



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

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

Haitong Securities Co., Ltd.

Articles of Association

October 2023

Approved at the 2023 First Extraordinary General Meeting of the Company
Held on 12 October 2023

The original version of the Articles of Association of the Company ("AOA") is in Chinese, and the English version of the AOA is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the AOA, the Chinese version shall prevail.

* *For identification purpose only*

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The Articles of Association of Haitong Securities Co., Ltd.

CHAPTER ONE GENERAL PROVISIONS

Article 1 With an aim to protect the lawful interests of the Company, shareholders and creditors, and standardize the organization and conduct of the Company, the Articles of Association is formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of People's Republic of China (hereinafter referred to as the "Securities Law"), the Provisions on the Administration of Equity Ownership of Securities Companies, the Guidelines for the Articles of Association of the Listed Companies, the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' General Meetings by Overseas Listed Companies, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the other relevant provisions.

Article 2 The Company was incorporated as a joint stock limited company (hereinafter referred to as the "Company") pursuant to the Company Law and other relevant provisions.

The Company was incorporated on 7 October 1993 by way of public share offer under the Approval Document Ref. HUZHENGBAN No. (93)117 of Shanghai Securities Administration Office, and obtained the business licence after registration with the Market Supervision Administration of Shanghai. The unified social credit code in the business license is 9131000013220921X6.

Article 3 The Company was incorporated on 7 June 2007 under the Approval Document Ref. ZHENGJIANGONGSIZI No. [2007] 90 issued by China Securities Regulatory Commission (hereinafter referred to as the "CSRC"), after Shanghai Urban Argo-Business Co., Ltd. has absorbed the former body of Haitong Securities Company Ltd. through merging.

Article 4 Registered Company Name: 海通證券股份有限公司

English Company Name: HAITONG SECURITIES COMPANY LTD.

Article 5 Domicile of the Company: 689 Guangdong Road, Shanghai.
ZIP Code: 200001
Tel: 021-23219000
Fax: 021-23219100

Article 6 The registered capital of the Company is RMB13,064,200,000.

Article 7 The Company is a perpetual joint stock company.

Article 8 The Chairman of the Board of Directors (the "Board") is the legal representative of the Company.

Article 9 All the assets of the Company are divided into equivalent shares. The liability of the shareholders of the Company shall be limited to the extent of the shares of the Company to which they subscribed. The liability of the Company to the debts of the Company shall be limited to all the assets of the Company.

The Company may invest in other bodies including companies with limited liability and joint stock companies, with the liability of the Company limited to the contribution of capital thus made.

Article 10 According to the provisions of the Constitution of the Communist Party of China (“CPC”) and the Company Law, the Company is required to establish a CPC organization and related administrative organs, maintain a certain number of full-time and part-time CPC affairs staff, and guarantee sufficient funds to provide necessary conditions to facilitate activities of CPC organization. The Company’s CPC committee plays a leading role in holding directions, regulating overall conditions and ensuring implementation, discusses and makes decisions on major matters of the Company in accordance with the regulations and supports shareholders’ general meeting, the Board, the Supervisory Committee and the management to exercise their powers and functions according to laws.

Study and discussion by the CPC committee of the Company are the preceding procedures for decision-making on major issues by the Board and the management. Major operational and management matters must first be studied and discussed by CPC committee, and then be decided by the Board or the management.

Article 11 The Articles of Association were adopted by a special resolution at the shareholders’ general meeting, and shall be effective on the date of the Company’s Overseas listed Foreign Shares (H Shares) being listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”). Upon the effective date of the Articles of Association, the existing Articles of Association of the Company and amendments thereto shall lapse automatically.

The Articles of Association shall be the document legally binding on standardizing the organization and conduct of the Company, and the rights and obligations between and among the shareholders, and legally binding on the Company, the shareholders, supervisors of the Company (the “Supervisors”) and the senior management members. Pursuant to the Articles of Association, the foregoing personnel shall have the right to claim related to the Company’s matters. Pursuant to the Articles of Association, the shareholders may lodge claims against the shareholders; the shareholders may lodge claims against the Company’s Directors, Supervisors, and the senior management members; the shareholders may lodge claims against the Company; the Company may lodge claims against the shareholders, Directors, Supervisors, and the senior management members.

The alleged claims lodged in the preceding paragraph shall include the institution of proceedings in court and the application for arbitration filed to the arbitration organization.

CHAPTER TWO OBJECTIVES AND SCOPE OF OPERATION

Article 12 The objectives and vision of the operation of the Company: to insist on the corporate values of “only by upholding morality and integrity can enterprises achieve long-term development” and the “practical, developing, sound, stable and outstanding” operation concepts, to serve national strategies with a global vision and Chinese wisdom, and to provide customers with global comprehensive financial solutions. With the mission of building a world-class investment bank under the concept of “services to create values, work hard to shape the future”, the Company builds itself into a first-class modern financial service enterprise in China with international influences.

Article 13 The Company adheres to managing enterprises according to the law, operational compliance and integrity, and continues to deepen sound governance, to promote standardized management. The Company also adheres to the cultural and honor and disgrace concept of “compliance, integrity, profession and steadiness” in the securities industry, strengthens the supervision and management of business integrity, improves various rules and systems, promotes the construction of a culture of integrity, and seriously investigates and deals with violations of regulations and disciplines, to effectively prevent the risk of integrity practice.

Article 14 As registered according to the laws, the scope of operation of the Company shall be: securities brokerage; securities proprietary business; securities underwriting and sponsoring; securities investment advisory; consultation related to securities transactions and securities investment activities; securities investment fund consignment; provision of intermediary introduction business for the futures companies; securities lending and borrowing business; agency sales of financial products; stock options market making business; securities investment fund custody; and other businesses approved by the CSRC.

According to laws, administrative regulations and relevant regulatory requirements, the Company may set up private equity investment funds subsidiaries and alternative investment subsidiaries to engage in private equity investment funds and alternative investments.

CHAPTER THREE SHARES

Section 1 Issue of Shares

Article 15 The shares of the Company are evidenced by share certificates.

The Company shall have ordinary shares available at all times; and if needed, upon approval granted by the department authorised by the State Council, the Company may have shares of other classes available.

Shareholders of different classes of the Company rank *pari passu* over the rights to dividends or other forms of distribution.

Article 16 The Company shall issue its shares under the principles of openness, fairness and justice, and each share of the same class shall carry same rights.

The issue conditions and price per share of the same class in the same issue shall be the same; and every share subscribed by any entity or individual shall pay the same price.

Article 17 All shares issued by the Company have a par value of RMB1 per Share.

Article 18 The Company may, upon obtaining approval from the securities regulatory authority under the State Council or other relevant regulatory authorities, issue shares to domestic investors and overseas investors.

The overseas investors in the preceding paragraph refer to the investors from abroad, Hong Kong, Macau and Taiwan who have subscribed the shares issued by the Company. The domestic investors refer to the investors in the PRC other than those from the foregoing territories.

Article 19 When the company was incorporated, the total number of ordinary shares approved for issue was 50,188,400 shares, including 37,588,400 state-owned shares representing 74.89% of the total number of ordinary shares which the Company may issue, and 12,600,000 shares for individual shareholders in general (including 1,260,000 shares for the employees) representing 25.11% of the total number of ordinary shares which the Company may issue.

Article 20 The total number of shares of the Company is 13,064,200,000 shares. The structure of the share capital of the Company is: 13,064,200,000 shares of ordinary shares including 9,654,631,180 shares held by holders of domestic shares and 3,409,568,820 shares held by holders of overseas listed foreign shares.

Article 21 The Company has issued to the domestic investors the shares subscribed in Renminbi, which are called domestic shares. The domestic shares listed in the PRC are called A shares. The Company has issued to the overseas investors the shares subscribed in foreign currency, which are called foreign shares. The foreign shares listed overseas are called overseas listed foreign shares.

Upon approval by the securities supervision and management authorities of the State Council, the domestic shareholders of the Company may transfer their shares to the overseas investors and such shares may be listed or traded on the overseas stock exchange. The transferred shares listed or traded on the overseas stock exchange shall also comply with the regulatory procedure, rules and ordinance of the overseas stock exchange.

Article 22 As to the plan for overseas listed foreign shares upon approval by the securities supervision and management authorities of the State Council, and the domestic shares issued by the Company, the Board of the Company may make arrangements for separate issues.

Pursuant to the provisions in the preceding paragraph, the Company's plan for separate issue of overseas listed foreign shares and domestic shares may be implemented separately within 15 months from the date of approval by the securities supervision and management authorities of the State Council.

Article 23 Within the total number of shares confirmed in the issue plan of the Company, the separate issue of overseas listed foreign shares and domestic shares shall be subject to sufficient offer once and for all. In the exceptional situation of being unable to make sufficient offer once and for all, it may be offered more than once, upon approval by the securities supervision and management authorities of the State Council.

Article 24 The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchase s or proposes to purchase shares of the Company.

Article 25 The Company shall establish the management and the employees' incentive mechanism with long-term effects. The Company shall take charge of preparing the draft for the incentive mechanism with long-term effects, which shall be implemented after being passed by the Board meeting, the shareholders' general meeting and the approval of the relevant authorities, and being filed with the CSRC without objection.

Section 2 Increment, Reduction and Repurchase of Shares

Article 26 The Company may, based on its requirements for operation and development, in accordance with the relevant provisions of the laws and regulations, and having obtained the approval at the shareholder's general meeting, increase its capital in the following way:

- (i) offer of new shares to investors not particularly designated;
- (ii) non-open offer of shares;
- (iii) place new shares to its existing shareholders;
- (iv) bonus issue of new shares to existing shareholders;
- (v) transfer of capital reserve into capital;
- (vi) any other way permitted by laws, administrative regulations and relevant regulatory authorities.

After obtaining the approval required by the Articles of Association, the Company can issue new shares to increase its capital pursuant to the laws and administrative regulations of the PRC.

Article 27 The Company may reduce its registered capital. The reduction of registered capital shall be made in accordance with the Company Law and other relevant requirements as well as procedures stipulated in the Articles of Association.

Article 28 When the Company proposes of reducing its registered capital, it must draw up a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution authorising the reduction of capital, and publish a public notice in newspapers within 30 days of that date. The creditors shall within 30 days from the date of receiving the notice, or those who have not received such notice, within 45 days from the date of the public notice, shall have a right to require the Company to settle its debts or to offer corresponding guarantee for their settlement.

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

Article 29 In principle, the Company shall not acquire its shares, however, it may, according to the provisions of the relevant laws, administrative regulations, departmental rules and regulations, and the Articles and relevant requirements of securities regulatory authorities in the place where the Company's shares are listed, acquire its shares under the following circumstances:

- (i) to reduce registered capital of the Company;
- (ii) to merge with another company that holds shares in the Company;
- (iii) to use the shares for employee shareholding plans or for share incentives;
- (iv) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company;
- (v) to use the shares for converting the convertible bonds issued by the Company to stock;
- (vi) necessary acts by the Company to protect its value while safeguarding the interests of shareholders;
- (vii) other circumstances as permitted by laws and administrative regulations and securities regulatory authorities in the place where the Company's shares are listed.

The Company shall not engage in the trading of its shares, save for the circumstances specified above.

Article 30 The Company may conduct the repurchase in one of the following manners:

- (i) an offer to repurchase made to all shareholders in equal proportions;
- (ii) to repurchase through open transactions in stock exchanges;
- (iii) to repurchase through off-market agreements outside a stock exchange;
- (iv) other means as permitted by laws of PRC, administrative regulations and relevant competent authorities.

If the Company repurchases its shares under the circumstances as required in items (III), (V) or (VI) of Article 29 in the Articles of Association, the transaction(s) shall be carried out in a public and centralized manner.

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

Article 31 Where the Company repurchases its shares through off-market agreements outside a stock exchange, it shall seek prior approval of the shareholders at the shareholders' general meeting in accordance with the Articles. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by shareholders at shareholders' general meeting obtained in the same manner.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged repurchase or acquire the right to repurchase shares.

The Company shall not assign a contract for repurchasing its shares or any of its right thereunder.

In respect of the redeemable shares that the Company has the rights to repurchase, if the repurchases are not made on the market or by an offer, the prices shall be limited to a maximum price; if repurchases are made by an offer, such offer should be made available to all shareholders equally.

Article 32 The share repurchase of the Company for reasons specified in item (I) to (II) of Article 29 of the Articles of Association shall be resolved at shareholders' general meetings, and the share repurchase of the Company under circumstances as required in items (III), (V) and (VI) of Article 29 of the Articles of Association shall obtain approval from Board meetings where over two-thirds of the Directors are present.

For any share repurchase of the Company pursuant to Article 29 of the Articles of Association, shares repurchased pursuant to item (I) shall be cancelled within ten days from the date of the repurchase; for those circumstances described in items (II) and (IV), the shares shall be transferred or cancelled within six months.

Where the Company repurchases it shares pursuant to items (III), (V), and (VI) of Article 29 of the Articles of Association, the total shares held by the Company shall not exceed 10% of the total shares issued by the Company and such shares shall be transferred or cancelled within three years.

After the Company cancelled such shares, the Company shall apply to the original company registration authority for registration of the change of its registered share capital. The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled shares.

Where the laws, administrative regulations, departmental rules and regulations, the Articles of Association, and securities regulatory authorities and stock exchanges 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 33 Except where the Company is in the course of liquidation, it must comply with the following provisions in repurchasing its own issued shares:

- (i) Where the Company repurchases its shares at their par value, the amount of the total par value shall be deducted from the Company's distributable profits or out of the proceeds of a fresh issue of shares made for that purpose;
- (ii) Where the Company repurchases its shares at a premium, an amount equivalent to their total par value shall be deducted from the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of their par value shall be effected as follows:
 - 1. if the shares being repurchased were issued at their par value, payment shall be made out of distributable profits of the Company;
 - 2. if the shares being repurchased were issued at a premium, payment shall be made out of distributable profits of the Company or the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue may not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased or the current balance of the Company's capital common reserve account (inclusive of the premiums from the fresh issue);
- (iii) Payment by the Company in consideration for the following purposes shall be made of the Company's distributable profits:
 - 1. the acquisition of rights to repurchase shares;
 - 2. the variation of any contract to repurchase shares;
 - 3. the release of any obligation under any contract to repurchase shares;

- (iv) After the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the Company's distributable profits for repurchase on the part of the par value of the shares shall be transferred to the Company's capital reserve account.

Where the laws, regulations, rules, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed have any other provisions in respect of the finance arrangement related to the aforesaid share repurchase, such provisions shall prevail.

Section 3 Transfer of Shares

Article 34 Unless otherwise provided by PRC laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, the shares of the Company may be transferred freely without any lien being attached. Transfer of overseas listed foreign shares listed in Hong Kong requires to be registered by the share registrar in Honk Kong entrusted by the Company.

Article 35 The Company will not accept any pledge with the shares of the Company as the subject.

Article 36 Shares of the Company held by promoters are not allowed to be transferred within one year from the date of the establishment of the Company.

The transfer of the Company's shares held by shareholders holding more than 5% of shares of the Company, the actual controller, directors, supervisors and senior management members, as well as other shareholders holding shares offered by the Company prior to the initial public offering or shares offered by the Company to specific investors shall not violate any laws, administrative regulations, and the provisions issued by the securities regulatory authority of the State Council on the holding period, sale time, number of shares sold, sale methods, and information disclosure, and shall comply with the business rules of the Stock Exchange. Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their term of office more than 25% of the total number of shares of the Company which they hold, save and except changes in shareholdings caused by judicial enforcement, inheritance, bequest and legal division of assets; the shares of the Company held by them shall not be transferred within one year from the first day on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their leaving the Company.

Article 37 Where any Director, Supervisor, senior management member or shareholder holding more than 5% of the Company's shares sells his shares in the Company or other securities with an equity nature within 6 months after the date of purchase, or purchases the Company's shares again within 6 months after previous disposal, the gains so earned shall belong to the Company, and the Board of the Company shall take back such gains for the benefit of the Company. However, if a securities company holds more than 5% of the Company's shares as a result of its purchasing of the untaken shares in an offer, and other circumstances stipulated by the securities regulatory authority under the State Council are excluded.

The shares or other securities with an equity nature held by any Director, Supervisor, senior management or individual shareholder referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents, and children, and any of the above which is indirectly held in others' accounts.

If the Board does not act in accordance with the provisions of the first paragraph, the shareholders shall have the right to request the Board to take action within 30 days from the date of request. If the Board does not take such action within the said period, then the shareholders shall be entitled to institute the legal proceedings in the People's Court directly in their own names for the benefit of the Company.

Where the Board does not act in accordance with the provisions of the first paragraph, the Directors held responsible in this regard shall assume joint and several liability according to the laws.

Article 38 All fully paid overseas listed foreign shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with the Articles of Association. However, the Board may refuse to recognise any instrument of transfer without stating any reasons unless the following conditions are satisfied:

- (i) instrument of transfer and any other documents related to the ownership of any Shares or likely to affect the ownership of any Shares shall be registered, and made payment to the Company for such registration according to the standard expenses stipulated by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules");
- (ii) the instrument of transfer only involves the overseas listed foreign shares listed on the Hong Kong Stock Exchange;
- (iii) the stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;
- (iv) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (v) if the shares are to be transferred to joint holders, the number of joint shareholders registered shall not exceed four;
- (vi) the relevant shares are free from all liens of the Company.

If the Board refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of transfer of shares to the transferor and transferee within 2 months from the date of the application for transferring the shares.

Article 39 All transfers of overseas listed foreign shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by Hong Kong Stock Exchange from time to time); The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the company's seal. Where the transferor or transferee is a recognised clearing house ("Recognised Clearing House") as defined by relevant regulations in Hong Kong laws from time to time, or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

Section 4 Financial Assistance For Purchase of Company's Shares

Article 40 The Company or its subsidiaries shall not provide any financial assistance in any forms at any time to a person who purchased or intends to purchase Company's shares. The foregoing person purchasing the Company's shares shall include the person bearing direct or indirect obligations due to the purchase of the Company's shares.

The Company or its subsidiaries shall not provide the financial assistance in any forms to a person at any time for the sake of minimizing or discharging the obligations of the foregoing obligor due to the purchase or the intended purchase of the Company's shares.

The stipulations of this Article shall not be applicable to the circumstances mentioned in Article 42 of the Articles of Association.

Article 41 The financial assistance mentioned in this section of the Articles of Association shall include (but not limited) to the following means:

- (i) Gift;
- (ii) Guarantee (including the assumption of liability or provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (iii) Provision of loan or conclusion of any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party, or the novation of, or the assignment of rights arising under, such loan or contract;
- (iv) Any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

Undertaking of obligations mentioned in this Article shall include the Undertaking of obligations by the changing of the obligor's financial position by way of concluding any contract or making any arrangement or by any other means, no matter the foregoing contract or arrangement is enforceable or not, nor whether undertaken on his own account or with any other persons.

Article 42 The following activities shall not be deemed to be prohibited by Article 40 of the Articles of Association:

- (i) The provision of financial assistance by the Company where the financial assistance is given faithfully in the interests of the Company, and the principal purpose of giving the financial assistance is neither the purchase of shares in the Company, nor an incidental part of a certain general plan of the Company;
- (ii) The lawful distribution of the Company's assets by way of dividends;
- (iii) The distribution of bonus shares as dividends;
- (iv) A reduction of registered capital, a repurchase of shares of the Company or a reorganization of the equity structure of the Company effected in accordance with the Articles of Association;
- (v) The lending of loan by the Company within the scope of operation and in the ordinary course of business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);
- (vi) The provision of the sum by the Company for contributions to the staff and workers' shares 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 the distributable profits of the Company).

Section 5 Share Certificates and Register of Shareholders

Article 43 The Company's share certificates shall be in registered form. The following shall be specified in the Company's share certificates:

- (i) the name of the Company;
- (ii) the date on which the Company was established;
- (iii) the class and par value of the shares and the number of shares represented;
- (iv) the number of the share certificate;
- (v) any other matters needed to be specified as required by the Company Law and the securities regulatory authorities in the place where the Company's Shares are listed.

The Company may issue overseas listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the listing place.

During the period of H shares listing in Hong Kong, the Company shall ensure that the relevant documents related to H shares include the statements stipulated below and shall instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:

- (i) The acquirer of Shares agrees with the Company and each Shareholder of the Company, and the Company agrees with each Shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements related to the laws, administrative regulations and the Articles of Association.
- (ii) The acquirer of shares agrees with the Company, each shareholder, Director, Supervisor, President and other senior management members of the Company and the Company acting for itself and for each Director, Supervisor, President and other senior management member agrees with each shareholder to refer all differences and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.
- (iii) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof.

- (iv) The acquirer authorises the Company to enter into a contract on his behalf with each Director, President and other senior management member whereby such Directors, President and other senior management members undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 44 Share certificates shall be signed by the Chairman of the Board. Where the signatures of the general manager or other senior management members of the Company are required by the securities regulatory authorities or stock exchange(s) in the place where the Company's shares listed, the share certificates shall also be signed by such general manager or other relevant senior management members. The shares certificates of the Company shall take effect immediately upon the Company's seal being affixed or printed thereon. The affixture of the Company's seal on the share certificate shall be authorised by the Board. The signatures of the Chairman of the Board, the general manager or other relevant senior management members appearing on the share certificate may also be printed.

Stipulations applicable to the securities regulatory authorities or stock exchange(s) in the jurisdiction where the shares of the Company are listed shall be separately defined in case the shares of the Company are issued and transacted in a paperless manner.

CHAPTER FOUR CPC ORGANIZATION

Article 45 A CPC committee shall be established by the Company. The CPC committee of the Company shall consist of one secretary, one to two deputy secretaries, and several other members. The responsible persons of the discipline inspection and supervision organs are members of the CPC committee. The secretary to the CPC committee and the Chairman shall be the same person, while deputy secretary is assumed by the general manager who is also a CPC member and one full-time deputy secretary shall be designated to assist the secretary in carrying out CPC-building work. Eligible members of the CPC committee can join the Board, the Supervisory Committee and the management through legal procedures, while eligible members of the Board, the Supervisory Committee and the management who are also CPC members can also join the CPC committee in accordance with relevant rules and procedures.

Article 46 The Company's CPC committee plays a leading role in holding directions, regulating overall conditions and ensuring implementation, and discusses and makes decisions on major matters of the Company in accordance with the regulations. The primary-level CPC organization of the Company shall carry out work with focus on production and operation of the Company. The CPC committee shall ensure and supervise the full implementation of guiding principles and policies of the CPC and the state by the Company; it shall support the shareholders' general meeting, the Board, the Supervisory Committee and the management to exercise their powers and functions according to law; it shall faithfully support the assembly of employee representatives in performing its functions through relying on the employees; it shall participate in the decision-making process of material matters of the Company; it shall strengthen its own organizational development, undertake the main responsibility of improving CPC conduct and upholding integrity, play a leading role in the ideological and political work and the spiritual civilization construction of the Company and lead the mass organizations such as the labor union and the Communist Youth League.

**CHAPTER FIVE SHAREHOLDERS, EQUITY OWNERSHIP MANAGEMENT
AND SHAREHOLDERS' GENERAL MEETING**

Section 1 Shareholders and Equity Ownership Management

Article 47 The name of the Company's shareholders shall be recorded in the register of shareholders, with the following particulars being recorded:

- (i) the name or title, address or residence, and occupation or nature of each shareholder;
- (ii) the category and quantity of shares held by each shareholder;
- (iii) the amount paid or payable on the shares held by each shareholder;
- (iv) share certificate numbers of the shares held by each shareholder;
- (v) the date on which each shareholder was registered as a shareholder;
- (vi) the date on which each shareholder ceased to be a shareholder.

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

All acts or transfer of overseas listed foreign shares shall be recorded in the register of shareholders of overseas listed foreign shares which is kept in the place where such shares are listed.

Article 48 The Company may, pursuant to any understanding or agreement reached between the securities regulatory authorities under the State Council and overseas securities regulatory authorities, keep the register of the shareholders of overseas listed foreign shares in any place outside the PRC, and entrust its administration to an overseas agency. The original register of shareholders of overseas listed foreign shares listed on Hong Kong Stock Exchange shall be kept in Hong Kong.

The Company shall maintain an office copy of this register at the domicile of the Company; the entrusted overseas agent shall ensure that the original and duplicates of the register of shareholders of overseas listed foreign shares are consistent at all times.

Where the original and duplicates of the register of shareholders of overseas listed foreign shares are not consistent, the original version shall prevail.

Article 49 The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following:

- (i) the register of shareholders maintained at the Company's residence (other than those parts as described in Item (ii) and (iii) of this Article);
- (ii) the register of shareholders of overseas listed foreign shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (iii) the register of shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 50 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

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

Article 51 Where the relevant laws and regulations, listing rules or regulations of the securities regulatory authorities at the place where the shares of the Company are listed provides for the period of closure of the register of shareholders prior to a shareholders' general meeting or before the record date set by the Company for the purpose of distribution of dividends, such regulations shall prevail.

Article 52 In the course of the Company's convening a shareholders' general meeting, distribution of dividends, liquidation and engagement in other activities involving confirmation of equity, the Board or the convener of the shareholders' general meeting shall designate a day to be the record date. Shareholders whose names appear in the register of shareholders at the end of the record date shall be the shareholders who are entitled to relevant interests.

Article 53 Any person who objects to the register of shareholders and requests to have his name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 54 Any person who is a registered shareholder or who claims to be entitled to have his name (title) entered into the register of shareholders in respect of shares in the Company may, in the event that his share certificate (the "original certificate") has been stolen, lost or destroyed, apply to the Company for a replacement new share certificate in respect of such shares (the "Relevant Shares").

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

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

If a shareholder whose share certificate of Overseas Listed Foreign Shares has been stolen, lost or destroyed, the issue of a replacement new share certificate shall comply with following requirements:

- (i) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the pilferage, loss or destruction, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.
- (ii) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his name shall be entered in the register of shareholders in respect of such shares has been received.
- (iii) The Company shall, if it intends to issue a replacement new share certificate, publish an announcement of its intention at least once every thirty days in a period of ninety consecutive days on the website of the stock exchanges and medias meeting the requirements specified by the securities regulatory authority of the State Council as may be prescribed by the Board.
- (iv) The Company shall have, prior to publication of the announcement of its intention to issue a replacement new share certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchange that the announcement has been exhibited in the premises of the said stock exchange. Such announcement shall be exhibited in the premises of the said stock exchange for a period of ninety days.

In the case of an application made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.

- (v) If, upon expiry of the 90-day period referred to in clause (iii) and (iv) of this Article, the Company have not received from any person notice of any objection to such application, the Company may issue a replacement new share certificate to the applicant accordingly.
- (vi) Where the Company issues a replacement new share certificate under this Article, it shall forthwith cancel the original share certificate and enter the cancellation and replacement issue in the register of shareholders accordingly.
- (vii) All expenses relating to the cancellation of an original share certificate and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant.

Article 55 Where the Company issues a replacement new share certificate pursuant to the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 56 The Company shall not have any obligation to indemnify any person for any damages suffered thereby arising from the cancellation of the Original Certificates or the issuance of a replacement share certificate, unless such person concerned can prove that the Company has committed a fraudulent act.

Article 57 A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of members.

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

In case of more than two persons registered as the joint holder of any shares, they shall be deemed as the common owners of the relevant shares, subject to the following restrictions:

- (i) The Company shall not register more than four persons as the joint holders of any shares;
- (ii) All joint holders of any shares shall have the severally and jointly liable to the payment of all the payables related to the shares;

- (iii) In the event that one of the joint holders deceased, only the other surviving joint holders shall be deemed as the owners of the relevant shares. However, the Board shall be entitled to request the provision of the appropriate death certificate for the purpose of amending the register of shareholders.
- (iv) In terms of the joint holders of any shares, only the joint holder whose name stands first on the register of shareholders shall be entitled to receive the certificate of relevant shares from the Company, the notice of the Company, attend the Company's shareholders' general meeting or exercise all the voting rights of the relevant shares. Any notice served on the foregoing persons shall be deemed as having served on all the joint holders of the relevant shares.

Article 58 Shareholders of the Company shall have a full understanding of their conditions as well as their rights and obligations, be fully aware of the information on the operation and management situation and potential risks of the Company, have reasonable investment expectations and a real willingness to make capital contribution, and perform necessary internal decision-making procedures.

No agreement of "bet-on" nature shall be signed nor shall any related arrangement be formed whereby the Company or other designated entities shall repurchase or accept the transfer of equity from particular shareholders when the Company fails to meet certain conditions in the future.

Shareholders of the Company shall abide by laws and regulations, requirements of the CSRC and the articles of association of the Company, uphold the long-term investment philosophy, exercise shareholders' rights in accordance with the law, and perform shareholder obligations.

Article 59 The ordinary shareholders of the Company shall be entitled to the following rights:

- (i) the right to dividends and other distributions in proportion to the number of shares held;
- (ii) the right to legally request, convene, chair, attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting right thereat;
- (iii) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (iv) the right to transfer shares in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (v) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - 1. the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 - 2. the right to inspect and copy, subject to the payment of a reasonable charge:
 - (1) all parts of the register of shareholders;
 - (2) personal particulars of each of the Company's Directors, Supervisors, general manager and other senior management members;

- (3) report on the state of the Company's share capital;
- (4) the latest audited financial statements of the Company, and reports of the Board, auditor and Supervisory Committee;
- (5) special resolutions of shareholders' general meetings and/or the Board of the Company;
- (6) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount of cost incurred by the Company for this purpose, and their breakdown by domestic and foreign invested shares;
- (7) minutes of shareholders' general meetings;
- (8) duplicate of the latest Annual Inspection Form that has been filed with company registration authority or other competent authority;
- (9) corporate bond counterfoils;
- (10) resolutions of Board meetings;
- (11) resolutions of Supervisory Committee meetings; and
- (12) the financial report.

Documents of Item (1) to (8) (except Item (2)) mentioned above shall be made available by the Company, according to the requirements of the Listing Rules, at the Company's address in Hong Kong, for the public and overseas-listed foreign invested shareholders to inspect with no charge (Item (7) is only for shareholders to inspect).

- (vi) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (vii) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
- (viii) such other rights conferred by the laws, regulations, rules, regulatory documents and the Article.

The Company shall not exercise its rights to freeze or harm in any other forms the rights attaching to any shares held in the event that any person has not disclosed the rights and interests they hold directly or indirectly.

In the event of change of substantial shareholders, shareholders shall be officially entitled to hold the corresponding proportion of the Company's shares only upon approval from the CSRC. Shareholders who shall but have not been approved by the regulatory authorities or have not filed with the regulatory authorities, or those who have not completed the rectification, shall not exercise such rights as requesting to convene a general meeting, voting, nominating, proposing and disposition, etc.

Article 60 Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Article 61 If a resolution passed at the Company's shareholders' general meeting or Board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the people's court to render the same as invalid (the stipulations of the rules to settle disputes under the Articles of Association shall be applicable to the shareholders of foreign shares).

If the procedures for convening, or the method of voting at, a shareholders' general meeting or Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, shareholders shall be entitled to submit a petition to the people's court to rescind such resolutions within 60 days from the date on which such resolution is adopted (the stipulations of the rules to settle disputes under the Articles of Association shall be applicable to the shareholders of foreign shares).

Article 62 If a Director or a senior management member violates any laws, administrative regulations or the Articles of Association in the course of performing his duties and causes losses to the Company, shareholders alone or in aggregate holding 1% or more of the Company's shares for a 180 consecutive days may propose to the Supervisory Committee in writing to initiate legal proceedings against such acts in the local People's Court; where the Company incurs losses as a result of the members of the Supervisory Committee having violated any laws, administrative regulations or the Articles of Association in the course of performing their duties, shareholders may propose the Board in writing to initiate legal proceedings in the local People's Court (the stipulations of the rules to settle disputes under the Articles of Association shall be applicable to the shareholders of foreign shares).

If the Supervisory Committee or the Board refuses to initiate legal proceedings after receiving the aforesaid written proposal of shareholder, or fails to initiate such legal proceedings within 30 days on which such proposal is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest, the shareholder described in the preceding paragraph may initiate legal proceedings in the local People's Court directly in their own names in the interest of the Company (the stipulations of the rules to settle disputes under the Articles of Association shall be applicable to the shareholders of foreign shares).

These shareholders may also initiate legal proceedings in the People's Court under the provisions set out in the preceding two paragraphs if any third parties infringe on the lawful interests of the Company and result in damage to the Company (the stipulations of the rules to settle disputes under the Articles of Association shall be applicable to the shareholders of foreign shares).

Article 63 Shareholders may initiate legal proceedings if a Director or a senior management member violates any laws, administrative regulations or the provisions of the Articles of Association.

Article 64 The ordinary shareholders of the Company shall assume the following obligations:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (iii) to fulfill obligation of capital contribution in strict accordance with the laws and regulations, and the stipulations of the CSRC; to invest the Company with its own funds which shall be legally obtained, and shall not make any investment in the Company with non-own funds such as entrusted funds, unless otherwise recognized by laws and regulations and the CSRC; substantial shareholders and controlling shareholders of the Company shall replenish capital to the Company when necessary;
- (iv) to explain the shareholding structure truthfully, accurately and completely up to the actual controllers, the ultimate beneficial owner, and the related relationship or the relationship of concerted action with other shareholders and shall not evade the approval or supervision of the shareholder qualification by concealing or deceiving;
- (v) not to divest the shares unless required by the laws and regulations;
- (vi) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company; Shareholders who make false statements, abuse shareholders' rights or do other acts that prejudice the interests of the Company, shall not exercise such rights as requesting to convene a general meeting, voting, nominating, proposing and disposition, etc.; Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for compensation according to the law; where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;
- (vii) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further subsequent contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

Article 65 Shareholders of the Company and their controlling shareholders and actual controllers shall not perform the following acts:

- (i) False or untruthful capital contribution to the Company, withdrawal or evasion of capital contribution, or withdrawal or evasion of capital contribution in a disguised form;
- (ii) In violation of laws, administrative regulations and the Articles of Association to intervene in the operations and management of the Company;

- (iii) Abuse rights or influence to occupy the assets of the Company or customers, and transfer interests, which damage the legitimate rights and interests of the Company, other shareholders or customers;
- (iv) Illegally require the Company to provide financing or guarantee to them or their related parties, or force, instruct, assist, accept the Company to provide financing or guarantee with the assets of its securities brokerage clients or securities asset management clients;
- (v) Conduct improper related party transactions with the Company and use the influence on the Company's operation and management to obtain illegitimate interests;
- (vi) Without approval entrust others or accept trust from others to hold or manage the equity of the Company, accept or transfer the control over the equity of the Company in a disguised form;
- (vii) Other acts prohibited by the CSRC.

The Company and its directors, supervisors, senior management and other relevant parties shall not cooperate with the Company's shareholders and their controlling shareholders and actual controllers to bring about the above acts. If the Company finds out that the shareholders and their controlling shareholders and actual controllers have the abovementioned acts, it should take timely measures to prevent the violations from intensifying, and report to the local office of the CSRC within 2 working days.

Article 66 The number of securities companies participated in by shareholders of the Company and their controlling shareholder and actual controller shall not exceed two, of which the number of controlling securities companies shall not exceed one. The following circumstances shall not be counted into the number of shareholding and controlling securities companies:

- (i) Directly hold and indirectly control less than 5% of equity in securities companies;
- (ii) Invest in other securities companies through controlling securities companies;
- (iii) Securities companies have control over other securities companies;
- (iv) Transitional arrangements for implementing mergers and acquisitions of securities companies;
- (v) The State Council authorizes the holding of equity in securities companies;
- (vi) Other circumstances as recognized by the CSRC.

Article 67 The controlling shareholders and beneficial controller of the Company shall not exploit their connected relationship with the Company to harm the interests of the Company. In the case of having violated such provision and caused damage to the company, they are liable for compensation.

The controlling shareholders and beneficial controller of the Company and their associates shall adopt effective measures to avoid engaging in business in competition with that of the Company.

The Company shall not have the following connections with its shareholders (or their associates):

- (1) holding shares of the shareholders, unless otherwise permitted by laws, administrative regulations or CSRC;
- (2) conferring improper benefits to shareholders by means of purchase of securities held by that shareholders;
- (3) allowing illegal appropriation of assets of the Company by shareholders;
- (4) engaging in any other actions as prohibited by laws, administrative regulations or CSRC.

Article 68 The controlling shareholders and beneficial controller of the Company have a fiduciary duty towards the Company and its public shareholders. The controlling shareholders shall exercise their rights as contributors strictly in accordance with laws. The controlling shareholders shall neither impair the legitimate interests of the Company and its public shareholders by exploiting the means of profit distribution, assets restructuring, external investment, capital appropriation and loan security, nor exploit their controlling position to impair the interests of the Company and its public shareholders.

In addition to the obligations imposed by laws and administrative regulations or required by relevant stipulations of the local securities regulatory and management authorities where the shares of the Company are listed, the controlling shareholder of the Company shall not make decision to exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all shareholders or some of the shareholders of the Company:

- (i) to relieve a Director or Supervisor of his duty to act honestly in the best interests of the Company;
- (ii) to approve the expropriation by a Director or Supervisor for his own benefit or for the benefit of another person, in any guise, of the Company's assets, including but not limited to opportunities beneficial to the Company;
- (iii) to approve the expropriation by a Director or Supervisor for his own benefit or for the benefit of another person of the individual rights of other shareholders, including but not limited to rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders' general meeting for approval in accordance with the Articles of Association.

Article 69 The shareholding period of the shareholders shall comply with the laws, administrative regulations and the relevant provisions of the CSRC. The shareholding period may be calculated in continuance if shareholders acquire equity in another securities company by way of share swap, etc.

If the major assets of a shareholder are equity in the Company, the controlling shareholder and the actual controller of the shareholder shall abide by the same lock-up period for the equity of the Company under its control as the shareholders of the Company, except for cases recognized by CSRC according to law.

Article 70 The shareholders shall not pledge their equity in the Company during the equity lock-up period. Upon the expiry of the lock-up period, the proportion of the Company's equity interest held by the shareholders that is pledged shall not exceed 50% of the proportion of the Company's equity interest held by the shareholders.

Shareholders who have pledged the equity interest in the Company shall not prejudice the interests of other shareholders and the Company, or agree that the pledgee or other third parties shall exercise the voting rights and other shareholders' rights, nor shall they transfer the control over the equity interest of the Company in a disguised form.

The first paragraph of this article shall not apply to shareholders who hold less than 5% of the Company's equity.

Article 71 The Company's equity ownership management shall be implemented in accordance with the Provisions on the Administration of Equity Ownership of Securities Companies and other relevant laws and regulations and regulatory documents; if the Articles of Association are not expressly prescribed or inconsistent with the aforesaid basis, they shall be implemented in accordance with the Provisions on the Administration of Equity Ownership of Securities Companies and relevant laws and regulations and regulatory documents.

Article 72 The board office of the Company shall, as the office handling the affairs of the administration of equity ownership of the Company, organize and implement the work concerning to the affairs of administration of equity ownership. The Chairman of the Board of Directors of the Company shall be the first responsible person for the affairs of administration of equity ownership in the Company. The board secretary of the Company who assists in the work of Chairman of the Board of Directors shall be the direct responsible person for the affairs of administration of equity ownership in the Company.

Article 73 Shareholders shall notify the Company in advance if, through subscription or assignment of the equity of the Company or the equity of the Company's shareholders or otherwise, the shareholders may hold or beneficially control 5% or more of the Company's registered capital.

When the voting shares issued by the Company as held by an investor through securities trading on the stock exchange or jointly with others through agreements or other arrangements reach 5%, the investor shall, within 3 days after the event occurs, submit a written report to the securities regulatory authorities of the State Council and the stock exchange, notify the Company and make an announcement thereon. The investor shall not trade in the Company's Shares within the aforesaid period, unless under any circumstance prescribed by the securities regulatory authorities of the State Council.

After the voting shares issued by the Company as held by an investor or jointly with others through agreements or other arrangements reach 5%, the investor shall, according to the provisions of the preceding paragraph, make a report and announcement each time when the proportion of voting shares issued by the Company increases or decreases by 5%. From the day when the event occurs to the end of 3 days after the announcement is made, the investor shall not trade in the Company's Shares, unless under any circumstance prescribed by the securities regulatory authorities of the State Council.

After the voting shares issued by the Company as held by an investor or jointly with others through agreements or other arrangements reach 5%, each time when the proportion of voting shares issued by the Company increases or decreases by 1%, the investor shall notify the Company and make an announcement thereon on the day immediately after the event occurs.

Whoever purchases the voting shares of the Company in violation of paragraph 2 or 3 shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchasing them.

Article 74 A shareholder or actual controller holding more than 5% of voting shares of the Company shall notify the Company within 5 working days upon the occurrence of the following events:

- (1) adoption of property preservation or mandatory enforcement measures with respect to the shares of the Company held or controlled by him or it;
- (2) change of actual controller;
- (3) change of name;
- (4) merger or split;
- (5) imposition of regulatory measures such as suspension of business, designation of trustee, takeover or revocation on it, or it is in the process of dissolution, bankruptcy or liquidation;
- (6) imposition of administrative punishments or criminal liabilities due to material breach of laws and regulations;
- (7) occurrence of other events that may result in the transfer of shares of the Company held or controlled by him or it or may affect the operations of the Company.

Where a shareholder holding more than 5% of voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.

The Company shall report to the branch office of CSRC of its place of domicile within 5 working days from acknowledging the occurrence of the events as stated above.

Article 75 The Company shall strengthen the examination on the qualifications of shareholders, conduct verification on the information of the substantial shareholders and its controlling shareholders, actual controllers, related parties, persons acting in concert, ultimate beneficial owners and closely monitor changes therein. The Company shall make judgements on its impact on the Company's operations and management, report or disclose relevant information timely, accurately and completely in accordance with the law, and perform the report and approval or filing procedures when necessary.

Article 76 The Company shall, in accordance with the principle of penetration, manage the shareholders and its controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficial owners as they were its related parties. The Company shall accurately identify related parties, strictly implement the approval system and the information disclosure system with regard to related party transactions, to avoid any harm to the lawful rights and interests of the Company and its customers, and to promptly report the related party transactions to the CSRC and its local branches.

The first paragraph of this article shall not apply to shareholders who hold less than 5% of the Company's equity.

Article 77 In the event of the occurrence of any illegal actions or misconducts related to equity management affairs in violation of laws, administrative regulations and regulatory requirements, the shareholders, the Company, persons responsible for equity management affairs and related entities shall bear corresponding responsibilities in accordance with the provisions of the Securities Law, the Regulations on Supervision and Administration of Securities Companies and other relevant laws, regulations and normative documents.

Section 2 General Rules of Shareholders' General Meeting

Article 78 The shareholders' general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with law:

- (i) to decide on the operating policies and investment plans of the Company;
- (ii) to elect and remove Directors and Supervisors (not being staff representatives), and to fix the remuneration of the relevant Directors and Supervisors;
- (iii) to examine and approve the reports of the Board;
- (iv) to examine and approve the reports of the Supervisory Committee;
- (v) to examine and approve the annual report of the Company;

- (vi) to examine and approve the proposed annual financial budgets and final accounts of the Company;
- (vii) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (viii) to adopt resolutions on any increment or reduction of registered capital of the Company and issue any type of shares, warrants and other similar securities;
- (ix) to adopt resolutions on any issuance of bonds of the Company;
- (x) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (xi) to amend the Articles of Association;
- (xii) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms;
- (xiii) to examine and approve matters relating to security under Article 79;
- (xiv) to examine and approve matters relating to financial assistance under Article 80;
- (xv) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 15% the Company's latest audited total assets;
- (xvi) to examine and approve the change of the purpose for raising funds;
- (xvii) to examine and approve an application of funds for external investment, the value of which reaches or exceeds 10% of the latest audited net assets of the Company;
- (xviii) According to Listing rules of shares on the Shanghai Stock Exchange, to examine and approve the connected transactions which shall be examined by the shareholders' general meeting, that is, the total amount of the connected transactions between the Company and its connected parties exceeding 30 million and the connected transactions taking more than 5% of the latest audited net assets of the Company;

- (xix) According to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), to examine and approve the connected transactions which shall be approved by the independent shareholders (that is, those who are not interested in the relevant connection transactions). The connected transactions of the Company shall be conducted on normal commercial terms. The connected transactions are usually classified as the one-off connected transactions and the continuing connected transactions. Except when the relevant exemption provisions of the Hong Kong Listing Rules apply, such as, (1) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 5%, and the total consideration (in terms of the one-off connected transaction) or the annual connected transactions (in terms of the continuing connected transactions) reaches or exceeds HK\$10 million, (2) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio Pof the connected transactions reaches or exceeds 25%; or (3) in the event that the Company (excluding its subsidiaries) issue new shares to the connected party, then the transaction shall be approved by the independent shareholders. In particular, the asset ratio refers to the total value of the assets involved in the connected transactions divided by the total value of the assets of the Company; the return ratio refers to the return ratio attributable to the connected transactions in the assets involved divided by the return of the Company; the consideration ratio refers to the relevant consideration divided by the total market value of the Company; the equity ratio refers to par value of the share capital issued as the consideration divided by the par value of the share capital issued by the Company prior to the connected transaction. The foregoing statements are for reference only, and shall not replace or revise to any extent the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions. The Company shall comply with the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions.
- (xx) to examine the implementation schemes on the mechanism for long-term effective incentives, such as equity incentive scheme and employee shareholding plan;
- (xxi) to examine and approve the proposal submitted by the individual shareholder or the shareholders collectively holding more than 3% (including 3%) of the Company’s voting shares;
- (xxii) to resolve on the repurchase of the Company’s shares as prescribed under items (I) and (II) of Article 29 of the Articles of Association;
- (xxiii) to examine other matters required by laws, administrative regulations, departmental rules, rules on transaction of the stock exchanges or the Articles of Association to be resolved by the shareholders’ general meeting.

For matters to be decided at shareholders’ general meeting as prescribed by laws, administrative regulations and the Articles, such matters have to be reviewed at shareholders’ general meeting so as to ensure that the shareholders of the Company have a right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders’ general meeting, the shareholders’ general meeting may authorise the Board to decide upon such matters within the scope of authorisation of the shareholders’ general meeting subject to the applicable laws, regulations and the Articles.

Article 79 The Company shall not provide any finance or guarantee for the shareholders or related parties of the shareholders, except for securities lending and borrowing business provided by the Company to customers according to provisions. The provision of security to external parties by the Company in the following situations shall be subject to the review and approval at the shareholders' general meeting:

- (i) any security after the total amount of security to the external parties by the Company and its subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (ii) any security after the total amount of security to the external parties by the Company and its subsidiaries has exceeded 30% of the Company's latest audited total assets;
- (iii) any security after the total amount of security has exceeded 30% of the Company's latest audited total assets pursuant to the cumulative calculation principle of security amount within 12 consecutive months;
- (iv) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;
- (v) a single security in excess of 10% of the Company's latest audited net assets.
- (vi) other security provided by the laws and regulations or the Listing Rules.

In the event of violation of the approval authorities or review procedures of the general meeting and the Board on providing external guarantees stipulated in these Articles of Association, the Company shall pursue legal actions against or seek monetary compensation from the relevant responsible person(s) depending on the materiality of such violation.

Article 80 "Financial assistance" transactions (including interest-bearing or interest-free borrowings and entrusted loans) of the Company shall be subject to the consideration of the Board, and shall also be submitted to the shareholders' general meeting for deliberation after being considered and approved by the Board if they fall under any of the following circumstances:

- (i) the amount of a single financial assistance exceeds 10% of the latest audited net assets of the Company;
- (ii) the latest financial statements of the recipient of financial assistance show that the gearing ratio exceeds 70%;
- (iii) the total amount of financial assistance in the last 12 months exceeds 10% of the Company's latest audited net assets;
- (iv) other circumstances prescribed by the stock exchange or the Articles of Association.

In the event that the recipient of financial assistance is a majority-owned subsidiary within the scope of the Company's consolidated statements, and the other shareholders of the majority-owned subsidiary do not include the Company's controlling shareholder, actual controller and its affiliates, the provisions of the preceding paragraph may be exempted.

Article 81 Shareholders' general meetings shall be annual general meetings of shareholders and extraordinary general meetings of shareholders. The annual general meeting of shareholders shall be held once every year within six months after the end of the previous accounting year.

Article 82 The Company shall hold an extraordinary general meeting of shareholders within two months upon the occurrence of one of the following circumstances:

- (i) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles;
- (ii) the uncovered losses are in excess of one third of the Company's total amount of paid-up share capital;
- (iii) shareholders individually or collectively holding more than 10% of the Company's voting shares request in writing;
- (iv) the Board or more than one-third of the Directors considers it necessary;
- (v) the Supervisory Committee proposes to convene such meeting;
- (vi) such other circumstances as required by laws, administrative regulations, departmental rules or the Articles.

The number of shares aforementioned in Item (iii) shall be calculated as at the date when such shareholder(s) request in writing.

Article 83 The Company shall engage lawyers to attend shareholders' general meetings and advise on the following issues with announcements made thereon:

- (i) Whether the convening of the shareholders' general meeting and its procedures are in compliance with laws, administrative regulations and the Articles of Association;
- (ii) Whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (iii) Whether the procedures of voting and the voting outcome of the meeting are lawful and valid;
- (iv) Legal opinions on other related matters at the request of the Company.

Section 3 The Convening of Shareholders' General Meeting

Article 84 The Independent Director shall be entitled to propose to the Board to convene an extra-ordinary shareholders' general meeting. Upon proposal made by the Independent Director to convene the extra-ordinary shareholders' general meeting, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days after adoption of the relevant resolution by the Board. If the Board disagrees to convene the extraordinary general meeting, the reason shall be given with an announcement made.

Article 85 The Supervisory Committee shall be entitled to propose to the Board to convene an extra-ordinary shareholders' general meeting, which shall be presented in writing to the Board. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after the passing of the relevant resolution by the Board. Any change to the original proposal made in the notice shall require the consent of the Supervisory Committee.

If the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' general meeting. In such case the Supervisory Committee may convene and preside over such meeting on an unilateral basis.

Article 86 The shareholders who propose to convene an extraordinary shareholders' general meeting and class meeting shall comply with the following procedure:

The shareholder(s) individually or jointly holding more than 10% of the Company's shares shall have the right to submit proposed resolutions in writing to the Company to convene an extraordinary shareholders' general meeting. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after passing of the relevant resolution by the Board. Any changes to the original proposal made in the notice shall require the consent of the relevant shareholders.

If the Board does not agree to convene the extraordinary general meeting or does not furnish any reply within ten days upon receipt of such proposal, the shareholder(s) individually or jointly holding over 10% of the shares of the Company shall be entitled to propose to the Supervisory Committee that an extraordinary general meeting be convened, and such proposal shall be made in writing to the Supervisory Committee.

If the Supervisory Committee agrees to convene the extraordinary general meeting, a notice of meeting shall be issued within five days upon receipt of such proposal. Any changes to the original request made in the notice shall require the approval of the relevant shareholders.

If the case of failure to issue the notice for the shareholders' general meeting within the term stipulated, the Supervisory Committee shall be deemed as failing to convene and preside over the shareholders' general meeting. As result of its failure to do so for more than 90 consecutive days, the shareholder(s) individually or jointly holding over 10% of the shares of the Company may convene and preside over such meeting on an unilateral basis.

Article 87 Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with the stock exchange for record.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting, and shall undertake that its shareholding will be no less than 10% during the period from the date of the proposal to convene the general meeting to the date of the general meeting.

The Supervisory Committee or convening shareholders shall submit relevant evidence to the stock exchange upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

Article 88 The Board and the secretary to the Board shall coordinate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or the shareholders by itself/themselves. The Board will provide the register of shareholders on the record date of the equity.

Article 89 All necessary expenses incurred by the Supervisory Committee or the shareholders by reason of the failure of the Board to duly convene a meeting as mentioned above shall be assumed by the Company and any sum so repaid shall be set off against any sums owed by the Company to the defaulting Directors.

Section 4 Motions and Notices of Shareholders' General Meeting

Article 90 The contents of a proposal shall be within the scope of the duties and responsibilities of the shareholders' general meeting, have definite topics and specific matters for resolution, as well as be compliance with the laws, administrative regulations and the Articles of Association.

Article 91 The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the convener of a shareholders' general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof. Where qualified shareholders submit extra proposed resolutions, his/her shareholding ratio shall not be less than 3% during the period from the issuance of the notice of such extra proposed resolutions to the announcement of the resolutions of the meeting.

Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' general meeting.

Motions which are not specified in the notice of the shareholders' general meeting or which do not comply with Article 78 of the Articles of Association shall not be voted and resolved at the shareholders' general meeting and become resolutions.

Article 92 A written notice of a shareholders' general meeting convened by the Company shall be given to all shareholders, specifying the time and place of and the matters to be considered at the meeting, 20 days before the annual shareholders' general meeting, and 15 days before the extraordinary shareholders' general meeting. Where the laws, regulations and the relevant regulatory authorities and stock exchanges in the place where the Company's Shares are listed have other provisions, such provisions shall prevail.

Article 93 The notice of the shareholders' general meeting shall be made in writing and include the following contents:

- (i) the time and place, methods and convener of the meeting and its duration.
- (ii) the matters and motions for consideration and examination at the meeting. The notice of the shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items proposed for discussion requiring the opinions of Independent Directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of Independent Directors.
- (iii) to provide the shareholders with such information and explanation which are necessary for the shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained.
- (iv) to contain a disclosure of the nature and extent, if any, of the material interests if any Director, Supervisor, general manager and other senior management members are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on the effects of other shareholders of the same class, the difference shall be set out.
- (v) to contain the full text of any special resolution intended to be proposed at the meeting.
- (vi) to specify the time and venue for serving the proxy forms for the meeting.
- (vii) to contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company.
- (viii) to specify the record date of equity of shareholders entitled to attend the shareholders' general meeting.
- (ix) to specify the name and telephone number of the standing contact person of the Meeting.
- (x) to specify expressly in the notice of the shareholders' general meeting the time of online voting and the voting procedure or by other means by the Company.

The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.

Among the motions to be voted on at the shareholders' general meeting, if a motion taking effect is conditional upon other motions becoming effective, the convener shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such motion is the precondition to the voting results of subsequent motions taking effect.

Article 94 Unless the Articles of Association otherwise requires, the notice of a shareholders' general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) by personal delivery or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic shares, such notice of the shareholders' general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published pursuant to the Articles of Association on the website of the stock exchanges and the media meeting the requirements specified by the securities regulatory authorities of the State Council prior to the convening of the meeting. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the shareholders' general meeting.

Provided that the laws, regulations and the relevant provisions of the securities regulatory authorities in the place where the Company's shares are listed are satisfied and the relevant procedures are fulfilled, the announcement to shareholders of overseas listed foreign shares shall be issued pursuant to the Articles of Association on the website of Hong Kong Stock Exchange, or in other ways permitted by the Hong Kong Listing Rules and the Articles of Association prior to the convening of the meeting.

Article 95 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Article 96 Where the shareholders' general meeting intends to deliberate the election of Directors or Supervisors, the notice of meeting shall fully disclose the details information on the candidates for Directors or Supervisors at least in the following aspects:

- (i) Personal information such as educational background, work experience and other engagements;
- (ii) Whether such candidate has any affiliation with the Company or its controlling shareholders or beneficial controllers;
- (iii) Disclosure of the holding of the number of shares of the Company;
- (iv) Whether such candidate has been penalised by the CSRC or any other relevant authorities.

Saving Directors or Supervisors who are elected by way of cumulative voting system, a single proposal shall be put forward for each candidate for Directors or Supervisors.

Article 97 When the notice of a shareholders' general meeting is issued, the meeting shall not be postponed or cancelled or the proposal set out in the notice of a shareholders' general meeting shall not be cancelled without reasonable reason. In case of postponement or cancellation, the convener must give notice and state the reasons at least two working days before the original date of the shareholder' general meeting.

Section 5 The Holding of Shareholders' General Meetings

Article 98 The shareholders' general meetings of the Company shall be held onsite at the location, and online voting shall be provided for its shareholders by the Company to conveniently participate in the shareholders' general meetings. Shareholders participating in the shareholders' general meetings by any aforesaid means shall be deemed as present.

The Board and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

Article 99 All shareholders in the shareholders' register on the equity record date or proxies thereof with voting rights shall be entitled to attend the shareholders' general meetings, and exercise voting rights pursuant to relevant laws, regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association. The shareholders may attend the shareholders' general meetings and exercise voting rights either in person or by proxy. Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (i) the right which the shareholder has to speak at the meeting;
- (ii) the right to demand a poll alone or jointly with others;
- (iii) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

Article 100 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorised in writing; where the appointing shareholder is a legal person or any other institution, such instrument shall be under its seal or under the hand of its legal representative duly authorised or attorney duly authorised.

Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy authorised by such legal representative, the Board, or other decision making authorities shall attend a shareholders' general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorisation duly issued by such legal representatives, the Board or other decision making authorities.

Article 101 The proxy form to appoint a proxy to attend any shareholders' general meeting by a shareholder shall contain the following:

- (i) Name of the proxy;
- (ii) Indication of whether voting power is granted;
- (iii) Instruction of voting "for", "against" or "abstain" for each resolution proposed at any shareholders' general meeting;
- (iv) Date of appointing a proxy and the effective period for such appointment; and
- (v) The appointer shall sign (or seal) the proxy form.

Article 102 The instrument for appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, shall be deposited at the premises of the Company or at such other place as specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting or the time appointed for the passing of the resolution.

If the appointer is a legal person, its legal representative or such person as authorised by resolution of its Board or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointer.

If the shareholder is a recognized clearing house ("recognized clearing house") (agent thereof) as defined in the relevant ordinance enacted from time to time in Hong Kong, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any shareholders' general meeting or class general meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The persons thus authorized may exercise rights on behalf of the recognized clearing house (or agent thereof) as if the said persons were the personal shareholders of the Company.

Article 103 Any instrument issued to a shareholder by the Directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against or abstain the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

Article 104 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid shall have been received by the Company at its premises before the commencement of the meeting at which the proxy is used.

Article 105 The register of attendees of the meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the meeting, identity card number, residential address, number of shares or voting shares hold, name of the persons (or units) the proxy represents.

Article 106 The convener and the legal counsel retained by the Company shall jointly verify the qualification of shareholders according to the register of shareholders or other effective documents provided by the securities depository and clearing authority, and shall register the name of the shareholders and the number of their voting shares.

Article 107 Such registration shall be concluded prior to the announcement by the Chairman of the shareholders' general meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.

Article 108 All Directors, Supervisors and the secretary to the Board shall attend shareholders' general meetings. The general manager and other senior management members shall also be present at the meeting.

Article 109 For a shareholders' general meeting convened by the Board, the meeting shall be presided over by the Chairman of the Board; if the Chairman of the Board is unable to perform or fails to perform his duties, the Vice Chairman of the Board shall preside over the meeting; where the Vice Chairman of the Board is unable to perform or fails to perform his duties, a Director jointly selected by more than one half of all Directors shall preside over the meeting. In the event that the Board is unable to perform or fails to perform the duties of convening shareholders' general meetings, the Supervisory Committee shall in time convene and preside over the meetings; in the case of the failure of the Supervisory Committee to convene and preside over a shareholders' general meeting, shareholders severally or jointly holding more than 10% of the Company's shares for more than ninety consecutive days shall be entitled to convene and preside over the meeting on an unilateral basis. Where the shareholders fail to elect a Chairman for any reasons, the shareholder (including his proxy) present in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the Chairman to preside over the meeting.

A shareholders' general meeting convened by the Supervisory Committee itself, shall be presided over by the Chairman of the Supervisory Committee. If the Chairman of the Supervisory Committee is incapable of performing or fails to perform his duty, a Supervisor shall be elected to preside over the meeting by more than half of the Supervisors.

A shareholders' general meeting convened by the shareholders themselves shall be presided over by a representative nominated by the convener.

When a shareholders' general meeting is convened and the Chairman of the meeting violates the rules of procedures such that the shareholders' general meeting cannot proceed, a person may be elected to preside over the meeting, subject to approval of shareholders entitled to more than half of the voting rights present at the meeting.

Article 110 The Company shall formulate rules of procedures of the shareholders' general meeting to specify in details the convention and voting procedures of the meeting, including notice, registration, deliberation of proposals, votes, vote counting, announcement of voting results, form of resolutions, minutes and the signatures thereon, announcements, as well as the principles of authorisation by the shareholders' general meeting to the Board, the contents of such authorisation shall be expressly specified. The rules of proceedings of the shareholders' general meeting shall be an appendix to the Articles of Association upon approved by the shareholders' general meeting.

Article 111 At the annual general meeting, the Board and the Supervisory Committee shall report their respective work of the previous year to the shareholders' general meeting, and the Supervisory Committee shall make specific statements on the financial position and compliance situation of the Company. Each Independent Director shall also make his duty report.

Article 112 Directors, Supervisors and senior management members shall make response to and give explanation of the inquiries and suggestions made by shareholders, subject to the disclosure principles of fairness, provided that those involve company trade secrets.

Article 113 The Chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 114 The secretary to the Board shall be responsible for preparing the minutes of the shareholders' general meeting, which shall contain:

- (i) the time, venue, agenda of the meeting, and the name of the convener;
- (ii) the name of the Chairman of the meeting, the Directors, Supervisors, general manager and other senior management members attending the meeting;
- (iii) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (iv) the process of examining each motion, main points of speech and the outcome of voting;

- (v) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (vi) the names of lawyers, vote counters, and Supervisors;
- (vii) other contents which shall be contained in the minutes of the meeting as prescribed by the Articles of Association.

Article 115 The convener shall ensure the truth, accuracy and completeness of the minutes of the meeting. The Directors, the Supervisors, the secretary to the Board, the convener or the representative, and the Chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance register of the attending shareholders and the power of attorney of the proxies, and the effective information on the online voting and other means of voting shall be kept for a term of 20 years.

Article 116 The convener shall ensure that a shareholders' general meeting is held continuously until final resolutions have been reached. In the event that the shareholders' general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement of such termination shall be made promptly. At the same time, the convener shall report to the agency of the CSRC in the locality of the Company and the stock exchange.

Section 6 Voting and Resolutions of Shareholders' General Meeting

Article 117 Resolutions of a shareholders' general meeting can be ordinary resolutions or special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than half of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

A special resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than two-thirds of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

Article 118 The following matters shall be passed by ordinary resolutions of a shareholders' general meeting:

- (i) the work reports of the Board and the Supervisory Committee;
- (ii) the plans formulated by the Board for profit distribution and making up losses;
- (iii) the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and the methods of payment thereof;

- (iv) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statement;
- (v) the annual reports of the Company;
- (vi) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.

Article 119 The following matters shall be approved by special resolutions of a shareholders' general meeting:

- (i) the increment or reduction of the Company's registered capital and the issue of any class of shares, warrants and other similar securities of the Company;
- (ii) the issue of corporate bonds;
- (iii) any spin-off, division, merger, dissolution or liquidation;
- (iv) the amendments to the Articles of Association;
- (v) purchase or disposal of material assets or provision of security by the Company within 1 year which involves an amount exceeding 15% of the Company's latest audited total assets;
- (vi) Implementation of the Scheme for long-term incentives mechanism such as equity incentive scheme and employee shareholding plan;
- (vii) such other matters as may be required by laws, administrative regulations or the Articles of Association or which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effects on the Company and require approval by special resolutions.

Article 120 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

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

Shareholders purchase the voting shares of the Company in violation of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, they shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be counted into the total number of voting shares present at the shareholders' general meeting.

The Board, Independent Directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. However, the collectors shall disclose the collection documents and the Company shall provide cooperation. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public collection of shareholders' rights from shareholders. Except for the statutory requirements, The Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights. The collectors shall bear compensation liabilities according to law if the public collection of shareholders' rights violates laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, causing losses to the Company or the shareholders of the Company.

Article 121 Where the Hong Kong Listing Rules requires any shareholder to abandon his or her voting on specific resolution, or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

Article 122 Any vote of shareholders at a general meeting must be taken by poll except where the Chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Article 123 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for, against or abstention in the same way.

In the case of an equality of votes, the Chairman of the meeting shall be entitled to an additional vote.

Article 124 The Chairman of the meeting shall determine, according to the results of the votes, whether the resolutions of the shareholders' general meeting are approved. The Chairman's decision is the final decision, and the results of the votes shall be announced in the meeting. The results of the votes shall be recorded in the meeting minutes.

Article 125 Without the prior approval of a special resolution of a shareholders' general meeting, the Company shall not enter into a contract with a person other than a Director, Supervisor, general manager or other senior management members whereby the management of all or a material part of the business of the Company is delegated to such person.

Article 126 The shareholders' general meeting shall vote on each motion individually. Should there be different motions on the same issue, voting should be done according to the order of the motions raised. Except for special reasons such as force majeure causing the shareholders' general meeting to suspend or unable to reach a resolution, the shareholders' general meeting shall not set aside any motion or have any motion not voted.

Article 127 When considering a proposed resolution at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, of which the voting shall not proceed in that meeting.

Article 128 The same vote may only be cast once at the venue of a shareholders' general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

Article 129 At any shareholders' meeting, voting shall be with registered voter.

Article 130 Before the relevant proposed resolution is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who has connection with in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When the relevant proposed resolution is being voted on at the shareholders' general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

Article 131 The ending time of a shareholders' general meeting shall not be earlier than that of online or other access to the meeting. The Chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

Prior to the formal announcement of voting results, the relevant parties from the Company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the shareholders' general meeting, online or by other means, shall be obliged to keep the status of voting confidential.

Article 132 In the event that the Chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the Chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the Chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the Chairman of the meeting shall have the votes counted immediately.

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

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

Photocopies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without charge. If a shareholder demands from the Company a photocopy of such minutes, the Company shall send a photocopy to him within 7 days after receipt of reasonable charges.

Article 133 Where a shareholders' general meeting has passed the resolutions for electing Directors and Supervisors, the newly elected Directors and Supervisors shall fill their positions from the date of approval at the shareholders' general meeting, except otherwise specified in the resolution of the shareholders' general meeting.

Article 134 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a shareholders' general meeting, the Company shall implement the specific plans within two months after the conclusion of the shareholders' general meeting.

Section 7 Special Procedures for Voting by Class Shareholders

Article 135 Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Save for shareholders of shares of other classes, the holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders.

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

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

Article 136 Any variation or abrogation of the rights of any class of shareholders proposed by the Company shall be approved by a special resolution of a shareholders’ general meeting and by the shareholders of the affected class at a separate class meeting convened in accordance with Articles 137 to 142.

Article 137 The following circumstances shall be deemed to be circumstances where the variation or abrogation of the rights of shareholders of a certain class is involved:

- (i) increasing or decreasing the number of shares of that class, or increasing or decreasing the number of shares of another class having the same or more rights of or to voting, distribution or other privileges when compared with shares of such class;
- (ii) converting all or part of the shares of such class into shares of other classes, or converting all or part of the shares of other classes into shares of such class or granting rights to effect such conversion;
- (iii) removing or reducing rights to accrued dividends or cumulative dividends attached to shares of such class;
- (iv) reducing or removing the right to receive priority dividends or, in the event of the liquidation of the Company, to receive priority distribution of property attached to shares of such class;
- (v) increasing, removing or reducing the right of conversion, options, voting rights, the right to transfer, priority in placement and the right to acquire securities of the Company attached to shares of such class;
- (vi) removing or reducing the right to receive sums payable by the Company in particular currencies attached to shares of such class;
- (vii) creating a new class of shares having the same or more rights of or to voting, distribution or other privileges when compared with the shares of such class;
- (viii) imposing restrictions on the transfer of ownership of the shares of such class or increasing such restrictions;

- (ix) issuing subscription rights or share conversion rights in respect of shares of such class or another classes;
- (x) increasing the rights and privileges of shares of another class;
- (xi) proposing to restructure the Company where the proposed restructuring scheme shall result in different classes of shareholders having to assume disproportionate liabilities in such restructuring;
- (xii) varying or repealing the terms provided in this chapter.

Article 138 Shareholders of the affected class, whether or not having the right to vote at shareholders' general meetings, shall have the right to vote at the relevant class meeting in relation to any of the matters under circumstances (2) to (8) and (11) to (12) of Article 137, but interested shareholders shall not be entitled to vote at the relevant class meeting.

Interested shareholders mentioned in the preceding paragraph shall have the following meanings:

- (i) in the case of an offer by the Company to repurchase its own shares to all shareholders on a pro rata basis or a repurchase by the Company of its own shares on a stock exchange in accordance with Article 30 of the Articles of Association, "interested shareholders" shall mean the controlling shareholder as defined in Article 308 of the Articles of Association;
- (ii) in the case of a repurchase by the Company of its own shares by an off-market agreement in accordance with Article 30 of the Articles of Association, "interested shareholders" shall mean the shareholders connected with such agreement;
- (iii) in the case of a proposed restructuring of the Company, "interested shareholder" shall mean a shareholder of a class assuming a smaller proportion of liabilities than the other shareholders of that class or who has interests different from those of the other shareholders of the same class.

Article 139 A resolution of a class meeting shall be passed in accordance with Article 138 by at least a two-thirds majority calculated on the basis of the voting rights held by the shareholders present and entitled to vote at the class meeting.

Article 140 Written notice of a meeting of any class of shareholders of the Company shall be issued pursuant to Article 92 of the Articles of Association to all shareholders of such class whose names appear on the register of members, specifying the matters to be considered at and the place, the date and the time of the meeting.

Where there is any special regulation under the listing rules of the place(s) where the Company's Shares are listed, such requirement shall prevail.

Article 141 Notice of a class meeting only needs to be given to shareholders entitled to vote thereat.

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

Article 142 The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (i) where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas-listed foreign shares once every 12 months, either separately or concurrently, and the respective numbers of domestic shares and overseas-listed foreign shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas-listed foreign shares;
- (ii) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of incorporation is carried out within 15 months from the date of approval by the securities regulatory authorities of the State Council;
- (iii) Where upon the approval from the securities authority of the State Council, the domestic shares of the Company may be converted into foreign shares, and such shares may be listed and traded in an overseas stock exchange.

CHAPTER SIX DIRECTORS AND THE BOARD OF DIRECTORS

Section 1 Directors

Article 143 The appointment and removal of Directors by the Company shall be filed with the securities regulatory authorities of the State Council. The Company shall not appoint any unqualified personnel to be Director and shall not violate the provision by authorizing unqualified personnel to effectively exercise the duties.

The general manager or other senior management members may concurrently serve as a Director (other than Independent Directors), provided that the aggregate number of the Directors who concurrently serve as general manager or other senior management members shall not exceed one half of all the Directors of the Company.

Article 144 The Directors of the Company shall possess the following conditions:

- (i) They shall be of good character, faithful and honest;
- (ii) They shall be familiar with the laws and regulations, in relation to securities and funds and the requirements of the China Securities Regulatory Commission;
- (iii) They shall possess more than three years of work experience in the securities, fund, finance, law, accounting or information technology industry in relation to the position to be held;
- (iv) They shall possess the management experience and operations and management capabilities that commensurate with the position to be held;
- (v) Other conditions required by laws, regulations, the CSRC and the Articles of Association.

Directors of the Company shall not fall into the circumstances provided by Article 230 of the Articles of Association, which prohibit a person from being a Director of the Company.

Article 145 Non-employee representative Directors shall be elected or replaced by the shareholders' general meetings and may be removed from their office by the shareholders' general meetings before expiry of their terms of office. Employee representative Directors shall be elected or replaced by the Company's employee representatives assembly. The term of office of a Director shall be three years and is eligible for re-election. If a Director is removed by the shareholders' general meetings or the employee representatives assembly of the Company, relevant explanation shall be provided. The Director being removed shall be entitled to state his/her opinion at the shareholders' general meeting or the employee representatives assembly, CSRC or CSRC Shanghai Bureau. Subject to full compliance with the relevant laws and administrative regulations, the shareholders' general meeting may by ordinary resolution remove any Director before the expiry of his term of office (but without prejudice to such Director's right to claim damages based on any contract).

Written notice of intention to nominate a candidate for the post of Director and the candidate's agreement to be nominated must be given to the Company seven days prior to the convening of the annual general meeting (Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and no later than seven days prior to the shareholders' general meeting). The term of the nomination and the acceptance of the nomination shall be no less than seven days.

The term of office of Directors shall commence from the date of appointment up to the maturity of the current term of office of the Board.

Those in the Board as employees' representatives are elected by the employees of the Company by employees' representative meeting means to join the Board directly.

The Directors shall not be required to hold shares of the Company.

Article 146 The Directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:

- (i) not to abuse their authority of office to obtain bribes or other illegal income and not to misappropriate the property of the Company;
- (ii) not to misappropriate the Company's funds;
- (iii) not to deposit assets or capital of the Company in any accounts which are opened in their own name or in the names of other persons;
- (iv) not to act in violation of the Articles of Association and lend the Company's capital to others or provide security to others by charging the Company's assets before obtaining consent at the shareholders' general meetings or the Board;

- (v) not to enter into contracts or transactions with the Company in violation of the Articles of Association or before obtaining consent at the shareholders' general meeting;
- (vi) not to use their position to obtain for themselves or others business opportunities which originally belong to the Company, or to run his own or others' business which is similar to the Company's business line, before obtaining consent at the shareholders' general meeting;
- (vii) not to gain for themselves commissions from transactions of the Company;
- (viii) not to disclose the secrets of the Company without consent;
- (ix) not to use their connections to harm the interests of the Company;
- (x) to be bound by other obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Income which is obtained by any Directors in violation of the Articles of Association shall be retained for the benefit of the Company. Any Directors who act in violation of this Article shall be liable for compensation for any losses caused to the Company.

Article 147 The Directors shall comply with the laws, administrative regulations and the Articles of Association and shall diligently perform their following obligations to the Company:

- (i) They shall exercise the rights granted by the Company prudently, conscientiously and diligently to ensure that the Company's commercial activities are in compliance with laws, administrative regulations and the requirements of all economic policies of the state and that its commercial activities have not gone beyond the scope stipulated in the business licence;
- (ii) They shall treat all shareholders equally and fairly;
- (iii) They shall have prompt understanding of the Company's business operation and management;
- (iv) They shall sign the written confirmation on opinion of the Company's securities issuance related documents and regular reports. They shall ensure the information disclosed by the Company is true, accurate, complete, timely and fair;
- (v) They shall inform the Supervisory Committee of the true situation and information and shall not obstruct the Supervisory Committee or Supervisors from exercising their powers;

- (vi) They are bound by other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 148 Where no re-election is made in time upon expiry of the term of a Director or any Director's resignation resulting in the number of members of the Board to fall below the statutory number, the original Director shall, prior to a new Director taking up the office, continue to perform his duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association.

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

Except the circumstances specified above that the resignation of a Director causes the number of occupied seats on the Board to fall below the statutory minimum, the resignation of an Independent Director causes the percentage of Independent Directors in the Board or its special committees to fail to meet the requirements of laws, regulations or the Articles of Association, or there is a lack of accounting professionals among Independent Directors, the resignation of a Director shall become effective when the written resignation is served on the Board.

On the premise that all the relevant local laws and regulatory rules of the local authority where the Company is listed are fully complied with, if the Board appoints a new Director to fill a temporary vacancy of Director or for the purpose of increasing the number of Directors, the tenure of the appointed Director shall expire at the first annual general meeting of the Company after his/her appointment. Upon expiry of tenure, the Director shall be eligible for re-election.

Article 149 Within 10 days upon the resignation taking effect or the expiry of the tenure of a Director, such Director shall duly complete all handover. Even after his resignation or expiry of his tenure, the faithful duties owed by such Director to the Company and the shareholders shall not be released as taken for granted and he shall be bound by such faithful obligations for a further period of two years. The obligation of confidentiality of such Director in relation to the commercial secrets of the Company shall remain effective after his tenure and end until such commercial secrets become public information. The period of continuity of other obligations shall be determined on the principle of fairness, and dependent on the length of time between the occurrence of the incident and the resignation, as well as the conditions and circumstances under which the Director terminates his relationship with the Company.

Article 150 A Director who fails to attend in person but does not entrust other Directors to attend two consecutive Board meetings shall be deemed as unable to perform his duties. The Board shall propose to the shareholders' general meeting to remove such Director.

Article 151 Without stipulation by the Articles of Association or lawful authorization by the Board, no Director shall in his own name act for the Company or the Board. Where a Director acts in his own name, in a situation with a third party reasonably believing that such Director is acting for the Company or the Board, such Director shall declare in advance his stance and identity.

Article 152 Where an executive Director violates the provisions of any laws, administrative regulations, departmental rules or the Articles of Association in the course of executing his duties and causes loss to the Company, such executive Director shall be liable for compensation.

Article 153 Except when the Articles of Association stipulated otherwise herein, the means of nominating Directors and the procedure are:

- (i) Within the scope of the number of Directors stipulated in the Articles of Association and in accordance with the proposed number of Directors to be elected, the candidates may be nominated by the Board;
- (ii) The Board, the Supervisory Committee and shareholder(s) individually or jointly holding more than 3% of the Company's shares may nominate candidate(s) for non-independent directorship, and the Board, the Supervisory Committee and the shareholder(s) individually or jointly holding more than 1% of the Company's shares in issue may nominate candidate(s) for independent directorship, but such nomination shall be within the scope of the number of Directors stipulated in the Articles of Association and shall not exceed the total proposed number of Directors to be elected;
- (iii) A candidate for directorship shall make a written undertaking prior to the convening of the Company's shareholders' general meeting, confirming his acceptance of nomination and further undertake that his provided information in this aspect is authentic and complete and that he shall earnestly perform the Director's duties;
- (iv) The written notice of the intent to nominate a candidate for directorship and the written notice by such candidate of his willingness to be elected shall be given to the Company seven days prior to the date of the shareholders' general meeting appointed for such election;
- (v) The period allowed for the relevant nominator and the nominee to submit the aforesaid notices and documents (calculated from the next day after the notice of the shareholders' general meeting was issued) shall be no less than 7 days.

Section 2 Independent Directors

Article 154 The Independent Directors shall execute their duties and deal with other related matters in compliance with the relevant provisions of laws, administrative regulations, the CSRC and the stock exchange(s) as well as the Articles of Association.

Article 155 Independent Directors refer to Directors who do not hold any other positions in the Company except for directorship, and have no direct or indirect stakeholder relationships with the Company where they are employed, or the Company's substantial shareholders and actual controllers, or any other relationship that may impair their independent and objective judgment.

Independent Directors shall perform their duties independently without being influenced by any entities or individuals such as the Company, its substantial shareholders and actual controllers.

Article 156 The Board of the Company shall have Independent Directors representing at least one-third of the Board with at least one Independent Director with accounting expertise.

Independent Directors shall assume the duties of loyalty and care towards the Company and the shareholders as a whole, conscientiously perform their duties in compliance with the requirements of laws, administrative regulations, the CSRC, the listing rules of the stock exchange(s) and the Articles of Association, participate in the decision-making of and supervise and ensure the balance of power and authority in the Board, provide professional advice, safeguard the overall interests of the Company, and protect the legitimate rights and interests of the minority shareholders.

Article 157 Other than the qualification requirements for Directors stipulated in the laws and regulations and the Articles of Association, an Independent Director shall also meet the following requirements:

- (i) being qualified to serve as a director of listed companies in accordance with laws, administrative regulations and other relevant requirements;
- (ii) meeting the independence requirements under laws, administrative regulations and other relevant requirements;
- (iii) having basic knowledge on the operation of listed companies and being well-acquainted with the relevant laws, administrative regulations and departmental rules;
- (iv) having more than five years of experience in law, accounting, economics, or other fields that are necessary for performing the duties of an independent director;
- (v) having good personal character, and no major dishonesty or other bad records; and
- (vi) other conditions required under laws, administrative regulations, departmental rules, the requirements of the CSRC, the listing rules of the Shanghai Stock Exchange and the Articles of Association.

Article 158 Persons who are not allowed to serve as independent directors according to the requirements of laws, regulations and other requirements such as the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions and the Measures for the Administration of Independent Directors of Listed Companies shall not serve as Independent Directors of the Company.

Independent Directors shall conduct self-evaluation of their own independence annually and submit the evaluation results to the Board. The Board shall assess the independence of the existing Independent Directors annually and issue a special opinion, which shall be disclosed together with the annual report.

In principle, an Independent Director may serve as an independent director in no more than three domestic listed companies, and shall ensure that he/she can commit enough time and effort to effectively performing his or her duties as an Independent Director.

Any person can serve as an independent director in up to two securities and fund firms. Where laws, regulations and the CSRC requires otherwise, such requirements shall prevail.

Article 159 If the shareholders' general meeting elects two or more Independent Directors, it shall adopt the cumulative voting system. The voting results of minority shareholders shall be counted separately and disclosed.

The term of office of an Independent Director is the same as that of the other Directors of the Company. Upon expiration of the term of office, he/she may be re-elected, provided that he/she shall not serve as an Independent Director for six consecutive years. The Company shall file materials in relation to the Independent Directors with the securities regulatory authorities.

Article 160 Before the term of office of an Independent Director expires, the Company may remove him/her from office through legal procedures. In the event of early removal, the Company shall disclose the specific reasons and basis in a timely manner. If the Independent Director has any disagreement, the Company shall make disclosure promptly. If an Independent Director does not meet the requirements of Article 157(i) or (ii) of the Articles of Association, he/she shall immediately stop performing his or her duties and resign. If he/she does not resign, failing which the Board shall immediately remove him/her from office according to relevant regulations after it knows or should have known the fact. If an Independent Director fails to attend the Board meetings in person for two consecutive times, and have not appointed another Independent Director to attend on his or her behalf, the Board shall propose to convene a shareholders' general meeting to remove such Independent Director from office within 30 days from the date of the occurrence of such fact.

If the percentage of Independent Directors in the Board or its special committees no longer meets the requirements of the Articles of Association as a result of the resignation or dismissal of an Independent Director due to triggering the conditions stipulated in the preceding paragraph, or if there is an absence of Independent Director with accounting expertise, the Company shall elect Independent Directors to fill the vacancy within 60 days from the date of the occurrence of such fact.

If the Company removes an Independent Director from office whose term has not expired, both the Independent Director and the Company shall submit written explanations to the relevant branch of the CSRC and the shareholders' general meeting within 20 working days.

Article 161 Independent Directors may resign before the expiry of their tenure. They shall submit a written resignation to the Board. The written resignation shall contain explanation on the situation related to his resignation or any other matters which, in his opinion, shall be brought to the notice of the shareholders and creditors of the Company. The Company shall disclose the reasons for his/her resignation and matters requiring attention.

If the resignation of an Independent Director results in the percentage of Independent Directors in the Board or its special committees not meeting the requirements of the Articles of Association, or if there is a lack of accounting professionals among the Independent Directors, before the newly elected Independent Director takes office, the Independent Director who intends to resign shall continue to perform his/her duties as an Independent Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. The Board of the Company shall convene a shareholders' general meeting to elect Independent Directors to fill the vacancy within 60 days from the date when the Independent Director submits his/her resignation.

Article 162 Independent Directors shall perform the following duties:

- (i) to participate in the decision-making of the Board and express explicit opinions on matters discussed;
- (ii) in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies, to supervise the potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, Directors and senior management, cause the Board's decision-making to be in line with the overall interests of the Company and protect the legitimate rights and interests of the minority shareholders;
- (iii) to provide professional and objective advice on the Company's business development, and promote the improvement of the Board's decision-making level; and
- (iv) other duties stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Article 163 The Independent Directors shall perform the following special powers and duties:

- (i) to independently engage intermediary institutions to provide audit, consulting or review services on specific matters of the Company;
- (ii) to propose that the Board convene an extraordinary shareholders' general meeting;
- (iii) to propose the convening of a Board meeting;
- (iv) to solicit proxies from shareholders according to law;
- (v) to express independent opinions on matters that may impair the interests of the Company or its minority shareholders;
- (vi) other powers and functions stipulated by laws, regulations, normative documents, the regulatory authorities of the place where the securities of the Company are listed, the stock exchange(s) and the Articles of Association.

The Company shall make disclosure in a timely manner when an Independent Director exercises the powers and functions set forth in the first paragraph. If the above-mentioned powers and functions cannot be exercised normally, the Company shall disclose the specific situation and reasons.

An Independent Director shall submit an annual work report to the shareholders' general meeting on an annual basis, explaining providing information on his/her performance of duties, and keep a record of the same for future inspection. The annual work report of the Independent Director shall be disclosed no later than the publication of the Company's notice of the annual shareholders' general meeting.

The Independent Director having failed to perform his duties diligently shall undertake the corresponding responsibilities.

Article 164 Independent Directors shall work on site at the Company for no less than fifteen days per year.

Article 165 The Company shall regularly or irregularly convene meetings with Independent Directors present only (hereinafter referred to as the "Special Meeting of Independent Directors") to consider the relevant matters stipulated by laws and regulations such as the Measures for the Administration of Independent Directors of Listed Companies. The Special Meeting of Independent Directors may consider and discuss other matters of the Company as needed. The Company shall provide convenience and support for the convening of the Special Meeting of Independent Directors.

Article 166 To ensure that the Independent Directors are able to perform their duties effectively, the Company shall provide necessary working conditions and personnel support for the Independent Directors. The Company shall grant appropriate allowances to the Independent Directors. The standards of such allowances shall be formulated by the Board and resolved after examination at the shareholders' general meeting, and shall be disclosed in the annual reports of the Company. Apart from the foregoing allowances, the Independent Directors shall not receive other additional and undisclosed interests from the Company and its substantial shareholders, actual controllers or other interested entities or persons.

The appointment procedures, rights and the obligations, duties and specific duty performance methods of and supports for Independent Directors shall be formulated by the Company.

Section 3 The Board of Directors

Article 167 The Company shall have a Board of Directors accountable to the shareholders' general meeting.

Article 168 The Board consists of 11 Directors, including four Independent Directors. The Board shall have one Chairman, and may have a Vice Chairman.

Article 169 The Board exercises the following powers:

- (i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;
- (ii) to implement the resolutions of shareholders' general meetings;
- (iii) to decide on the Company's business plans and investment plans;
- (iv) to formulate the Company's plans on annual financial budgets and final accounts;
- (v) to formulate the Company's profit distribution plans and plans on making up losses;
- (vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;
- (vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company under circumstances as prescribed under items (I), (II) of Article 29 of the Articles of Association;
- (viii) to adopt resolutions on repurchase of the Company's shares under circumstances as prescribed under items (III), (V) and (VI) of Article 29 of the Articles of Association;
- (ix) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions, external donations of the Company within the authorisation of the shareholders' general meeting;
- (x) to formulate the implementation plan of the long-term incentives program such as equity incentive scheme and employee shareholding plan;
- (xi) to determine the establishment of the Company's internal management structure;

- (xii) to decide on the appointment or dismissal of general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to decide on the appointment or dismissal of senior management members including deputy general manager, chief financial officer, chief information officer, chief risk officer, business director and general auditor of the Company and to determine their remunerations, incentives and punishments;
- (xiii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company's own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;
- (xiv) to formulate proposals for amendment to the Articles of Association;
- (xv) to manage information disclosure of the Company;
- (xvi) to propose at shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;
- (xvii) to hear the work report and inspect the work of the general manager;
- (xviii) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, and to supervise the resolution of problems existing in compliance management;
- (xix) to determine the goal of business integrity management of the Company and undertake the responsibility for the effectiveness of business integrity management;
- (xx) to undertake the ultimate responsibility of comprehensive risk management;
- (xxi) to promote the legal construction of the Company, improve the level of legal corporate governance of the Company, and authorize the compliance and risk management committee to perform specific duties in relation to the promotion of legal construction.
- (xxii) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.

The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.

Article 170 The Board shall explain to the shareholders' general meeting regarding the non-standard auditors' advice given by the chartered accountant in relation to the financial report of the Company.

Article 171 The Board shall formulate the rules of procedures of Board meetings to ensure the implementation by the Board of the resolutions of the shareholders' general meeting, the enhancement of work efficiency, and the guarantee of scientific decision making. The rules of procedures of Board meetings formulated by the Board shall be the attachment of the Articles of Association after approval by the shareholders' general meeting.

Article 172 The Board shall have the compliance and risk management committee, the audit committee, the development strategy and ESG management committee, and the nomination and remuneration appraisal committee. The members of the audit committee shall be Directors who do not hold senior management positions in the Company, among whom more than half should be Independent Directors, and the convener shall be an Independent Director with accounting expertise. In the nomination and remuneration appraisal committee, more than half shall be Independent Directors and the convener shall be an Independent Director.

The compliance and risk management committee is mainly responsible for the compliance of the Company's operations, supervising the Company's overall risk management, and analyzing and improving the Company's internal control system, to ensure that the Company can effectively manage the risks associated with its business activities, and promote the development of the rule of law of the Company.

The development strategy and ESG management committee is mainly responsible for providing basis for the Board to formulate the Company's development strategy, business strategy and ESG strategy, and studying and providing advice on the medium and long-term development strategies and major investment and financing decisions, including ESG.

The audit committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating the internal and external audit work and internal control.

The nomination and remuneration appraisal committee is responsible for, among others, formulating the selection criteria and procedures for Directors and senior management, selecting, reviewing and verifying the candidates and qualifications of Directors and senior management, formulating the appraisal criteria for Directors and senior management and conducting appraisals, and formulating and reviewing the remuneration policies and packages for Directors and senior management.

Article 173 The Board shall determine the matters of external investment, acquisition and sale of assets, asset pledge, external guarantee, scope of powers for connected transactions, external donations, establish stringent examination and decision making procedures, organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' general meeting for approval.

The Board shall be entitled to determine the following matters:

- (i) the disposal of assets not within the approval authority of the shareholders' general meeting stipulated by Article 78 of the Articles of Association;
- (ii) the guarantee not within the approval authority of the shareholders' general meeting stipulated by Article 79 of the Articles of Association;
- (iii) to approve an application of funds for external investment, the value of which does not exceed 10% of the latest audited net assets of the Company;
- (iv) the connected transactions which shall be resolved by the Board according to the disclosure requirements of the local listing rules at the place where the Company is listed.
- (v) to approve any external donation with a single amount or accumulated amount for 12 consecutive months not exceeding RMB100 million.

Article 174 The Board shall not, without the prior approval at the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the proposed disposal and the value of any disposal of fixed assets in the four months immediately preceding the proposed disposal, exceeds 33% of the value of the Company's fixed assets as stated in the last balance sheet placed before the shareholders' general meeting.

The “disposal of fixed assets” as referred to in this Article includes the conduct involving the transfer of the interest in certain assets but does not include the provision of fixed assets by way of providing security.

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

Article 175 The Board shall have one Chairman, and may have a Vice-Chairman. The Chairman and the Vice-Chairman shall be elected and removed by more than half of all the members of the Board. The tenure of the Chairman and the Vice-Chairman shall renewable upon re-election. If the Chairman of the Company is unable to perform his/her duties due to any reason, the Company shall decide within 15 working days who shall perform the duties in his/her stead, and such person shall be prudent, diligent and responsible in performing the duties, and the period of time shall not exceed 6 months.

In addition to the basic conditions for serving as a Director, the Chairman shall also meet the conditions for securities and fund practitioners.

Article 176 The Chairman of the Board shall exercise the following authorities:

- (i) to preside over shareholders’ general meetings and to convene and preside over Board meetings;
- (ii) to supervise and check on the implementation of resolutions passed at the meeting of the Board;
- (iii) to sign the share certificates, bonds and other marketable securities of the Company;
- (iv) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (v) to exercise the authorities of legal representatives;
- (vi) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board and the shareholders’ general meeting;
- (vii) to exercise other functions and powers conferred by the Board.

Article 177 The Vice-Chairman of the Company shall assist the Chairman on the job. The duties which the Chairman is unable or fail to perform, shall be performed by the Vice-Chairman. The duties which the Vice-Chairman is unable or fail to perform, shall be performed a Director jointly elected by more than half of the Directors.

Article 178 The Board shall meet regularly and Board meetings shall be held at least four times a year at approximately quarterly intervals. A fourteen days’ prior written notice for convening the meeting shall be given to all Directors and Supervisors.

Article 179 The Chairman of the Board shall convene an extraordinary Board meeting within ten working days in one of the following situations when it is:

- (i) considered necessary by the Chairman;
- (ii) jointly proposed by more than one-third of the Directors;
- (iii) proposed by the Supervisory Committee;
- (iv) proposed by the shareholders representing more than one-tenth of the voting rights;
- (v) jointly proposed by more than half of the Independent Directors;
- (vi) proposed by the general manager.

Article 180 The Board shall inform all Directors, Supervisors and the general manager in writing two days before convening the extraordinary Board meeting. In the case of emergency when it is required to convene the extraordinary Board meeting, the Board may issue the notice for the meeting at any time by telephone, facsimile or email, but the convener shall give explanation at the meeting.

Article 181 The notice of the Board meeting shall include the following:

- (i) the time and venue of the meeting;
- (ii) the duration of the meeting;
- (iii) the reasons and subject matters;
- (iv) the date of issuing the notice.

Article 182 Unless otherwise stipulated by the Articles of Association, a meeting of the Board shall be held only when over half of the Directors attend the meeting. Unless otherwise provided by the Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.

One person shall have one vote when voting on the resolution of the Board.

Where the number of votes cast for and against a resolution is equal, the Chairman shall have the right to cast an additional vote.

Article 183 If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself or on behalf of other Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than 3, the matter shall be submitted to the shareholders' general meeting for examination.

Article 184 In principle, the Board meeting shall be convened by ways of on-site meetings. Whenever it is necessary, the extraordinary Board meeting is allowed to be convened through video, telephone and facsimile after agreement of the convener (the host) and proposer on the premise of ensuring the Directors who may fully give their opinions. The Board meeting may be also convened by way of on-site meetings and other methods at the same time.

For a meeting other than on-site meetings, the number of the Directors present is calculated according to the number of the Directors present in the video, the Directors expressing opinions in the teleconference, the number of valid votes including facsimiles received within the specified period, or the written confirmations submitted by the Directors after the meetings.

It shall ensure that the Directors attending the meeting be able to hear clearly the statements made by the other Directors and communicate in a normal way.

The methods of voting of resolutions of the Board meeting are: on a poll or on a show of hands or through facsimile. Each of the Directors has one vote. Voting on a poll or on a show of hands shall be adopted by meetings convened by way of on-site meetings; voting on a poll shall be adopted by meetings convened through video, telephone. The Directors attending the meeting shall submit the signed original votes to the Board meeting within the period stated in the notice of the meeting; Voting through facsimile shall be adopted by meeting convened through facsimile. The Directors vote after the meeting shall also submit the signed original votes to the Board meeting within the period stated in the notice of the meeting.

Article 185 Directors shall attend any Board meeting in person. Where a Director is unable to attend for some reasons, he or she may authorise in writing another Director to attend on his behalf. The instrument of proxy shall specify the name of the proxy, the matters to be authorised, scope of authorization and the validity period, and the proxy shall sign on or affix a chop to such instrument. A Director shall not serve as alternate director for two or more Directors at a Board meeting. An Independent Director shall not entrust non-independent Director to attend on his/her behalf. The Director attending the meeting for another Director shall exercise the rights of the latter Director within the scope of authorisation. Any Director who is unable to attend a Board meeting and has not authorised a proxy to attend on his behalf shall be deemed as waiving the right to vote at that meeting.

Article 186 The Board shall keep minutes of its decisions on the matters considered. Directors attending the meeting shall sign their names on the minutes of the meeting. Directors shall be responsible for the resolutions of the Board meetings. Where a resolution of the board meetings violates laws, regulations, the resolution of the shareholders' general meetings or the Articles of Association and causes serious losses to the Company, the Directors who took part in such a resolution shall be liable to compensate the Company. However, if a Director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the Director may be relieved of such liability.

The minutes of Board meeting shall be kept as archives of the Company by the secretary of the Board. The minutes of Board meeting shall be returned to the Company for filing after one year and shall be kept for 20 years.

Article 187 The minutes of meetings shall contain the following information:

- (i) The date, venue and the name of the convener of the meeting;
- (ii) Names of the Directors attending the Board meeting in person and as proxies;
- (iii) Agendas of the meetings;
- (iv) Summary of the statements made by the Directors;
- (v) The method and result of voting for every resolution (with the number of votes for and against the resolution and the number of abstained votes).

Section 4 Secretary to the Board of Directors

Article 188 The Company shall have a secretary to the Board, who is a senior management member of the Company and shall report to the Company and the Board.

The secretary to the Board shall have the requisite professional knowledge and experience, and shall be appointed by the Board. The circumstances provided in the Article 230 of the Articles of Association, which prohibit a person from being a Director of the Company, shall also apply to the secretary of the Board. The Board shall formulate detailed requirements for the qualifications and the appointment and dismissal procedures of the secretary to the Board.

Article 189 The secretary of the Board shall report to the Company and the Board and shall perform the following duties:

- (i) to prepare and submit reports and documents required by the relevant authorities of PRC to be given by the Board and shareholders' general meeting;
- (ii) to organize and prepare shareholders' general meetings, the Board meetings and the special Committee Board meetings, and take charge of the minutes of such meetings and keep the documents and records of such meetings in accordance with the legal procedures;
- (iii) to supervise the Company to establish and implement information disclosure system and internal report system for significant information and enable the Company and the related persons to discharge the obligation of information disclosure in accordance with laws;
- (iv) to ensure that the Company has maintained complete constitutional documents and records;

- (v) to ensure that the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto;
- (vi) to ensure that the Company's registers of shareholders are properly maintained, and that persons having access to the Company's records and documents are furnished with such records and documents without delay;
- (vii) to maintain investors relation;
- (viii) other duties and powers delegated by the Board.

Article 190 The Company shall facilitate the secretary to the Board on his/her duties. Directors, Supervisors and other senior management members and relevant staff members shall support and coordinate with the work of the secretary to the Board.

Article 191 A Director or other senior management member of the Company may hold the office of secretary to the Board concurrently. The accountant of the certified public accountant firm and the lawyer of the law firm appointed by the Company shall not act as secretary to the Board.

Article 192 The secretary of the Board shall be nominated by the Chairman and appointed or dismissed by the Board. Where the secretary of the Board is also a Director and an act is required to be done by a Director and the secretary separately, such person who is acting both as Director and the secretary shall not perform the act in both capacities.

Section 5 Chief Compliance Officer

Article 193 The Company shall have one chief compliance officer who shall be employed, dismissed and appraised by the Board and shall report to the Board.

The chief compliance officer who is the person in charge of the compliance of the Company shall examine, supervise and inspect the compliance concerning the operation, management and practice conduct of the Company and its personnel.

Article 194 The chief compliance officer shall be proficient in relevant laws, regulations and standards. He shall be an honest and credible person, who is familiar with the security and fund businesses, and possess the expertise and skills required for the compliance management. In addition, such person shall meet with the following criteria:

- (i) He has more than ten years of experience in securities and funds, and has passed the competence examination for compliance management personnel organized by Securities Association of China or Asset Management Association of China; or he has more than five years of experience in securities and funds, and has passed the legal professional qualification examination; or he has worked in security regulatory authorities or self-discipline organization in security or fund industry for more than five years;

- (ii) Financial regulatory authorities has not imposed any administrative penalty or implemented any material administrative measure on such person over the past three years;
- (iii) Other conditions set by the CSRC.

Article 195 In the course of employing a chief compliance officer, the Company shall submit the curriculum vitae and relevant materials of evidence to the local Bureau of the CSRC at the place of the Company for approval before the chief compliance officer is effectively employed.

Prior to the expiry of term of the chief compliance officer, the Company shall dismiss the chief compliance officer with proper reasons and shall submit the written report on the facts and reasons for the dismissal to the local Bureau of the CSRC at the place of the Company within 10 business days prior to the date of relevant Board meeting.

Article 196 In the event that the chief compliance officer is unable to perform his duties or the post of the chief compliance officer is vacant, the chairman or chief operating officer shall perform the duties on his behalf, and submit the written report to the local Bureau of the CSRC at the place of the Company, within three working days from the date of such determination, the term of which shall not exceed six months.

The chief compliance officer shall resign from his position by giving one month prior notice to the Board of the Company, and report to the local bureau of the CSRC. The chief compliance officer shall not cease performing his duties until his resignation has been approved.

Where the post of the chief compliance officer is vacant, the Company shall employ the chief compliance officer as stipulated in the Articles of Association within six months.

Article 197 The chief compliance officer shall perform the following duties according to the laws:

- (i) to formulate basic rules for compliance management of the Company and other compliance management rules, and supervise various departments, branches and subsidiaries of the Company on the implementation of such rules;
- (ii) to proceed with the compliance examination concerning the internal management system, material decision making, new products and new business schemes of the Company and present the opinion of the compliance examination in writing;
- (iii) to conduct supervision and inspection on the compliance of operating management and business behaviors of the Company and its staff pursuant to the requirements of the CSRC and its agencies and the rules of the Company;
- (iv) to assist the Board and the senior management members in establishing and implementing the information screening wall system, conflict of interest management and anti-money laundering policy;

- (v) to provide compliance consultation and organize compliance training for the senior management members, various departments, branches and subsidiaries, and guide and supervise the Company and relevant departments to deal with the complaints and reports on the conduct of the Company and the personnel of the Company violating the laws and regulations;
- (vi) to report promptly to both the Board and chief operating officer upon discovery of the conduct of the Company violating the laws and regulations or of hidden risks of compliance pursuant to the Articles of Association, propose opinion to handle such conduct and hidden risks and supervise the rectification; supervise the Company to report to the local bureau of the CSRC at the place of the Company; directly report to the local Bureau of the CSRC at the place of the Company in case of failure of prompt reporting by the Company; in the case of involving violation of the normative and self-discipline rules of the industry, to report to the relevant self-discipline organization as well;
- (vii) to propose promptly to the Board or the senior management members of the Company in case of changes of laws, regulations and standards, and supervise the relevant department of the Company; assess such effects to the compliance management of the Company; and amend and optimize the relevant rules and business flow;
- (viii) to keep in touch with securities regulatory bodies and relevant self-discipline organizations; and take the initiative to comply with the work of securities regulatory bodies and relevant self-discipline organizations;
- (ix) other compliance management duties granted by laws, regulations, departmental rules, normative stipulations and the Board. In the event that the Company does not accept the compliance review opinion of the chief compliance officer, relevant matters shall be submitted to the Board for decision-making.

In the event that the Company does not accept the compliance review opinion of the chief compliance officer, relevant matters shall be submitted to the Board for decision-making.

Article 198 The Company shall submit the annual compliance report to the local Bureau of the CSRC at the place of the Company when submitting the annual report.

The Board and the senior management members of the Company shall sign the confirmation of opinion on the compliance report and ensure the truth, accuracy and completeness of the contents of the report. Those with objection to the contents of the report shall indicate their opinion and reasons.

CHAPTER SEVEN
GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 199 The Company shall have one general manager, who shall be appointed and dismissed by the Board.

The Company shall have a certain number of deputy general managers to assist the general manager. Their appointment and dismissal are to be nominated by the general manager for approved by the Board.

The Company's general manager, deputy general managers, secretary to the Board, chief financial officer, chief compliance officer, chief information officer, chief risk officer, business director, general auditor and other members who actually perform the aforesaid duties are the Company's senior management members.

The appointment and removal of senior management members by the Company shall be filed with the securities regulatory authorities of the State Council.

Article 200 The general manager and other senior management members shall have the following qualifications for the job:

- (i) being honest and trustworthy, and having good moral character;
- (ii) being familiar with the laws and regulations on securities and funds and the requirements of the CSRC;
- (iii) having more than three years of work experience in securities, funds, finance, law, accounting, information technology, etc. related to the position to be held;
- (iv) having management experience and capabilities that are compatible with the position to be held;
- (v) previously holding the department head or above positions in a securities or fund institution for not less than two years, or holding the department head or above positions in a financial institution for not less than four years, or having equivalent management experience;
- (vi) meeting the conditions for securities and fund practitioners;
- (vii) other conditions stipulated by laws and regulations and the CSRC.

The appointment of the general manager and other senior management members in violation of the provisions of this article shall be invalid. If the general manager and other senior management members fall into the circumstances under this article during their term of office, the Company shall remove them from their positions.

The provisions of Article 146 on the duty of loyalty of Directors and Article 147 (iv)- (vi) on the duty of care of Directors in the Articles of Association shall also apply to senior management members.

The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and its shareholders as a whole. Senior management members who fail to perform their duties faithfully or breach their fiduciary duties shall be liable for compensation according to law if they cause damage to the interests of the Company and the public shareholders.

Article 201 Persons who hold positions other than director or supervisor in the controlling shareholder or actual controller of the Company shall not serve as senior management members of the Company.

A senior management member may serve as a director or supervisor in up to two companies in which the Company holds shares, but may not hold positions other than director or supervisor in the above-mentioned companies, and may not hold positions or engage in other business activities in for-profit institutions other than the companies in which the Company hold shares or which the Company controls. Where laws and regulations and the CSRC require otherwise, such requirements shall prevail.

Senior management members shall receive remuneration only from the Company and shall not receive remuneration from the controlling shareholders instead.

Article 202 The general manager and his deputy general managers are appointed for tenure of three years and they may be re-appointed upon expiry of the tenure.

Article 203 The general manager shall be accountable to the Board and exercise the following powers:

- (i) to be in charge of the Company's operation and management and to report his work to the Board;
- (ii) to organize and implement the resolutions of the Board, the Company's annual operation plan and investment scheme;
- (iii) to draft plans for the establishment of the Company's internal management structure;
- (iv) to establish the Company's basic management system;
- (v) to formulate basic rules and regulations for the Company;
- (vi) to be in charge of the daily operation of the internal control of the Company;
- (vii) to nominate the appointment or dismissal of the Company's senior management members other than the general manager(s), the chief compliance officer and the secretary to the Board;
- (viii) to appoint or dismiss management members other than those required to be appointed or dismissed by the Board;
- (ix) to draft plans for the wages, benefits, rewards and penalties, and decide on the appointment and dismissal of the Company's staff members;
- (x) to make proposals for convening extraordinary meetings;
- (xi) shall have other powers granted by the Articles of Association or the Board.

The general manager may present at the Board meetings, but if he is not a Director, he shall not have voting right.

Article 204 The general manager shall report to the Board or the Supervisory Committee on matters concerning the Company's entering into material contracts, status of implementation, application of funds, profit and loss reports and so forth. The general manager and other management members shall ascertain the authenticity of the report.

On the matters related to the personal interests of the employees, the general manager shall consult the labour union and the employees' representatives, prior to drafting plans for wages, benefits, safe-production procedures and workers' protection and labour insurance, disengagement(or dismissal) of employees.

Article 205 The general manager shall prepare the job specifications of the general manager for approval by the Board before implementation.

Article 206 The job specifications of general manager shall contain the following:

- (i) Conditions for the convening of and the procedure for the general manager's meeting, and the personnel attending the meeting;
- (ii) Respective duties and division of work of the general manager, the deputy general managers and other senior management members;
- (iii) Application of the Company's funds and assets, the authority to enter into material contracts, and the system of reporting to the Board and the Supervisory Committee;
- (iv) Other matters which the Board consider necessary.

Article 207 The general manager's dismissal shall be resolved by the Board. The general manager may resign anytime before the expiry of his tenure. The specific procedures and means concerning the general manager's resignation shall be clearly stipulated in his or her employment contract negotiated between the general manager and the Company. Where the general manager is unable to perform his or her obligations or during his or her absence, the Board shall designate an employee of the Company who meets the requirements of the laws and regulations to exercise the obligations on his or her behalf within 15 working days, and such person shall be prudent, diligent and responsible in performing the duties, and the period of time shall not exceed 6 months.

Article 208 If a senior management member violates any laws, administrative rules, departmental rules and regulations and the provisions stipulated in the Articles of Association in the course of performing his duties of the Company and subsequently causes losses to the Company, he shall be liable for compensation. The Board of the Company shall take measures to pursue his/her liability.

Article 209 The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and its shareholders as a whole. Senior management members who fail to perform their duties faithfully or breach their fiduciary duties shall be liable for compensation according to law if they cause damage to the interests of the Company and the public shareholders.

The senior management members shall abide by laws, administrative rules and the provisions stipulated in the Articles of Association, and take charge of implementing the compliance management objectives, assume the responsibility for compliance operation, and perform the following compliance management duties:

- (i) to establish and improve the organizational structure of compliance management, follow compliance management procedures, employ adequate and appropriate compliance managers, and provide sufficient human resources, material resources, financial resources and technical support for their performance of duties;
- (ii) to report and rectify violations of relevant laws and regulations in a timely manner, and implement the accountability;
- (iii) other compliance management duties as stated in the Articles of Association or determined by the Board.

CHAPTER EIGHT THE SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 210 Directors, general manager, deputy general manager, secretary to the Board, chief financial officer, chief compliance officer, chief information officer, chief risk officer, business director, general auditor and other senior management members as well as direct relatives and major social relationships thereof shall not hold the position of Supervisors.

The appointment and removal of Supervisors by the Company shall be filed with the securities regulatory authorities of the State Council.

The qualification requirements for Supervisors of the Company shall be same as those for Directors under Article 144 of the Articles of Association.

Article 211 The Supervisors shall abide by the laws, administrative rules and the Articles of Association and perform the obligations faithfully and diligently. They shall not abuse their authority of office to obtain bribes or other illegal income and not to misappropriate the property of the Company.

Article 212 Each Supervisor shall serve for a term of three years. Non-employees' representative Supervisors shall be elected or removed by the Shareholders' general meeting and employees' representative Supervisors shall be democratically elected or removed by the Company's employees' representatives assembly. The term is renewable upon re-election and re-appointment.

A Supervisor shall not be removed without reason from his office by the shareholders' general meeting or the employee representatives assembly before the end of his/her term. If a Director is removed by the shareholders' general meetings or the employee representatives assembly of the Company, relevant explanation shall be provided. The Director being removed shall be entitled to state his/her opinion at the shareholders' general meeting, CSRC or CSRC Shanghai Bureau.

Article 213 If re-election of a Supervisor has not taken place prior to the end of the appointment term, or a Supervisor has resigned during his appointment term resulting in the Supervisory Committee members to be less than quorum, before the re-elected Supervisor takes office, the outgoing Supervisor shall nevertheless perform his duties as a Supervisor in accordance with the law, administrative rules and the Articles of Association.

Article 214 The Supervisors shall ensure that all information disclosed are true, accurate, complete, prompt, and fair.

Article 215 The Supervisors may attend Board meetings as non-voting participants, and deliver enquiry or suggestion regarding resolutions at Board meetings.

Supervisors have the right to know the operation of the Company and to undertake the confidential duties accordingly. The Company shall have its internal audit reports, compliance inspection reports, monthly or quarterly financial reports, annual financial reports and other significant matters be reported to the Supervisory Committee in a timely manner.

Article 216 A Supervisor who fails to attend the meetings of the Supervisory Committee in person for two consecutive times and does not appoint another Supervisor to attend meeting on his or her behalf shall be deemed to be unable to perform his or her duties, and the Supervisory Committee shall talk with the Supervisor and bring the issue to his or her attention. If the Supervisor still does not make rectification, the Supervisory Committee may suggest that the shareholders' general meeting or the assembly of employee representatives remove him or her from office.

Article 217 The Supervisors shall abide by the laws, administrative rules and the Articles of Association. They shall perform the obligations faithfully and diligently and discharge the supervisory duties in good faith. Any Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Section 2 Supervisory Committee

Article 218 The Company shall have a Supervisory Committee. The Supervisory Committee shall comprise 9 Supervisors, including representatives of shareholders and representatives of employees, of which at least one-third shall be employee representative Supervisors. The Supervisory Committee shall have one Chairman and may have one vice Chairman. The election and removal of the Chairman and the vice Chairman of the Supervisory Committee shall be determined by the affirmative votes of two-thirds or more of the members of the Supervisory Committee. Meetings of the Supervisory Committee shall be convened and presided over by the Chairman of the Supervisory Committee. Where the Chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, the vice Chairman of the Supervisory Committee shall convene and preside over the meetings; if the vice Chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, a Supervisor elected by not less than half of the Supervisors shall convene and preside over Supervisory Committee meetings.

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

Employee representative Supervisor of the Supervisory Committee shall be admitted to the Supervisory Committee directly after he/she is being elected by the employee representatives assembly.

The Supervisory Committee shall comprise a secretary. The secretary of the Supervisory Committee shall be nominated by the Chairman of the Supervisory Committee and appointed by the Supervisory Committee.

Article 219 The Supervisory Committee shall be accountable to the shareholders' general meeting and shall perform the following duties:

- (i) to review the Company's securities issuance documents and periodical reports prepared by the Board and to express its comments in writing; Supervisors shall sign the written confirmation opinion;
- (ii) to inspect the Company's financial position;
- (iii) to supervise the establishment and implement of internal control by the Board;
- (iv) to conduct supervision on comprehensive risk management of the Company and monitor the diligent performance of the Board and senior management in risk management and recommend their rectification;
- (v) to supervise the performance of compliance management and business integrity management duties performed by Directors and senior management;
- (vi) to supervise the behaviors of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meetings, or assume the primary or leadership responsibility for the occurrence of major compliance risks;
- (vii) to enquire on the conduct of Directors and senior management members;
- (viii) to demand the Directors and senior management members to rectify their errors if their actions impair the Company's interest;
- (ix) to propose to convene an extraordinary general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting;
- (x) to propose motions in a shareholders' general meeting;
- (xi) to take legal actions against Directors and senior management members in accordance with the Company Law or the Articles of Association;
- (xii) to examine the financial information such as the financial report, business report and profit distribution plan to be submitted by the Board to the shareholders' general meetings and, to conduct investigations whenever queries or unusual conditions of operation of the Company arises and if necessary, to engage professionals such as certified public accountants, auditors (practising) and lawyers to assist in the investigations;
- (xiii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;

(xiv) to exercise other authorities as granted by the Articles of Association or the shareholders' general meetings.

Article 220 The Supervisory Committee may require the Directors, personnel of manager level and other related personnel to attend meetings of the Supervisory Committee to answer any questions raised by the Supervisory Committee.

When the Supervisory Committee investigate the conduct of Directors, personnel of manager level of the Company in the performance of their duties, it may understand the situation through the Directors, personnel of manager level and the other involved personnel of the Company, who should provide assistance.

When the Supervisory Committee find any violations of laws, regulations or the Articles of Association by any Directors or senior management, it shall perform its supervisory duties, and report to the Board or general meetings or report directly to the CSRC and its local offices, stock exchanges or other departments.

Article 221 The Supervisory Committee shall meet at least once in every six months. The Chairman of Supervisory Committee shall convene the meeting and notify all Supervisors in writing 10 days before convening the meeting.

The Supervisory Committee shall convene meeting regularly within 120 days after the expiration of the last fiscal year for consideration and approval of inspection reports on the annual financial condition and the condition of compliance.

Article 222 Extraordinary meeting of the Supervisory Committee may be convened if so proposed by the Supervisors. Notice of extraordinary meeting of the Supervisory Committee shall be sent to all Supervisors at least two days prior to the meeting. In case of emergency, an extraordinary meeting of the Supervisory Committee must be held urgently, the notice of meeting can be given through telephone, by fax or by email but the convener must give an explanation at the meeting.

Article 223 The Supervisory Committee shall make "the rules of procedure of the Supervisory Committee" which specify the by-laws and voting procedure so as to ensure the work efficiency and scientific decision-making of the Supervisory Committee. "The rules of procedure of the Supervisory Committee" made by the Supervisory Committee shall be an appendix to the Articles of Association upon approved by the shareholders' general meeting.

Article 224 A meeting of the Supervisory Committee shall be held by way of on-site meeting. Under urgent circumstances, voting at an extraordinary meeting of the Supervisory Committee may be conducted by way of fax telecommunications provided that the convener of the meeting (Chairman of the meeting) shall explain to the attending Supervisors the urgency in specific detail.

Article 225 The voting procedure of the Supervisory Committee as follows: voting for resolution at on-site meeting of the Supervisory Committee meeting determined by the Chairman of the Supervisory Committee may be conducted by way of a show of hands or poll. The Chairman of the Supervisory Committee shall announce if the resolution of the Supervisory Committee is passed at the meeting in accordance with the voting results. The voting results of the resolution shall be entered into the minutes of the meeting.

When voting by way of telecommunications, Supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the office of the Supervisory Committee. Supervisors shall not only indicate the voting intention without stating the written opinion or reason for such voting intention. The Supervisors participated in voting by way of telecommunications shall send the original signed votes to the Supervisory Committee within the period of the notice of the meeting.

Article 226 Meetings of the Supervisory Committee shall be held in the following manner: a Supervisory Committee meeting shall not be conducted unless it is attended by two-thirds or more of the Supervisors. The Chairman shall preside over the meeting of Supervisory Committee. Each Supervisor has one vote. The resolution made by the Supervisory Committee shall be subject to the approval of more than two thirds of the members of the Supervisory Committee by voting.

Article 227 The resolution proposed by each Supervisor shall be examined by the Supervisory Committee. Supervisors shall sign on and undertake responsibilities for the resolutions of the Supervisory Committee.

Article 228 The Supervisory Committee shall enter the matters decided into the minutes of the meeting. The Supervisors attending the meeting shall sign on the minutes of the meeting.

Each Supervisor is entitled to request that an explanation of his comments made at the meetings be noted in the minutes. The minutes of Supervisory Committee meetings shall be maintained as corporate archives by the secretary to the Board for a period of 20 years.

Article 229 The notice of the meeting of the Supervisory Committee shall include the following contents:

- (i) date and location of the meeting to be held and meeting period;
- (ii) reasons and objects of the meeting;

- (iii) the convener and Chairman of the meeting, persons submitting proposals at extraordinary meetings and the written proposals;
- (iv) meeting information needed for voting by Directors;
- (v) requirements with regard to meeting attendance by Directors in person;
- (vi) contact person for the meeting and his/her contact details;
- (vii) date of the notice.

Verbal notice of the meeting shall at least include the contents of above item (i) and (ii) and the explanation of an extraordinary meeting of the Supervisory Committee held urgently in case of emergency.

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

Article 230 Other than the conditions for the directorate position of Directors (including Independent Directors), Supervisors, senior management members as required under Article 144, Article 157, Article 158, Article 188, Article 194, Article 200 and Article 210, the following persons may not serve as Directors, Supervisors, general manager or other senior management members of the Company:

- (i) persons without civil capacity or with limited civil capacity;
- (ii) persons who have committed offences relating to corruption, bribery, conversion of property, misappropriation of property or disruption of social economic order, and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offence, where less than five years have elapsed since the date of restoring their political rights; persons who have been penalized for committing a crime that endangers national security, terrorism or underworld nature;
- (iii) persons who were former Directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise
- (iv) persons who served as the legal representative and principal person in charge of operation and management of the institution which has been taken over, cancelled, declared bankrupt, ordered to close down or whose business license has been revoked, where less than five years have elapsed since the date of the takeover, revocation, declaration of bankruptcy or revocation of the business license of the company, except for those who can prove that he/she was not personally liable for the takeover, revocation, declaration of bankruptcy, order to close down or revocation of business license of the company;
- (v) persons who have a relatively substantial amount of debts due and outstanding;

- (vi) persons in charge of stock exchange, the securities registration and clearing institutions or Directors, Supervisors, senior management members of securities companies, whose qualification was revoked due to illegal or indisciplinary behavior, and it has not been five years since the date when the qualification was revoked;
- (vii) persons who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have elapsed from the date of such conviction;
- (viii) persons who are lawyers, certified public accountants or professionals of other securities service institutions, whose practising certificate or qualification was revoked due to illegal or indisciplinary behavior, and it has not been five years since the date when the practising certificate or qualification was revoked;
- (ix) employees of stock exchange, securities companies, securities registration and clearing institutions and securities service institutions dismissed due to illegal or indisciplinary behavior, and employees of state organs dismissed;
- (x) Government office personnel and other personnel who are forbidden by law and administrative regulations to take up concurrent posts at companies;
- (xi) persons who were subject to administrative penalties by the financial regulatory department or prohibited from entering into the securities market by the CSRC due to material illegal or indisciplinary behavior where less than five years have elapsed since the date of completion of the penalties;
- (xii) persons who have been disqualified by the CSRC or by the Asset Management Association of China in the past five years;
- (xiii) persons who have been identified as inappropriate candidates by the CSRC or taken disciplinary actions not suitable for engaging in relevant business by industry associations, and the term of which has not yet expired;
- (xiv) persons who were under investigation by administrative authorities or judicial authorities on suspicion of committing a crime which had not yet reached final settlement opinions;
- (xv) other circumstances required or recognized by the legal, administrative laws, authorities regulations or the CSRC.

If an election or appointment of a Director is taken place in contravention of this Article, the said election, appointment or engagement shall be invalid. If a Director falls into any of the circumstances set forth in this Article during his term of office, the Company shall terminate his duties.

Article 231 The validity of the conduct of Directors, general managers or other senior management members who have acted on behalf of the Company with respect to third parties who have acted in good faith shall not be affected by any irregularity in the employment, election or qualification of the Directors, general managers or other senior management members.

Article 232 In addition to the obligations imposed by laws, regulations, rules, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, each of the Company's Directors, Supervisors, general manager and other senior management members owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

- (i) Not to cause the Company to exceed the scope of business stipulated in its business license;
- (ii) To act honestly in the best interests of the Company;
- (iii) Not to expropriate in any guise the Company's property, including but not limited to usurpation of opportunities advantageous to the Company;
- (iv) Not to expropriate the individual rights of shareholders, including but not limited to rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to the shareholders' general meeting for approval in accordance with this Articles of Association.

The Directors shall comply with Article 146, Article 147 and shall faithfully perform their due diligence obligations to the Company.

Article 233 Each of the Company's Directors, Supervisors, general manager and other senior management members owes a duty, in the exercise of his powers and discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 234 Each of the Company's Directors, Supervisors and other senior management members shall exercise his powers or perform his duties in accordance with the principle of fiduciary; and shall not put himself in a position where his duty and his interest may conflict. This principle applies to including but not limited to discharging the following obligations:

- (i) To act honestly in the best interests of the Company;
- (ii) To exercise powers within the scope of his powers and not to exceed those powers;
- (iii) To exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in shareholders' general meeting, not to delegate the exercise of his discretion;
- (iv) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;

- (v) Unless otherwise provided by the Articles of Association or with the informed consent of shareholders given in shareholders' general meeting, not to enter into any contract, transaction or agreement with the Company;
- (vi) Without the informed consent of shareholders given in shareholders' general meeting, not to use the Company's property for his own benefit;
- (vii) Not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including but not limited to opportunities advantageous to the Company;
- (viii) Without the informed consent of shareholders given in shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (ix) To abide by the Articles of Association, perform his official duties faithfully and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (x) Not to compete with the Company in any way unless with the informed consent of shareholders given in shareholders' general meeting;
- (xi) Not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (xii) Unless otherwise permitted by informed shareholders in shareholders' general meeting, to keep in confidence information acquired by him in the course of and during his tenure and not to use the information 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:
 - 1. disclosure is made under compulsion of law;
 - 2. the interests of the public require disclosure;
 - 3. the interest of the relevant Director, Supervisor, general manager or other senior management members require disclosure.

Article 235 Each Director, Supervisor, general manager and any other senior management members of the Company shall not cause the following persons or institutions (“associates”) to do what he is prohibited from doing:

- (i) The spouse or minor child of that Director, Supervisor, general manager and other senior management member;
- (ii) A person acting in the capacity of trustee of that Director, Supervisor, general manager or other senior management member or any person referred to in clause (i) of this Article;
- (iii) A person acting in the capacity of partner of that Director, Supervisor, general manager or other senior management member or any person referred to in clauses (i) and (ii) of this Article;
- (iv) A company in which that Director, Supervisor, general manager or other senior management member, alone or jointly with one or more persons referred to in clause (i), (ii), (iii) of this Article and other Directors, Supervisors, general manager and other senior management members have a de facto controlling interest;
- (v) The Directors, Supervisors, general manager and other senior management members of the controlled company referred to in clauses (iv) of this Article.

Article 236 The fiduciary duties of the Directors, Supervisors, general manager and other senior management members of the Company do not cease with the termination of their tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 237 Except as provided in the Article, a Director, Supervisor, general manager and any other senior management member of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at shareholders’ general meeting.

Article 238 Where a Director, Supervisor, general manager and any other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the related matters under normal circumstances is otherwise subject to the approval of the Board.

Unless the interested Director, Supervisor, general manager and other senior management member of the Company discloses his 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 or other senior management member is not counted in the quorum and has abstained from voting, a contract, transaction or arrangement in which that Director, Supervisor, general manager and other senior management member is materially interested is avoidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, general manager or 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 agreement in which an associate of him is interested.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he or any of his associates as defined in the applicable listing rules in effect from time to time has any material interest or any other relevant proposals.

Article 239 Where a Director, Supervisor, general manager and other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 240 The Company shall not in any manner pay taxes for or on behalf of a Director, Supervisor, general manager and any other senior management member.

Article 241 The Company shall not directly or indirectly make a loan to or provide any guarantee in connect with the making of a loan to a Director, Supervisor, general manager and other senior management member of the Company or of the Company's holding company or any of their respective associates.

However, the following transactions are not subject to such prohibition:

- (i) The provision by the Company of a loan or a guarantee of a loan to a company which is a subsidiary of the Company;

- (ii) The provision by the Company of a loan or a guarantee in connection with the making of a loan, any guarantee or any other funds to any of its Directors, Supervisors, general manager and other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in shareholders' general meeting;

Article 242 A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 243 A guarantee for repayment of loan provided by the Company in breach of Clause (i) of Article 241 shall not be enforceable against the Company, unless:

- (i) the guarantee was provided in connection with a loan to an associate of any of the Directors, Supervisors, general manager and other senior management member of the Company or of the Company's holding company and at the time the loan was advanced the lender did not know the relevant circumstances; or
- (ii) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 244 For the purpose of the foregoing provisions of this Chapter, a "guarantee" includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 245 In addition to any rights and remedies provided by laws, rules, regulations and regulatory documents where a Director, Supervisor, general manager or other senior management member of the Company is in breach of his duties to the Company, the Company has a right to:

- (i) claim damages from the Director, Supervisor, general manager and other senior management member in compensation for losses sustained by the Company as a result of such breach;
- (ii) rescind any contract or transaction entered into by the Company with the Director, Supervisor, general manager and other senior management member or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, Supervisor, general manager and other senior management member);
- (iii) demand an account of the profits made by the Director, Supervisor, general manager and other senior management member in breach of his duties;
- (iv) recover any monies received by the Director, Supervisor, general manager and other senior management member which should otherwise have been received by the Company, including but not limited to commissions; and

- (v) request such Director, Supervisor, general manager and other senior management member to return the interests accrued or may be accrued on the monies which should have been paid to the Company.

Article 246 The Company is required to enter into a contract in writing with every Director, Supervisor and senior management member containing at least the following provisions:

- (i) an undertaking by the Director, Supervisor or senior management member to the Company to comply with the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other provisions made by the Hong Kong Stock Exchange and an agreement that the Company shall have the remedies provided in the Articles of Association and that neither the contract nor his office is capable of assignment;
- (ii) an undertaking by the Director, Supervisor or senior management member to the Company to comply with and perform his obligations to shareholders as stipulated in the Articles of Association;
- (iii) an arbitration clause as stipulated in Article 307.

The Company shall enter into a contract in writing with a Director or Supervisor wherein his emoluments are stipulated. The aforesaid emoluments shall include:

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

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a Director or Supervisor against the Company for the benefits due to him in respect of the matters mentioned in this Article.

Article 247 The contract concerning the emoluments between the Company and its Directors or Supervisors should provide that in the event of a takeover of the Company, the Company's Directors and Supervisors shall, subject to the prior approval of the shareholders in shareholders' general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to in this paragraph means any of the following:

- (i) An offer made by any person to all the shareholders;
- (ii) An offer made by any person with a view to the offeror becoming a “controlling shareholder”.

If the relevant Director or Supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of said offer. The expense incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant Director or Supervisor and not paid out of that sum.

CHAPTER TEN FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Section 1 Financial and Accounting Systems

Article 248 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the relevant state regulatory department.

Article 249 The Company shall submit and disclose its annual reports to the CSRC and the stock exchange(s) within four months from the ending date of each fiscal year, and the interim reports it submit and disclose to the local office of the CSRC and the stock exchange(s) within two months from the ending date of the first six months of each fiscal year.

The aforesaid annual and interim reports shall be drafted in accordance with the relevant laws, administrative rules, and the provisions of the CSRC and the stock exchange(s).

Article 250 The Board of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by laws, regulations, rules, regulatory documents to be prepared by the Company.

Article 251 The Company’s financial reports shall be made available for shareholders’ inspection at the Company twenty days before the date of every annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Unless otherwise specified in the Articles of Association, the Company shall deliver or send to each shareholder of overseas-listed foreign-invested Shares by prepaid mail at the address registered in the register of shareholders the said report, the report of Directors and the balance sheet and profit and loss account not later than twenty-one days before the date of every annual general meeting, or the Company may publish its report on the websites of the stock exchanges and media meeting the requirements specified by the securities regulatory authorities of the State Council, and on the website of the Hong Kong Stock Exchange or in one or more newspapers specified by it. Once an announcement is made, all shareholders are deemed to have received the aforementioned financial report.

Article 252 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place outside the PRC where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 253 Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.

Article 254 The Company shall not keep accounts other than those provided by law. Assets of the Company shall not be deposited in an account maintained in the name of any individual.

Article 255 A Company can use profit before tax next year to offset loss for the current year; if the profit before tax of the next year is insufficient to offset the loss, the excessive part can be carried forward to next subsequent year; loss carry forward that exceeds statutory pre-tax offset period can use profit after tax to offset. For the year that the Company realizes the profit after tax (after offset loss, the same as below), the Company will appropriate the profit after tax in the following order: statutory surplus reserve, general risk reserve, transaction risk reserve and distribution to shareholders. 10% of the realized profit after tax of that year will be appropriated as statutory surplus reserve fund. When the aggregate statutory surplus reserve fund has reached 50% or more of the Company's registered capital, the Company may cease to make any further appropriation. 10% of the realized profit after tax of that year will be appropriated as general risk reserve. The Company appropriates the transaction risk reserve from its annual business revenue to make up for losses from securities operations, with the specific appropriation ratio subject to stipulations of the securities regulatory authorities of the State Council and the financial authority of the State Council.

Subject to the resolution at the shareholders' general meeting, the Company may also appropriate fund to statutory surplus reserve from profit after tax. The remaining profit after taxation, after recovery of losses and appropriation of reserve fund and all reserves shall be distributed to shareholders in proportion to their shareholdings. If a shareholders' general meetings violates the provisions in the preceding paragraph of this Article and profits are distributed to the shareholders before the Company makes up losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned to the Company. No profit shall be distributed in respect of the shares of the Company which are held by the Company. The gain in fair value of the Company's distributable profit shall not be distributed to Shareholders by cash. If the standard required by the laws and the administrative regulations (such as net gearing ratio) not being met, no profit may be distributed to the Shareholders. If undistributed profit is negative, no profit may be distributed to the Shareholders. If capital reserve is negative, no cash distribution shall be made to the Shareholders.

Article 256 Reserves of the Company are used for offsetting losses sustained by the Company, expanding the Company's production and operation or increasing the capital of the Company. However, capital reserve shall not be used for offsetting losses sustained by the Company.

When the statutory reserve fund is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital.

Article 257 Capital common reserve fund includes the following:

- (i) Premium on shares issued at a premium price;
- (ii) Any other income designated for the capital common reserve fund by the regulations of the finance regulatory department of the State Council.

Article 258 The profit distribution policy and the profit distribution plan of the Company are formulated and considered by the Board. The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and differentiate the circumstances to propose a specific policy for distributing cash dividend according to the procedures of this Articles of Association. Independent directors may also collect the opinions of minority shareholders for proposing profit distribution plan, which is then directly submitted to the Board for consideration.

Once the Board resolved on the profit distribution policy and the profit distribution plan, they are submitted to the shareholders' general meeting for consideration. Independent directors shall review and provide opinions in writing on the profit distribution policy and the profit distribution plan being submitted to the shareholders' general meeting for consideration. Prior to the consideration by the shareholders' general meeting on the specific cash dividend distribution plan, the Company should take initiatives to communicate with shareholders through various channels, especially to communicate and exchange with minority shareholders. The views and aspirations of minority shareholders shall be fully heard, with their questions concerned promptly addressed.

After the profit distribution plan has been resolved at the shareholders' general meeting, the Board shall complete the dividend (or share) distribution within two months after the holding of the shareholders' general meeting.

Article 259 The Company adopts a continuous, stable and aggressive profit distribution policy, which focuses on providing reasonable investment returns to Shareholders. The Company may, according to the profit made by the Company and taking into account the actual situation as well as current and long-term benefit of the Company, distribute dividend by way of cash or shares, and have the priority to distribute dividend by cash.

In principle, the Company will distribute cash dividend for the year with profit. The Company may distribute interim dividend. Profit distribution shall satisfy the regulatory requirements, not exceed the accumulated distributable profit and not influence continuous operation capacity of the Company. If the Company generated profits in the previous accounting year but the Board did not make any cash profit distribution proposal after the end of the previous accounting year, the Company shall state the reasons for not distributing the profit and the usage of the profit retained in the annual report and the Independent Directors shall give an independent opinion in such regard.

The accumulated cash distribution of profit for the last three years of the Company were not less than 30% of the average annual distributable profit. Specific percentage of dividend distribution for each year shall meet the needs of corporate operation and development and be resolved in accordance with the annual earnings conditions and future plans on usage of funds.

If any of the following circumstances occurs, the Company can adjust or amend the aforesaid profit distribution policy by obtaining the approval from more than two thirds of voting rights held by shareholders attending the shareholders' general meeting:

- (i) there are changes in, or adjustments to, the relevant laws and regulations;
- (ii) the risk control indicators (such as net capital) reach the warning levels;
- (iii) the Company's operating conditions deteriorate;
- (iv) the Board proposes the adjustments.

In the event that adjustments to the Company's profit distribution policy are necessary due to the needs of operation and long-term development, the adjusted profit distribution policy shall comply with the relevant requirements of the regulatory authorities. Any resolution regarding the adjustments to the Company's cash dividend policy shall be approved by two thirds of the voting rights of the shareholders attending the shareholders' general meeting and online voting shall be available. The Company shall consider the views of public investors and timely respond to the questions concerned by public investors.

The Company should disclose in annual reports the formulation, implementation of the dividend distribution policy and other relevant circumstances in accordance with the relevant provisions. If the cash dividend policy is to be adjusted or amended, whether the conditions and procedures for the adjustments or amendments are in compliance with the regulations and transparent should be disclosed in details.

The proportion of cash dividends in the profit distribution is calculated by dividing cash dividends by the sum of cash dividends and stock dividends.

Article 260 In the event the Board of the Company considers that, as a result of the growth in the Company's operating income, the share price of the Company no longer matches the scale of the share capital of the Company, the Board may propose a policy of dividend distribution in the form of shares on the basis of cash dividend. Once the Board resolved on the share dividend distribution, they are submitted to the shareholders' general meeting for consideration, and report to the relevant competent authorities, such as the CSRC, for approval.

Article 261 Holders of shares which have been paid up before payment calls by the Company are entitled to dividends. Holders of prepaid shares are not entitled to dividends declared thereafter.

In relation to the receipt of dividends by shareholders, the Company is entitled to forfeit unclaimed dividends, provided that such power shall only be exercised in accordance with the relevant PRC laws, rules, regulations and regulatory documents and six years or thereafter after the date of announcement of the distribution.

The Company shall have the right to terminate sending dividend warrants to holders of overseas-listed foreign-invested shares by mail, but the Company shall exercise the right only after a dividend warrant fails to be redeemed for two consecutive occasions, however the Company can exercise the right after the first occasion on which such a dividend warrant is returned as undelivered.

In relation to the exercise of right to issue warrants to bearer, no warrant thereof shall be issued to replace one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed.

The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Shareholder of overseas-listed foreign-invested shares who is untraceable, but is subject to the following conditions:

- (i) the Company has distributed dividends for at least 3 times in respect of such shares within 12 years, but none of such dividends was claimed; and
- (ii) the Company, after the expiration of a period of 12 years, made an advertisement on one or more newspapers of the place which the Company is listed, stating its intention to sell such shares, and notified the securities regulatory authority of the place which the Company is listed of such intention.

Article 262 The Company shall appoint receiving agents on behalf of the holders of overseas-listed foreign-invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

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

The receiving agents appointed on behalf of holders of overseas-listed foreign-invested shares listed in the Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 263 The Company shall formulate relevant compensation and benefits system in accordance with relevant provision of PRC, and shall review and calculate employee compensation in accordance with labor contracts entered with employees.

The Company shall arrange a certain amount of incentives from the total employee compensation and a long-term incentive shall be given to operators, core job workers and employees who have made outstanding contributions to the Company in accordance with relevant provisions of PRC and resolutions of the Board.

Section 2 Internal Audit

Article 264 The Company shall conduct internal audit and assign full-time auditors to conduct internal audit and supervision on the revenues/expenditures and economic activities of the Company.

Article 265 The internal auditing system and the duties of the auditing staff shall be implemented after the approval of the Board. The officer-in-charge of the auditing team shall be responsible to the Board and report the work accordingly.

Section 3 Appointment of Accountant Firm

Article 266 The Company shall appoint an independent accountant firm which is qualified under the relevant regulations of PRC such as the Securities Law to audit the Company's annual report, audit the financial statements, conduct verification of net assets, audit risk control indicator measures, carry out other relevant consultation services.

The accountant firm appointed by the Company shall hold office for a period of one year, commencing from the conclusion of the annual general meeting until the conclusion of the next annual general meeting. The appointment may be renewed.

Article 267 The accountant firm appointed by the Company shall have the following rights:

- (i) A right to inspect the financial statements, records and vouchers of the Company at any time, the right to require the Directors, general manager, or other senior management members of the Company to supply relevant information and explanation;
- (ii) A right to require the Company to take all reasonable steps to obtain from the Company's subsidiaries such information and explanation as are necessary for the purpose of discharging its duties;
- (iii) A right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting, and to speak at any shareholders' general meeting in relation to matters concerning its role as the Company's appointed accountant firm.

Article 268 The appointment of accounting firms for the Company shall be subject to approval at the shareholders' general meeting, prior to which the Board shall not appoint any accounting firm. If there is a vacancy in the position of auditor of the Company, any other accountant firm which has been engaged by the Company may continue to act during the period during such a vacancy exists.

Article 269 Notwithstanding the stipulations in the contract between the Company and the accountant firm, the shareholders in shareholders' general meeting may by ordinary resolution remove an accountant firm before the expiration of its term of office, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 270 The remuneration of an accountant firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in shareholders' general meeting. The remuneration of an accountant firm appointed by the Board shall be determined by the Board.

Article 271 The Company's appointment, removal and non-reappointment of an accountant firm shall be resolved upon by shareholders in shareholders' general meeting.

Prior notice should be given to the accountant firm if the Company decides to remove such accountant firm or not to renew the appointment thereof. Such accountant firm shall be entitled to make representations at the shareholders' general meeting.

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

- (i) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the accountant firm proposed to be appointed or proposing to leave its post, or the accountant firm which has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

- (ii) If the accountant firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):

1. in any notice of the resolution given to shareholders, state the fact of the representations having been made; and
2. deliver a copy of the representations to each shareholder who is entitled to receive the notice of shareholders' general meeting in the manner stipulated in the Article.

- (iii) If the accountant firm's representations are not sent in accordance with clause (ii) of this Article, the relevant accountant firm may (in addition to its right to be heard) require that the representations be read out at the meeting.

- (iv) An accountant firm which is leaving its post shall be entitled to attend:

1. the shareholders' general meeting at which its term of office would otherwise have expired;
2. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
3. any shareholders' general meeting convened on its resignation.

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

Article 272 Where the accountant firm resigns its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

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

- (i) A statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or

- (ii) A statement of any such circumstances.

Where a notice is deposited as mentioned in the above, the Company shall within fourteen days send a copy of the notice to the relevant governing authority. If the notice contains a statement under clause (ii) of the preceding Article, a copy of such statement shall be placed at the Company for the inspection of shareholders. Unless otherwise stated in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign-invested Shares at the address registered in the register of shareholders, or the Company may published its report on the website of the Shanghai Stock Exchange and in a newspaper specified in the Articles of Association, and on the website of the Hong Kong Stock Exchange or in one or more newspapers specified by it. Once an announcement is made, all shareholders are deemed to have received the aforementioned copies;

Where the accountant firm's notice of resignation contains a statement of any circumstance which should be brought to the notice of the shareholders or creditors of the Company, it may require the Board to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

CHAPTER ELEVEN LABOR AND PERSONNEL MANAGEMENT SYSTEMS AND LABOR UNION

Article 273 Matters such as recruitment, dismissal, resignation, compensation, leaves, social security, benefits, incentives, company labor safety, labor disciplines of the Company employees shall be in accordance with the relevant provisions of the Labor Law of People's Republic of China and other relevant laws or regulations of PRC and the relevant local laws or regulations of Shanghai.

Article 274 The Company may enter a labor contract with each employee of the Company, and may also enter a collective labor contract with the labor union of the Company. The draft of the collective labor contract shall be submitted to the workers' congress or discussed by all employees for approval.

Article 275 The union organisation and its activities shall abide by the Trade Union Law of the People's Republic of China and the other relevant laws and regulations of PRC.

CHAPTER TWELVE NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 276 A notice of the Company shall be sent by:

- (i) hand;
- (ii) mail;

- (iii) fax or email;
- (iv) making announcement in the Company's website or the websites designated by Hong Kong Stock Exchange in compliance with laws, regulations and listing rules of the place where the Company's shares listed;
- (v) announcement;
- (vi) other means recognized by the Company, or agreed by the recipient of the notice in advance or recognized by the recipient of the notice after receiving such notice;
- (vii) other means recognized by regulatory authorities of the place where the Company's shares are listed and other means stated in the Articles of Association.

Article 277 Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice. It shall be in accordance with those otherwise stated in the regulatory authorities of the place where the Company's shares are listed.

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

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

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

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

Article 278 If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.

Section 2 Announcement

Article 279 The Company shall issue notice and disclose information to domestic shareholders through the medias and websites for of the the stock exchange(s) information disclosure specified in the laws, administrative rules and regulations or meeting the requirements specified by the securities regulatory authority. For notice issued by the Company to the shareholders of overseas-listed foreign-invested Shares in accordance with the Articles of Association, the relevant notice shall be at the same time published by means specified in the Hong Kong Listing Rules.

Article 280 On any merger or division of the Company, the Board should submit proposals to be approved at the shareholders' general meeting in a procedure as stipulated in the Articles of Association, before entering into related procedures set out by laws and regulations. Any shareholders who objects to the proposal of merger or division has the right to make a request to the Company or shareholders who agree to the proposal of merger or division in purchasing their shares with a fair price. Resolutions on merger or division should be kept as a special file for examination by shareholders.

The abovementioned file should be sent by mail to the shareholders of overseas-listed foreign-invested Shares.

CHAPTER THIRTEEN MERGER, DIVISION, INCREMENT AND REDUCTION IN REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increment and Deduction in Registered Capital

Article 281 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.

Article 282 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company's merger resolution and shall publish a public notice through other means such as a newspaper within thirty days of the date of the Company's merger resolution to merge. A creditor has the right within thirty days of receiving such notice from the Company or, for creditors who do not receive the notice, within forty-five days of the date of the public notice, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt.

Article 283 After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 284 When the Company is divided, its assets shall be split up accordingly.

In the event of division of the Company, 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 of the date of the Company's resolution to divide and shall publish a public notice through other ways such as a newspaper within thirty days of the date of the Company's resolution to divide.

Article 285 Debts of the Company prior to division shall be jointly assumed by the companies which exist after the division, except provided otherwise in the agreement reached between the Company and the creditors relating to the repayment of debt before the division.

Article 286 When decreasing registered capital of the Company, the Company shall prepare balance sheets and an inventory of asset.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution of decreasing registered capital and shall publish a public notice through other means such as newspapers within thirty (30) days of the date of the resolution approving the division. A creditor shall have the right either within 30 days of receipt of the notice if he has received a notice or within 45 days of the first announcement if he has not received a notice to require the Company to settle indebtedness or provide the relevant security.

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

Article 287 Approval from the CSRC shall be obtained according to the law under the circumstance of changes in substantial shareholders or actual controllers or merger or division of the Company.

If the Company changes the registered share capital or shareholding or the actual controller of more than 5% equity interest without involving the circumstances set forth in the first paragraph of this article, it shall file with the branch office of the CSRC of its principal place of business within five business days from the date of completion of the change of industry and commerce registration (from the date of registration of the relevant authentic right, if it is not necessary to complete the change of industry and commerce registration according to law). The provisions of this article shall not be applicable to the shareholding changes on the stock exchange.

Article 288 When the Company changes its registered capital or equity, it shall formulate a work plan and selecting criteria for shareholders. The Company and equity transferors shall in advance inform the intended participants of the conditions to become a shareholder of the Company, the procedures required to be performed, and inform the intended participants that meet the shareholder selection criteria of the Company's operation status and potential risks, etc.

The Company and equity transferors shall conduct due diligence on the intended participants, and reach agreements on the subsequent measures under the circumstance that the intended participants may not be qualified. No agreements shall be entered into with if the intended participants are found to be unqualified. If the relevant matters need to be approved by the CSRC, it shall be agreed that the agreement shall come into force after approval.

Article 289 In the process of changing its registered capital or shareholding, the Company shall reach prior agreements with relevant principals on the treatment measures regarding the possible breach of requirements or commitments, specifying the accountability mechanism for persons held liable, and cooperate with regulatory authorities in investigations.

The Company shall make arrangements for risk prevention during the period in which its registered share capital or shareholding change, to ensure the usual operations of the Company and protect customers' interests from damages. For matters subject to the approval of the CSRC in accordance with the law, the shareholders of the Company shall continue to exercise their voting rights independently according to the respective proportion of shares held by them prior to such approval, and equity transferors shall not recommend any person associated to equity transferees to act as a director, supervisor and senior management of the Company, and transfer their voting rights in any disguised form.

Article 290 Changes in registration particulars of the companies caused by merger or division must be registered with the companies registration authorities in accordance with law. Cancellation of a company shall be registered in accordance with the law when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with law.

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

Section 2 Dissolution and Liquidation

Article 291 The Company shall be dissolved and liquidated according to laws upon the occurrence of the following events:

- (i) resolution on dissolution is passed by shareholders at a shareholders' general meeting;
- (ii) dissolution is necessary due to a merger or division of the Company;
- (iii) the Company's business license is revoked or it is ordered to close down or it is cancelled according to law;
- (iv) where the Company gets into serious trouble in operations and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company;
- (v) the Company is legally declared bankrupt due to its failure to repay debts due;
- (vi) other reasons for dissolution as specified in the Articles of Association arise.

Article 292 Upon the occurrence of the situation mentioned in (vi) of Article 291, the Company may continue to exist by amending the Articles of Association.

The amendment of the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meetings.

Article 293 Where the Company is dissolved under subparagraphs (i), (iii), (iv) and (vi) of Article 291, a liquidation committee shall be set up in accordance with the laws within 15 days after the liquidation is approved by the securities regulatory authority of the State Council, and its members shall be determined by shareholders at a shareholders' general meeting by way of ordinary resolution. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

Where the Company is dissolved pursuant to subparagraph (iii) of Article 291, the Company shall apply to the CSRC with reason of dissolution and the plan of settling liabilities. The Company will be dissolved after obtaining of the approval in the CSRC.

Where the Company is dissolved pursuant to subparagraph (iv) of Article 270, the people's court shall, according to the relevant laws, organize to form a liquidation committee comprising the securities regulatory authority under the State Council, shareholders, relevant authorities and relevant professionals to enforce bankruptcy liquidation in accordance with the relevant bankruptcy law.

Article 294 Where the Board proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in the shareholders' general meeting for the liquidation of the Company, all functions and powers of the Board shall cease.

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

Article 295 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (i) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (ii) to notify creditors by sending notice or by making announcement;
- (iii) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (iv) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (v) to ascertain all claims and debts;
- (vi) to dispose of the remaining assets of the Company after the repayment of debts; and
- (vii) to represent the Company in any civil proceedings.

Article 296 The liquidation committee shall notify creditors within 10 days from the date of its establishment and make announcement, such as by newspaper, within sixty (60) days of that date. Creditors should, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

During the period of registration of creditors' rights, the liquidation committee shall not repay the debt to creditors.

Article 297 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' general meeting or people's court for confirmation.

The property of the Company remained after the property is respectively applied to payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of staff and workers and the outstanding taxes, and to full payment of the debts of the Company shall be distributed in proportion to the shareholdings of the shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to the shareholders before the repayment of debts in accordance with provisions of the preceding article.

Article 298 If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the people's court for a declaration of bankruptcy.

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

Article 299 Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the shareholders' general meeting or relevant competent authorities for confirmation.

The liquidation committee shall submit the aforesaid documents to the company registration authority, apply for cancellation of company registration, and announce the termination of the Company within 30 days after confirmation is obtained from the relevant competent authorities.

Article 300 Members of the liquidation committee shall perform their duty honestly and discharge the obligation of liquidation in accordance with laws.

Members of the liquidation committee shall not take personal advantage of their posts to take bribes, receive other illegal incomes, or misappropriate assets of the Company.

Members of the liquidation committee shall compensate the losses of the Company or the creditors made due to their intent or gross negligence.

CHAPTER FOURTEEN AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 301 The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association.

Article 302 The Company shall amend the Articles of Association under any of the following situations:

- (i) there is a discrepancy between the provisions of the Articles of Association and those of laws and administrative regulations after the amendment to the Company Law or relevant laws and administrative regulations;
- (ii) there are changes in the situation of the Company resulting in inconsistency in relation to the scenarios mentioned in the Articles of Association;
- (iii) the shareholders' general meeting resolves to amend the Articles of Association.

Article 303 Where the amendments to the Articles of Association passed by the shareholders' general meetings need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval.

Article 304 Any amendment to the Articles of Association involving anything set out in the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas shall become effective upon approval by the department in charge of company approval affairs authorised by the State Council and by the CSRC. In regards of the registered particulars, application shall be made for registration of the changes in accordance with the laws.

Article 305 The Board may amend the Articles of Association in accordance with the resolution on amendments to the Articles of Association passed at the shareholders' general meeting and the approval opinions of the relevant competent authorities.

Article 306 Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

CHAPTER FIFTEEN SETTLEMENT OF DISPUTES

Article 307 The Company shall act according to following principles to settle disputes:

- (i) Whenever any disputes or claims arising between shareholders of overseas-listed foreign-invested Shares and the Company, between shareholders of overseas-listed foreign-invested Shares and the Company's Directors, Supervisors and other senior management members, or between shareholders of Overseas-listed foreign-invested Shares and other shareholders based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights just mentioned is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all parties 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 shall abide by the arbitration, provided that such parties shall be the Company or the Company's shareholder, Director, Supervisor, general manager or other senior management member.

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

- (ii) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its Arbitration Rules or the Hong Kong International Arbitration Center in accordance with its 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 a claimant elects arbitration at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center.

- (iii) If any disputes or claims of rights are settled by way of arbitration in accordance with clause (i) of this Article, the laws of the People's Republic of China shall apply, save as otherwise provided by laws, regulations, rules and regulatory documents.
- (iv) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER SIXTEEN THE BYE-LAWS

Article 308 Definition

- (i) Controlling shareholder refers to the one who possesses one of the following conditions:

1. such person acting individually or collectively with others can elect over 50% of the Directors;
 2. such person acting individually or collectively with others can exercise over 30% (including 30%) of voting rights of the total number of shares of the Company, which carry voting rights, or control the exercise of over 30% (including 30%) of the voting right of the total number of shares of the Company, which carry voting rights;
 3. such person acting individually or collectively with others hold over 30% (including 30%) of the total number of shares issued by the Company;
 4. such person acting individually or collectively with others in actual control of the Company by other means.
- (ii) Substantial shareholder means those shareholders holding shares that account for more than 5% of the total issued and outstanding shares of the Company.
- (iii) Actual controller means the person who is not the shareholder of the Company, but could control the act of the Company actually through investment, agreement or other arrangement.
- (iv) Affiliated relation means the relation between the controlling shareholder of the Company, actual controller, Directors, Supervisors, senior management member and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Company. However, the relation between fellow State-controlled enterprises shall not be deemed as affiliated relation merely because they are both controlled by the State.

Article 309 The Board may formulate by-laws pursuant to the provisions of the Articles of Association. Such by-laws shall not be in conflict with the provisions of the Articles of Association.

Article 310 The Articles of Association is written in Chinese, and the Chinese version of the Articles of Association, which has been registered and filed with the Shanghai Municipal Administration for Market Regulation recently, should prevail, if there is difference between the Chinese version and versions of other languages.

Article 311 “More than”, “within” as referred to in the Articles of Association are inclusive of the stated figures; while “exceed”, “lower than”, “over” are not inclusive of the stated figures.

Article 312 The Articles of Association is interpreted by the Directors of the Company.

Article 313 Annexe to the Articles of Association include the rules of procedure for shareholders’ general meetings, the rules of procedure for Board meetings, and the rules of procedure for the Supervisory Committee.

ANNEX ONE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS

CHAPTER 1 GENERAL PROVISIONS

Article 1 To regulate the conduct of Haitong Securities Co., Ltd. (the “Company”) and ensure that the shareholders’ general meeting exercises its functions and powers legally, Rules of Procedure for Shareholders’ General Meetings of Haitong Securities Co., Ltd. (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Securities Companies Supervision and Administration Regulations, the Rules for Governance of Securities Companies, the Listing Rules of Shanghai Stock Exchange and Rules for Shareholders’ General Meetings of Listed Companies, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders’ Meetings by Overseas Listed Companies, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, other laws, administrative regulations and regulatory documents, and the Articles of Association.

Article 2 Commencing from the date on which the Rules take effect, the Rules will become a binding legal document for regulating the shareholders’ general meeting, shareholders and authorized proxies thereof, Directors, Supervisors, senior executives and other relevant personnel present at the shareholders’ general meeting.

The Company shall convene the shareholders’ general meetings in strict accordance with the relevant provisions of the laws, administrative regulations and the Articles of Association, and shall ensure that shareholders can exercise their rights according to law.

The controlling shareholders of the Company and de facto controller shall not restrict or obstruct small and medium investors from exercising their voting rights legally, and shall not damage lawful rights and interests of the Company and small and medium investors.

Article 3 The shareholders’ general meeting shall exercise its functions and powers within the scope specified by the Company Law and the Articles of Association.

Article 4 The Board of Directors (the “Board”) of the Company shall by due diligence perform its duties, and shall organize the shareholders’ general meetings in a serious and timely manner. All the Directors of the Company shall be diligent and responsible to ensure the normal holding of the shareholders’ general meeting and its lawful exercise of functions and powers.

The secretary to the Board shall be responsible for all works of preparation and organization for holding of the shareholders’ general meetings.

CHAPTER 2 GENERAL RULES OF SHAREHOLDERS' GENERAL MEETING

Article 5 The shareholders' general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with law:

- (i) to decide on the operating policies and investment plans of the Company;
- (ii) to elect and remove Directors and Supervisors (not being staff representatives), and to fix the remuneration of the relevant Directors and Supervisors;
- (iii) to examine and approve the reports of the Board;
- (iv) to examine and approve the reports of the Supervisory Committee;
- (v) to examine and approve the annual reports of the Company;
- (vi) to examine and approve the proposed annual financial budgets and final accounts of the Company;
- (vii) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (viii) to adopt resolutions on any increment or reduction of registered capital of the Company and issue any type of Shares, warrants and other similar securities;
- (ix) to adopt resolutions on any issuance of bonds of the Company;
- (x) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (xi) to amend the Articles of Association;
- (xii) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms;
- (xiii) to examine and approve matters relating to security under Article 6;
- (xiv) to examine and approve matters relating to financial assistance under Article 7;
- (xv) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 15% the Company's latest audited total assets;
- (xvi) to examine and approve the change of the purpose for raising funds;

- (xvii) to examine and approve an application of funds for external investment, the value of which reaches or exceeds 10% of the latest audited net assets of the Company;
- (xviii) according to the Listing rules of shares on the Shanghai Stock Exchange, to examine and approve the connected transactions which shall be examined by the shareholders' general meeting, that is, the total amount of the connected transactions between the Company and its connected parties exceeding 30 million or the connected transactions taking more than 5% of the latest audited net assets of the Company;
- (xix) according to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), to examine and approve the connected transactions which shall be approved by the independent shareholders (that is, those who are not interested in the relevant connection transactions). The connected transactions of the Company shall be conducted on normal commercial terms. The connected transactions are usually classified as the one-off connected transactions and the continuing connected transactions. Except when the relevant exemption provisions of the Hong Kong Listing Rules apply, such as, (1) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 5%, and the total consideration (in terms of the one-off connected transaction) or the annual connected transactions (in terms of the continuing connected transactions) reaches or exceeds HK\$10 million, (2) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 25%; or (3) in the event that the Company (excluding its subsidiaries issue new shares to the connected party, then the transaction shall be approved by the independent shareholders. In particular, the asset ratio refers to the total value of the assets involved in the connected transactions divided by the total value of the assets of the Company; the return ratio refers to the return ratio attributable to the connected transactions in the assets involved divided by the return of the Company; the consideration ratio refers to the relevant consideration divided by the total market value of the Company; the equity ratio refers to par value of the share capital issued as the consideration divided by the par value of the share capital issued by the Company prior to the connected transaction. The foregoing statements are for reference only, and shall not replace or revise to any extent the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions. The Company shall comply with the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions;
- (xx) to examine the implementation schemes on the mechanism for long-term effective incentives, such as equity incentive scheme and employee shareholding plan;
- (xxi) to examine and approve the proposal submitted by the individual shareholder or the shareholders collectively holding more than 3% (including 3%) of the Company's voting shares;
- (xxii) to resolve the repurchase of the Company's shares as prescribed under items (I) and (II) of Article 28 of the Articles of Association; and
- (xxiii) to examine other matters required by laws, administrative regulations, departmental rules, rules on transaction of the stock exchanges or the Articles of Association to be resolved by the shareholders' general meeting.

For matters to be decided at the shareholders' general meeting as prescribed by laws, administrative regulations and the Articles of Association, such matters have to be reviewed at the shareholders' general meeting so as to ensure that the shareholders of the Company have a right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders' general meeting, the shareholders' general meeting may authorise the Board to decide upon such matters within the scope of authorisation of the shareholders' general meeting subject to the applicable laws, regulations and the Articles of Association.

Article 6 The Company shall not provide any finance or guarantee for the shareholders or related parties of the shareholders, except for securities lending and borrowing business provided by the Company to customers according to provisions. The provision of security to external parties by the Company in the following situations shall be subject to the review and approval at the shareholders' general meeting:

- (i) any security after the total amount of security to the external parties by the Company and its subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (ii) any security after the total amount of security to the external parties by the Company and its subsidiaries has exceeded 30% of the Company's latest audited total assets;
- (iii) a security with its total amount over a period of twelve consecutive months exceeding 30% of the Company's latest audited total assets;
- (iv) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;
- (v) a single security in excess of 10% of the Company's latest audited net assets.
- (vi) other security provided by the laws and regulations or the Listing Rules.

In the event of violation of the approval authorities or review procedures of the general meeting and the Board on providing external guarantees stipulated in these Articles of Association, the Company shall pursue legal actions against or seek monetary compensation from the relevant responsible person(s) depending on the materiality of such violation.

Article 7 "Financial assistance" transactions (including interest-bearing or interest-free borrowings and entrusted loans) of the Company shall be subject to the consideration of the Board, and shall also be submitted to the shareholders' general meeting for deliberation after being considered and approved by the Board if they fall under any of the following circumstances:

- (i) the amount of a single financial assistance exceeds 10% of the latest audited net assets of the Company;
- (ii) the latest financial statements of the recipient of financial assistance show that the gearing ratio exceeds 70%;
- (iii) the total amount of financial assistance in the last 12 months exceeds 10% of the Company's latest audited net assets;
- (iv) other circumstances prescribed by the stock exchange or the Articles of Association.

In the event that the recipient of financial assistance is a majority-owned subsidiary within the scope of the Company's consolidated statements, and the other shareholders of the majority-owned subsidiary do not include the Company's controlling shareholder, actual controller and its affiliates, the provisions of the preceding two paragraphs may be exempted.

Article 8 The shareholders' general meetings shall be annual shareholders' general meetings and extraordinary shareholders' general meetings. The annual shareholders' general meeting shall be held once every year within six months after the end of the previous accounting year.

Article 9 The Company shall hold an extraordinary shareholders' general meeting within two months upon the occurrence of one of the following circumstances:

- (i) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (ii) the uncovered losses are in excess of one third of the Company's total amount of paid up share capital;
- (iii) shareholders individually or collectively holding more than 10% of the Company's shares request in writing;
- (iv) the Board or more than one-third of the Directors considers it necessary;
- (v) the Supervisory Committee proposes to convene such meeting; or
- (vi) such other circumstances as required by laws, administrative regulations, departmental rules or the Articles of Association.

The number of shares aforementioned in Item (iii) shall be calculated as at the date when such shareholder(s) request in writing.

Article 10 The location of the shareholders' general meetings shall be the domicile of the Company or other place designated by the Board.

The shareholders' general meetings shall be held onsite at the location, and a safe, economic and convenient network or any other means shall be provided for its shareholders to conveniently participate in the shareholders' general meetings in accordance with the laws, administrative regulations and the provisions of the CSRC. Shareholders participating in the shareholders' general meetings by any aforesaid means shall be deemed as having attended the meetings.

Article 11 The Company shall engage lawyers to attend the shareholders' general meetings and advise on the following issues with announcements made thereon:

- (i) whether the convening of the shareholders' general meeting and its procedures are in compliance with laws, administrative regulations and the Articles of Association;
- (ii) whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (iii) whether the procedures of voting and the voting outcome of the meeting are lawful and valid; and
- (iv) legal opinions on other related matters at the request of the Company.

CHAPTER 3 THE CONVENING OF SHAREHOLDERS' GENERAL MEETING

Article 12 The Independent Director shall be entitled to propose to the Board to convene an extra-ordinary shareholders' general meeting. Upon proposal made by the Independent Director to convene the extra-ordinary shareholders' general meeting, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary shareholders' general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene the extraordinary shareholders' general meeting, a notice of meeting shall be issued within five days after adoption of the relevant resolution by the Board. If the Board disagrees to convene the extraordinary shareholders' general meeting, the reason shall be given with an announcement made.

Article 13 The Supervisory Committee shall be entitled to propose to the Board to convene an extra-ordinary shareholders' general meeting, which shall be presented in writing to the Board. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary shareholders' general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene an extraordinary shareholders' general meeting, a notice of meeting shall be issued within five days after the passing of the relevant resolution by the Board. Any change to the original proposal made in the notice shall require the consent of the Supervisory Committee.

If the Board does not agree to convene an extraordinary shareholders' general meeting or does not furnish any written reply within ten days after receiving such proposal, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' general meeting. In such case the Supervisory Committee may convene and preside over such meeting on a unilateral basis.

Article 14 The shareholder(s) individually or jointly holding more than 10% of the Company's shares shall have the right to submit proposed resolutions in writing to the Company to convene an extraordinary shareholders' general meeting. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to convene the extraordinary shareholders' general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene an extraordinary shareholders' general meeting, a notice of meeting shall be issued within five days after passing of the relevant resolution by the Board. Any changes to the original proposal made in the notice shall require the consent of the relevant shareholders.

If the Board does not agree to convene the extraordinary shareholders' general meeting or does not furnish any reply within ten days upon receipt of such proposal, the shareholder(s) individually or jointly holding over 10% of the shares of the Company shall be entitled to propose to the Supervisory Committee that an extraordinary shareholders' general meeting be convened, and such proposal shall be made in writing to the Supervisory Committee.

If the Supervisory Committee agrees to convene the extraordinary shareholders' general meeting, a notice of meeting shall be issued within five days upon receipt of such proposal. Any changes to the original proposal made in the notice shall require the approval of the relevant shareholders.

In the case of failure to issue the notice for the shareholders' general meeting within the term stipulated, the Supervisory Committee shall be deemed as failing to convene and preside over the shareholders' general meeting. As a result of its failure to do so for more than 90 consecutive days, the shareholder(s) individually or jointly holding over 10% of the shares of the Company may convene and preside over such meeting on a unilateral basis.

Article 15 Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary shareholders' general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with the stock exchange for record.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting and the convening shareholders shall undertake to hold no lower than 10% of shares during the period from the date of the proposal to convene the shareholders' general meeting to the date of the shareholders' general meeting.

The Supervisory Committee or the convening shareholders shall submit relevant evidence to the stock exchange upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

Article 16 The Board and the secretary to the Board shall coordinate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or the shareholders by itself/themselves. The Board will provide the register of shareholders on the record date of the equity.

Where the Board fails to provide the shareholders' register, the convener may apply to the securities registration and clearing authority to obtain it upon presentation of the announcement relating to the notice of the shareholders' general meeting. The shareholders' register obtained by the convener shall not be used for other purposes except for the shareholders' general meeting.

Article 17 All necessary expenses incurred by the Supervisory Committee or the shareholders by reason of the failure of the Board to duly convene a meeting as mentioned above shall be assumed by the Company and any sum so repaid shall be set off against any sums owed by the Company to the defaulting Directors.

CHAPTER 4 MOTIONS AND NOTICES OF SHAREHOLDERS' GENERAL MEETING

Article 18 The contents of a proposal shall be within the scope of the duties and responsibilities of the shareholders' general meeting, having definite topics and specific matters for resolution, as well as being compliance with the laws, administrative regulations and the Articles of Association. Proposals shall be submitted or delivered to the Board in written form.

Article 19 The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the convener of a shareholders' general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof. Qualified shareholders who submit extra proposed resolutions shall hold no lower than 3% of shares during the period from the issuance of the notice of resolutions to the announcement of the resolutions of the meeting.

Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' general meeting.

Motions which are not specified in the notice of the shareholders' general meeting or which do not comply with the preceding article of the Rules shall not be voted and resolved at the shareholders' general meeting and become resolutions.

Article 20 A written notice of a shareholders' general meeting convened by the Company shall be given to all shareholders, specifying the time and place of and the matters to be considered at the meeting, 20 days before the annual shareholders' general meeting, and 15 days before the extraordinary shareholders' general meeting. Where the laws, regulations and the relevant regulatory authorities and stock exchanges in the place where the Company's Shares are listed have other provisions, such provisions shall prevail.

Article 21 The notice of the shareholders' general meeting shall be made in writing and include the following contents:

- (i) the date and location, methods and convener of the meeting and its duration;
- (ii) the matters and motions for consideration and examination at the meeting. The notice of the shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items proposed for discussion requiring the opinions of Independent Directors, the notice of the shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of Independent Directors;
- (iii) to provide the shareholders with such information and explanation which are necessary for the shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained;
- (iv) to contain a disclosure of the nature and extent, if any, of the material interests if any Director, Supervisor, general manager and other senior management members are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on the effects of other shareholders of the same class, the difference shall be set out;
- (v) to contain the full text of any special resolution intended to be proposed at the meeting;
- (vi) to specify the date and location for serving the proxy forms for the meeting;
- (vii) to contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;
- (viii) to specify the record date of equity of shareholders entitled to attend the shareholders' general meeting;
- (ix) to specify the name and telephone number of the standing contact person of the Meeting; and
- (x) to specify expressly in the notice of the shareholders' general meeting the time of online voting and the voting procedure online or by other means by the Company.

The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.

Among the motions to be voted on at the shareholders' general meeting, if a motion taking effect is conditional upon other motions becoming effective, the convener shall explicitly disclose the relevant preconditions in the notice of the shareholders' general meeting and shall give special reminders that the approval of such motion is the precondition to the voting results of subsequent motions taking effect.

The time to start voting at a shareholder's general meeting held over network or by other means shall not be earlier than 3:00 PM of the day preceding the date of the onsite shareholders' general meeting or later than 9:30 AM of the date of the onsite shareholders' general meeting, and shall not conclude earlier than 3:00 PM of the date of the onsite shareholders' general meeting.

Article 22 Unless the Rules otherwise require, the notice of a shareholders' general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) by personal delivery or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic shares, such notice of the shareholders' general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published within the period prescribed in the Articles of Association on the website of the stock exchanges and the media meeting the requirements specified by the securities regulatory authorities of the State Council prior to the convening of the meeting. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the shareholders' general meeting.

Provided that the laws, regulations and the relevant provisions of the securities regulatory authorities in the place where the Company's shares are listed are satisfied and the relevant procedures are fulfilled, the announcement to shareholders of overseas listed foreign shares shall be issued pursuant to the Articles of Association on the website of Hong Kong Stock Exchange, or in other ways permitted by the Hong Kong Listing Rules and the Articles of Association prior to the convening of the meeting.

Article 23 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Article 24 Where the shareholders' general meeting intends to deliberate the election of Directors or Supervisors, the notice of meeting shall fully disclose the details information on the candidates for Directors or Supervisors at least in the following aspects:

- (i) personal information such as educational background, work experience and other engagements;
- (ii) whether such candidate has any affiliation with the Company or its controlling shareholders or beneficial controllers;
- (iii) disclosure of the holding of the number of shares of the Company; and
- (iv) whether such candidate has been penalised by the CSRC or any other relevant authorities.

Saving Directors or Supervisors who are elected by way of cumulative voting system, a single proposal shall be put forward for each candidate for Directors or Supervisors.

Article 25 Where relevant laws, regulations, listing rules or securities regulatory authorities at the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 26 When the notice of a shareholders' general meeting is issued, the meeting shall not be postponed or cancelled or the proposal set out in the notice of a shareholders' general meeting shall not be cancelled without reasonable reason. In case of postponement or cancellation, the convener must give notice and state the reasons at least two working days before the original date of the shareholder' general meeting.

CHAPTER 5 THE HOLDING OF SHAREHOLDERS' GENERAL MEETINGS

Article 27 The Board and other conveners shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

Article 28 The Director candidates shall prior to the shareholders' general meeting provide written undertakings that they accept the nominations, that the information announced about them is true and adequate, and that they will diligently fulfill the duties as Director if elected.

A written notice of the intention to nominate a person for election as a Director and a notice in writing by that person indicating his acceptance of such nomination shall be given to the Company seven days before the date of the shareholders' general meeting.

The Company shall give at least seven days (commencing after the date when the notice of the shareholders' general meeting is sent out) for relevant nominators and nominees to submit the aforesaid notices and documents.

Article 29 All shareholders in the shareholders' register on the equity registration date or proxies thereof with voting rights shall be entitled to attend the shareholders' general meetings, and exercise voting rights pursuant to relevant laws, regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association.

The shareholders may attend the shareholders' general meetings and exercise voting rights either in person or by proxy.

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

- (i) the right which the shareholder has to speak at the meeting;
- (ii) the right to demand a poll alone or jointly with others; and
- (iii) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

Article 30 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorised in writing; where the appointing shareholder is a legal person or any other institution, such instrument shall be under its seal or under the hand of its legal representative duly authorised or attorney duly authorised.

Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy authorised by such legal representative, the Board, or other decision making authorities shall attend a shareholders' general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorisation duly issued by such legal representatives, the Board or other decision making authorities.

Article 31 The proxy form to appoint a proxy to attend any shareholders' general meeting by a shareholder shall contain the following:

- (i) name of the proxy;
- (ii) indication of whether voting power is granted;
- (iii) instruction of voting "for", "against" or "abstain" for each resolution proposed at any shareholders' general meeting;
- (iv) date of appointing a proxy and the effective period for such appointment; and
- (v) the appointer shall sign (or seal) the proxy form. If the principal is a corporate shareholder, the corporate seal shall be affixed.

Article 32 The instrument for appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, shall be deposited at the premises of the Company or at such other place as specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting or the time appointed for the passing of the resolution.

If the appointer is a legal person, its legal representative or such person as authorised by resolution of its Board of Director or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointer.

If the shareholder is a recognized clearing house as defined in the relevant ordinance enacted from time to time in Hong Kong (the “Recognized Clearing House”) (or agent thereof), the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any shareholders’ general meeting or class shareholders’ general meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The persons thus authorized may exercise rights on behalf of the Recognized Clearing House (or agent thereof) as if the said persons were the personal shareholders of the Company.

Article 33 Any instrument issued to a shareholder by the Directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against or abstain the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

Article 34 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid shall have been received by the Company at its premises before the commencement of the meeting at which the proxy is used.

Article 35 The register of attendees of the meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the meeting, identity card number, residential address, number of shares or voting shares hold, name of the persons (or units) the proxy represents.

Article 36 The convener and the legal counsel retained by the Company shall jointly verify the qualification of shareholders according to the register of shareholders provided by the securities depository and clearing authority, and shall register the name of the shareholders and the number of their voting shares. Such registration shall be concluded prior to the announcement by the Chairman of the shareholders' general meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.

Article 37 All Directors, Supervisors and the secretary to the Board shall attend the shareholders' general meetings. The general manager and other senior management members shall also be present at the meeting.

Article 38 For a shareholders' general meeting convened by the Board, the meeting shall be presided over by the Chairman of the Board; if the Chairman of the Board is unable to perform or fails to perform his duties, the Vice Chairman of the Board shall preside over the meeting; where the Vice Chairman of the Board is unable to perform or fails to perform his duties, a Director jointly selected by more than one half of all Directors shall preside over the meeting. In the event that the Board is unable to perform or fails to perform the duties of convening shareholders' general meetings, the Supervisory Committee shall in time convene and preside over the meetings; in the case of the failure of the Supervisory Committee to convene and preside over a shareholders' general meeting, shareholders severally or jointly holding more than 10% of the Company's shares for more than ninety consecutive days shall be entitled to convene and preside over the meeting on an unilateral basis. Where the shareholders fail to elect a Chairman of the shareholders' general meeting for any reasons, the shareholder (including his proxy) present in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the Chairman of the shareholders' general meeting to preside over the meeting.

A shareholders' general meeting convened by the Supervisory Committee itself, shall be presided over by the Chairman of the Supervisory Committee. If the Chairman of the Supervisory Committee is incapable of performing or fails to perform his duty, a Supervisor shall be elected to preside over the meeting by more than half of the Supervisors.

A shareholders' general meeting convened by the shareholders themselves shall be presided over by a representative nominated by the convener.

When a shareholders' general meeting is convened and the Chairman of the meeting violates the rules of procedures such that the shareholders' general meeting cannot proceed, a person may be elected to preside over the meeting, subject to approval of shareholders entitled to more than half of the voting rights present at the meeting.

Article 39 At the annual shareholders' general meeting, the Board and the Supervisory Committee shall report their respective work of the previous year to the shareholders' general meeting, and the Supervisory Committee shall make specific statements on the financial position and compliance situation of the Company. Each Independent Director shall also make his duty report.

Where a certified public accountant includes an audit report with non-standard opinions, the Board shall make an explanation to the shareholders' general meeting for relevant issues which led the accountant to express the aforesaid comments and the effect on the financial and operating condition of the Company.

The Supervisory Committee shall give an explanation to the shareholders' general meeting for the Company's financial position and compliance, including:

- (i) verification of the financial information of the Company;
- (ii) performance of duties by Directors and senior management members of the Company and implementation of the relevant laws, administrative regulations, the Articles of Association and resolutions of the shareholders' general meeting; and
- (iii) other events to be reported to the shareholders' general meeting as deemed necessary by the Supervisory Committee.

Article 40 Connected transactions shall be decided and disclosed in accordance with the Articles of Association and Rules on Listing and Transaction formulated and updated from time to time by Shanghai Stock Exchange and other relevant regulations. Material connected transactions shall obtain the approval of the Company's shareholders' general meeting upon its examination deemed as necessary.

Article 41 The shareholders' general meeting shall discuss and vote on proposals in the sequence set out in the notice of the meeting. Reasonable time shall be spared to discuss each proposal at the shareholders' general meetings. Upon approval by the presider of the shareholders' general meeting, shareholders may speak at the shareholders' general meeting in an order based on the number of shares held or represented by the shareholders or their proxies. Each shareholder or the proxy thereof may speak for not more than two minutes.

Article 42 Directors, Supervisors and senior management members shall make response to and give explanation of the inquiries and suggestions made by shareholders, subject to the disclosure principles of fairness, specially:

- (i) shareholders may put forward inquiries on agenda and topic thereof;
- (ii) the presider of the shareholders' general meeting shall give an answer or designate a relevant person in charge to give an answer to the shareholders' inquiries, with the answer to be completed within two minutes;

- (iii) the presider of the meeting may require the inquirer to shorten the time spent on making the repeated inquiries; and
- (iv) the presider may in any of in the following circumstances refuse to give an answer but shall provide reasons:
 - (1) the inquiries have nothing to do with the topic of the meeting;
 - (2) matters inquired about are subject to investigation; or
 - (3) the answers to the inquiries may involve commercial secrets of the Company or obviously harm the common interests of the Company or the shareholders.

Article 43 The Chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 44 The secretary to the Board shall be responsible for preparing the minutes of the shareholders' general meeting, which shall contain:

- (i) the date, location, agenda of the meeting, and the name of the convener;
- (ii) the name of the Chairman of the meeting, the Directors, Supervisors, general manager and other senior management members attending the meeting;
- (iii) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (iv) the process of examining each motion, main points of speech and the outcome of voting;
- (v) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (vi) the names of lawyers, vote counters, and Supervisors; and
- (vii) other contents which shall be contained in the minutes of the meeting as prescribed by the Articles of Association.

Article 45 The convener shall ensure the truth, accuracy and completeness of the minutes of the meeting. The Directors, the Supervisors, the secretary to the Board, the convener or the representative, and the Chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting shall be kept together with the attendance register of the attending shareholders and the power of attorney of the proxies, and the effective information on the online voting and other means of voting shall be kept for a term of 20 years.

Article 46 The convener shall ensure that a shareholders' general meeting is held continuously until final resolutions have been reached. In the event that the shareholders' general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement of such termination shall be made promptly. At the same time, the convener shall report to the agency of the CSRC in the locality of the Company and the stock exchange.

CHAPTER 6 VOTING AND RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING

Article 47 Resolutions of a shareholders' general meeting can be ordinary resolutions or special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than half of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

A special resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than two-thirds of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

Article 48 The following matters shall be passed by ordinary resolutions of a shareholders' general meeting:

- (i) the work reports of the Board and the Supervisory Committee;
- (ii) the plans formulated by the Board for profit distribution and making up losses;
- (iii) the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and the methods of payment thereof;
- (iv) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statement;
- (v) the annual reports of the Company; and

- (vi) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.

Article 49 The following matters shall be approved by special resolutions of a shareholders' general meeting:

- (i) the increment or reduction of the Company registered capital and the issue of any class of shares, warrants and other similar securities of the Company;
- (ii) the issue of corporate bonds;
- (iii) any spin-off, division, merger, dissolution or liquidation;
- (iv) the amendments to the Articles of Association;
- (v) purchase or disposal of material assets or provision of security by the Company within 1 year which involves an amount exceeding 15% of the Company's latest audited total assets;
- (vi) implementation of the Scheme for long-term incentives mechanism such as equity incentive scheme and employee shareholding plan; and
- (vii) such other matters as may be required by laws, administrative regulations or the Articles of Association or which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effects on the Company and require approval by special resolutions.

Article 50 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

When material issues affecting the interests of small and medium investors are being considered at the shareholders' general meeting, the votes of such investors shall be counted separately. The separate counting results shall be promptly and publicly disclosed.

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

Shareholders who purchase the shares with voting rights of the Company in violation of Clause 1 or 2 of Article 63 of the Securities Law shall not exercise the voting rights of the shares that exceed the prescribed proportion within 36 months after purchasing such shares, and such shares shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.

The Board of the Company, Independent Directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. However, the collectors shall disclose the collection documents and the Company shall provide cooperation. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public collection of shareholders' rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights, except for the statutory conditions. The collectors shall bear compensation liabilities according to law if the public collection of shareholders' rights violates laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, causing losses to the Company or the shareholders of the Company.

Article 51 Where the Hong Kong Listing Rules requires any shareholder to abandon his or her voting on specific resolution, or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

Article 52 When a connected transaction is considered at a shareholders' general meeting, the connected shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights; the announcement of any resolution made at the shareholders' general meeting shall adequately disclose information relating to voting by non-connected shareholders.

Connected shareholders' avoidance of voting and the voting procedure are as follows:

- (i) if matters submitted to the shareholders' general meeting for consideration involve connected transactions, the convener shall duly give a prior notice to the connected shareholders, and the shareholders shall duly inform the convener of the relevant information they acquired;
- (ii) if it is necessary to engage professional accountants and valuers to audit and value connected transactions or engage independent financial advisors to express opinions on the same, the convener shall at the meeting truthfully disclose the results of the audit and valuation or the opinions of independent financial advisors; and
- (iii) the connected shareholders which shall avoid voting may participate in discussing connected transactions involving the said shareholders and explain and describe to the shareholders' general meeting the reasons for the connected transactions, basic information of the transactions, whether the transactions are fair and lawful, etc.

Article 53 Any vote of shareholders at a general meeting must be taken by poll except where the Chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Article 54 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for, against or abstention in the same way.

In the case of an equality of votes, whether it is by show of hands or a poll, the Chairman of the meeting shall be entitled to an additional vote.

Article 55 The Chairman of the meeting shall determine, according to the results of the votes, whether the resolutions of the shareholders' general meeting are approved. The Chairman's decision is the final decision, and the results of the votes shall be announced in the meeting. The results of the votes shall be recorded in the meeting minutes.

Article 56 In the event that the Chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the Chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the Chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the Chairman of the meeting shall have the votes counted immediately.

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

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

Article 57 Without the prior approval of a special resolution of a shareholders' general meeting, the Company shall not enter into a contract with a person other than a Director, Supervisor, general manager or other senior management members whereby the management of all or a material part of the business of the Company is delegated to such person.

Article 58 List of nominations of Director or Supervisor candidates is submitted by way of proposal at the shareholders' general meetings. The method and procedure for nominating Directors and Supervisors are:

- (i) The incumbent Directors shall have the right to refer non-employee representatives to the Board of the Company as by-election Director candidates for the current or next Board, and provide the resumes and basic information of the Director candidates. The Board shall examine the qualifications of such candidates, form proposals and submit them to the shareholders' general meetings for election.

The incumbent Supervisors shall have the right to refer non-employee representatives to the Supervisory Committee as by-election Supervisor candidates for the current or next Supervisory Committee, and provide the resumes and basic information of the Supervisor candidates. The Supervisory Committee shall examine the qualifications of such candidates, form proposals and submit them to the shareholders' general meetings for election.

- (ii) Employee representatives in the Board and the Supervisory Committee shall be elected democratically by the Company's employees at employee representatives' meetings.
- (iii) The method and procedure for nominating independent Directors shall comply with relevant laws, administrative regulations and the provisions of the relevant authorities of the state.

Article 59 The shareholders' general meeting shall vote on each motion individually. Should there be different motions on the same issue, voting should be done according to the order of the motions raised. Except for special reasons such as force majeure causing the shareholders' general meeting to suspend or unable to reach a resolution, the shareholders' general meeting shall not set aside any motion or have any motion not voted.

Article 60 When considering a proposed resolution at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, of which the voting shall not proceed in that meeting.

Article 61 Voting procedures for class shareholders shall comply with relevant provisions of the regulatory authorities at the location where the shares are listed and the Articles of Association.

Article 62 The same vote may only be cast once at the location of a shareholders' general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

The Company shall, subject to the general meetings being legally and validly held, provide online voting through the platforms of stock exchanges to the extent technically feasible, and shall perform relevant notice and announcement obligations in connection with general meetings and perform relevant organisation and preparation work in connection with online voting. The specific operating procedures of online voting shall be conducted in accordance with relevant rules promulgated by stock exchanges.

Article 63 At any shareholders' general meeting, voting shall be with registered voter.

Article 64 Before the relevant proposed resolution is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is connected with the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When the relevant proposed resolution is being voted on at the shareholders' general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

Article 65 The ending time of a shareholders' general meeting shall not be earlier than that of online or other access to the meeting. The Chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

Prior to the formal announcement of voting results, the relevant parties from the Company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the shareholders' general meeting, online or by other means, shall be obliged to keep the status of voting confidential.

Article 66 A shareholder attending a shareholders' general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention.

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

Article 67 Resolutions of the shareholders' general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.

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

Article 68 Where a shareholders' general meeting has passed the resolutions for electing Directors and Supervisors, the newly elected Directors and Supervisors shall fill their positions from the date of approval at the shareholders' general meeting, except otherwise specified in the resolution of the shareholders' general meeting.

Article 69 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a shareholders' general meeting, the Company shall implement the specific plans within two months after the conclusion of the shareholders' general meeting.

CHAPTER 7 THE BY-LAWS

Article 70 The notices as referred to in the Rules shall be sent by:

- (i) hand;
- (ii) mail;
- (iii) fax or email;
- (iv) making announcement in the Company's website or the websites designated by Hong Kong Stock Exchange in compliance with laws, regulations and listing rules of the place where the Company's shares listed;
- (v) announcement;
- (vi) other means recognized by the Company, or agreed by the recipient of the notice in advance or recognized by the recipient of the notice after receiving such notice; or
- (vii) other means recognized by regulatory authorities of the place where the Company's shares are listed and other means stated in the Articles of Association.

Article 71 Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice. It shall be in accordance with those otherwise stated in the regulatory authorities of the place where the Company's shares are listed.

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

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

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

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

Article 72 The Company shall issue notice and disclose information to domestic shareholders through newspapers and websites for information disclosure specified in the laws, administrative rules and regulations or the securities regulatory authority. For notice issued by the Company to the shareholders of overseas-listed foreign-invested Shares in accordance with the Articles of Association, the relevant notice shall be at the same time published by means specified in the Hong Kong Listing Rules.

If an announcement or notice is too long, the Company may select to disclose a summary of the relevant contents on the newspapers and periodicals designated by the securities regulatory authority, but the full text shall be published on the website of Shanghai Stock Exchange.

Supplementary notices of the shareholders' general meeting as mentioned in the Rules shall be announced on the same newspapers and periodicals on which the notices of meeting are announced.

Article 73 "More than", "within" as referred to in the Rules are inclusive of the stated figures; while "exceed", "lower than", "over" are not inclusive of the stated figures.

Article 74 The Rules are appendix to the Articles of Association and shall be interpreted by the Board of the Company.

The Rules are formulated by the Board, and shall be effective on the date of approval at the shareholders' general meeting of the Company, and the same applies to revisions.

ANNEX TWO RULES OF PROCEDURE FOR BOARD MEETINGS

Article 1 Objectives

To regulate the operational and decision making procedures of the Board of Directors (the “Board”) of Haitong Securities Co., Ltd. (the “Company”), to make the Directors and the Board effectively perform their duties, and to ensure the standard operation and scientific decision-making of the Board, Rules of Procedure of Board Meetings of Haitong Securities Co., Ltd. (the “Rules”) are 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 People’s Republic of China (hereinafter referred to as the “Securities Law”), the Regulations on the Supervision and Administration of Securities Companies, the Rules for Governance of Securities Companies, the Stock Listing Rules of Shanghai Stock Exchange, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Articles of Association and other relevant provisions, and with reference to the Guidelines No. 1 of the Shanghai Stock Exchange on the Self-Regulation Rules for Listed Companies – Standardized Operation.

Article 2 Duties of the Board

The Board exercises the following powers:

- (i) to convene shareholders’ general meetings and report its work to the shareholders’ general meeting;
- (ii) to implement the resolutions of shareholders’ general meetings;
- (iii) to decide on the Company’s business plans and investment plans;
- (iv) to formulate the Company’s plans on annual financial budgets and final accounts;
- (v) to formulate the Company’s profit distribution plans and plans on making up losses;
- (vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;
- (vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company under circumstances as prescribed under items (I) and (II) of Article 29 of the Articles of Association;
- (viii) to resolve on the repurchase of the Company’s shares under circumstances as prescribed under items (III), (V) and (VI) of Article 29 of the Articles of Association;
- (ix) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions and external donations of the Company within the authorisation of the shareholders’ general meeting;

- (x) to formulate the implementation plan of the long-term incentives program for the management and employees including equity incentive scheme and employee shareholding plan, etc.;
- (xi) to determine the establishment of the Company's internal management structure;
- (xii) to decide to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to decide to appoint or dismiss senior management members including deputy general manager, chief financial officer, chief information officer, and chief risk officer, business director and general auditor of the Company and to determine their remunerations, incentives and punishments;
- (xiii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company's own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;
- (xiv) to formulate proposals for amendment to the Articles of Association;
- (xv) to manage information disclosure of the Company;
- (xvi) to propose at the shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;
- (xvii) to hear the work report and inspect the work of the general manager;
- (xviii) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management, including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, and to supervise the resolution of problems existing in compliance management;
- (xix) to determine the goal of business integrity management of the Company and undertake the responsibility for the effectiveness of business integrity management;
- (xx) to undertake the ultimate responsibility of comprehensive risk management;
- (xxi) to promote the legal construction of the Company, improve the level of legal corporate governance of the Company, and authorize the compliance and risk management committee to perform specific duties in relation to the promotion of legal construction;
- (xxii) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.

The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.

When the Board is not in session, the Chairman of the Board shall supervise and examine the execution of resolutions of the Board, and listen to the report of the general manager on the execution of the resolutions of the Board.

Article 3 The Board shall determine the matters of external investment, acquisition and sale of assets, asset pledge, external guarantee, scope of powers for connected transactions, and external donations, establish stringent examination and decision making procedures, organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' general meeting for approval.

The Board shall be entitled to determine the following matters:

- (i) the disposal of assets not within the approval authority of the shareholders' general meeting stipulated by Article 75 of the Articles of Association;
- (ii) the guarantee not within the approval authority of the shareholders' general meeting stipulated by Article 76 of the Articles of Association;
- (iii) to approve an application of funds for external investment, the value of which does not exceed 10% of the latest audited net assets of the Company; and
- (iv) the connected transactions which shall be resolved by the Board according to the disclosure requirements of the local listing rules at the place where the Company is listed.
- (v) to approve donations with a single amount or the accumulative amount in 12 consecutive months of no more than RMB100 million.

Article 4 The Board shall not, without the prior approval at the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the proposed disposal and the value of any disposal of fixed assets in the four months immediately preceding the proposed disposal, exceeds 33% of the value of the Company's fixed assets as stated in the last balance sheet placed before the shareholders' general meeting.

The "disposal of fixed assets" as referred to in this Article includes the conduct involving the transfer of the interest in certain assets but does not include the provision of fixed assets by way of providing security.

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

Article 5 Board office

The Board shall have a Board office for handling the daily affairs of the Board.

Article 6 Regular Meetings

Board meetings include regular meetings and extraordinary meetings.

The Board shall meet regularly and Board meetings shall be held at least four times a year at approximately quarterly intervals, and shall be convened by the Chairman of the Board. A fourteen days' prior written notice for convening the meeting shall be given to all Directors and Supervisors.

The chairman of Board shall hold a meeting with Independent Directors at least once a year without other Directors attending.

Article 7 Proposal for regular meetings

Before serving the notice of regular meeting of the Board, the Board office shall adequately consult with the Directors, and shall accordingly formulate a preliminary proposal for meeting and submit the same to the Chairman of the Board for consideration.

Before deciding a proposal, the Chairman of the Board shall, where necessary, seek opinions of the general manager and other senior management members.

Article 8 Extraordinary meetings

The Chairman of the Board shall convene an extraordinary Board meeting within ten working days in one of the following situations when it is:

- (i) proposed by the shareholders representing more than one-tenth of the voting rights;
- (ii) jointly proposed by more than one-third of the Directors;
- (iii) proposed by the Supervisory Committee;
- (iv) considered necessary by the Chairman of the Board;
- (v) proposed by the general manager;
- (vi) jointly proposed by more than half of the Independent Directors;
- (vii) required by the securities regulatory authority; or
- (viii) any other circumstance specified in the Articles of Association.

Article 9 Procedure for proposing extraordinary meetings

A proposal for convening an extraordinary Board meeting as specified in the preceding article shall be in written form, affixed with the signature (seal) of the proposer, and submitted to the Chairman of the Board directly or via the Board office. A written proposal shall specify:

- (i) name of the proponent;
- (ii) reasons for the proposal;
- (iii) date or duration, location or form of the meeting proposed;
- (iv) well-defined and specific proposal; and

(v) means to contact the proponent, date of proposal, etc.

The contents of the proposal shall be closely related to the Company's operating activities, be within the power of the Board specified in the Articles of Association, and have definite topics and specific issues, and the documents relating to the proposal shall be submitted together with the proposal itself.

The Board office shall transfer to the Chairman of the Board the aforesaid proposal and related documents on the same day of receipt of the same. Where the Chairman of the Board deems the proposal not well-defined or specific or the relevant documents inadequate, the Chairman of the Board may require the proposer to amend or supplement the proposal.

The Chairman of the Board shall convene and preside over a Board meeting within 10 days after receipt of the proposal or requirement of the securities regulatory authority.

Article 10 Convening and presiding of meetings

The Board meetings shall be convened and presided over by the Chairman of the Board; where the Chairman of the Board cannot or does not fulfill the duty thereof, the Vice-Chairman of the Board shall convene and preside; where even the Vice-Chairman of the Board cannot or does not fulfill the duty thereof, more than half of the Directors may elect a Director to convene and preside.

Article 11 Notice of meeting

The Board office shall send written notice of meeting bearing the seal of the Board to all the Directors, Supervisors, the general manager and the secretary to the Board by direct delivery, fax, email or other means 14 days and 2 days before a regular Board meeting and an extraordinary Board meeting respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made. In addition to the notice, sufficient information shall be provided. If two or more Independent Directors believe that the information is incomplete or the argument is insufficient, they may jointly file a written request to the Board to ask to postpone convening the meeting or considering the matter, and the Board shall adopt it. The Company shall promptly disclose the relevant information.

Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 12 Contents of the notice of meeting

A written notice of meeting shall at least include:

- (i) date and location of the meeting;
- (ii) duration of the meeting;
- (iii) date on which the notice is sent;

- (iv) the form of the meeting;
- (v) matters (proposals) to be considered;
- (vi) convener and Chairman of the meeting, proposer of and written proposal for the extraordinary meeting;
- (vii) documents needed for voting of Directors;
- (viii) requirements for the Directors to attend the meeting in person or by proxy; and
- (ix) coordinator and means of contact.

A verbal notice of meeting shall at least include (i) and (ii) above, and explanation for an extraordinary Board meeting in emergency.

The Board office shall provide adequate information before the meeting, including background information relating to the topics for discussion and information and data helping the Directors learn about the business development of the Company.

The Directors shall examine the information served by the Board and prepare opinions. Where more than half of the independent Directors are of the opinion that the information provided is insufficient or unclear, they may make a joint written proposal to the Board to postpone the holding of the Board meeting or postpone consideration of the issues, and the Board shall adopt such a proposal.

Article 13 Change of the notice of meeting

If, after the written notice of a regular Board meeting is sent, it is necessary to change the date, location, etc. of the meeting or add, change or cancel proposals to the meeting, a written notice of change shall be sent three days before the original designated date for convening the meeting, to explain why and provide contents and documents relating to the new proposals. Where the notice of change is sent in less than three days in advance, the date of meeting shall be postponed accordingly or approved by all the attending Directors.

If, after the notice of an extraordinary Board meeting is sent, it is necessary to change the date, location, etc. of the meeting or add, change or cancel proposal for the meeting, then it shall be necessary to seek the prior consent of all the attending Directors and make relevant records.

Article 14 Holding of meeting

A Board meeting shall be attended by more than half of the Directors. Where any relevant Director refuses or fails to attend the meeting so that the number of attendants falls short of the quorum required for convening the meeting, the Chairman of the Board and the secretary to the Board shall responsively report to the regulatory authority.

Supervisors may attend Board meetings without voting rights; the general manager and the secretary to the Board shall attend Board meetings without voting rights. The Chairman of the meeting may, where he deems necessary, notify other relevant persons to attend Board meetings without voting rights.

Article 15 Attendance in person or by proxy

In principle, the Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another Director in writing to attend the meeting on his behalf. The Independent Director shall not entrust any non-independent Director to attend on his/her behalf.

The power of attorney shall specify:

- (i) the names and ID No. of the principal and proxy;
- (ii) reasons for the principal's failure to attend the meeting;
- (iii) outline opinions of the principal on respective proposals;
- (iv) the principal's range of authorization and instructions about voting intent in relation to respective proposals; and
- (v) signature of the principal and proxy, date, etc.

The proxy Director shall present the written power of attorney to the Chairman of the meeting, and explain proxy attendance in the attendance book.

Article 16 Restriction on proxy attendance

Proxy attendance at Board meetings shall follow the principles below:

- (i) Where connected transactions are considered, a non-connected Director shall not appoint a connected Director to attend the meeting on his behalf, and a connected Director shall also not accept the appointment of a non-connected Director.
- (ii) An independent Director shall not appoint a non-independent Director to attend the meeting on his behalf, and a non – independent Director shall also not accept the appointment of an independent Director.
- (iii) A Director shall not give any other Director carte blanche to attend the meeting and vote on his behalf without providing his own opinions and voting intent on the proposals, and the relevant Director shall also not accept the carte blanche or any appointment not well defined.
- (iv) One Director shall not accept appointment by more than two Directors to attend the same board meeting, and a Director shall also not appoint any other Director who has been appointed by two other Directors to attend the meeting and vote on his behalf.

Article 17 Form of meeting

In principle, the Board meeting shall be convened by ways of on-site meetings. Whenever it is necessary, the Board meeting is allowed to be convened through video, telephone, facsimile or email after consent of the convener (the Chairman of the meeting) and proposer on the premise of ensuring the Directors who may fully give their opinions. The Board meeting may be also convened by way of on-site meetings and other methods at the same time.

For a meeting other than on-site meetings, the number of the Directors present is calculated according to the number of the Directors present in the video, the Directors expressing opinions in the teleconference, the number of valid votes including facsimiles or emails received within the specified period, or the written confirmations submitted by the Directors after the meetings.

It shall ensure that the Directors attending the meeting be able to hear clearly the statements made by the other Directors and communicate in a normal way.

Article 18 Consideration procedure of meeting

The Chairman of the meeting shall ask the attending Directors to provide definite opinions on respective proposals. For any proposal requiring prior acknowledgements of independent Directors, the Chairman of the meeting shall, before discussing the relevant proposal, appoint one independent Director to read out the written acknowledgements of independent Directors. The Board meeting shall not vote on any proposal not included in the notice of the meeting unless with the unanimous consent of the attending Directors.

A proxy Director shall not vote on any proposal not included in the notice of the meeting. When attending Directors request for reply or clarification about the situation after the speech of proposals, the Chairman of the meeting may do so in person or appoint relevant persons, or attending professionals to do that, and the speaking time shall not exceed 15 minutes.

The Chairman of the Board or Chairman of the meeting shall adequately listen to the opinions of the attending Directors, control the progress of the meeting, and improve the efficiency of deliberation and rationality of decisions. In case any Director repeats the same proposal or the speech of any Director exceeds the scope of the discussion item, the Chairman of the meeting shall stop any Director from hindering the normal progress of the meeting or affecting the speech of other Directors. The Board meetings shall resolve on all proposals included in the agenda separately.

Article 19 Expression of opinions

The Directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.

The Directors may, before the meeting, inquire about information needed for decision making from relevant persons or institutions such as the Board office, the convener of the meeting, the general manager and other senior management members, special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the Chairman of the meeting that the aforesaid persons or institutions appear at the meeting to make relevant explanations.

Supervisors shall be present at the Board meeting to supervise whether the Board makes decisions pursuant to the Articles of Association and the legal procedure, and shall listen to the deliberation of the Board meeting, but shall not participate in the deliberation of the Board meeting. Where the Supervisors object to the resolutions of the Board meeting, the Supervisors shall send written opinions to the Board meeting through the Supervisory Committee after the meeting.

The non-voting attendants at the meeting shall not interfere in deliberation of the Board meeting or affect the discussion, voting or decision making at the meeting.

Article 20 Voting at meeting

After adequate discussion of a motion, the Chairman of the meeting shall submit it separately to voting by the attending Directors.

One person shall have one vote when voting on the resolution of the Board, by open ballot and in writing.

Where the number of votes cast for and against a resolution is equal, the Chairman of the Board shall have the right to cast an additional vote.

The voting intent of a Director may be pro, con or abstention. Every attending Director shall choose one out of the aforesaid intents. Where any Director does not make any option or makes two or more options, the Chairman of the meeting shall require the said Director to make an option again, otherwise the said Director shall be deemed as having abstained from voting; any Director who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

The methods of voting of resolutions of the Board meeting are: on a poll or on a show of hands or through facsimile. Voting on a poll or on a show of hands shall be adopted by meetings convened by way of on-site meetings; Voting on a poll shall be adopted by meetings convened through video, telephone, where the Directors attending the meeting shall submit the signed original votes to the Board meeting within the period stated in the notice of the meeting; Voting through facsimile shall be adopted by meeting convened through facsimile, where the Directors vote after the meeting shall also submit the signed original votes to the Board meeting within the period stated in the notice of the meeting.

Article 21 Statistics of voting results

After voting of the attending Directors, the securities affairs representative and relevant staff of the Board office shall responsively collect ballots cast by the Directors, which ballots shall be counted by the secretary to the Board under supervision of a Supervisor or Independent Director.

Where the meeting is held onsite, the Chairman of the meeting shall announce the statistics onsite; in other circumstances, the Chairman of the meeting shall require the secretary to the Board to announce the voting result within a workday after the prescribed voting deadline.

The ballots cast by Directors after the Chairman of the meeting announces the voting result or after the prescribed voting deadline shall not be counted.

Article 22 Forming of resolutions

Saved as otherwise specified in the Rules, adoption of or resolution on any proposal shall be subject to approval of more than half of all the Directors of the Company. Where the relevant laws, administrative regulations and Articles of Association have any provisions on approval of more Directors, such provisions shall prevail.

Any resolution made by the Board on any guarantee within its range of authority in accordance with the Articles of Association shall be subject to the approval of more than half of all the Directors of the Company and more than two thirds of the attending Directors.

If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.

Article 23 Abstention from voting

In any of the following circumstances, the Directors shall abstain from voting on the relevant proposals:

- (i) the Listing Rules of Shanghai Stock Exchange provides for abstention of the Directors from voting;
- (ii) the Directors themselves think they should abstain from voting; or
- (iii) the Directors are connected with the enterprises involved by the motions and shall therefore abstain from voting pursuant to the Articles of Association.

Where any Director abstains from voting, the Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than 3, the relevant proposal shall not be voted on but shall be submitted to the shareholders' general meeting for examination.

Article 24 Not acting beyond authority

The Board shall act as authorized by the shareholders' general meetings and the Articles of Association of the Company, and shall not make any resolution beyond authority.

Article 25 Processing of proposals not passed

Where any proposal is not passed, any Board meeting shall not deliberate any proposal with the same contents within a month if the relevant conditions and factors have not changed significantly.

Article 26 Suspension of voting

Where more than half of the attending Directors or more than two Independent Directors think they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the Chairman of the meeting shall require the meeting to suspend voting on the said proposal.

The Director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.

Article 27 Recordings of meetings

Board meetings held onsite or via video or telephone may be recorded where necessary.

Article 28 Minutes of meetings

The secretary to the Board shall arrange the Board office staff to record the minutes of the Board meeting. The minutes shall include the following information:

- (i) the date, location and form of the meeting;
- (ii) sending of the notice of meeting;
- (iii) the convener and Chairman of the meeting;
- (iv) attendance and proxy attendance of Directors;
- (v) procedure and process of the meeting;
- (vi) the proposals considered at the meeting, chief comments and opinions of Directors on relevant issues, and intents of the Directors for voting on the motions;
- (vii) the voting method and result for each motion (the voting result shall set out the respective numbers of pros, cons and abstentions); and
- (viii) other issues that the attending Directors think should be recorded.

Article 29 Summary of meeting and records of resolutions

The minutes of the Board meeting shall be recorded truly, accurately and completely. The Directors, Secretary of the Board and recorder who attended the meeting shall sign the minutes of the meeting. Board meeting minutes should be kept appropriately.

Besides the meeting minutes, the secretary to the Board may where necessary arrange the Board office staff to make a summary of the meeting, and make separate records of the resolutions according to the voting results.

Article 30 Signatures of Directors

The attending Directors shall sign the minutes of the meeting, summary of the meeting and records of the resolutions in person and on behalf of the Directors appointing them to attend the meeting, and shall be responsible for the resolutions of the Board meetings. Where the Directors disagree over the minutes of the meeting, summary of the meeting or the records of the resolutions, they may attach written remarks when signing the said minutes, summary or records of the resolutions. Where necessary, they shall responsively report to the regulatory authority or announce public statements.

Where any Director neither signs as per the preceding paragraph nor provides his different opinions in writing, reports to the supervisory department or announces public statement, the said Director shall be deemed as agreeing with the minutes of the meeting, summary of the meeting and the records of the resolutions.

Where a resolution of the Board meetings violates laws, regulations, the resolution of the shareholders' general meetings or the Articles of Association and causes serious losses to the Company, the Directors who took part in such a resolution shall be liable to compensate the Company. However, if a Director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the Director may be relieved of such liability.

Article 31 Announcement of resolutions

Resolutions made by the Board shall be announced by the secretary to the Board pursuant to relevant rules of Stock Exchange. Before announcement of the resolutions, the attending Directors, other attendants, and the recording and service staff shall fulfill the confidentiality obligation.

Article 32 Execution of resolutions

The Chairman of the Board shall urge the relevant personnel to execute the resolutions of the Board, supervise such execution, and report at future Board meetings how the resolutions are executed.

Article 33 Keeping of meeting archives

Archives of Board meetings include notices of meeting, meeting documents, attendance book, powers of attorney for proxy Directors, meeting recordings, votes, meeting minutes signed by the attending Directors, summaries of meetings, records of the resolutions, announcements of the resolutions, etc., which shall be kept by the secretary to the Board.

Archives of Board meetings shall be kept for a period of 20 years.

Article 34 The by-laws

The Rules shall be amended in any of the following circumstances:

- (i) after amendments are made to the Company Law, the Securities Law or other relevant laws, administrative regulations, regulatory documents, and the Articles of Association, the Rules run counter to the said amendments; or
- (ii) the Board decides to amend the Rules.

“More than” as referred to in the Rules are inclusive of the stated figures.

The Rules and any amendments thereto are formulated by the Board and shall come into effect as from the date of adoption at a shareholders’ general meeting.

The Rules is interpreted by the Board.

ANNEX THREE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE

Article 1 Objectives

To further regulate the rules of procedure and decision-making of the Supervisory Committee of Haitong Securities Co., Ltd. (the “Company”), make the Supervisors and the Supervisory Committee effectively perform their supervisory duties, and improve the governance structure of the Company, Rules of Procedure of the Supervisory Committee of Haitong Securities Co., Ltd. (the “Rules”) are formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Regulations on the Supervision and Administration of Securities Companies, the Rules for Governance of Securities Companies, the Listing Rules of Shanghai Stock Exchange, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association, as well as the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation.

Article 2 Duties of the Supervisory Committee

- (i) to review the Company’s securities issuance documents and periodical reports prepared by the Board of Directors (the “Board”) and to express its comments in writing. Supervisors shall sign the written Confirmation opinion;
- (ii) to inspect the Company’s financial position. Chief Financial Officer of the Company shall regularly and truthfully report the analysis on financial statements to the Supervisory Committee;
- (iii) to supervise the establishment and implementation of internal control by the Board;
- (iv) to conduct supervision on comprehensive risk management of the Company and monitor the diligent performance of the Board and senior management in risk management and recommend their rectification;
- (v) to supervise the performance of compliance management and business integrity management duties performed by directors and senior management;
- (vi) to supervise the behaviours of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders’ general meetings, and assume the primary or leadership responsibility for the occurrence of major compliance risks;
- (vii) to enquire on the conduct of Directors and senior management members;
- (viii) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company’s interest;

- (ix) to propose to convene an extraordinary shareholders' general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting;
- (x) to propose motions in a shareholders' general meeting;
- (xi) to take legal actions against Directors and senior management members in accordance with the Company Law or the Articles of Association;
- (xii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;
- (xiii) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings, and if there are any queries or unusual conditions of operation, to engage certified public accountants or practicing auditors to assist in the review (if necessary); and
- (xiv) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.

The Supervisory Committee may require the Directors, personnel of manager level and other related personnel to attend meetings of the Supervisory Committee to answer any questions raised by the Supervisory Committee.

When the Supervisory Committee investigate the conduct of Directors, personnel of manager level of the Company in the performance of their duties, it may understand the situation through the Directors, personnel of manager level and the other involved personnel of the Company, who should provide assistance.

When the Supervisory Committee find any violations of laws, regulations or the Articles of Association by any Directors or senior management, it shall perform its supervisory duties, and report to the Board or general meetings or report directly to the CSRC and its local offices, stock exchanges or other departments.

Article 3 Office of the Supervisory Committee

The Supervisory Committee shall set an office for handling the daily affairs of the Supervisory Committee.

The Chairman of the Supervisor Committee may ask the securities affair representative or other officer of the Company to help him handle the daily affairs of the Supervisory Committee.

Article 4 Regular and extraordinary meetings of the Supervisory Committee

Meetings of the Supervisory Committee include regular meetings and extraordinary meetings.

Regular meetings of the Supervisory Committee shall be held once every 6 months. The Supervisory Committee shall convene meeting regularly within 120 days after the expiration of the last fiscal year for consideration and approval of inspection reports on the annual financial condition and the condition of compliance.

In any of the following circumstances, the Supervisory Committee shall hold an extraordinary meeting within 10 days:

- (i) any Supervisor proposes to hold such a meeting;
- (ii) the shareholders' general meeting or Board meeting has passed any resolution which runs counter to relevant laws, regulations, rules, provisions and requirements of the regulatory authority, the Articles of Association, resolutions of the shareholders' general meeting or any other relevant provisions;
- (iii) improper acts of the Directors and senior management members may possibly give rise to material damages to the Company or bad impacts on the markets;
- (iv) the shareholders lodge a legal action against the Company, Directors, Supervisors or senior management members;
- (v) the Company, Directors, Supervisors or senior management members are punished by the securities regulatory authority or condemned in public by Shanghai Stock Exchange;
- (vi) the securities regulatory authority requires holding such a meeting; and
- (vii) any other circumstance so specified in the Articles of Association occurs.

Article 5 Proposal for regular meetings

Before sending the notice of regular meeting of the Supervisory Committee, the office of the Supervisory Committee shall collect proposals from all the Supervisors and shall, if necessary, seek opinions from the staff of the Company. In collecting proposals and seeking opinions, the office of the Supervisory Committee shall state that the Supervisory Committee focuses on supervising the operations of the Company and the conduct of the Directors and senior management members, not on making decisions on the operations and management of the Company.

Article 6 Procedure for proposing extraordinary meetings

Any proposal of any Supervisor for convening an extraordinary meeting of the Supervisory Committee shall be made in written form, affixed with the signature (seal) of the said Supervisor and submitted to the office of the Supervisory Committee or directly to the Chairman of the Supervisor Committee. A written proposal shall specify:

- (i) the name of the proposing Supervisor;
- (ii) reasons or subject matters for the proposal;
- (iii) date or duration, location or form of the meeting proposed;
- (iv) well-defined and specific proposal; and
- (v) means to contact the proposing Supervisor, date of proposal, etc.

The office of the Supervisory Committee shall issue the notice of extraordinary meeting of the Supervisory Committee within 3 days after the office or the Chairman of the Supervisor Committee receives the written proposal of the Supervisor.

Where the office of the Supervisory Committee fails to issue the notice of meeting, the proposing Supervisor shall report to the regulatory department in due time.

Article 7 Convening and presiding of meetings

Meetings of the Supervisory Committee shall be convened and presided over by the Chairman of the Supervisory Committee; where the Chairman of the Supervisory Committee cannot or does not fulfill the duty thereof, the vice Chairman of the Supervisory Committee shall convene and preside; where no vice Chairman of the Supervisory Committee is available or the vice Chairman of the Supervisory Committee cannot or does not fulfill the duty thereof, the majority of the Supervisors may elect a Supervisor to convene and preside.

Article 8 Notice of meetings

The office of the Supervisory Committee shall send the written notice of meeting affixed with the seal of the Supervisory Committee to all the Supervisors by direct delivery, fax, email or other means 10 days and 5 days before a regular meeting and an extraordinary meeting of the Supervisory Committee respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Where an extraordinary meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by verbal means or telephone or other means, but the convener shall make explanations at the meeting.

Article 9 Contents of the notice of meetings

A written notice of meeting shall at least include:

- (i) date and location of the meeting to be held and meeting period;
- (ii) issues to be considered;
- (iii) the convener and Chairman of the meeting, persons submitting proposals at extraordinary meetings and the written proposals;
- (iv) documents needed for voting of Supervisors;
- (v) requirements with regard to meeting attendance by Supervisors in person;
- (vi) contact person for the meeting and his/her contact details; and
- (vii) date of the notice.

A verbal notice of meeting shall at least include (i) and (ii) above, and explanation of an extraordinary meeting of the Supervisory Committee held urgently in case of emergency.

Article 10 Change of the notice of meetings

If, after the written notice of a regular meeting of the Supervisory Committee is sent, it is necessary to change the date, location, etc. of the meeting or add, change or cancel proposals to the meeting, a written notice of change shall be sent 3 days before the original designated date for convening the meeting, to explain the reasons and provide relevant documents. Where the notice of change is sent in less than 3 days in advance, the date of meeting shall be postponed accordingly or the original date may be the convening date of the meeting after approved by more than half Supervisors.

If, after the notice of an extraordinary meeting of the Supervisory Committee is sent, it is necessary to change the date, location, etc. of the meeting or add, change or cancel proposal for the meeting, then it shall be necessary to seek the prior consent of more than half attending Supervisors and make relevant records.

Article 11 Form of meetings

Meetings of the Supervisory Committee shall be held onsite.

In emergency, a meeting of the Supervisory Committee allows voting by correspondence, but the convener (Chairman) of the meeting shall explain to the attending Supervisors the particulars about the emergency. In the case of voting by correspondence, the Supervisors shall fax to the office of the Supervisory Committee their written and signed opinions and voting intents on the matters to be considered. The Supervisors shall not merely provide voting opinions without expressing their written opinions or reasons for voting. The Supervisors voting by correspondence shall, within the period specified in the notice of the meeting, submit the signed original of votes to the Supervisory Committee.

Article 12 Convening of meetings

A meeting of the Supervisory Committee shall be attended by more than two thirds of the Supervisors. Where any relevant Supervisor refuses or fails to attend the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other Supervisors shall responsively report to the regulatory authority.

The secretary to the Board and the securities affair representative shall be present at meetings of the Supervisory Committee as non-voting representatives.

Article 13 Procedure of consideration of meetings

The Chairman of the meeting shall ask the attending Supervisors separately to provide definite opinions on respective proposals.

The Chairman of the meeting shall, as proposed by Supervisors, require Directors, senior management members, other members of staff of the Company or relevant agency institution to stand on inquiry, but non-Supervisors present at the meeting shall not participate in the consideration and voting of the Supervisory Committee.

The Chairman of the meeting shall adequately listen to the opinions of the attending Supervisors, control the progress of the meeting, and improve the efficiency of deliberation. If a Supervisor makes repeated speeches on one proposal or speeches beyond the proposal, thereby affecting the speeches of other Supervisors or hindering the normal progress of the meeting, the Chairman of the meeting shall stop it immediately.

The proposal included in the agenda of the meeting of the Supervisory Committee may not be voted immediately if a further discussion on material issues thereof is found necessary during the consideration. The Chairman of the Supervisory Committee proposes to set up an ad hoc investigation team and make corresponding resolutions based on the reports of the investigation team.

Article 14 Resolutions of the Supervisory Committee

One person shall have one vote when voting on the resolution of the Supervisory Committee, by open ballot or in writing.

The voting intent of a Supervisor may be pro, con or abstention. Every attending Supervisor shall choose one out of the aforesaid intents. Where any Supervisor does not make any option or makes two or more options, the Chairman of the meeting shall require the said Supervisor to make an option again, otherwise the said Supervisor shall be deemed as having abstained from voting; any Supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

The resolution made by the Supervisory Committee shall be subject to the approval of more than two thirds of the members of the Supervisory Committee by voting.

Article 15 Recordings of meetings

A meeting of the Supervisory Committee convened through video or telephone shall be recorded.

Article 16 Minutes of meetings

The office of the Supervisory Committee shall keep minutes of on-site meetings. The minutes shall include the following information:

- (i) the session, date, location and form of the meeting;
- (ii) sending of the notice of meeting;
- (iii) the convener and Chairman of the meeting;
- (iv) attendance of the meeting;
- (v) procedure and process of the meeting;
- (vi) the motions considered at the meeting, chief comments and opinions of Supervisors on relevant issues, and intents of the Supervisors for voting on the motions;
- (vii) the voting method and result for each motion (the voting result shall set out the respective numbers of pros, cons and abstentions); and
- (viii) other issues that the attending Supervisors think should be included into the minutes.

For a meeting held by correspondence, the office of the Supervisory Committee shall sort out the meeting minutes as per the preceding provision.

Each Supervisor is entitled to request that an explanation of his comments made at the meetings be noted in the minutes.

Article 17 Signatures of Supervisors

The attending Supervisors shall sign and confirm the minutes of the meeting, summary of the meeting and the records of the resolutions. Where the Supervisors disagree over the minutes of the meeting, summary of the meeting or the records of the resolutions, they may attach written remarks when signing the said minutes, summary or records of the resolutions. Where necessary, they shall responsively report to the regulatory authority or announce public statements.

Where any Supervisor neither signs as per the preceding provision nor provides his different opinions in writing, reports to the regulatory authority or announces public statement, the said Supervisor shall be deemed as agreeing with the minutes of the meeting, summary of the meeting and the records of the resolutions.

Article 18 Announcement of resolutions

Resolutions made by the Supervisor Committee shall be announced by the secretary to the Board pursuant to the Listing Rules of Shanghai Stock Exchange. Before announcement of the resolutions, the attending Supervisors, other attendants, and the recording and service staff shall fulfill the confidentiality obligation.

Article 19 Execution of resolutions

The Supervisors shall urge relevant personnel to execute the resolutions of the Supervisory Committee. The Chairman of the Supervisory Committee shall report at future meetings of the Supervisory Committee how the resolutions are executed.

Article 20 Keeping of meeting archives

Archives of meetings of the Supervisory Committee including notices of meeting, meeting documents, attendance book, meeting recordings, votes, meeting minutes signed by the attending Supervisors, summaries of meetings, records and announcements of the resolutions, etc., shall be kept by the secretary to the Board.

Archives of meetings of the Supervisory Committee shall be kept for a period of 20 years.

Article 21 The by-laws

Matters not covered herein shall be handled with reference to Rules of Procedures of Board Meetings.

“More than” as referred to in the Rules are inclusive of the stated figures.

The Rules are formulated by the Supervisory Committee, and shall be effective on the date of approval at the shareholders’ general meeting of the Company, and the same applies to revisions.

The Rules is interpreted by the Supervisory Committee.