the candidate has been subject to penalties imposed by the securities regulatory authority of the State Council and other relevant authorities as well as sanctions imposed by any stock exchange;
- (v) information required to be disclosed under the Hong Kong Listing Rules in relation to appointment, resignation or re-designation of new directors and/or supervisors.

**Article 79.** A general meeting shall be held at a meeting place in the form of on-site meetings.

Provided that the legality and validity of the general meeting are ensured and relevant conditions are ready, the Company shall utilise various modern information technologies to facilitate shareholders' attendance of the general meeting. A shareholder who attends a general meeting in the aforesaid manner shall be deemed to have attended the meeting in person.

**Article 80.** Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her/its proxy to attend and vote on his/her/its behalf. The proxy so appointed by the shareholder shall be entitled to exercise the following rights:

- (i) the same right as the shareholder to speak at the general meeting;
- (ii) the right to demand a poll by him/herself or jointly with others; and
- (iii) the right to vote on a show of hands or on a poll, provided that if more than one proxy have been appointed, such proxies may only exercise the voting rights on a poll.

Where such shareholder is a Recognised Clearing House (or its nominee), such shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any general meetings or any other class shareholders' meetings; where more than one person are authorised, the power of attorney shall specify the number and class of shares involving each person so authorised. The power of attorney shall be signed by the authorised officer of the Recognised Clearing House. Such persons so authorised shall be entitled to attend the general meeting (where he is not required to provide share certificates, the notarised power of attorney and/or further evidence to prove that he was duly authorised) exercise their rights on behalf of the Recognised Clearing House (or its nominee) as if they were individual shareholders.

**Article 81.** The instrument appointing a proxy shall be in writing and executed by the appointing shareholder or his/her attorney duly authorised in writing; where the appointing shareholder is a legal person or other entity, such instrument shall be under the seal of the legal person or such other entity, or executed by any of its legal representative, director or attorney duly authorised.



The instrument appointing a proxy to attend the general meeting issued by the shareholder shall state:

- (i) name of the appointing shareholder and name of the proxy;
- (ii) number of shares held by the appointing shareholder represented by the proxy;
- (iii) whether such proxy has voting right;
- (iv) instructions for voting for or against or abstaining on each item to be considered in the agenda of the general meeting;
- (v) whether such proxy has voting right on the interim proposal which may be included in the agenda of the general meeting, and if any, the specific instructions on how the voting rights shall be exercised;
- (vi) issuing date and the term of validity of the instrument;
- (vii) signature (or seal) of the appointing shareholder; if the appointing shareholder is a legal person, the instrument shall be sealed by the stamp of the legal person.

The format of the instrument appointing a proxy or proxy form provided to shareholders by the Board of the Company for appointing proxies shall enable the shareholders to instruct their proxies to vote for or against or abstain from voting at their own discretion and to give instructions on each item to be voted on the agenda of the general meeting. The instrument appointing a proxy shall specify whether the proxy may vote at his/her own discretion in the absence of specific instructions from the shareholders. If not specified in the instrument appointing a proxy, such proxy shall be deemed to be allowed to vote on the matters without specific instructions given by the shareholders at his/her own discretion and such shareholders shall bear the relevant liability for the voting accordingly.

**Article 82.** The proxy forms shall be deposited at the domicile of the Company or such other places specified in the notice of the meeting 24 hours before the convening of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting; where the proxy form is signed by a person authorised by the appointer, the power of attorney or such other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents, together with the proxy forms, shall be deposited at the domicile of the Company or other places specified in the notice of the meeting.

If the appointer is a legal person, its legal representative or such person as authorised by the Board or other decision-making bodies may attend any general meeting of the Company in the capacity of representative of the appointer.

The Company has the right to request a proxy who attends a general meeting on behalf of shareholders to provide passport or ID card as the proof of his/her identity.

If a shareholder which is a legal person (unless otherwise as a Recognised Clearing House or its nominees) appoints its representative to attend a meeting on its behalf, the Company has the right to request such representative to provide proof of identity and a copy (which is certified by a notary public) of the resolution or the power of attorney of such shareholder's board of directors or other competent authorities which has the capacity to appoint the representative.

If the shareholder is a Recognised Clearing House (or its nominees), such shareholder is entitled to authorise one or more persons he/she/it thinks fit to act as his/her/its representatives to attend on his/her/its behalf at any general meeting or at any class shareholders' meeting; however, if one or more persons are authorised, the power of attorney shall contain the number and class of the shares under authorisation with respect to each of such persons. Such authorised person may exercise the rights on behalf of the Recognised Clearing House (or its attorney) as if he/she is an individual shareholder of the Company.

**Article 83.** A vote made by the proxy in accordance with the terms of the instrument appointing a proxy shall be valid if no notice in writing had been given to the Company before the commencement of the relevant meeting with respect to the death or loss of capacity of the appointer, revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the relevant shares prior to the voting.

**Article 84.** The Company shall be responsible to prepare the attendee register and such register shall include the name and ID number of attendees, the number of shares carrying voting rights that they hold or represent, and the names of appointers (or entity names) and such other information.

**Article 85.** When a general meeting is convened, all directors, supervisors and secretary to the Board shall attend the meeting and other senior management members shall observe the meeting unless proper reasons are provided.

**Article 86.** The chairperson of the meeting shall, before casting of votes, announce the number of shareholders and their proxies attending the meeting in person as well as the total number of shares carrying voting rights held by them. The number of shareholders and their proxies attending the meeting in person as well as the total number of shares carrying voting rights held by them shall be as recorded in the meeting register.

Registration at the meetings shall be terminated before the chairperson of the meeting announces the number of shareholders and their proxies attending the meeting as well as the total number of shares carrying voting rights held by them.

**Article 87.** Resolutions at the general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be approved by shareholders (including proxies) holding shares representing not less than one half of the voting rights attending the general meeting.

A special resolution shall be approved by shareholders (including proxies) holding shares representing two-thirds or more of the voting rights attending the general meeting.

The following matters shall be approved by way of a special resolution at a general meeting:

- (i) increase or reduction in the share capital of the Company and issuance of any class of shares, warrants and other similar securities;
- (ii) resolutions on repurchase of the shares of the Company because of the circumstances under items (i) and (ii) as required in Article 30;
- (iii) issuance of corporate bonds;
- (iv) division, merger, dissolution, liquidation and change of the form of the Company;
- (v) amendment to the Articles of Association;
- (vi) any share incentive scheme;
- (vii) purchase or sale of any material assets within one year during the course of proprietary business, or provision of guarantee, the amount of which, individually or in aggregate, exceeding 30% of the latest audited total assets of the Company;
- (viii) the removal of an independent director; and
- (ix) any other matters as required by laws, regulations, normative documents, relevant requirements of the securities regulatory authority of the place where the shares of the Company are listed or provisions of the Articles of Association, or deemed by the general meeting, by way of an ordinary resolution, to have a material impact on the Company that need to be approved by way of special resolutions.

Save as the matters aforesaid that shall be approved as special resolutions, other matters shall be resolved at the general meeting by way of ordinary resolutions.

**Article 88.** Shareholders (including their proxies) are entitled to exercise such voting rights as are attached to the shares carrying voting rights which they represent at the general meeting with one vote for each share.

Shares of the Company held by the Company shall not carry voting rights and shall not be counted in the total number of shares carrying voting rights represented by the shareholders present at the general meeting.

The Board, independent directors and shareholders of the Company that meet the specified conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation.

The cumulative voting system shall be adopted in the voting on the election of directors and supervisors at the general meeting. In the election by the general meeting of the directors and supervisors, each share shall be granted the same number of votes as the number of the directors or supervisors to be elected and each shareholder may cast the votes held by him/her/it in a concentrated manner.

When related party transactions are being considered at the general meeting, the related shareholders shall abstain from voting and the number of shares carrying voting rights they represent shall not be counted into the total number of valid votes. If otherwise required by the listing rules of the stock exchange where the shares of the Company are listed, such requirements shall prevail.

Where any shareholder, under applicable laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, is required to abstain from voting on any particular matter proposed or is restricted to vote only for or only against any particular matter proposed, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

**Article 89.** One single vote may be cast only once by using one single method of voting, being onsite voting, or online voting, or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern.

Unless otherwise provided in the applicable rules governing the listing of securities or other securities laws and regulations, the resolutions shall be passed at the general meeting on a show of hands, unless a poll is demanded by the following persons (before or after any vote by a show of hands is announced):

- (i) the chairperson of the meeting;
  - (ii) at least two shareholders with voting rights present in person or by proxy;
- or

- (iii) one or more shareholders (including proxies) who individually or jointly hold 10% (inclusive) or more of the shares carrying voting rights at the meeting.

Unless otherwise provided in the applicable rules governing the listing of securities or other securities laws and regulations or a poll is demanded according to the preceding paragraph, the chairperson of the meeting may declare that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

**Article 90.** In the election of directors and supervisors who are not employee representatives at the general meeting, the list of director candidates or supervisor candidates shall be submitted by a proposal to the general meeting for voting.

**Article 91.** Save for the election of directors and supervisors where the cumulative voting system shall apply, the general meeting shall resolve on all the proposals one by one. If different proposals are put forward on the same matter, such proposals shall be resolved upon in the order according to the time they are being put forward. Unless the general meeting is adjourned or is prevented from passing resolutions due to force majeure or other extraordinary reasons, the general meeting shall not postpone the voting on, or refuse to vote on any proposal.

**Article 92.** When a proposal is being considered at the general meeting, no amendments shall be made thereto. Otherwise, such amendment shall be treated as a new proposal and shall not be put to vote at that general meeting.

**Article 93.** A poll demanded on the election of the chairperson or adjournment of the meeting shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairperson of the meeting decides and the meeting may proceed to discuss any other matters. The result of the poll shall be deemed as a resolution adopted at that meeting.

**Article 94.** On a poll, a shareholder (including his/her/its proxy) who is entitled to have two or more votes need not exercise all his/her/its voting rights with affirmative votes or negative votes.

**Article 95.** The chairperson of the meeting shall be responsible for determining whether a resolution has been adopted based on the voting result and the voting result shall be announced at the meeting. The voting result shall be recorded in the minutes of the meeting.

If the chairperson of the meeting has any doubt as to the voting result of a resolution which has been put to vote at a general meeting, he/she may have the votes counted. If the chairperson of the meeting has not counted the votes, any shareholder or proxy who attends the meeting in person and who objects to the result announced by the chairperson of the meeting may, immediately after the announcement of the result, demand that the votes be counted and the chairperson of the meeting shall have the votes counted immediately.

If votes are counted at a general meeting, the result of such counting shall be recorded in the minutes of the meeting.

The minutes of the meeting shall be true and complete. The minutes of the meeting shall be signed by the directors who attend the meeting and the chairperson of the meeting.

The minutes of the meeting, together with the attendance book signed by the attending shareholders and the proxy forms for proxies attending the meeting shall be deposited at the domicile of the Company. The abovementioned minutes of the meeting, the attendance book and the proxy forms for proxies shall be permanently kept.

The resolutions passed at the general meeting and related documents shall be reported to the CBIRC or its local offices for record.

**Article 96.** The resolutions passed at the general meeting shall be announced in a timely manner. Such announcement shall specify the number of shareholders and proxies attending the meeting, the total number of shares carrying voting rights held or represented by them, the percentage of such total number of shares comparing to the total number of shares carrying voting rights of the Company, the total number of shares required to abstain from voting in favour of a particular proposal in accordance with the requirements of the securities regulatory authority of the place where the shares of the Company are listed and/or the total number of shares required to abstain from voting (if any) and whether or not the shareholders who shall abstain from voting did abstain from such voting, the voting methods, the voting result of each resolution, the scrutineer as well as the information required under the applicable rules governing the listing of securities or other securities laws and regulations.

**Article 97.** The Company shall, in connection with the convening of a general meeting, engage lawyers to issue legal opinions on the following matters:

- (i) whether the convening and holding of such meeting comply with the laws, administrative regulations and the Articles of Association;
- (ii) the legality and validity of the qualifications of the attendees and the convener of the meeting;
- (iii) the legality and validity of the voting procedures and voting results;
- (iv) legal opinions issued on other related matters at the request of the Company.

## **Chapter 9 Special Procedures for the Voting by Class Shareholders**

**Article 98.** Those shareholders who hold different classes of shares are class shareholders.

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

Shareholders of various classes of the Company shall have equal rights during the dividends distribution and any other forms of distribution.

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

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

**Article 99.** Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution at the general meeting and by those affected shareholders of that class at a separate general meeting held in accordance with Article 100 to Article 104.

**Article 100.** The following circumstances shall be deemed to be variation or abrogation of the rights of shareholders of a certain class:

- (i) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of other classes with voting or distribution rights or other privileges equal to or more than those of shares of such class;
- (ii) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or grant a right of exchange of all or part of the shares of another class into the shares of such class;
- (iii) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- (iv) to reduce or remove the right to a dividend preference or a liquidation preference during the process of the Company’s liquidation attached to shares of such class;

- (v) to add, remove or reduce conversion rights, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of such class;
- (vi) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (vii) to create a new class of shares with voting or distribution rights or other privileges equal to or more than those of the shares of such class;
- (viii) to restrict the transfer or ownership of the shares of such class or increase such restrictions;
- (ix) to issue rights to subscribe for, or convert into, shares of such class or another class;
- (x) to grant additional rights and privileges of shares of another class;
- (xi) to restructure the Company where the proposed restructuring will result in a disproportionate burden of obligations among different classes of shareholders under such proposed restructuring; and
- (xii) to revise or abrogate any provisions of the Articles of Association.

**Article 101.** Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at class shareholders’ meetings in respect of matters concerning sub-paragraphs (ii) to (viii), (xi) and (xii) of Article 100, but interested shareholder(s) shall not be entitled to vote at such class shareholders’ meetings.

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

- (i) in the case that the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase of its own shares by means of public transaction at the stock exchange pursuant to Article 31 of the Articles of Association, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 63 of the Articles of Association;
- (ii) in the case that the Company has made a repurchase of its own shares through an off-market agreement pursuant to Article 32 of the Articles of Association, “interested shareholder(s)” shall refer to the shareholders to which the proposed agreement relates;
- (iii) in the case of a restructuring plan of the Company, “interested shareholder(s)” shall refer to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy interests different from other shareholders of the same class.



**Article 102.** Resolutions of a class shareholders' meeting shall be passed in accordance with Article 101 by the shareholders representing not less than two-thirds of the voting rights present at the relevant meetings.

**Article 103.** Notice period of a class shareholders' meeting shall be determined in accordance with the annual general meeting or extraordinary general meeting convened on the same date as the class shareholders' meeting, and a written notice of a class shareholders' meeting shall be given 20 days before the date of the annual general meeting, or 15 days before the date of the extraordinary general meeting to notify all shareholders of such class whose names appear on the register of members of the matters to be considered, the date and the venue of the class shareholders' meeting.

If the relevant PRC laws and regulations and the listing rules of the place where the shares of the Company are listed have special requirements on the convening of class shareholders' meetings, such requirements shall prevail.

**Article 104.** The notice of class shareholders' meetings may only be served on shareholders entitled to vote thereat.

The procedures for holding the class shareholders' general meeting shall be similar to those for holding the general meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a general meeting shall apply to the class shareholders' meeting.

**Article 105.** Except shareholders of other classes of shares, holders of domestic shares and holders of overseas listed shares are considered as different classes of shareholders.

The special voting procedures at a class shareholders' meeting shall not apply in the following circumstances:

- (i) where the Company issues domestic shares and overseas listed shares, either separately or concurrently, once every 12 months, and the number of such shares to be issued being not more than 20% of the issued number of shares of respective class as approved by a special resolution at a general meeting;
- (ii) where the Company's plan to issue domestic shares and overseas listed shares at the time of incorporation is completed within 15 months from the date of approval by the securities regulatory authorities of the State Council;
- (iii) where the shareholders of the Company have the unlisted shares held by them listed and traded on an overseas stock exchange with approval by the securities regulatory authority of the State Council.

## **Chapter 10 Directors and the Board of Directors**

### **Section 1 Directors**

**Article 106.** Directors of the Company shall be elected at the general meetings.

The term of office of a director is three years and such director shall be eligible for re-election and re-appointment upon the expiration of his/her term of office.

The general meeting may not remove any director without cause before the expiration of his/her term of office. If the term of office of a director has expired but his/her successor has not been elected in time or the resignation of the director during his/her term of office will cause the number of members of the Board to fall below the statutory limit required by laws, such resigning director shall continue to perform his/her duties as a director in accordance with laws, regulations and the Articles of Association until a new director is elected and takes office.

**Article 107.** The directors of the Company shall possess the qualification for serving as a director of a trust company as stipulated by the CBIRC.

**Article 108.** Unless otherwise provided in the Articles of Association, the nomination method and the election procedures for directors are as follows:

- (i) a candidate for the post of director shall be nominated by way of putting forward a proposal by the nomination and remuneration committee of the Board or the shareholders individually or jointly holding 3% or more of the total number of shares carrying voting rights issued by the Company, and the basic information, biographies and other written materials shall be attached thereto; the number of directors nominated by the same shareholder and its related parties, in principle, shall not exceed one third of the total number of members of the Board;
- (ii) the nomination and remuneration committee of the Board shall conduct preliminary review on the qualifications for such positions and conditions of the director candidates, and propose competent candidates to the Board for consideration; upon consideration and approval by the Board, the director candidates shall be proposed to the general meeting by way of written proposal;
- (iii) the director candidates shall make written commitments before the convening of general meeting that they agree to accept the nomination, undertake that the information publicly disclosed is true and complete, and warrant to fulfil the duties of directors with due diligence once elected; The written notice of intention to nominate a person for the post of director and the written notice by such person of his/her willingness to accept the nomination and relevant written materials with information of the nominee shall be sent to the Company at least 10 days prior to the convening of the general meeting;

- (iv) the Company shall, before convening the general meeting, disclose detailed information of the director candidates to shareholders according to laws, regulations and the Articles of Association in order to ensure that shareholders could have sufficient knowledge of the candidates when casting their votes;
- (v) the Company shall give at least seven days for relevant nominators and director candidates for submission of the notice and materials set forth as above (such period shall be calculated from the day following the issue date of the notice of general meeting);
- (vi) the general meeting shall vote on the proposals on each candidate one by one.

Subject to relevant laws and administrative regulations, the general meeting shall have power to remove any director (other than an independent director) before the expiration of his/her term of office by way of ordinary resolutions (but any claim for damages under any contract by such director shall not be affected).

**Article 109.** The written notice of intention to nominate a person for the post of director and the written notice by such person of his/her willingness to accept such nomination shall be sent to the Company no earlier than the day after the dispatch of the notice of general meeting and no later than seven days prior to the date of such meeting.

**Article 110.** The directors shall be entitled to the following rights according to laws:

- (i) the right to attend the Board meeting and to vote thereat;
- (ii) the right to propose to convene an extraordinary general meeting or a Board meeting in accordance with the Articles of Association;
- (iii) the right to know the operating performance and relevant conditions of the Company, for the purpose of performance of their duties;
- (iv) the right to request the company to provide necessary conditions for them to perform their duties in accordance with the laws, and the relevant personnel of the Company shall actively cooperate;
- (v) the right to make enquiry to the management at the Board meeting on the matters concerned and request an explanation;
- (vi) other rights conferred by laws, regulations and the Articles of Association.

**Article 111.** Directors shall comply with the requirements of laws, regulations and the Articles of Association, faithfully perform their duties, and safeguard the interests of the Company. If there is conflict between their own interests and the interests of the Company and shareholders, directors shall act in the best interests of the Company and shareholders, and ensure that:

- (i) in the absence of express stipulations herein or lawful authorisation by the Board, no director shall act on behalf of the Company or the Board in his/her personal capacity. When acting in his/her personal capacity, a director shall state in advance his/her standing and capacity if a third party is likely to reasonably believe that he/she is acting on behalf of the Company or the Board.
- (ii) a director shall not make use of inside information to angle for interests for him/herself or others;
- (iii) a director shall not take advantage of his/her position to embezzle or accept business opportunities otherwise available to the Company for him/herself or other persons;
- (iv) a director shall not open an account in the name of him/herself or other individuals or institutions for deposit of the proprietary assets of the Company or the trust assets managed by the Company;
- (v) when a director tenders his/her resignation or his/her term of office expires, the duty of confidence in relation to trade secrets of the Company survives the termination of his/her term of office, and shall remain valid until such secrets become public information;
- (vi) a director shall not misappropriate the funds of the Company;
- (vii) without consent by the general meeting or the Board, a director shall not lend the funds of the Company to others or provide guarantees for others with the assets of the Company;
- (viii) a director shall not accept and expropriate commissions received in transactions between other parties and the Company;
- (ix) a director shall not engage in any conduct in breach of the duty of loyalty to the Company.

The revenue received by a director in breach of the requirements in this Article shall belong to the Company. A director shall indemnify the Company for such losses caused.

**Article 112.** A director shall exercise the powers conferred by the Company in prudence, earnestness and diligence, and ensure that:

- (i) a director shall treat all shareholders fairly;
- (ii) a director shall read carefully the material operation reports and financial reports of the Company;
- (iii) a director shall exercise the powers conferred by the Company in person and shall not be manipulated by others; a director shall not authorise others to exercise such powers without permission as stipulated by laws and regulations or an informed approval by the general meeting.

A director shall attend the Board meeting in an earnest and responsible manner and express explicit opinions on the matters proposed. If a director is unable to attend the Board meeting in person, he/she may appoint other directors in writing to vote at his/her discretion and assume corresponding legal liability.

**Article 113.** Save for the limitation as stipulated in Article 172 of the Articles of Association, a director may concurrently serve as the general manager, the vice general manager, secretary to the Board of the Company or other senior management member of the Company, but shall not concurrently serve as a supervisor or chief financial officer.

**Article 114.** The Company shall enter into written contracts in relation to remuneration matters with directors (the entering into of written contracts shall be in compliance with the stipulation of Article 197 and Article 198), stipulating the remuneration which they, being the directors of the Company, shall be entitled to.

**Article 115.** When a director is directly or indirectly related in the existing or contemplated contracts, transactions and arrangements of the Company, he/she shall inform the Board and the board of supervisors about the nature and the extent of such relationship in a timely manner, and shall abstain from voting on such matters when it is considered by the Board.

**Article 116.** A director may tender resignation before expiration of his/her term of office. The resigning director shall submit a resignation report in writing to the Board.

If the resignation of the director causes the number of the members on the Board to fall below the statutory limit, the resigning director shall, before a new director is elected and takes his/her office, continue to perform his/her duties as a director in accordance with laws, administrative regulations, department rules and the Articles of Association. Except as specified in the preceding paragraph, the director's resignation shall be effective upon the submission of the written resignation report to the Board.

The Board shall convene an extraordinary general meeting as soon as practicable to elect a new director to fill the vacancy when the circumstances as stipulated in the preceding paragraph of this Article occur.

## Section 2 Independent Directors

**Article 117.** The Company shall have independent directors. Independent directors of the Company refer to directors who satisfy with the independence requirement as stipulated by the rules of the securities regulatory authority of the place where the shares of the Company are listed, who neither take up any other position in the Company other than serving as directors nor have any relationship with the Company or its substantial shareholders that may affect their independent and objective judgment. Independent directors shall not concurrently hold positions in two trust companies.

One third or more of the members of the Board shall be independent directors.

The nomination and remuneration committee of the Board, the board of supervisors, and shareholders who individually or jointly hold 1% or more of the total voting shares of the Company may nominate candidates for independent directors to be elected at the general meetings. Shareholders and their related parties who have nominated any non-independent directors are prohibited from nominating independent directors.

Except as otherwise provided for in this section, the provisions in Section 1 of this chapter shall apply to the independent directors.

**Article 118.** An independent director shall possess high professional quality and good reputation. Apart from meeting the requirements for serving as directors, an independent director shall also meet the requirements stipulated by CBIRC on serving as the independent directors of the trust company.

At least one independent director of the Company shall possess the proper professional qualification in line with the regulatory requirements or the proper accounting or relevant financial management expertise.

**Article 119.** When new circumstances arise resulting in that the independent directors no longer meet the conditions for such position, the independent directors shall be replaced in the general meeting.

The independent directors' term of office shall be three years and renewable upon re-election and re-appointment, provided that no independent director may serve for more than six consecutive years. Independent directors shall not be removed from office without cause prior to the expiration of the term of office.

In the event that an independent director resigns or is removed from office during his/her term of office, each of the independent director himself/herself and the Company shall provide written explanations to the general meeting and the CBIRC or its local offices, respectively.

**Article 120.** The duties and responsibilities of independent directors shall include, but are not limited to:

- (i) to propose to the Board to convene extraordinary general meetings or Board meeting;
- (ii) to submit work reports to the general meeting;
- (iii) to appoint an audit firm or a consulting firm based on their needs to perform the duties, and the expenses shall be borne by the Company;
- (iv) to provide independent opinions on important business matters and to report the related party transactions separately to the CBIRC or its local offices;
- (v) to provide independent opinions on the remuneration plans and incentive plans for directors and senior management members of the Company;
- (vi) other duties or rights conferred by laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association.

**Article 121.** Independent directors shall perform their duties independently and shall not be affected by the Company's shareholders, other directors, supervisors, senior management members or other entities and individuals interested in the Company. Independent directors shall pay special attention to the interests of the beneficiaries of the trust free from infringement in the course of the trust business.

The Company shall provide sufficient information and necessary working conditions to ensure that the independent directors perform their duties according to the laws. When performing their duties, relevant personnel of the Company shall actively cooperate and shall neither refuse, hinder or conceal, nor interfere with their independence.

The independent directors shall work at the Company for at least 15 working days annually.

**Article 122.** Independent directors shall have the same voting rights as other directors and shall perform relevant special functions and duties in accordance with relevant laws, regulations and the Articles of Association. Except as otherwise provided for in the Articles of Association, the provisions in relation to the directors in the Articles of Association shall apply to independent directors.

### Section 3 Board of Directors

**Article 123.** The Company shall have a Board comprised of all directors. The Board is an operating decision-making authority of the Company and is accountable to the general meeting. The Board shall be comprised of nine directors, among which independent directors shall account for more than one-third of all the directors, and the directors shall be elected by the general meeting. There shall be one employee representative director who shall be firstly democratically elected in the employee representative meeting. There shall be eight other directors. All directors shall be elected at the general meeting.

The directors are not required to hold shares of the Company.

**Article 124.** The Board shall be accountable to the general meeting and shall exercise the following powers:

- (i) to convene general meetings and to report its work to the general meeting;
- (ii) to implement the resolutions of the general meeting;
- (iii) to decide on the operation plans and investment plans of the Company;
- (iv) to formulate the annual financial budgets and final accounts of the Company;
- (v) to formulate the profit distribution plans and loss recovery plans of the Company;
- (vi) to formulate proposals for the increase or reduction of the registered capital of the Company;
- (vii) to prepare plans for the material acquisition or merger, division, dissolution or change of corporate form of the Company;
- (viii) to prepare plan for repurchase of the shares of the Company because of the circumstances under items (i) and (ii) as required in Article 30;
- (ix) to pass resolutions on repurchase of the shares of the Company because of the circumstances under items (iii), (v) and (vi) as required in Article 30;
- (x) to formulate plans for the issuance of corporate bonds, any types of shares, warrants or other marketable securities and listing;



- (xi) to decide on the establishment of internal management departments of the Company and the establishment or revocation of the branches and other subbranches of the Company;
- (xii) to elect the chairman and vice chairman of the Board of the Company;
- (xiii) to appoint or dismiss the general manager of the Company and secretary to the Board pursuant to the nominations by the chairman of the Board of the Company; to appoint or dismiss vice general manager, chief financial officer and other senior management members pursuant to the nominations by the general manager and to decide on their remunerations, incentives and punishments; and to supervise senior management in performing their duties;
- (xiv) to formulate the basic management system of the Company;
- (xv) to prepare plans for amendments to the Articles of Association, Procedural Rules for the General Meeting and Procedural Rules for the Board, and to consider and approve the working rules of all special committees under the Board;
- (xvi) to formulate the share incentive schemes of the Company;
- (xvii) to be responsible for the matters in relation to the information disclosure of the Company and assume ultimate responsibility for the truthfulness, accuracy, completeness and timeliness of accounting and financial reports;
- (xviii) to decide on the establishment of special committees and to elect their members;
- (xix) to decide on the risk management system of the Company which covers risk assessments, financial control, internal audit, money laundering risk management and legal risk control and monitor its implementation; to determine the Company's risk tolerance, risk management and internal control policies, and assume the ultimate responsibility for comprehensive risk management;
- (xx) to propose the appointment or replacement of the accounting firm that provides the Company with auditing services for annual financial statements to the general meeting, and decide on its audit fees;
- (xxi) to listen to the regular or non-regular work reports from the general manager of the Company or the senior management members of the Company appointed by the general manager, and to approve the work reports of the general manager;

- (xxii) to consider and approve the major financial accounting policies and changes to accounting estimates;
- (xxiii) to decide on the staffing arrangement, plan on remuneration and performance appraisal of the senior management members;
- (xxiv) to consider the material equity investments, bond investments, acquisition of assets, disposal of assets, write off of assets and external guarantee and other transaction matters in the proprietary business except for those which shall be approved by the general meetings in accordance with the Articles of Association;
- (xxv) to consider the material related party transactions which shall be approved by the Board pursuant to laws, regulations and listing rules of the place where the securities of the Company are listed;
- (xxvi) to consider and approve the matters related to data governance in accordance with the laws, regulations, regulatory provisions and the Articles of Association;
- (xxvii) to determine the development strategies of the Company and oversee their implementation;
- (xxviii) to determine capital plans of the Company and assume ultimate responsibility for capital or solvency management;
- (xxix) to regularly assess and improve corporate governance of the Company;
- (xxx) to safeguard the legitimate interests of financial consumers and other stakeholders;
- (xxxi) to establish a mechanism for identifying, reviewing and managing conflicts of interest between the Company and shareholders, especially substantial shareholders;
- (xxxii) to assume responsibility for the management of shareholders' affairs;
- (xxxiii) to decide on the Company's significant own funds loan granting business, significant own funds subscription trust plan business and significant actively managed pooled fund trust business;
- (xxxiv) to exercise other functions and powers conferred by laws, regulations, listing rules of the stock exchange of the place where the shares of the Company are listed, regulatory provisions, the general meetings and the Articles of Association.

Except that the matters set out in sub-paragraphs (v), (vi), (vii), (viii), (ix), (x), (xiii), (xv), (xxiii) and (xxiv) shall require the approval of more than two-thirds of the directors and shall not be voted on by way of written resolution, the adoption of resolutions by the Board on the matters set out in the preceding paragraph shall require the approval by more than half of the directors. The Board shall perform its duties in accordance with the PRC laws, regulations, listing rules of the stock exchange of the place where the shares of the Company are listed, the Articles of Association and resolutions of the general meetings.

The Board of the Company shall explain to the general meeting in respect of auditor's report with a qualified opinion issued by the certified public accountants regarding the financial report of the Company.

**Article 125.** The Board shall not, without the prior approval by the general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate amount of the expected value of the fixed assets proposed to be disposed of and the total value of all the fixed assets of the Company that have been disposed of in the period of four months preceding the proposed disposal, exceeds 33% of the value of the fixed assets of the Company as shown in the latest balance sheet considered by the general meeting.

For the purposes of this Article, a disposal of fixed assets refers to disposal of fixed assets in the course of proprietary business of the Company, which includes an act involving the transfer of interest in assets but excludes the use of fixed assets for provision of guarantee.

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

**Article 126.** Board meetings are divided into regular Board meetings and extraordinary Board meetings.

Regular Board meetings shall be convened at least four times a year. Regular Board meetings shall not be convened by way of correspondence.

**Article 127.** The Board meeting shall be convened and presided over by the chairman of the Board. When the chairman of the Board is unable or fails to perform his duties, then the meeting shall be convened and presided over by the vice chairman of the Board; if the vice chairman of the Board is unable or fails to perform his duties, then more than one half of the directors may elect a director to convene and preside over the Board meeting.

The chairman of the Board shall convene an extraordinary Board meeting within 10 days from the date of receipt of the requests under the following circumstances:

- (i) joint request of more than one-third of the directors;
- (ii) request of the board of supervisors;
- (iii) request of more than one half of the independent directors;
- (iv) when the chairman of the Board deems necessary;
- (v) request in writing by shareholders who hold 10% or more of the shares with voting rights of the Company;
- (vi) request of the general manager;
- (vii) other circumstances as stipulated in the Articles of Association.

**Article 128.** To convene an extraordinary Board meeting, a notice shall be given to directors seven days before the date of meeting by telex, telegraph, facsimile, registered mail, e-mail or through personal delivery (except as otherwise stipulated in applicable laws, regulations, securities regulatory rules and Article 126 of the Articles of Association in respect of regular Board meetings). Contents of the notice shall include the time and venue of the meeting, the duration of the meeting, subject matter and proposals of the meeting, the issue date of the notice and other relevant documents for the meeting. With written consent of all directors, the notice period requirement of the extraordinary Board meetings may be waived.

**Article 129.** The Board meeting may be convened by way of on-site meeting or correspondence (except as otherwise required by securities regulatory rules of the place where shares of the Company are listed to convene by way of on-site meeting or under the circumstances as stipulated in Article 126 of the Articles of Association). To facilitate the directors' attendance of the Board meetings, on-site meetings may be held by way of telephone, video or others means, and directors who attend the meetings by such means shall be deemed to have attended the on-site meeting in person.

**Article 130.** Unless otherwise provided in the Articles of Association, a Board meeting shall be held only if more than one half of the directors (including those who appoint other directors to attend the meeting on their behalf) are present.

Each director shall have one vote, provided that a director appointed by another director to attend the Board meeting shall, in addition to his/her own vote, be entitled to one vote of the director authorising him/her to attend the meeting on his/her behalf.

If the Board meeting considers that there is significant conflict of interest between a director and the matters to be resolved by the Board meeting, then the Board meeting shall only be held if more than one half of the directors who do not have any material interest in the matters to be resolved are present.

**Article 131.** Directors shall attend the Board meetings in person. Where a director is unable to attend a meeting for any reason, he/she may appoint another director in writing to vote on his/her behalf at his/her discretion and independently undertake legal liabilities. The power of attorney shall specify the name of the proxy, the entrusted matters, the scope of authority and the validity period, and shall be signed or sealed by the appointer and the proxy.

A director appointed as a proxy of another director to vote on his/her behalf shall exercise the rights of a director within the scope of authorisation. Where a director is unable to attend the Board meeting and has not appointed another director to vote on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

Directors shall attend in person not less than two-thirds of the total number of Board meetings each year.

**Article 132.** Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has material interest in a contract or arrangement or any other proposal(s) to be resolved by the Board meeting, such director shall not exercise his/her voting rights on such proposal(s) or vote on behalf of other directors and shall not be counted when determining whether a quorum of the meeting is present, unless otherwise stipulated by laws, regulations, normative documents and relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed.

Resolutions of the Board meeting shall be adopted only upon approval by more than one half of the directors who have no material interest in such proposals. Where the Board meeting is attended by less than three directors who have no material interest in the proposals, the Board shall submit such proposals to the general meeting for consideration in a timely manner. The Board shall explain to the general meeting the consideration of the Board on such proposals at the time of submission to the general meeting for consideration, and the views of the directors who have no material interest in such proposals shall be recorded.

**Article 133.** The Board shall keep minutes of decisions on the matters discussed at the meeting. The minutes shall be signed by both the directors who attend the meeting and the secretary to the Board (the minute-taker). The minutes of the Board meeting shall be true and complete and shall be permanently kept.

Directors shall be liable for the resolutions adopted by the Board. In the event that a resolution of the Board is in violation of laws, regulations or the Articles of Association and results in losses suffered by the Company, the directors who have voted on the resolutions shall be liable for the compensation thereof to the Company. However, where there is proof that a director expressed dissenting opinions at the time of voting on such resolutions which have been recorded in the minutes, such director may be exempt from such liability.

The minutes of the Board meeting shall specify:

- (i) the date, venue and the names of the convener of the meeting;
- (ii) names of directors attending the meeting in person, and names of directors attending the meeting as proxies appointed by other directors;
- (iii) agenda of the meeting;
- (iv) key points in the directors' speech;
- (v) voting method and results of each matter resolved (the voting results shall specify the number of votes in favour of, against and abstention on each proposal).

**Article 134.** Upon the occurrence of the following circumstances, the Board shall notify all shareholders and report to the CBIRC in a timely manner:

- (i) the Company or its senior management members being suspected to be involved in acts in material breach of laws and regulations;
- (ii) continuing deterioration of the financial status of the Company or incurrence of significant losses;
- (iii) proposed replacement of a director, supervisor or senior management member;
- (iv) other matters which may affect the continuous operation of the Company.

**Article 135.** The Board shall report to the general meeting and the CBIRC or its local offices in a timely manner the list of the related shareholders who may be in de facto control of the Company when acting in concert.

#### **Section 4 Chairman of the Board**

**Article 136.** There shall be a chairman and a vice chairman for the Board. The chairman and vice chairman shall be elected and removed by more than one half of all the directors. The term of office of the chairman and vice chairman shall be three years and the chairman and vice chairman shall be eligible for re-election and re-appointment.

Apart from the requirements for serving as directors of the Company as stipulated in the Articles of Association, the proposed chairman and vice chairman of the Company shall also possess the qualifications required for serving as the chairman or vice chairman of trust companies by the CBIRC.

**Article 137.** The chairman of the Board shall exercise the following powers:

- (i) to preside over the general meetings and to convene and preside over the Board meetings;
- (ii) to urge and check the implementation of resolutions of the Board and to be briefed on relevant reports;
- (iii) to supervise the implementation of the resolutions of the Board by the general manager of the Company on behalf of the Board during the intersessional period of the Board;
- (iv) to review the audit report of the Company, propose comments or take measures in a timely manner in case any problems are identified;
- (v) to review the balance sheets, financial analysis reports and other financial reports of the Company, and supervise the use of fixed assets of the Company;
- (vi) to urge and arrange the formulation of various rules for the operation of the Board and to coordinate the operation of the Board;
- (vii) to sign on the securities certificates issued by the Company;
- (viii) to sign the material contracts and other material documents of the Company, or to issue power of attorney to appoint other representatives to sign such documents;
- (ix) in case of force majeure such as serious natural disasters, to exercise the special right of disposal of the Company with regard to the Company's affairs in accordance with the laws and in the interest of the Company, and report to the Board and general meeting of the Company afterwards;
- (x) to nominate the general manager and secretary to the Board;
- (xi) other powers as provided for by laws, regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Associations and as authorised by the Board.

When the chairman is unable to exercise his/her powers, such powers shall be exercised by the vice chairman who has been designated by the chairman to exercise such powers on his/her behalf.

## Chapter 11 Special Committees under the Board

**Article 138.** Special committees including strategies and risk management committee, audit committee, trust committee, nomination and remuneration committee and related party transaction control committee are established under the Board.

**Article 139.** The strategies and risk management committee shall be comprised of at least three members, including the chairman of the Board. Apart from the chairman, the remaining members shall be elected by the Board. There shall be a chairman for the committee and such position shall be held by the chairman of the Board.

**Article 140.** The audit committee shall be comprised of at least three members, all of whom shall be non-executive directors, and more than one half of the members shall be independent directors. At least one of the independent directors shall be a professional accountant, which means he/she shall be equipped with appropriate professional qualifications, or appropriate accounting or related financial management expertise, as required under the Hong Kong Listing Rules.

The members of the committee shall be elected by the Board.

There shall be a chairman for the committee and such position shall be held by an independent director appointed by the Board. The chairman shall be responsible for taking charge of the work of the committee.

**Article 141.** The trust committee shall be comprised of at least three members and the members shall be elected by the Board. There shall be a chairman for the committee and such position shall be held by an independent director appointed by the Board.

**Article 142.** The nomination and remuneration committee shall be comprised of at least three members and more than one half of the members shall be independent directors.

The members of the committee shall be elected by the Board.

There shall be a chairman for the committee and such position shall be held by an independent director appointed by the Board. The chairman shall be responsible for taking charge of the work of the committee.



**Article 143.** The related party transaction control committee shall be comprised of at least three members.

The members of the committee shall be elected by the Board.

There shall be a chairman for the committee and such position shall be held by an independent director appointed by the Board. The chairman shall be responsible for taking charge of the work of the committee.

**Article 144.** The specific duties and terms of reference of the strategies and risk management committee, audit committee, trust committee, nomination and remuneration committee and related party transaction control committee shall be formulated by the Board.

## **Chapter 12 Secretary to the Board**

**Article 145.** The Board shall have a secretary to the Board, who shall be appointed by the Board subject to the nomination by the chairman of the Board and shall be dismissed by the Board. The secretary to the Board is accountable to the Board.

The secretary to the Board is a senior management member of the Company.

**Article 146.** The position of secretary to the Board shall be held by full-time professional personnel. A director or a senior management member of the Company may hold the office of secretary to the Board, provided that sufficient energy and time can be assured for performing the duties as the secretary to the Board. None of the general manager, supervisors, chief financial officer of the Company and the accountant(s) of the accounting firm engaged by the Company and those who are prohibited by the laws, regulations, rules and other normative documents from acting as secretary to the Board may serve as secretary to the Board.

**Article 147.** To hold the position of the secretary to the Board, the following conditions shall be satisfied:

- (i) being a natural person;
- (ii) possession of good personal quality and professional ethics;
- (iii) with a bachelor's degree or above;
- (iv) with more than five years of working experience in the trust industry, or eight years of working experience in other financial industry, and with relevant professional knowledge;
- (v) other conditions as required by CBIRC.

**Article 148.** The articles on restriction on the qualifications for serving as directors, obligations of the directors and acts prohibited shall apply to the secretary to the Board.

**Article 149.** Where the position of the secretary to the Board of the Company is held concurrently by a director, and an act is required to be performed by a director and the secretary to the Board of the Company respectively, the person who holds the offices of director and secretary to the Board of the Company may not perform such act in dual capacity.

**Article 150.** The secretary to the Board shall be primarily responsible for the following:

- (i) to assist the directors in handling the daily work of the Board, to provide the directors with, or remind them of, and ensure that they understand the regulations, policies and requirements of the relevant regulatory authorities in relation to the operation of the Company; and to assist the directors and the general manager in compliance with the laws, regulations, normative documents, the Articles of Association and other relevant provisions when exercising their powers;
- (ii) to arrange and prepare the documents for the general meetings and Board meetings, to prepare minutes of the meetings and to ensure the decision-making process of such meetings is in compliance with the statutory procedures, and to monitor the implementation of the resolutions by the Board;
- (iii) to arrange and coordinate matters in relation to information disclosure with the aim to enhance the transparency of the Company and to ensure that the Company prepares and submits the reports and documents required by the regulatory authorities in accordance with laws;
- (iv) to be responsible for dealing with investor relations, to coordinate the relationship between the Company and the regulatory authorities, intermediaries and media and to coordinate public relations;
- (v) to assist the Board in preparing and revising relevant corporate governance documents of the Company, and to establish a scientific decision-making system and corporate governance procedures;
- (vi) to maintain the registers of members, the register of directors and senior management members and the documents and minutes of the general meetings, Board meetings and meetings of special committees under the Board, and to ensure the availability of the relevant minutes and documents of the Company for access by people entitled thereto in a timely manner;
- (vii) to perform other duties stipulated in the laws, regulations, normative documents and the Articles of Association and authorised by the Board.

## Chapter 13 Grassroots Organisation of the Party

**Article 151.** According to the Constitution of the Chinese Communist Party and other relevant provisions, the Company shall set up the organisation of the Chinese Communist Party, establish work institutions of the party and assign personnel to handle party affairs. Upon approval of the higher party committee, the Company shall set up the party committee of Shandong International Trust Co., Ltd. (hereinafter referred to as the Party Committee of the Company) and the disciplinary inspection committee of Shandong International Trust Co., Ltd. (hereinafter referred to as the Disciplinary Inspection Committee of the Company). The selection of candidate for party secretary, deputy party secretary, disciplinary inspection committee secretary and committee member shall be subject to the discussion and approval of the higher party committee. The party organisation of the Company is subordinate to the CPC Committee of Shandong Lucion Investment Holdings Group Co., Ltd.

**Article 152.** Pursuant to relevant requirements, the Party Committee of the Company shall set up grassroots party committees, general branch committees and branch committees to establish and optimise the grassroots organisations of the Party as well as organising party activities. The party organisation of the Company shall conduct regular general elections according to the “Interim Provisions on the Election of Grassroots Organisation of the Chinese Communist Party”.

**Article 153.** The Party Committee of the Company shall play a core leadership role and insist on ensuring the correct direction, managing the overall situation and ensuring the implementation of works. By way of thoroughly implementing the theory, path, principles and policies of the party, the Company makes clear the correct direction of reform and development; by way of discussing material matters and identifying key points, the Company strengthens collective leadership, promotes scientific decision-making and motivates the Company to fully perform its economic, politic and social responsibilities; with the management of cadres and talents of the party, the Company shall be equipped with a strengthened leadership team and working team so as to provide talent support for corporate reform and development; by way of capitalising on grassroots organisations and laying a sound foundation, the Company exerts the role of Party organisation as the barrier amid a battle and the role of Party members as pioneers and models in order to lead the mass organisations, strengthen ideological and political works and work together to promote the implementation of each task and mission; by way of implementing its primary responsibility and supervisory responsibility, the Company shall reinforce the establishment of honest governance and anti-corruption works so as to promote integrity, strengthen discipline and prevent risks.

**Article 154.** The Company shall optimise and improve relevant rules and regulations to clarify the scope of responsibilities between the Party Committee of the Company and the general meeting, the board of directors, the board of supervisors and the manager level while including institutional setting, division of responsibility, personnel allocation, working tasks and guarantee of funds in the management mechanism, management policy and working ethics, which shall facilitate the set-up of a well-coordinated mechanism for corporate governance with clear delineation of works and responsibilities that operates in a well-balanced manner.

The Party Committee of the Company shall, in accordance with the Constitution of the Communist Party of China and other internal laws and regulations of the Party, perform the following duties:

- (i) thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strengthen the Party's political building of the Company, adhere to and implement the fundamental systems, basic systems and important systems of Socialism with Chinese Characteristics, ensure and supervise the Company's implementation of policies and guidelines of the Party and the State and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organisations;
- (ii) strengthen its leadership and gate-keeping role in the management of the process of selection and appointment of personnel, focus on the building of the leadership team, cadre team and talent team of the Company, focus on standards, procedure, evaluation, recommendation and supervision; uphold the integration of the principle that the Party supervises the cadres with the lawful selection of the senior management by the Board as well as the lawful exercise of staff deployment right by the senior management;
- (iii) research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and put forth comments and suggestions. Support the general meeting, the Board, the board of supervisors and the senior management in performing their duties in accordance with law and support the employee representatives meeting in carrying out its work;
- (iv) assume the primary responsibility to run the Party comprehensively with strict discipline, lead the Company's thinking and political work, the united front work, ideological work, spiritual and civilised construction, corporate culture cultivation as well as the work of groups such as the labour union and the Communist Youth League; lead the construction of the Party's working style and its clean and honest administration, and support the Party's discipline inspection institutions in earnestly performing their supervisory responsibilities;
- (v) strengthen the building of the Company's grassroots Party organisations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead cadres and employees to devote themselves into the reform and development of the Company;
- (vi) other material matters that fall within the duty of the Party Committee.

**Article 155.** The Company shall set up a discussion and decision-making mechanism of the Party Committee to specify the decisions made by the Party Committee of the Company and the scope of and procedure for participating in the decision-making on material matters of the Party Committee of the Company. Discussion within the Party Committee of the Company shall be conducted before the relevant matters of material nature are being put forward for decision-making by the board of directors or the manager level. Material matters in relation to operation and management must be decided by the board of directors and the manger level upon discussion by the Party Committee.

**Article 156.** The Party Committee of the Company shall conduct discussion, make decisions and fully negotiate on material matters under the principles of collective leadership, democratic centralism, case-specific consultations and decision through meetings with an aim to come up with a conclusion in a scientific, democratic and legal manner.

**Article 157.** The Company shall provide necessary conditions for party organisation activities and ensure sufficient working fund of the Party Committee.

## **Chapter 14 Supervisors and the Board of Supervisors**

### **Section 1 Qualifications of Supervisors**

**Article 158.** The directors, general manager and other senior management members and their immediate family members shall not act concurrently as a supervisor of the Company.

**Article 159.** The articles on restriction on the qualifications for serving as directors, obligations of the directors and acts prohibited set out in the Articles of Association shall apply to the supervisors.

**Article 160.** A supervisor shall be a natural person. The supervisors of the Company include supervisors served by the representatives of the shareholders (“Shareholder Representative Supervisors”) and supervisors served by the representatives of the employees (“Employee Representative Supervisors”). External supervisors can be established. Employee Representative Supervisors shall be no less than one third of the total number of supervisors.

There shall be no relationship among the external supervisors of the Company, the Company and the substantial shareholders of the Company which may affect their independent judgment. Unless otherwise specified, the Articles of Association concerning the qualifications, nomination, election and replacement of independent directors shall be applicable to external supervisors.

## **Section 2 Composition and Duties of The Board of Supervisors**

**Article 161.** The Company shall have a board of supervisors which is accountable to the general meeting. The board of supervisors shall be comprised of nine supervisors.

There shall be a chairman for the board of supervisors. The appointment or removal of the chairman of the board of supervisors shall be subject to the approval by more than two-thirds (inclusive) of the members of the board of supervisors. The term of office of the chairman of the board of supervisors shall be three years, and the supervisors may be re-appointed upon being re-elected.

**Article 162.** Shareholder Representative Supervisors and external supervisors on the board of supervisors shall be elected, replaced or removed by the general meeting. Employee Representative Supervisors of the Company shall be democratically elected, replaced or removed at the employee representative meeting. The term of office of a supervisor shall be three years, commencing from the date of the passing of the resolution at the general meeting or election at the employee representative meeting. A supervisor may be re-appointed upon being re-elected. The term office of external supervisors in the Company shall not exceed six years in aggregate.

**Article 163.** The nomination method and procedures of the Shareholder Representative Supervisors are set forth as follows:

- (i) the candidates for the post of Shareholder Representative Supervisor shall be nominated by putting forward proposals by the board of supervisors or the shareholders individually or jointly holding 5% or more of the shares of the Company carrying voting rights, and the basic information, biographies and other written materials shall be attached thereto;
- (ii) a candidate for the post of Shareholder Representative Supervisor shall, prior to the convening of the general meeting, give written undertakings that he/she agrees to accept the nomination and that the personal information publicly disclosed is true and complete, and warrants to fulfil his/her duties with due diligence once being elected. The written notice of the intention to nominate a candidate for the post of Shareholder Representative Supervisor and the written notice by such candidate of his/her willingness to accept the nomination and relevant written materials with the information of the nominee, shall be sent to the Company at least 10 days prior to the convening of the general meeting;
- (iii) the Company shall disclose the detailed information of the candidates for the post of Shareholder Representative Supervisor at least seven days prior to the convening of the general meeting to ensure that shareholders could have sufficient knowledge of the candidates when casting their votes;
- (iv) the general meeting shall consider and vote on the election of the candidates for the post of Shareholder Representative Supervisor one by one.

The external supervisors shall be nominated by the board of supervisors and shareholders individually or jointly holding more than 1% of the Company's total voting shares and shall be elected at a general meeting. At least one independent director or external supervisor shall be nominated by shareholders holding or controlling less than 5% of the Company's shares or voting rights.

**Article 164.** The meeting of the board of supervisors shall be convened at least four times each year. The notice requirements for convening the meeting of the board of supervisors are the same as those for convening the Board meeting.

The meeting of the board of supervisors shall be convened and presided over by the chairman of the board of supervisors. Supervisors may propose to convene an extraordinary meeting of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, a supervisor jointly elected by more than one half of the supervisors shall convene and preside over the meeting of the board of supervisors.

**Article 165.** The board of supervisors shall be accountable to the general meeting and shall exercise the following functions and powers in accordance with laws:

- (i) to examine the financial conditions of the Company, understand the operations of the Company, and undertake the corresponding obligations of confidentiality, and the board of supervisors may, in the name of the Company, engage an accounting firm to independently examine the financial conditions of the Company, if necessary;
- (ii) to supervise the performance of duties by the directors and senior management members of the Company and to propose the removal of directors and senior management members who are in breach of the laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (iii) to urge directors and other senior management members of the Company to rectify their acts which impair the interests of the Company;
- (iv) to propose to convene an extraordinary general meeting, and to convene and preside over general meetings when the Board fails to perform the duty of convening and presiding over general meeting as stipulated by the Company Law;
- (v) to put forward proposals at a general meetings;
- (vi) to negotiate with directors and senior management members of the Company on behalf of the Company, or to initiate lawsuits against directors and senior management members of the Company in accordance with the Company Law;
- (vii) to be entitled to require directors or senior management members to attend meetings of the board of supervisors to answer questions;

- (viii) to verify financial information such as financial reports, business reports and profit distribution plans that the Board intends to submit to the general meeting and, in case any problem is identified, to be able to appoint, in the name of the Company, a registered accountant or practising auditor to assist in reviewing such information, and the expenses shall be borne by the Company;
- (ix) to elect the chairman of the board of supervisors;
- (x) to formulate the Procedural Rule for the Board of Supervisors;
- (xi) other functions and powers provided by laws, regulations and the Articles of Association.

The Company shall report its internal audit report, compliance inspection report, financial accounting report and other significant matters to the board of supervisors in a timely manner.

**Article 166.** Supervisors shall observe the Board meetings and raise questions or recommendations on the matters to be resolved of the Board, but shall not be entitled to vote thereon. Where significant matters are identified, the supervisors may report to the CBIRC or its local offices separately.

If the board of supervisors identifies any abnormality in the operation of the Company, it may conduct investigation, and may, if necessary, engage an accounting firm to assist at the expense of the Company.

**Article 167.** Meetings of the board of supervisors shall be held only if more than two-thirds of the supervisors (including their proxies) are present.

Each of the supervisors is entitled to one vote. With the exception of the resolutions in paragraph (viii) of Article 166, which shall be unanimously approved by all the supervisors, other resolutions of the board of supervisors shall be approved by more than two-thirds of all the supervisors.

Where there is a proper reason, a supervisor is entitled to request the chairman of the board of supervisors to convene an extraordinary meeting of the board of supervisors. The notice of each meeting of the board of supervisors shall be issued by facsimile or e-mail at least ten days before the meeting. The notice shall include: date and venue of the meeting, duration of the meeting, subject matters of the meeting and the issue date of the notice.

The board of supervisors shall keep minutes of decisions on the matters discussed at the meeting. The minutes shall be signed by both the supervisors and the minute-taker present at the meeting. Each supervisor shall have the right to request his/her speech made at the meetings to be recorded in the minutes with explanatory notes. Such minutes shall be permanently kept.



**Article 168.** The meeting of the board of supervisors may be convened by way of on-site meetings or by correspondence. To facilitate the supervisors' attendance of the meetings, the on-site meetings may also be held by way of telephone, video or other means, and the supervisors who attend the meetings by such means shall be deemed to have attended the on-site meeting in person.

**Article 169.** The reasonable fees (including reasonable fees incurred in the course of engagement of lawyers, certified public accountants, practising auditors and other professionals) incurred by the supervisors and the board of supervisors in the exercise of their ordinary functions and powers shall be borne by the Company.

**Article 170.** A supervisor shall carry out his/her supervisory duties diligently and faithfully in accordance with the requirements of laws, regulations and the Articles of Association.

## **Chapter 15 General Manager**

### **Section 1 Qualifications of General Manager**

**Article 171.** The Company shall have one general manager for a term of office of three years. The general manager shall be appointed or removed by the Board and shall be eligible for re-appointment. The vice general manager shall be nominated by the general manager, and appointed or removed by the Board. The directors may act concurrently as general manager or vice general manager, but the general manager and the chairman of the Board shall not be the same person.

The general manager shall be accountable to the Board, and the vice general manager shall assist the general manager.

**Article 172.** The qualification of the general manager or other senior management members shall be in compliance with the requirements stipulated by CBIRC, and shall be approved by CBIRC or its local office.

**Article 173.** The articles on restriction on the qualifications for serving as directors, obligations of the directors and acts prohibited shall apply to the general manager and other senior management members.

### **Section 2 Duties and Obligations of General Manager**

**Article 174.** The general manager may exercise the following powers:

- (i) to take charge of the daily operation, administration and finance management of the Company, arrange the implementation of the resolutions of the Board and report the work to the Board;

- (ii) to arrange for the implementation of the Company's annual operation plans and investment plans;
- (iii) to formulate plans on the establishment of the Company's internal management departments;
- (iv) to formulate the basic management system of the Company;
- (v) to formulate detailed rules for the Company;
- (vi) to formulate the remuneration system and welfare plan for the employees of the Company;
- (vii) to propose the appointment and removal of vice general managers and chief financial officer;
- (viii) to appoint or remove other management members (other than those required to be appointed or removed by the Board), to decide to appoint or dismiss other employees;
- (ix) to arrange the assessment and review of the employees and decide the remuneration, rewards and penalties in accordance with the laws, regulations and the management system of the Company;
- (x) to deal with important external business on behalf of the Company within the scope of authorisation by the Board;
- (xi) other powers conferred by the Articles of Association and the Board.

**Article 175.** The senior management members shall observe the principle of good faith, prudently and diligently exercise their powers within their scope of authority; and shall not seek business opportunities otherwise available to the Company for themselves or other persons.

The general manager shall perform their obligations of good faith and diligence according to the laws, administrative regulations and the Articles of Association, when he/she exercises his/her power.

Upon the requests of the Board or the board of supervisors, the general manager shall report the execution and the performance of the obligations under the material contracts, particulars on fund utilisation and profits and losses of the Company to the Board or the board of supervisors. The general manager shall ensure the truthfulness of such report.

**Article 176.** The general manager who is not a director shall observe the meetings of the Board of the Company.

### **Section 3 Conditions and Procedures for Removal of General Manager**

**Article 177.** When the general manger is in violation of the requirements of the Articles of Association, the general manger can be dismissed upon the resolution of the Board.

The decision on the removal of the general manger shall be reported to CBIRC.

**Article 178.** The general manager shall tender his/her resignation in writing three months before his/her resignation. The general manager shall not leave his/her office until the approval has been obtained from the Board of the Company.

The Company shall conduct off-office audits on the general manager when he/she leaves office.

**Article 179.** The conditions and procedures in respect of the dismissal of the general manager are applicable to other senior management members of the Company.

### **Chapter 16 Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management Members of the Company**

**Article 180.** A person may not serve as a director, supervisor, general manager or any other senior management member of the Company in case of any of the following circumstances:

- (i) a person without legal capacity or with restricted legal capacity;
- (ii) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (iii) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (iv) a person who is a former legal representative of a company or enterprise which had its business licence revoked or had been ordered to close down due to violation of the law and the legal representative was personally liable therefor, where less than three (3) years have elapsed since the date of the revocation of the business licence;

- (v) a person who has a relatively large amount of debts due and outstanding;
- (vi) a person who is under criminal investigation or prosecution by a judicial authority for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (vii) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (viii) a person who is not a natural person;
- (ix) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;
- (x) as prescribed in laws and regulations of the place where the shares of Company are listed.

Saved as the aforementioned requirements, directors, supervisors, general manager or other senior management members of the Company shall be in compliance with the requirements stipulated by CBIRC in relation to the qualifications for servings as directors and senior management members of a trust company.

**Article 181.** The validity of an act carried out by a director, general manager and other senior management members of the Company 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 any defect in his/her qualification.

**Article 182.** In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange where the shares of the Company are listed, each of the Company's directors, supervisors, general manager and other senior management members owes the following duties to each of the shareholders when exercising the functions and powers of the Company conferred to him/her:

- (i) not to cause the Company to exceed the scope of business stipulated in its business licence;
- (ii) to act honestly in the best interests of the Company;
- (iii) not to expropriate the Company's property in any way, including (without limitation) usurpation of opportunities advantageous to the Company;
- (iv) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights except for the restructuring of the Company which has been submitted to the general meeting for approval in accordance with the Articles of Association.

**Article 183.** Each of the Company's directors, supervisors, general manager and other senior management members owes a duty, in the exercise of his/her rights and discharge of his/her duties, to exercise the caution, diligence and skills that a reasonably prudent person would exercise in comparable circumstances.

**Article 184.** Each of the directors, supervisors, general manager and other senior management members shall exercise his/her powers or perform his/her duties in accordance with the principle of good faith; and shall not put himself/herself in a position where his/her duties and his/her interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (i) to act honestly in the best interests of the Company;
- (ii) to exercise powers within the scope of authority and not to exceed such scope;
- (iii) to exercise the discretion vested in him/her in personal without being manipulated by others and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate the right to exercise his/her discretion to others;
- (iv) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (v) unless otherwise provided for in the Articles of Association or except with the informed consent of the shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (vi) without the informed consent of the shareholders given at a general meeting, not to use the Company's property for his/her own benefit;
- (vii) not to exploit his/her position to accept bribes or other illegal income or misappropriate the Company's funds or expropriate the Company's property in any way, including (without limitation) opportunities advantageous to the Company;
- (viii) without the informed consent of the shareholders given at a general meeting, not to accept commissions in connection with the Company's transactions;
- (ix) to comply with the Articles of Association, to perform his/her duties faithfully, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her private interests;
- (x) without the informed consent of the shareholders given at a general meeting, not to compete with the Company in any way; not to use his/her connected relationship to act to the detriment of the Company's interests;

- (xi) not to misappropriate the Company's funds or lend such funds to other persons, not to open accounts in his/her own name or other names for the deposit of the Company's assets or use such assets to guarantee the debts of a shareholder of the Company or other personal liabilities; and
- (xii) without the informed consent of the shareholders at a general meeting, to keep in confidence information relating to the Company acquired by him/her during his/her term of office; not to use such information for purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
  - (a) disclosure is required under law;
  - (b) disclosure is required by the interests of the public;
  - (c) disclosure is required by the interests of such director, supervisor, general manager and other senior management members.

**Article 185.** Each director, supervisor, general manager and other senior management members of the Company shall not direct the following persons or institutions ("Relevant Persons") to act in a manner which they are prohibited from so acting:

- (i) the spouse or minor child of a director, supervisor, general manager and other senior management member of the Company;
- (ii) a person acting in the capacity of trustee of a director, supervisor, general manager and other senior management member of the Company or of any person described in sub-paragraph (i) of this Article;
- (iii) the partner of a director, supervisor, general manager and other senior management member of the Company or any person referred to in sub-paragraphs (i) and (ii) of this Article;
- (iv) a company which is under de facto control of a director, supervisor, general manager and other senior management member of the Company, whether alone or jointly with the persons referred to in sub-paragraphs (i), (ii) and (iii) of this Article or other directors, supervisors, general manager and other senior management members of the Company; and
- (v) the directors, supervisors, general manager and other senior management members of a company which is being controlled in the manner set out in sub-paragraph (iv) of this Article.

**Article 186.** The fiduciary duties of the directors, supervisors, general manager and other senior management members of the Company do not necessarily cease with the termination of their term of office. The duty of confidentiality in respect of trade secrets of the Company survives the termination of their term of office. Other duties may continue for such period as the principle of fairness may require depending on the period of time which has lapsed between the termination of their term of office and the occurrence of the event concerned and the circumstances and the terms under which the relationship between them on one hand and the Company on the other hand was terminated.

**Article 187.** Subject to Article 63 of the Articles of Association, directors, supervisors, general manager and other senior management members of the Company may be relieved from liabilities for specific breaches of their duties if the informed consent of the shareholders is given at a general meeting.

**Article 188.** Where a director, supervisor, general manager and other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than the service contract entered into between the Company and a director, a supervisor, general manager and other senior management member), he/she shall declare the nature and extent of his/her interests to the Board as soon as possible, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.

Saved for the exception set out in note 1 to appendix 3 of the Hong Kong Listing Rules or permitted by the Hong Kong Stock Exchange, a director shall not vote on any Board resolution in respect of any contract or arrangement or any other proposal in which he/she or any of his/her close associates (as defined in the Hong Kong Listing Rules) has material interests nor shall he/she be counted in the quorum present at the meeting.

Unless the interested director, supervisor, general manager and other senior management member discloses his/her interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, supervisor, general manager and other senior management member is not counted in the quorum and refrains from voting, the contract, transaction or arrangement in which that director, supervisor, general manager and other senior management member is materially interested is voidable at the discretion of the Company unless such contract, transaction or arrangement is entered into with a bona fide party who is not aware of the breach of duty by the interested director, supervisor, general manager and other senior management member.

A director, supervisor, general manager and other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which the Relevant Persons of him/her or his/her close associates are interested in.

**Article 189.** Where a director, supervisor, general manager and other senior management member of the Company, before the Company considers whether or not to enter into the relevant contract, transaction or arrangement for the first time, gives to the Board a notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in the contracts, transactions or arrangements which may subsequently be entered into by the Company, such notice shall be deemed for the purposes of the preceding article to be sufficient declaration of his/her interests to the extent of the content stated in such notice.

**Article 190.** The Company shall not pay taxes for directors, supervisors, general manager and other senior management members in any manner.

**Article 191.** The Company shall not directly or indirectly provide a loan to or provide any guarantee in connection with, the provision of a loan to a director, supervisor, general manager or other senior management member of the Company or of the Company's parent company or any of their Relevant Persons.

The provision of the preceding paragraph shall not apply under the following circumstances:

- (i) the provision by the Company of a loan to or a guarantee for a loan to a company which is a subsidiary of the Company;
- (ii) the provision by the Company of a loan or a guarantee for a loan or any other funds available to any of its directors, supervisors, general manager and other senior management members to enable such person to pay for the Company or pay for the expenses incurred or to be incurred by him/her in the course of performing his/her duties, in accordance with the terms of the service contract approved by the shareholders at a general meeting; and
- (iii) if the ordinary course of business of the Company includes provisions of loans and provisions of guarantees in connection with loans, the Company may provide a loan to or provide a guarantee in connection with the provision of a loan to any of the relevant directors, supervisors, general manager and other senior management members or their Relevant Persons on normal commercial terms.

**Article 192.** Any loan provided by the Company in breach of the preceding article shall, irrespective of the terms of the loan, be repaid by the recipient upon receipt of such funds.



**Article 193.** A guarantee for the repayment of a loan which has been provided by the Company in breach of paragraph 1 of Article 192 shall not be enforceable against the Company, save in respect of the following circumstances:

- (i) a loan was extended to a Relevant Person of any of the directors, supervisors, general manager and other senior management members of the Company or its parent company and the loan provider was not aware of the relevant circumstances when providing the loan; or
- (ii) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

**Article 194.** For the purposes of the foregoing provisions of this chapter, a “guarantee” includes an undertaking of obligations or provision of property by the guarantor to secure the obligor’s performance of his/her obligations.

**Article 195.** In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager and other senior management member of the Company is in breach of his/her duties to the Company, the Company has a right:

- (i) to demand such director, supervisor, general manager and other senior management member to compensate the Company for losses sustained by the Company as a result of such breach;
- (ii) to rescind any contract or transaction which has been entered into between the Company and such director, supervisor, general manager and other senior management member, or between the Company and a third party (where such third party knows or should have known that such director, supervisor, general manager and other senior management member representing the Company has breached his/her duties to the Company);
- (iii) to demand such director, supervisor, general manager and other senior management member to surrender the benefits earned as result of the breach of his/her duties;
- (iv) to recover any monies received by such director, supervisor, general manager and other senior management member which otherwise should have been received by the Company, including (without limitation) commissions; and
- (v) to demand repayment of the interest earned or which may have been earned by such director, supervisor, general manager and other senior management member on monies that should have been paid to the Company.

**Article 196.** The Company shall enter into contracts in writing with each director, supervisor and senior management member, which shall include at least the following provisions:

- (i) the directors, supervisors and senior management members shall undertake to the Company that they will comply with the Company Law, Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers and Share Repurchases and other rules formulated by the Hong Kong Stock Exchange and agree that the Company is entitled to the remedy as provided in the Articles of Association. The contracts and their positions may not be assigned;
- (ii) the directors, supervisors and senior management members shall undertake to the Company that they will perform the duties to shareholders pursuant to and as required by the Articles of Association; and
- (iii) the arbitration provisions in Article 255 of the Articles of Association.

The Company shall, with the prior approval of shareholders at a general meeting, enter into a contract in writing with a director or supervisor of the Company wherein his/her emoluments are stipulated. The aforesaid emoluments include:

- (i) emoluments in respect of his/her service as director, supervisor or senior management member of the Company;
- (ii) emoluments in respect of his/her service as director, supervisor or senior management member of any subsidiary of the Company;
- (iii) emoluments in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries; and
- (iv) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

No proceedings may be brought by a director or supervisor against the Company for any benefits owed to him/her in respect of the matters mentioned in this Article except pursuant to the contract mentioned above.

**Article 197.** The contract entered into by the Company and its directors or supervisors concerning the emoluments shall provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of shareholders at a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement.

For the purposes of the preceding paragraph, the takeover of the Company includes any of the following:

- (i) a takeover offer made by any person to all the shareholders; or
- (ii) a takeover offer made by any person with a view to making the offeror become a “controlling shareholder” within the meaning of Article 64.

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

## **Chapter 17 Business Management**

**Article 198.** The Company shall set up internal management system and internal risk control system. The aforesaid systems shall include the following:

- (i) the Company shall implement the principle of strict segregation between operation and management of proprietary assets and that of trust assets of the Company, as well as the strict segregation between the usage of proprietary assets and that of trust assets;
- (ii) the Company shall implement the system of segregating investment analysis, decision-making and operation;
- (iii) the Company shall set up strategies and risk management committee and establish a scientific decision-making mechanism and risk control mechanism;
- (iv) the Company shall make investments utilising the trust assets under management in compliance with the requirements set out in the trust documents;
- (v) the Company shall set up internal audit department and establish the internal audit system.

**Article 199.** The Company shall establish necessary information disclosure system.

The Company shall avoid conflict of interest when dealing with trust business, and shall make sufficient disclosure of information to trustors and beneficiaries or refuse to engage in such business where the conflict of interest is unable to be avoided.

**Article 200.** The Company shall set up organisational and management institutions and perform relevant duties in accordance with the Company Law and the Measures for the Administration of Trust Companies.

**Article 201.** The Company shall set up the system in respect of human resources management, labour wages and social insurance, in accordance with the laws and regulations including the Labour Law of the People's Republic of China, and relevant rules of the Company. All employees of the Company shall be under the system of employment under contract.

The Company shall enter into the employment contracts with employees of the Company to agree on, among others, the tenure, performance assessment, remuneration and benefits, grounds for dismissal, rights and obligations of both parties, liability for breach.

Upon approval by the general meeting of the Company, the Company may set up a professional liability insurance system for directors, supervisors and senior management members.

**Article 202.** The key business personnel of the Company shall be well equipped with professional ethics and professional knowledge.

## **Chapter 18 Financial and Accounting and Profit Distribution**

### **Section 1 Financial and Accounting System and Profit Distribution**

**Article 203.** The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the requirements of the PRC accounting standards formulated by the finance regulatory authority of the State Council.

**Article 204.** The Company shall manage the trust assets and proprietary assets separately and keep separate accounts for them. Trust assets under different trusts shall also be managed separately and kept in separate accounts. The Company shall establish its financial and accounting system and implement the financial and accounting system of financial enterprises pursuant to laws, regulations and requirements prescribed by the finance regulatory authority of the State Council, thereby setting up a sophisticated accounting control system.

The Company shall set up its accounts in accordance with laws, and carry out separate audits to trust business and non-trust business as well as to each trust of the trust business.

**Article 205.** The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

**Article 206.** The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and the applicable laws and regulations.

**Article 207.** Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and the applicable laws and regulations.

**Article 208.** Any accounting books and records shall be kept in the place where the Board thinks fit for the purpose of inspection by the directors and the supervisors at any time.

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

**Article 209.** The Company shall, at the end of each fiscal year, prepare a financial and accounting report for the preceding fiscal year which shall be audited by an accounting firm in accordance with laws. The financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the finance regulatory authority of the State Council.

**Article 210.** The Board of the Company shall submit to the shareholders at every annual general meeting such financial reports which are prepared by the Company as required by the relevant laws, administrative regulations and normative documents promulgated by competent local governments and the governmental authorities in charge.

**Article 211.** The Company's financial reports shall be made available for shareholders' review at the Company 20 days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this chapter.

**Article 212.** A copy of the financial report and the Board's report, accompanied by the balance sheet (including every document required by applicable laws to be annexed thereto) and statement of profit and loss or statement of income and expenditure, or the financial summary, shall be delivered by prepaid mail to every holder of overseas listed shares of the Company at the addresses specified in the register of members at least 21 days before the date of every general meeting.

**Article 213.** The Company shall publish its financial report twice in each fiscal year, i.e. the interim financial report shall be published within 2 months after the expiration of the first six months of an fiscal year and the annual financial report shall be published within 4 months after the end of an fiscal year, subject to the requirement of the securities regulatory authorities of the place where the shares of the Company are listed.

**Article 214.** The annual financial report of the Company shall be submitted to CBIRC upon the audit is carried out by certified accountants and the approval is obtained at the general meeting.

**Article 215.** The capital reserve fund shall include the following items:

- (i) premium received when shares are issued at a premium to their par value; and
- (ii) any other income required to be included in the capital reserve fund by the competent financial department of the State Council.

**Article 216.** Subject to compliance with relevant provisions of laws, regulations and regulatory policies, the profits distribution policy of the Company shall be durative and stable, taking into account the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company.

The Company's profits (after relevant taxes are paid) shall be distributed in the following order of priority:

- (i) offsetting the losses in the preceding year;
- (ii) allocating 10% of such profits to the statutory reserve fund; no further contribution to the Company's statutory reserve fund is required when the aggregate balance in the statutory reserve fund has reached 50% of the Company's registered capital;
- (iii) allocating 5% of such profits to the trust compensation reserve fund; no further contribution to the trust compensation reserve fund is required when the aggregate balance in the trust compensation reserve fund has reached 20% of the Company's registered capital;
- (iv) allocating such profits to the discretionary reserve fund in accordance with the resolutions of the general meeting;

After recovery of losses and appropriation of the reserve fund, the Company may distribute its profits to the shareholders in proportion to their shareholdings, except for those which shall not be distributed in such manner as provided by the Articles of Associations.

Any distribution of the Company's profits to any shareholder before recovery of losses and appropriation of the reserve fund by the general meeting in violation of the above requirements shall forthwith be returned by the shareholders to the Company.

No profit shall be distributed in respect of the shares which are held by the Company.

**Article 217.** The Company may distribute dividends in the following forms (or a combination of both):

- (i) cash;
- (ii) shares.

The Company shall calculate and declare dividends and other amounts which are payable to holders of domestic shares in Renminbi. The Company shall calculate and declare dividends and other payments which are payable to holders of overseas listed shares in Renminbi. The exchange rate shall be the average closing rate for the relevant foreign currency published by the People's Bank of China five working days prior to the declaration of payment of dividend and other amounts. The Company shall pay the holders of overseas listed shares in accordance with the relevant foreign exchange control regulations of the PRC. The distribution of dividends shall be carried out by the Board with the authorisation of the general meeting by way of ordinary resolutions.

After shareholders have adopted a resolution on the profit distribution plan at the general meeting, the Board shall implement the specific plan as soon as possible within two months after the general meeting is held.

Any amount paid up by shareholders in advance of calls on any shares may carry dividend but the holder of such shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

Subject to relevant laws, regulations, rules and normative documents, the Company may confiscate any unclaimed dividends after the expiry of the applicable term of validity.

If two dividend warrants have been left uncashed consecutively, the Company shall be entitled to stop sending dividend warrants to holders of overseas listed shares by post. The Company is entitled to exercise such right when the first dividend warrant is returned and undelivered.

The Company is entitled to sell, in such manner as the Board thinks fit, the shares of a holder of overseas listed shares who is untraceable subject to the following conditions:

- (i) the Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed during such period;
- (ii) the Company, after the expiration of a period of 12 years, has made an announcement in one or more newspapers in the place where the shares of the Company are listed, stating its intention to sell such shares, and has notified the securities regulatory authority of the place where the shares of the Company are listed of such intention.

**Article 218.** The Company shall appoint receiving agent for holders of the overseas listed shares and the receiving agent shall receive dividends and other amounts payable by the Company in respect of their overseas listed shares on behalf of such shareholders.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws and the regulations of the stock exchanges of the place where the shares of the Company are listed.

The receiving agents appointed for holders of the overseas listed shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

**Article 219.** The Company shall manage the trust assets and proprietary assets separately and keep separate accounts for them. Trust assets under different trusts shall also be managed separately and kept in separate accounts.

**Article 220.** The Company shall conduct internal audit to its financial income and expenditure and economic activities of the Company and be under examination and supervision from audit authority in accordance with relevant regulations on audit of the PRC.

## **Section 2 Appointment and Dismissal of an Accounting Firm**

**Article 221.** The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the annual financial reports and other financial reports of the Company.

**Article 222.** The Company's appointment, dismissal and reappointment of an accounting firm shall be resolved by the general meeting and shall be filed with CBIRC and the competent securities regulatory authority of the State Council.

The term of office of the accounting firm appointed by the Company shall commence from the conclusion of the annual general meeting (where it is appointed) and shall end at the conclusion of the next annual general meeting of the Company.

**Article 223.** An accounting firm appointed by the Company is entitled to exercise the following rights:

- (i) to inspect the accounting books, records and supporting documents of the Company at any time, and to request the directors, general manager and other senior management members of the Company to provide relevant information and explanation;
- (ii) to request the Company to adopt all reasonable measures to obtain from its subsidiaries such information and explanation as required by the accounting firm for performing its duties;



- (iii) to observe the general meeting, and to obtain the notice of the meeting or other information regarding the meeting which any shareholder is entitled to receive, and to speak at the general meeting in relation to any matters concerning its role as the accounting firm engaged by the Company.

**Article 224.** The Board may, before the convening of general meeting, appoint an accounting firm to fill any casual vacancy in the office of the accounting firm. If the Company has engaged any other accounting firm whose term of office has not expired, such accounting firm shall continue to perform its duties despite the fact that the vacancy remains unfilled.

**Article 225.** Notwithstanding the terms of contract between an accounting firm and the Company, the general meeting may dismiss such accounting firm by way of ordinary resolutions prior to the expiration of its term of office. If the accounting firm is entitled to claim for compensation as a result of such dismissal, such right shall not be affected by the dismissal.

**Article 226.** The remuneration or the basis of remuneration of an accounting firm shall be determined by the general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

**Article 227.** Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accounting firm, or to reappoint a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or to dismiss the accounting firm before the expiration of its term of office, the following provisions shall apply:

- (i) the proposal on appointment or dismissal shall be sent to the accounting firm to be appointed or proposing to leave its post or the accounting firm which has left its post in the relevant fiscal year prior to the issue of the notice of the general meeting. Leaving includes dismissal, resignation and retirement.
- (ii) if the leaving accounting firm makes a written statement and requires the Company to forward such statement to the shareholders, the Company shall take the following measures unless the written statement is not received in time:
  - (1) to state in the notice issued for adoption of the resolution that the accounting firm who is about to leave has made a statement; and
  - (2) to deliver a copy of the statement to shareholders as an appendix to the notice in accordance with the Articles of Association.

- (iii) if the Company fails to deliver the statement by the accounting firm in accordance with paragraph (ii), the relevant accounting firm may request such statement to be read at the general meeting and may lodge further complaints.
- (iv) the accounting firm leaving its post shall be entitled to attend the following meetings:
  - (1) the general meeting at which its term of office would otherwise have expired;
  - (2) the general meeting held for the purpose of filling the vacancy caused by its dismissal; and
  - (3) the general meeting convened as a result of its voluntary resignation.

The accounting firm leaving its post shall be entitled to receive all notices of the aforementioned meetings and other information relating to such meetings and shall also be entitled to present its views at the meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 228.** The Company shall notify the accounting firm in advance before the dismissal or non-reappointment of such accounting firm. The accounting firm shall be entitled to present its views at the general meeting. Where the accounting firm tenders its resignation, it shall state at the general meeting whether there has been any impropriety on the part of the Company.

- (i) Where any accounting firm intends to resign from its office, it may deposit at the Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as stipulated in such notice. Such notice shall include the following:
  - (1) a statement to the effect that there are no circumstances in relation to its resignation which should be brought to the attention of the shareholders or creditors of the Company; or
  - (2) a statement of any relevant matters of which an account should be given.
- (ii) The Company shall send a copy of the notice to the relevant competent authority within 14 days upon receipt of the written notice mentioned in paragraph (i) of this article. If the notice contains a statement under paragraph (i)(2) of this article, a copy of such statement shall be placed at the Company for shareholders' inspection. The copy of such statement shall also be sent by prepaid mail to shareholders entitled to have the copy of the report on the financial condition of the Company at the registered address as recorded in the register of members.

- (iii) Where the accounting firm's notice of resignation contains a statement mentioned in the paragraph (i)(2) of this article, the accounting firm may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

## **Chapter 19 Merger and Division of the Company**

**Article 229.** The Company may carry out merger or division in accordance with the laws.

**Article 230.** In the event of a merger or division of the Company, a plan shall be proposed pursuant to the laws and regulations including the Company Law, the Trust Law and the Administrative Measures of Trust Companies by the Board of the Company, and shall be processed upon consideration and approval by the general meeting and approval by the CBIRC.

A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire his/her shares at a fair price. The contents of the resolution on merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders.

The aforesaid documents shall also be delivered by mail to holders of overseas listed shares.

The Company shall handle trust assets in accordance with relevant laws and regulations and trust documents in the course of merger or division.

**Article 231.** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. A merger by absorption refers to the situation where a company absorbs another company and the absorbed company is dissolved. A merger by the establishment of a new company refers to the situation where two or more companies merge and establish a new company and all of the parties to the merger are dissolved.

In the event of a merger of the Company, approval from CBIRC shall be obtained, and the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's resolution on merger and shall publish a public announcement in a newspaper recognised by the stock exchange on which the Company's shares are listed within 30 days from the date of the Company's merger resolution. Creditors may, within a period of 30 days from the date of receipt of the written notification, or within a period of 45 days from the date of the announcement for those who do not receive written notification, demand the Company to discharge the debts or provide corresponding guarantees.

Upon completion of the merger of the Company, the entity merged or the new entity established after the merger shall succeed the claims and liabilities of the parties to the merger.

**Article 232.** In the event of a division of the Company, its assets shall be divided accordingly.

In the event of division of the Company, approval from CBIRC shall be obtained, and the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's resolution on division and shall publish a public announcement in a newspaper recognised by the stock exchange on which the Company's shares are listed within 30 days from the date of the Company's resolution on division.

The liability for the debts before the Company is divided shall be borne by the companies surviving the division, unless the Company and its creditors have entered into a written agreement on discharge of debts prior to the division and the agreement stipulates otherwise.

**Article 233.** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the laws. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

## **Chapter 20 Dissolution and Liquidation of the Company**

**Article 234.** The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (i) a resolution on dissolution is passed by shareholders at a general meeting and approval by relevant regulatory authorities has been obtained;
- (ii) dissolution is necessary due to a merger or division of the Company;
- (iii) the Company is declared bankrupt according to laws due to its failure to repay debts due;
- (iv) its business licence has been revoked, or it is ordered to close or to be cancelled according to laws;
- (v) where the Company has encountered grave difficulties in its operation and management and its continued existence would result in material losses to the interests of the shareholders, and there is no other way to resolve the issue, in which case shareholders holding shares representing more than 10% of the total voting rights of the shareholders of the Company make petition to the people's court requesting to dissolve the Company and the people's court has approved the dissolution in accordance with the laws;
- (vi) other circumstances where the Company should be dissolved in accordance with laws and regulations.

The dissolution of the Company is subject to the approval by CBIRC.

**Article 235.** Where the Company is to be dissolved pursuant to item (i), (ii), (iv), (v) and (vi) of the preceding article, a liquidation committee shall be set up within 15 days since the occurrence of such events to commence the liquidation procedures. The members of such liquidation committee shall be determined by the general meeting by way of an ordinary resolution. If the Company fails to establish a liquidation committee on time, creditors may make petitions to the people's court requesting to designate certain persons to form a liquidation committee to carry out liquidation procedures.

Where the Company is to be dissolved pursuant to item (iii) of the preceding article, the people's court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to set up a liquidation committee to carry out liquidation procedures.

**Article 236.** The duties of managing the trust business of the Company shall terminate when the Company is terminated. The liquidation committee shall keep the trust assets properly, and prepare a report for the trusts which have not reached the expiration of their term, as well as transfer such trust assets to other trust companies for continuing management together with the trustor and beneficiaries, except as otherwise stipulated by the trust document.

**Article 237.** Where the Board decides to liquidate the Company for any reason other than the Company's declaration of its own insolvency, the Board shall include a statement in its notice of the general meeting convened for such purpose stating that, after making full inquiry into the condition of the Company, the Board is of the opinion that the Company will be able to repay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution at a general meeting on the liquidation of the Company, all functions and powers of the Board of the Company shall cease immediately.

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

**Article 238.** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (i) to ascertain the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (ii) to notify the creditors by sending out notices or by publishing announcements;

- (iii) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (iv) to pay all outstanding taxes as well as taxes arising in the course of liquidation;
- (v) to ascertain all claims and debts;
- (vi) to deal with the remaining assets of the Company after the repayment of debts; and
- (vii) to represent the Company in any civil proceedings.

**Article 239.** The liquidation committee shall give notices to the creditors within ten days from its establishment and issue announcements in the newspaper within 60 days from its establishment. The creditors shall report claims to the liquidation committee within 30 days from the date of the receipt of such notices or within 45 days from the date of the announcement if no notice is received. The liquidation committee shall register the claims in accordance with requirements of laws. In the period of reporting claims, the liquidation committee shall not make any repayment to the creditors.

**Article 240.** The creditor shall declare its claims to the liquidation committee within the required period. The creditor shall provide the relevant information and explanations in relation to the claims and provide supporting documents when declaring its claims. The liquidation committee shall register the claims.

**Article 241.** After it has ascertained the Company's assets and has prepared the balance sheet and the inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to the general meeting or to the relevant competent authority for confirmation.

After the general meeting resolves to dissolve the Company, or the Company is declared to be bankrupt according to laws or ordered to be closed, nobody may dispose of the assets of the Company without approval of the liquidation committee.

The remaining assets of the Company, after the debts provided in the preceding paragraph are repaid, shall be distributed to the shareholders of the Company in accordance with the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist, but it may not carry out operational activities not relating to the liquidation.

**Article 242.** The assets of the Company shall be applied for liquidation in accordance with following order:

- (i) payment of the liquidation charges;
- (ii) payment of staff salary, social insurance premiums, and statutory compensation;
- (iii) payment of outstanding tax;
- (iv) settlement of the Company's debts;
- (v) allocating the remaining assets in proportion to the respective shareholdings of the shareholders.

The assets of the Company shall not be distributed to shareholders before being paid in accordance with the requirements in (i) to (iv) in this article.

**Article 243.** If the Company is liquidated owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing the balance sheets and the inventory of assets, discovers that the Company's assets are insufficient to pay off the debts, it shall apply to the people's court for declaration of bankruptcy immediately.

After the Company is declared bankrupt by a ruling of the people's court, the liquidation committee shall transfer the liquidation matters to the people's court.

When the Company needs to apply for declaring its bankruptcy since its assets are not enough to pay off the debts, it can apply for declaring its bankruptcy to the people's court upon approval by CBIRC.

**Article 244.** After the completion of liquidation, the liquidation committee shall prepare a liquidation report, an income and expenditure statement and financial account books for the liquidation period and, after being verified thereof by a certified public accountant in the PRC, submit the same to the general meeting or the relevant competent authorities for confirmation.

Within 30 days from the date of confirmation by the general meeting or the relevant competent authorities, the liquidation committee shall submit the above-mentioned documents to the company registration authority to apply for cancellation of the Company's registration and issue an announcement on the Company's termination.

**Article 245.** Members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations according to laws. They shall not abuse their authority to accept bribes or other illegal income and shall not seize the Company's assets.

Any member of the liquidation committee who willfully or through gross negligence causes losses to the Company or its creditors shall be liable for compensation.

**Article 246.** Following the dissolution, the largest shareholder at the time of liquidation of the Company shall be responsible for keeping each of the account books and documents. Each of the shareholders shall negotiate to designate one shareholder to be responsible for keeping in the case where there is no largest shareholder at the time of liquidation of the Company.

**Article 247.** The trust assets do not constitute the proprietary assets of the Company, or the liabilities of the Company to the beneficiaries. The trust assets do not constitute the assets in liquidation when the Company is terminated or liquidated.

**Article 248.** If the Company is legally declared insolvent and liquidated due to its failure to repay debts as they become due, or is ordered to close down and be cancelled due to breach of laws and regulations, relevant staff including directors, senior management members and shareholder representatives shall take the responsibilities.

## **Chapter 21 Amendments to the Articles of Association**

**Article 249.** The Company may amend the Articles of Association in accordance with the requirements of laws, regulations and the Articles of Association.

**Article 250.** The procedure of the amendments to the Articles of Association is as follows:

- (i) the Board proposes the proposal on the amendments to the Articles of Association;
- (ii) all shareholders are notified of the proposal on the amendments to the Articles of Association, and the general meeting is convened to vote in accordance with requirement of the Articles of Association;
- (iii) the proposal on the amendments to the Articles of Association put forward to the general meeting for voting shall be voted on and passed in accordance with the requirement of the Articles of Association.

**Article 251.** The amendments to the Articles of Association shall be announced in accordance with the requirements of applicable laws, regulations and securities regulatory rules of the place where the shares of the Company are listed, including but not limited to business registration in respect of changing the name, legal address, scope of operation, registered capital etc., and other matters required to be announced.



**Article 252.** The amended Articles of Association shall become effective upon approval by CBIRC or its local office.

The amendment which involves the content of the Mandatory Provisions shall become effective upon approval by the companies approving department authorised by the State Council and the securities regulatory authority of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with laws.

## **Chapter 22 Notice**

**Article 253.** Unless otherwise provided for in the Articles of Association, if the notice issued by the Company to the holders of overseas listed shares is in the form of announcement, the Company shall submit an electronic version ready to be published immediately to the Hong Kong Stock Exchange through the electronic publication system of the Hong Kong Stock Exchange in accordance with the local listing rules for publication on the website of the Hong Kong Stock Exchange. The announcement shall be published on the Company's website at the same time. In addition, the Company shall deliver the notice to each of the holders of overseas listed shares in person or by prepaid mails according to their registered address, to ensure that the shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.

The holders of overseas listed shares may choose in writing to receive the information that the Company is required to send to shareholders in electronic means or by post, and choose to receive such information in Chinese version or English version or both. The holders of overseas listed shares may also notify the Company in writing at a reasonable time in advance to change the way to receive the above-mentioned information and in which language in accordance with the applicable procedures.

If a notice is delivered by post, the Company only needs to write down the address, prepay the post and put the notice into the envelope. The notice is deemed to be sent when it is put into the post box and deemed to be served 48 hours afterwards.

Notwithstanding the specific requirements in the preceding article that the Company shall provide and/or deliver the corporate communications in writing to the shareholders, with regard to the way to provide and/or deliver the corporate communications to shareholders in accordance with the Hong Kong Listing Rules, if the Company has obtained the shareholders' written consent in advance in accordance with relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may deliver or provide the corporate communications to the shareholders of the Company by electronic means or by way of announcement on the Company's website. The corporate communications include (but are not limited to): annual report of the Company (including the report of the Board, annual accounts, audit report and financial summary of the Company, if applicable), interim report and interim summary report of the Company (if applicable), notice of the meeting, listing documents, circular, proxy form (within the meaning under the listing rules of the stock exchange where the shares of the Company are listed) and other types of corporate communications provided by the Hong Kong Listing Rules.

## Chapter 23 Dispute Resolution

**Article 254.** The Company shall comply with the following rules for settlement of disputes:

- (i) Any dispute or claim of rights relating to the affairs of the Company and arising between holders of overseas listed Shares and the Company, or between holders of overseas listed shares and directors, supervisors, general manager or other senior management members of the Company, or between holders of overseas listed shares and holders of domestic shares, and arising as a result of the rights and obligations provided for in the Articles of Association, the Company Law and other relevant laws, administrative requirements, shall be referred to arbitration by parties involved.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, where the persons being the Company or shareholders, directors, supervisors, general manager or other senior management members of the Company, shall abide by the arbitration.

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

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

If the claimant elects for arbitration to be carried out at the HKIAC, any party to the dispute may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the HKIAC.

- (iii) The resolution of any dispute or claim of rights referred to in (i) above by arbitration is subject to the PRC laws, unless otherwise required by laws and administrative regulations.
- (iv) An arbitral award made by the arbitral body shall be final and binding on the parties.
- (v) Any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct public hearings and to publish its award.

## Chapter 24 Miscellaneous

**Article 255.** The Articles of Association are effective upon the consideration and passing by the general meeting and the approval by CBIRC or its local office.

**Article 256.** As authorised by the general meeting, the Board of the Company shall be responsible for the interpretation of the Articles of Association.

**Article 257.** In the Articles of Association, the following expressions have the following meanings unless the context otherwise requires:

The terms “no less than”, “within” and “no more than” stated in the Articles of Association include the number itself. The terms “less than”, “more than”, “exceeding”, “over one half” do not include the number itself.

The laws and regulations stated in the Articles of Association refer to laws, administrative regulations, rules, judicial interpretation and decision and notice of the regulatory authorities, which are currently effective and promulgated to be implemented in the PRC.

The term “senior management member” referred to herein means the general manager, vice general manager, chief financial officer, chief risk management officer, secretary to the Board and other management members taking important positions of the Company as recognised by regulatory authority and determined through resolutions of the Board of the Company.

The term “substantial shareholders” referred to herein means shareholders who hold above 5% shares of the Company, or who hold less than 5% of total number of shares but have material influence on the operational management of the Company. Material influence includes but is not limited to designating directors, supervisors or senior management personnel to station in the Company, influencing the Company’s financial and operational management decisions through agreements or other forms of influence, and other scenarios recognised by the CBIRC or its delegated authorities.

**Article 258.** In the Articles of Association, references to “accounting firm” shall have the same meaning as “auditor”, and references to “related” in the Articles of Association shall have the same meaning as “connected” referred to in Hong Kong Listing Rules.

The Articles of Association are written in Chinese. Where the versions written in other languages or other versions have different interpretations, the Chinese version verified by CBIRC or its local office and latest verified by and registered with the company registration authority shall prevail. Where the versions written in other languages have different interpretations, the Chinese version shall prevail.