



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

ARTICLES OF ASSOCIATION

(Considered and approved at the 2024 first extraordinary general meeting
of the Company on January 18, 2024)

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CHAPTER I GENERAL PROVISIONS

Article 1 The Articles of Association is formulated in accordance with the *Company Law of the People's Republic of China* (the "Company Law"), *Securities Law of the People's Republic of China* (the "Securities Law"), *Code of Corporate Governance for Listed Companies*, *Rules for Governance of Securities Companies*, *Guidelines for Articles of Association of Listed Companies*, *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "Hong Kong Listing Rules") and other relevant provisions, for the purpose of safeguarding the legitimate rights and interests of China Merchants Securities Co., Ltd. (the "Company"), its shareholders and creditors, and regulating the organization and activities of the Company.

Article 2 The Company is a limited liability company by shares established in accordance with the Company Law, the Securities Law and other relevant regulations.

The Company was approved by document ZJJGZ (2001) No. 285 of China Securities Regulatory Commission ("CSRC") and document SFG (2001) No. 49 of People's Government of Shenzhen, Guangdong Province. The Company is entirely evolved from and established by the original shareholder of Guo Tong Securities Co., Ltd. The Company was registered at Shenzhen Administration for Industry & Commerce in Guangdong Province on December 26, 2001, and secured the Business License for the Enterprise as a Legal Person. On June 28, 2002, the Company was renamed to "China Merchants Securities Co., Ltd." from "Guo Tong Securities Co., Ltd." and completed the change procedure at Shenzhen Administration for Industry & Commerce in Guangdong Province. The Company's unified social credit code is 91440300192238549B.

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

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

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

Article 5 Address: No. 111, Fuhuayai Road, Futian Street, Futian District, Shenzhen
Post Code: 518046

Article 6 The registered capital of the Company is RMB8,696,526,806.

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

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

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

Article 10 In accordance with the requirements of the Constitution of the Communist Party of China, an organization of the Communist Party of China shall be established to carry out Party activities. The Party committee shall perform the leadership functions to provide directions, manage overall situations and ensure implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party Organization, so as to provide necessary conditions for the activities of the Party Organization.

Article 11 The Company shall consistently implement the strategy of legal governance, enhance corporate legal construction and compliance management, implement laws and regulations and industry regulations as well as departmental rules such as state-owned asset management through a compliance officer system, implement the legal requirements on governing enterprises by the rule of law and operating under the rule of law, strive to be an enterprise with rule of law and safeguard the compliant operation and sustainable healthy development of the Company.

Article 12 These Articles of Association shall come into effect after passed by the resolutions of a shareholders' meeting.

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

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

Article 13 “Other senior officer(s)” referred to in the Articles of Association include deputy general managers, the secretary to the Board of Directors, the Chief Financial Officer, the Compliance Officer, the Chief Risk Officer, the Chief Information Officer of the Company, and other personnel identified as senior officers by the resolutions of the Board of Directors.

Article 14 The Company shall, as required by the regulatory authority and stock exchange of the place where the securities of the Company are listed, perform the duty of information disclosure.

CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

Article 15 The Company’s objectives are to give full play to the role of a securities company, provide quality and efficient services, and achieve the organic unity of its own economic benefit with the social benefit by earnestly implementing and executing the national economic and financial guidelines and policies, carrying on various activities in line with the principle of the socialist market economy, and positively participating in the activities of financial capital market.

Article 16 As approved or recorded by the relevant regulatory authority, the Company’s scope of business is as follows: securities brokerage; securities investment consulting; financial consulting relating to securities trading and securities investment activities; securities underwriting and sponsorship; proprietary securities dealing; margin financing and securities lending; selling of securities investment funds on a commission basis; intermediary services to futures companies; selling of financial products on a commission basis; insurance agency; securities investment fund custody; stocks and options market-making; listed securities market-making and trading business.

Article 17 The Company may establish wholly-owned subsidiaries to respectively carry on private equity investment fund business, financial product investment and other alternative investment businesses, or securities asset management business and other businesses approved by the regulatory authority.

Article 18 To the extent permitted by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, the Company may invest in other limited liability companies or joint stock limited companies. The Company’s liability to an investee company shall be limited to the amount of its capital contribution to the investee company.

Article 19 The goal of corporate culture construction of the Company is to focus on implementing the core cultural values of the securities industry of “compliance, integrity, professionalism and stability”, actively fulfill social responsibilities, safeguard the legitimate rights and interests of investors, adhere to the concept of sustainable development, and guide and promote the high-quality development of the Company.

Article 20 In terms of business integrity management, the Company aims to actively promote the cultural concept of “treating each other with sincerity and trustworthiness”, establish and improve the business integrity system and long-term mechanism, and facilitate the sustainable, sound and high-quality development of the Company.

CHAPTER III SHARES

Section I Share Issuance

Article 21 All the shares of the Company shall be issued in the form of stocks.

Article 22 The shares of the Company shall be issued on the basis of openness, fairness and equity, and shall rank pari passu among each other in the same class.

Stocks of the same class issued at the same time shall be equal in issue price and shall be subject to the same issuance conditions. The same price shall be paid by any institution or individual for each share subscribed.

Article 23 Any and all stocks issued by the Company have a par value of one RMB.

Article 24 Upon registration or filing with the securities regulatory authority under the State Council, the Company may issue shares to domestic investors and foreign investors.

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

The domestically listed domestic shares issued by the Company are centrally deposited at China Securities Depository and Clearing Corporation Limited.

The H shares of the Company shall either be held by the central depository of Hong Kong Securities Clearing Company Limited or held by the individual shareholders in their own names.

Article 25 With the approval of competent authorities, the Company issued a total of 2,400,280,638 ordinary shares, which were issued to its promoters upon incorporation, representing 100% of the total number of ordinary shares which may be issued by the Company.

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

No.	Shareholder Name	Amount	Percentage
1	China Merchants Finance Investment Holdings Co., Ltd.	359,368,947	14.97%
2	China Merchants Steam Navigation Co., Ltd.	311,556,426	12.98%
3	China Ocean Shipping (Group) Company	248,756,356	10.36%
4	Qinhuangdao Port Bureau of Ministry	243,896,661	10.16%
5	China Harbor Construction (Group) Company	216,272,922	9.01%
6	Guangzhou Maritime Transport (Group) Co., Ltd.	203,381,233	8.47%
7	China Merchants Shekou Industrial Zone Co., Ltd.	192,022,451	8.00%
8	Shenzhen Baoheng (Group) Co., Ltd	155,333,288	6.47%
9	China Shipping Haisheng Co., Ltd.	96,011,225	4.00%
10	Shenzhen Huaqiang Holdings Limited	96,011,225	4.00%
11	Deer Gongwuji Co., Ltd.	70,917,382	2.95%
12	Shenzhen Ocean Shipping Co., Ltd.	44,583,030	1.86%
13	China Shipping (Group) Company	29,286,696	1.22%
14	Shanghai Motor Industry Co., Ltd.	26,309,257	1.10%
15	China International Marine Containers (Group) Co., Ltd.	24,019,171	1.00%
16	Shandong Provincial Transport Development Investment Company	18,474,523	0.77%
17	Guangzhou Dredging Company	16,250,990	0.68%
18	China Road and Bridge (Group) Corporation	12,848,047	0.54%
19	CNTIC Trading Co., Ltd.	9,127,612	0.38%
20	Shanghai Railway Bureau	4,433,972	0.18%
21	Zhonggang Fourth Harbor Engineering	2,211,531	0.09%
22	Shanghai Municipal Postal Administration	2,058,786	0.09%
23	China National Electronics Imp. & Exp. Corporation	1,846,034	0.08%
24	Shenzhen Hongkai (Group) Co., Ltd.	1,846,034	0.08%
25	Zhejiang Transportation Engineering Construction Group	1,825,304	0.08%
26	Guangzhou Port Bureau	1,825,304	0.08%
27	Wuhan Yanco (Group) Company Limited	1,528,542	0.06%
28	Financial Street Holdings Co., Ltd.	1,344,157	0.06%

No.	Shareholder Name	Amount	Percentage
29	Shanghai Huayi (Group) Company	912,106	0.04%
30	Sichuan Road & Bridge (Group) Co., Ltd.	912,106	0.04%
31	Shanghai Eastern China Electricity Enterprise Co., Ltd.	615,344	0.03%
32	Shenyang Liaoneng Investment Co., Ltd.	615,344	0.03%
33	Shenzhen Shatoujiao Free Trade Zone Investment Development Company	615,344	0.03%
34	Shenzhen Sanding Oil Shipping Trade Co., Ltd.	615,344	0.03%
35	Shenzhen Lishengda Enterprise Co., Ltd.	615,344	0.03%
36	Jiangxi Hongdu Aviation Industry Co., Ltd.	576,067	0.02%
37	Beijing North Star Industrial Group Company	536,790	0.02%
38	Shenzhen Shipping Company	306,581	0.01%
39	Shenzhen China Union Holdings Ltd.	306,581	0.01%
40	China National Cereals, Oils & Foodstuffs Import & Export Corporation	306,581	0.01%

Article 26 The Company issued a total of 8,696,526,806 ordinary shares, of which, 7,422,005,272 shares were held by domestic investors, representing 85.34% of the total number of ordinary shares which may be issued by the Company, and 1,274,521,534 shares were held by foreign investors, representing 14.66% of the total number of ordinary shares which may be issued by the Company.

Article 27 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares listed overseas are called overseas-listed foreign shares.

Foreign shares listed on SEHK are called H Shares.

Article 28 The Company or its subsidiaries (including affiliates) shall not, at any time, provide any form of financial assistance, such as gift, advance, guarantee, compensation or loan, to the subscriber or potential subscriber of the Company's shares.

Section II Increase, Decrease or Repurchase of Shares

Article 29 The Company may, based on its operating and development needs and in accordance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, increase its registered capital in the following ways, subject to resolution adopted by the shareholders' general meeting:

- (I) By public offering of shares;
- (II) By private offering of shares;
- (III) By issuing bonus shares to its existing shareholders;
- (IV) By capitalization of its capital reserve funds into share capital; or
- (V) By other means permitted by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

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

Article 30 The Company may reduce its registered capital. The reduction of the Company's registered capital shall be conducted in accordance with the procedures stipulated by the Company Law and the Articles of Association.

Article 31 When the Company reduces its registered capital, it must prepare a balance sheet and an inventory list of its assets.

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

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

Article 32 The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority when it increases or reduces its registered capital.

Article 33 The Company may, in accordance with the procedures set out in laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions, repurchase its shares issued under the following circumstances:

- (I) reduction of its registered capital;
- (II) merger with other companies that hold shares in the Company;
- (III) to grant the shares for employee shareholding scheme or as share incentives;
- (IV) repurchase of shares upon demand of any shareholder opposing a resolution in connection with a merger or division of the Company put to a shareholder's general meeting;
- (V) use of the shares for the purpose of conversion of the Company's bonds convertible to shares;
- (VI) where it is necessary to safeguard the Company's value and shareholders' interests.

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

Article 34 The Company may repurchase shares through open and centralized trading or other methods permitted by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions. If the Company acquires its own shares under the circumstances set out in items (III), (V) and (VI) of paragraph 1 of Article 33 of the Articles of Association, it shall be conducted through open and centralized trading.

Article 35 If the Company acquires its own shares under the circumstances set out in items (I) and (II) of paragraph 1 of Article 33 of the Articles of Association, the proposed resolution shall be passed at the general meeting. If the Company acquires its own shares under the circumstances set out in items (III), (V) and (VI) of paragraph 1 of Article 33 of the Articles of Association, subject to compliance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, the proposed resolution may be passed at the Board meeting attended by two-thirds or more of the directors.

Upon the acquisition of its own shares by the Company pursuant to paragraph 1 of Article 33 of the Articles of Association, in the case of item (I), the acquired shares shall be cancelled within ten (10) days from the date of acquisition; in the case of items (II) and (IV), the acquired shares shall be transferred or cancelled within six months; in the case of items (III), (V) and (VI), the aggregate number of shares held by the Company shall not exceed 10% of the total amount of shares issued by the Company, and shall be transferred or cancelled within three (3) years.

If laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions otherwise specify the relevant matters of the repurchase of shares as mentioned above, such provisions shall prevail.

Section III Shares Transfer

Article 36 The Company's shares are transferable in accordance with the laws. The transfer of the overseas-listed foreign shares listed in Hong Kong must be registered at the Hong Kong registration entity entrusted by the Company.

Article 37 All overseas-listed foreign shares which are listed in Hong Kong shall be transferred by a written instrument in a usual or common form (including the standard transfer form or registration form provided by SEHK) or any other form the Board of Directors may approve. The instrument of transfer may be signed by hand, or be affixed with a stamp if the transferor or transferee is a company. If the transferor or transferee is a recognized clearing house ("Recognized Clearing House") or its nominee defined by relevant regulations in effect from time to time in accordance with the laws of Hong Kong, the transfer form may be signed by hand or in mechanically-printed form.

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

Article 38 The Company shall not accept any of its shares as the subject matter of a pledge.

Article 39 The shares of the Company held by the promoters cannot be transferred within one (1) year after the incorporation of the Company. The shares issued before the initial public offering of A-shares cannot be transferred within one (1) year after the A-shares are listed for trading on the stock exchange.

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

If these personnel resign prior to the expiration of their term of office, they shall comply with the provisions of the preceding paragraph during their term of office determined when they take office and within six (6) months after the expiration of such term of office.

None of the directors, supervisors and senior officers of the Company is allowed to transfer the shares of the Company held by them within one (1) year after the shares of the Company are listed for trading.

If laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions specify otherwise, such provisions shall prevail.

Article 40 When any shareholder, holding 5% or more of the Company's shares, of the Company or any director, supervisor, senior officer of the Company disposes of his/her/its shares or other securities with an equity nature in the Company within six (6) months of purchase, or purchases shares in the Company again within six (6) months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company. However, exceptions shall be made for brokerage companies holding 5% or more of the shares in the Company due to the fact that their underwritten shares remain unsubscribed, and other circumstances specified by the CSRC.

The shares or other securities with an equity nature held by any director, supervisor, senior officer and natural person shareholder referred to in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents and children, and those held through others' accounts.

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

If the Board of Directors fails to comply with the provisions of the first paragraph of this article, the responsible directors shall bear joint and several liabilities according to the laws.

If laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions specify otherwise, such provisions shall prevail.

CHAPTER IV SHAREHOLDERS AND THE GENERAL MEETING

Section I Shareholders and Shareholding Management

Article 41 The Company shall maintain a register of shareholders based on vouchers provided by securities registries. The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company. A shareholder shall enjoy rights and assume obligations according to the class of shares held. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. The register of shareholders of overseas-listed foreign shares shall be open for inspection by shareholders but the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Cap.622 of the Laws of Hong Kong).

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

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

- (I) The Company shall not register more than four (4) persons as joint shareholders for any share;
- (II) All joint shareholders of any shares shall be jointly and severally liable for the payment of all fees payable for the relevant shares;
- (III) If any of those joint shareholders passes away, only the surviving joint shareholders shall be deemed by the Company as the owners of the relevant shares, but the Board of Directors shall be entitled to request for the surviving shareholders to provide the death certificate it thinks fit for the purpose of amending the register of shareholders;
- (IV) For joint shareholders of any shares, only the joint shareholder whose name appears first on the register of shareholders shall have the right to receive the share certificate of the relevant shares and notice from the Company as well as to attend the shareholders' general meeting of the Company or exercise the voting rights of the relevant shares. Any notice served to such shareholder shall be deemed to have been served to all joint shareholders of the relevant shares. Any of the joint shareholders may sign a proxy form, provided, however, where the number of the joint shareholders presenting at a meeting in person or by proxy is more than one, the vote cast by the shareholder whose name appears in prior sequence shall be regarded as the vote of the joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding relevant shares as prescribed in the Company's register of shareholders.

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

Article 42 When the Company convenes a general meeting, distributes dividends, commences liquidation or involves itself in other activities requiring the identification of shareholders, the Board of Directors or the convener of any such general meeting shall decide the record date of equity rights. The shareholders whose names appear on the register of shareholders at the close of trading on the record date are entitled to the relevant rights.

Article 43 The holders of the Company's ordinary shares shall enjoy the following rights:

- (I) To receive dividends and other forms of benefit distribution in proportion to their shareholdings;

- (II) To lawfully demand, convene, preside, or attend shareholders' general meetings either in person or by proxy, speak at shareholders' general meetings and exercise the corresponding voting right (except where a shareholder is required, by the relevant requirements of the place where the shares of the Company are listed, to abstain from voting to approve the matter under consideration);
- (III) To supervise the Company's business operations, and raise suggestions or make inquiries;
- (IV) To transfer, offer as gift or pledge their shares in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions;
- (V) To obtain relevant information in accordance with these Articles of Association, including to inspect and photocopy, subject to the payment of a reasonable fee, these Articles of Association, the register of shareholders of the Company, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of Board meetings, resolutions of meetings of the Board of Supervisors, and financial and accounting reports;
- (VI) To participate in the distribution of remaining assets of the Company in proportion to his/her/its shareholding in the event of the termination or liquidation of the Company;
- (VII) To request the Company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company;
- (VIII) To enjoy other rights conferred by laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions.

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

A shareholder who should but has not obtained the approval from or has not made due filings with the appropriate regulatory authority, or has not completed mandatory rectification process, or who has made false statements, abused its rights as a shareholder, or infringed on the interests of the securities company, is forbidden to exercise such rights of requesting a general meeting, voting, nomination, making a proposal, disposing of its shareholding, etc..

Article 44 Any shareholder who wishes to inspect or request any relevant information or material referred to in the preceding Article shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall, after verifying the identity of shareholders, provide such relevant information or materials as requested by such shareholder.

Article 45 If any resolution passed at the general meeting or the Board meeting is in violation of the laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution.

If the convening procedure and voting method of the general meeting or the Board meeting is in violation of laws, administrative regulations or these Articles of Association, or if the content of any resolution is in violation of these Articles of Association, the shareholders shall be entitled to request the people's court for revocation within sixty (60) days after the resolution being passed.

Article 46 Where any directors or senior officers violates laws, administrative regulations or these Articles of Association in carrying out his/her/its duties, thereby incurring any loss to the Company, the shareholder(s) severally or jointly holding over 1% of the shares of the Company for one hundred and eighty (180) consecutive days or above shall be entitled to request the Board of Supervisors in writing to initiate legal proceedings at the people's court. Where the Board of Supervisors violates laws, administrative regulations or these Articles of Association in carrying out his/her/its duties, thereby incurring any loss to the Company, the shareholder(s) shall be entitled to request the Board of Directors in writing to initiate legal proceedings at the people's court.

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

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

Article 47 If any of the directors or senior officers is in contravention of laws, administrative regulations or these Articles of Association and detrimental to the interests of shareholders, shareholders may initiate legal proceedings at the people's court.

Article 48 The holders of the Company's ordinary shares shall assume the following obligations:

- (I) To comply with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions;

- (II) To pay subscription funds based on the number of shares subscribed and the method of subscription. Shareholders of the Company shall fulfill their capital contribution obligations in strict accordance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions and use their proprietary funds to acquire equity of the Company. The funds shall come from legal sources. Non-proprietary funds such as entrusted funds are prohibited for such equity acquisition unless otherwise prescribed by laws and regulations;
- (III) Not to withdraw shares unless in the circumstances stipulated by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions;
- (IV) Not to abuse shareholder's rights to prejudice the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person or the limited liability of a shareholder to prejudice the interests of the creditors of the Company;
- (V) The substantial shareholders (as defined in the Provisions for the Administration of Equity Ownership in Securities in Securities Companies) and controlling shareholders shall replenish the capital of the Company when necessary;
- (VI) To fulfill other obligations imposed by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions and these Articles of Association.

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

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

Article 49 Shareholders holding or controlling 5% or above shares of the Company shall notify the Company promptly after occurrence of any of the following circumstances:

- (I) Shares of the Company they hold or control is under property preservation measures or mandatory enforcement measures;
- (II) Shares of the Company they hold is pledged (the Company should be notified in writing on the day of such occurrence);
- (III) The actual controller is changed;
- (IV) Names are changed;

- (V) A merger or division is effected;
- (VI) They are subject to regulatory measures including suspension of operation for rectification, designated custody, takeover or revocation or other regulatory measures, or proceeding with dissolution, bankruptcy or liquidation procedures;
- (VII) They receive administrative penalty or are investigated for criminal responsibility due to serious violations of laws and regulations;
- (VIII) They are involved in other circumstances that may lead to transfer of the shares in the Company they hold or control or affect operation of the Company;
- (IX) There is a material change in their shareholding or control of the Company, or a material change in the actual controller and other entities under its control in respect of their engagement in the same or similar type of business of the Company;
- (X) The court has ruled that the controlling shareholder is prohibited from transferring the shares it holds, or that more than 5% of the Company's shares held by any shareholder should be frozen, judicially auctioned, kept in custody or in trust or restricted from voting in accordance with the law, or there is a risk of compulsory transfer;
- (XI) There is a proposed restructuring of material assets, debts or business of the Company;
- (XII) There are rumors related to the controlling shareholder or actual controller, which may have a material impact on the trading price of the Company's securities and their derivatives;
- (XIII) The controlling shareholder or actual controller is subject to criminal penalties, or is investigated by the CSRC for suspected violations of laws and regulations, or is subject to administrative penalties by the CSRC, or is subject to major administrative penalties by other competent authorities;
- (XIV) The controlling shareholder or actual controller is suspected of material violations of laws and regulations, or is detained by the discipline inspection and supervision authority due to duty-related crimes, which affects their performance of duties;
- (XV) The controlling shareholder or actual controller is suspected of committing a crime and is subject to compulsory measures;
- (XVI) Other circumstances that may have a material impact on the trading price of the Company's securities and their derivatives.

If an announcement of any of the above circumstances is required by the local stock exchange in the place where the securities of the Company are listed, the Company shall make a timely announcement.

The Company shall report to relevant regulatory authorities, such as the local office of the CSRC of its place of domicile, within five (5) working days after acknowledging the occurrence of the events as stated in Items (I) to (VIII) of paragraph 1.

This sub-clause does not apply to recognized clearing houses as defined by relevant laws and regulations of the place where the securities of the Company are listed.

Article 50 The controlling shareholders or the actual controllers of the Company shall not use their affiliations to damage the interests of the Company. In the event of any contravention of the requirements and causes losses to the Company, the controlling shareholder or the actual controller of the Company shall assume the liability for compensations thereof.

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

Article 51 The Board of the Directors applies the “occupancy freeze” mechanism to shares of the Company held by the controlling shareholder. Once the controlling shareholder is found to embezzle the assets of the Company, the application for judicially freezing the shares held by the controlling shareholder shall be immediately submitted. Where the embezzled asset of the Company is not restorable or settled in cash or in other ways as approved by a general meeting, the embezzled asset shall be repaid by the realization of the shares held by the controlling shareholders.

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

Article 52 The Company shall conduct equity ownership management in accordance with the “Provisions for the Administration of Equity Ownership in Securities Companies” and other relevant laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

The chairman of the board of directors of the Company is the first responsible person for the Company's equity ownership management, while the secretary of the board of directors shall assist the chairman and bear direct responsibility in equity ownership management. The Company's office is the competent department of equity ownership management affairs and coordinates the implementation of relevant works of equity ownership management.

Article 53 The shareholding period of shareholders of the Company shall be in compliance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

If the major assets of a shareholder of the Company are equities in the Company, its controlling shareholder and de facto controller shall comply with the same lock-up period prescribed for the shareholder of the Company, unless otherwise recognized by the CSRC according to law.

Article 54 Shareholders holding 5% or above shares of the Company shall not pledge equities held in the Company during the lock-up period. Upon expiration of the lock-up period, a shareholder of the Company shall not pledge more than 50% of its own equities in the Company.

When pledging its own equities in the Company, the shareholder shall not impair the interests of other shareholders or the Company, maliciously circumvent the requirements of the lock-up period of equities, make such agreements that would allow the pledgee or other third party to exercise voting rights and other shareholders' rights, or transfer in any disguised form the control power over the Company's equities.

Article 55 In the case of violations or misconduct related to equity ownership management, including violations of laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, the relevant shareholders, the Company, responsible persons in charge of equity ownership management and other relevant personnel accountable should be responsible in accordance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Section II General Provisions on Shareholders' General Meeting

Article 56 The shareholders' general meeting is the organ of authority in the Company, and shall exercise the following functions and powers in accordance with the law:

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

- (IV) To consider and approve the report of the Board of Supervisors;
- (V) To consider and approve the annual financial budget and final accounts of the Company;
- (VI) To consider and approve the profit distribution plan and loss recovery plan of the Company;
- (VII) To resolve on the increase or decrease of the Company's registered capital;
- (VIII) To resolve on the issuance of corporate bonds of the Company;
- (IX) To resolve on matters such as merger, division, dissolution or liquidation of the Company, or change of the corporate form of the Company;
- (X) To amend these Articles of Association of the Company;
- (XI) To resolve on the appointment or dismissal of auditors by the Company;
- (XII) To consider and approve the external guarantees specified in Article 57 of these Articles of Association;
- (XIII) To consider and approve the provision of financial assistance (including interest-bearing or interest-free borrowings, entrusted loans, etc.) as specified in Article 58 of these Articles of Association;
- (XIV) To consider and approve the Company's purchase or disposal of major assets within 12 consecutive months with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
- (XV) To consider and approve the Company's external investment within 12 consecutive months with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
- (XVI) To consider and approve any related-party transaction which shall be considered at shareholders' general meeting as required by the listing rules of the place where the securities of the Company are listed, and other provisions;
- (XVII) To consider and approve the change in uses of proceeds raised;
- (XVIII) To consider equity incentive plan and employee stock ownership plan;

(XIX) To consider any other matters which shall be resolved at the shareholders' general meeting as required by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

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

Article 57 The following external guarantee of the Company shall be deliberated and approved by the shareholders' general meeting:

- (I) Provision of any external guarantee by the Company and its controlling subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;
- (II) Provision of any external guarantee by the Company and its controlling subsidiaries, the total amount of which exceeds 30% of the latest audited total assets of the Company (net of clients' margins);
- (III) Provision of any guarantee by the Company, the accumulated amount of which within 12 consecutive months exceeds 30% of the latest audited total assets of the Company (net of clients' margins);
- (IV) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (V) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;
- (VI) Provision of guarantee to related parties of the Company (excluding shareholders and their related parties);
- (VII) Any other provision of guarantee which shall be considered at the shareholders' general meeting as required by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

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

Those who fail to provide a guarantee in accordance with the prescribed procedures or within their scope of authority shall be held accountable in accordance with the Company's relevant rules and bear corresponding legal liabilities.

Article 58 The following financial assistance provided by the Company shall be deliberated and approved by the shareholders' general meeting:

- (I) Where the amount of an individual financial assistance exceeds 10% of the latest audited net assets of the Company;
- (II) Where the financial information of the grantee in the latest period indicates that its gearing ratio exceeds 70%;
- (III) Where the accumulative amount of financial assistance in the last twelve months exceeds 10% of the latest audited net assets of the Company;
- (IV) Other circumstances stipulated by the stock exchanges or in the Articles of Association.

If the grantee is a controlled subsidiary within the scope of consolidated statements of the Company, and the other shareholders of such controlled subsidiary do not include the Company's controlling shareholder or actual controller and their associates, the relevant provisions of the Articles of Association regarding financial assistance may be exempted.

Provision of financial assistance that requires deliberation and approval by the shareholders' general meeting shall be deliberated and approved by the Board of Directors before it can be submitted to the shareholders' general meeting for deliberation and approval.

Those who fail to provide financial assistance in accordance with the stipulated procedures or within their authority shall be held accountable in accordance with the relevant rules of the Company, and shall bear corresponding legal liabilities.

Article 59 A shareholders' general meeting is either an annual general meeting or an extraordinary general meeting. The annual general meeting shall be convened once a year, and shall be held within six months after the end of the previous financial year.

Article 60 The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (I) The number of directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in these Articles of Association;
- (II) The Company's uncovered losses amount to one-third of the total amount of its paid-up share capital;
- (III) Shareholder(s) severally or jointly holding 10% or above of the Company's shares for 90 consecutive days or more request(s) the holding of an extraordinary general meeting;

- (IV) The Board of Directors considers it necessary;
- (V) The Board of Supervisors proposes to convene such meeting;
- (VI) Other circumstances stipulated by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, or these Articles of Association.

Article 61 The shareholder's general meeting of the Company shall be convened at the domicile of the Company or any other location determined by the Board of Directors.

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

Article 62 The Company shall engage lawyers to advise on the following issues with announcements made thereon for the convening of the shareholders' general meeting:

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

Section III Convening of Shareholders' General Meeting

Article 63 More than half of the independent directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board of Directors shall, pursuant to relevant laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the proposal.

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

Article 64 The Board of Supervisors shall be entitled to propose, essentially in writing, to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, pursuant to relevant laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the proposal.

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

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

Article 65 Shareholder(s) severally or jointly holding 10% or above shares of the Company for ninety (90) consecutive days or more shall be entitled to request the Board of Directors to convene an extraordinary general meeting, and shall put forward such request to the Board of Directors in writing. The Board of Directors shall, pursuant to relevant laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions, indicate its written feedbacks to the agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receipt of the request.

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

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

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

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

Article 66 Where the Board of Supervisors or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board of Directors in writing and file with the stock exchange.

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

The Board of Supervisors or convening shareholders shall, when the notice on the convening of the shareholders' general meeting is delivered and a resolution passing at the shareholders' general meeting is announced, submit relevant supporting documents to the stock exchange.

Article 67 The Board of Directors and secretary to the Board shall cooperate with the Board of Supervisors or shareholders in respect of any shareholders' general meeting held by the latter. The Board shall provide the register of shareholders as of the record date of the equity interests.

Article 68 Expenses necessary for a shareholders' general meeting held by the Board of Supervisors or shareholders on its own shall be borne by the Company.

Section IV Proposals and Notices of Shareholders' General Meeting

Article 69 The contents of the proposal shall fall into the scope of functions and powers of the shareholders' general meeting with definite topics and specific resolution, and comply with the relevant provisions of laws, regulations, regulatory provisions, self-disciplinary rules, the Articles of Association and other relevant provisions.

Article 70 The Board of Directors, the Board of Supervisors, and shareholder(s) severally or jointly holding 3% or above shares of the Company for one hundred and eighty (180) consecutive days or more shall be entitled to submit proposals to the Company at the shareholders' general meeting.

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

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

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with Article 69 of these Articles of Association shall not be voted and resolved at the shareholders' general meeting.

Article 71 The Company shall inform each shareholder by announcement twenty-one (21) days prior to the convening of an annual general meeting and shall inform each shareholder by announcement fifteen (15) days prior to the convening of an extraordinary general meeting.

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

Article 72 A notice of shareholders' general meeting shall be made in writing and include the following contents:

- (I) Specify the time and date, place and duration of the meeting;
- (II) State the matters and motions to be considered at the meeting;
- (III) Contain a conspicuous statement that all shareholders are entitled to attend and vote at the shareholders' general meeting, that the shareholder shall have the right to appoint a proxy in writing to attend the meeting and vote on his/her/its behalf, and that a proxy needs not to be a shareholder of the Company;
- (IV) Specify the record date for the entitlement of the shareholder eligible to attend the shareholders' general meeting;
- (V) State the names and telephone numbers of the standing contact persons for the meeting;
- (VI) If a shareholders' general meeting is held online or otherwise, the designated time and procedure for voting online or through other means shall be expressly stated in the notice of such meeting;
- (VII) Other content required by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

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

Any notice and supplementary notice of the shareholder's general meetings shall sufficiently and completely disclose all specific contents of all motions in full. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice or supplementary notice of the shareholders' general meeting.

Article 73 Unless otherwise specified in the Articles of Association, the notice of the shareholders' general meeting shall be delivered to the shareholders (regardless of whether they are entitled to vote at the general meeting) in the manner specified in the Articles of Association or by other means permitted by the stock exchange where the securities of the Company are listed.

Article 74 Where the election of directors and supervisors are scheduled to be considered at the shareholders' general meeting, the notice of the shareholders' general meeting should sufficiently disclose the detailed information about the director and supervisor candidate(s), including at least the following:

- (I) Personal information including educational background, working experience and part-time employments;
- (II) Interested relationship, if any, with the directors, supervisors, senior officers, actual controllers and shareholders holding 5% or above of the shares of the Company;
- (III) Circumstances, if any, prohibiting the person from serving as a director or supervisor of a listed securities company;
- (IV) The number of shares in the Company held;
- (V) Penalties, if any, by the CSRC and other relevant authorities and any warning from the stock exchange;
- (VI) Other disclosable information as required by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

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

Article 75 After the notice of the shareholders' general meeting is issued, the general meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a shareholders' general meeting has to be postponed or cancelled, the convener shall publish a public announcement at least two (2) working days before the original date of the shareholders' general meeting and state the reasons.

Section V Convening of Shareholders' General Meeting

Article 76 The Board of Directors and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the legitimate rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 77 All ordinary shareholders registered on the record date or their proxies are entitled to attend the shareholders' general meeting, and exercise voting rights in accordance with relevant laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions.

Any shareholders entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more persons (a shareholder or not) in writing as his/her/its proxy to attend and vote on his/her/its behalf.

Article 78 Individual shareholders attending a shareholders' general meeting in person shall present their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall present valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the shareholders' general meeting (and shall be treated as being present in person). Legal representatives attending the shareholders' general meeting shall present their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall present their identity cards and the letters of attorney duly issued by such legal representatives.

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

Article 79 The proxy form to appoint a proxy to attend any shareholders' general meeting by a shareholder shall contain the following:

- (I) Name of the proxy;
- (II) Indication of whether voting power is granted;
- (III) Instruction of voting "for", "against" or "abstention" for each matter on the agenda of any shareholders' general meeting;

- (IV) Date of signing the proxy form and the effective period for such appointment;
- (V) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the legal entity shall be affixed.

The proxy form shall contain a statement that, in the absence of instructions by the shareholder, whether or not the proxy may vote as he/she thinks fit.

Article 80 If the proxy form is signed by the agent on behalf of the shareholder, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents must be delivered to the domicile of the Company or such other place specified in the notice of the meeting together with the proxy form.

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

Article 81 A register of attendants at the meeting shall be compiled by the Company. The meeting register shall contain items including but not limited to the name of each attendant (or name of the organization), his/her identity card number, residential addresses, the number of shares held or representing the voting rights and name (or name of the organization) of each of the principals.

Article 82 The convener and the legal counsel appointed by the Company shall examine the legality of the shareholders' qualifications according to the register of shareholders and other effective documents provided by the securities registration and clearing organizations. The name (or designation) of each of the shareholders and the number of shares with voting rights held by each shareholder shall be registered. The registration at the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of the shares held with voting rights.

Article 83 All directors, supervisors and secretary to the Board shall attend the shareholders' general meetings of the Company, and the general manager and other senior officers shall be present at the meetings.

Article 84 The chairman of the Board shall preside over and act as chairman of the shareholders' general meeting convened by the Board. If the chairman of the Board is unable or fails to perform such duties, a director elected jointly by half or more of the directors shall preside over and act as the chairman of the meeting. If the Board of Directors is unable or fails to perform the duties of convening a shareholders' general meeting, the Board of Supervisors shall in due course convene and preside over the meeting. If the Board of Supervisors fails to convene and preside over a shareholders' general meeting, shareholders severally or jointly holding 10% or above shares of the Company for ninety (90) or more consecutive days shall have the right to convene and preside over the meeting.

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

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

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

Article 85 The Company shall establish rules of procedure for shareholders' general meetings which shall specify the convening and voting procedure of shareholders' general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization and definite and specific authorization to the Board of Directors by the shareholders' general meeting. The rules of procedure for shareholders' general meetings shall be prepared by the Board of Directors and approved by the shareholders' general meeting.

Article 86 The Board of Directors and the Board of Supervisors shall report their work for the past year at the annual general meeting. Each independent director shall also submit his/her work report.

Article 87 The directors, supervisors and senior officers of the Company shall respond to inquiries and proposals made by shareholders at the shareholders' general meeting.

Article 88 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's register.

Article 89 Minutes of a shareholder's general meeting shall be kept by the secretary to the Board. The minutes shall contain:

- (I) Time, place and agenda of the meeting and names or designations of the convener;
- (II) The name of the person chairing the meeting and the names of the directors, supervisors and senior officers attending or present at the meeting;
- (III) The number of shareholders and proxies attending the meeting, the number of voting shares each of them represent and the percentage of the voting shares held by each shareholder to the total number of shares of the Company;

- (IV) The process of deliberation, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) Name of each of the lawyer, vote counter and scrutinizer of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

Article 90 The convener shall ensure that the minutes of meetings are true, accurate and complete. The directors, supervisors, the secretary to the Board, the convener or representative thereof attending the meeting, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting for a period of not less than ten (10) years.

Article 91 The convener shall ensure that the shareholders' general meeting is held continuously until final resolutions have been reached. In the event that the shareholders' general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and a timely announcement shall be published. The convener shall report the same to the local office of the CSRC and the stock exchange in the place where the Company is located according to relevant requirements.

Section VI Voting and Resolutions at Shareholders' General Meetings

Article 92 The resolutions of the shareholders' general meeting can be classified into ordinary resolutions and special resolutions.

Ordinary resolutions at a shareholders' general meeting shall be passed by more than 50% of the voting rights held by shareholders (including proxies) attending the shareholders' general meeting.

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

Article 93 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (I) Work reports of the Board of Directors and the Board of Supervisors;
- (II) Plans formulated by the Board of Directors for profit distribution and losses recovery;
- (III) Appointments or dismissal of the members of the Board of Directors and Board of Supervisors, their remunerations and payment methods;

- (IV) Annual budgets and final accounts of the Company;
- (V) Annual reports of the Company;
- (VI) Matters other than those required by the laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions or the Articles of Association to be passed by special resolution.

Article 94 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (I) Increase or reduction of the registered capital of the Company;
- (II) Division, spin-off, merger, dissolution or liquidation of the Company, or change in the corporate form of the Company;
- (III) Amendments to the Articles of Association of the Company;
- (IV) Any purchase or disposal of major assets made or guaranteed within 12 consecutive months with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
- (V) Stock incentive plan;
- (VI) Any other matters as required by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions or the Articles of Association of the Company to be subject to approval by special resolution at the meeting and matters which, if resolved by way of an ordinary resolution at a shareholders' general meeting, will have a material impact on the Company.

Article 95 Shareholders (including proxies) shall exercise their voting rights based on the number of voting shares they represent, with one vote for each share.

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

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

If a shareholder's acquisition of voting shares of the Company is in violation of paragraphs I and II of Article 63 of the Securities Law, voting rights involving the shares exceeding the stipulated proportion shall not be exercised within 36 months upon such acquisition, and the relevant shares shall not be included in the total number of shares carrying voting rights present at the shareholders' general meeting.

The Board of Directors, independent directors and shareholders holding more than 1% of voting shares or investor protection institutions established in accordance with the laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions may solicit voting rights from shareholders.

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

Article 96 When a connected transaction is considered at a shareholders' general meeting, connected shareholders shall abstain from voting, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement of the resolutions of the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

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

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

Article 97 On a poll taken at a meeting, a shareholder (or their proxy) entitled to two or more votes need not cast all his votes for, against or abstention in the same manner.

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

Article 98 The Company shall not, without the approval of special resolution made at a shareholders' general meeting, enter into any contract with any person other than a director or senior officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save that the Company is in special circumstances such as a crisis.

Article 99 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting for voting by way of proposal. The nomination of directors and supervisors shall follow the process and procedures as below:

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

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

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

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

When a voting is made on election of directors or supervisors at a shareholder's general meeting, the cumulative voting system may be adopted in accordance with the requirement of these Articles of Association or the resolutions of the shareholder's general meeting. The election of directors or supervisors shall implement the cumulative voting system when a single shareholder of the Company and parties acting in concert with it are interested in 30% or above of shares, or when shareholder(s) individually or jointly with related parties hold(s) 50% or above of the equity interests of the Company. The election of two or more independent directors shall implement the cumulative voting system.

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

Article 100 When the cumulative voting system is adopted, the number of voting rights held by each shareholder is equal to his/her/its shares multiplied by the number of candidates for directors or supervisors. A shareholder may cast all of his/her/its votes for one or several candidates for directors or supervisors.

Article 101 Before the commencement of the cumulative voting, the chairman of the meeting shall announce the application of the cumulative voting to the election of directors or supervisors to the shareholders or proxies present, and explain the calculation method of cumulative votes and election rules.

Article 102 The Board of Directors and Board of Supervisors shall, according to the agenda of the shareholders' general meeting, prepare the special votes beforehand for cumulative voting. Such votes shall also clearly indicate the words "votes used in the cumulative voting system applied for the election of directors or supervisors" and state the following formation, in addition to the same part as other votes:

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

Article 103 At the time of the application of cumulative voting to the election of directors, independent directors and other directors shall be elected separately, so as to ensure the proportion of independent directors in the Board of Directors of the Company.

Article 104 The votes of every candidate for directors or supervisors shall be counted separately. The candidates for directors or supervisors with the highest votes based on the desirable number of directors or supervisors will be elected. The votes of each elected director or supervisor shall be more than one half of the voting shares held by the shareholders attending the general meeting.

Article 105 In addition to the cumulative voting system, the shareholders' general meeting shall resolve on all the proposals separately. In the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' general meeting.

Article 106 When considering a proposed resolution at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposal, of which the voting shall not proceed in that meeting.

Article 107 The same vote may only be cast once at the location of a shareholders' general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

Article 108 Voting shall be conducted by open ballot at the shareholders' general meeting, unless otherwise specified in Hong Kong Listing Rules.

Article 109 Two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll prior to any voting at a shareholder's general meeting. Any shareholder who is interested in the matter under consideration and his/her/its proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the shareholders' general meeting, lawyers, representatives of the shareholders, the representative of supervisors and other scrutineer specified by the stock exchange where the securities of the Company are listed shall be jointly responsible for scrutinizing and counting votes and shall announce the voting results at the meeting. The voting result shall be recorded in the minutes of meeting.

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

Article 110 The ending time of an on-site shareholders' general meeting shall not be earlier than that of online or other access to the meeting. The chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

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

Article 111 A shareholder attending a shareholders' general meeting shall express one of the following opinions on any proposal to be voted on: for, against or abstention. The situation of securities registration and clearing organization as the nominal holder of some stocks that declares the votes based on the intention of the de facto holder shall be excluded.

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

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

Article 112 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, the chairman may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand for the counting of votes immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted immediately.

Article 113 Resolutions of the shareholders' general meeting shall be announced in due time according to relevant laws, regulations, regulatory provisions, self-disciplinary rules, the Articles of Association and other relevant provisions. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.

Article 114 Where a motion has not been passed or the resolutions of the preceding shareholders' general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 115 Where a resolution on the election of directors or supervisors is passed at the shareholders' general meeting, the term of office of the newly-elected director or supervisor shall commence on the date when the relevant resolution is passed at the shareholders' general meeting.

Article 116 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a shareholders' general meeting, the Company shall implement the specific plans within two (2) months after the conclusion of the general meeting.

CHAPTER V BOARD OF DIRECTORS

Section I Directors

Article 117 Directors of the Company shall comply with the conditions prescribed by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, and embody qualities necessary for the performance of duties as a director.

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

Article 118 Directors of the Company shall be elected or replaced at the shareholders' general meeting. The shareholders' general meeting can dismiss any director before the expiration of his/her service term. A director serves a term of three (3) years each and at the expiration of term, he/she may continue to serve as such if reelected. Without the consent by two-thirds or more of voting shares held by shareholders present at the shareholders' general meeting, the number of replacement directors shall not be one-third or more of the total members in the Board of Directors each year.

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

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

Article 119 Directors shall undertake the following fiduciary duties to the Company in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions:

- (I) Not to abuse their official powers to accept bribes or other forms of unlawful income, and not to misappropriate the Company's property;
- (II) Not to misappropriate monies of the Company;
- (III) Not to open any bank account in their own names or in others' names for the purpose of depositing any of the Company's assets or monies;
- (IV) Not to lend monies of the Company to other persons or provide guarantee for other persons with the property of the Company in violation of the Articles of Association or without the consent of the shareholders' general meeting or the Board of Directors;

- (V) Not to conclude any contract or conduct any transaction with the Company in violation of the Articles of Association or without the consent of the general meeting;
- (VI) Not to abuse his/her position to seize business opportunities for himself/herself or for other persons which should otherwise belong to the Company, or operate a business similar to or that has conflict of interest with that of the Company for himself/herself or for other persons;
- (VII) Not to take any commission for any transaction with the Company as their own;
- (VIII) Not to disclose any secret of the Company without authorization;
- (IX) Not to use their affiliations to damage the interests of the Company;
- (X) Not to assist in or connive at the embezzlement of Company's assets by the controlling shareholder or its affiliates;
- (XI) To fulfill other fiduciary duties stipulated by laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions.

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

Article 120 Directors shall fulfill the following obligations of diligence in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions:

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

Article 121 If any director fails to attend Board meetings in person or by proxy (with appointing another director as a proxy to attend the meeting on his/her behalf) for two consecutive times, the said director shall be deemed incapable of performing his duties, and the Board of Directors shall suggest that the shareholders' general meeting remove the said director.

Article 122 Directors may tender their resignations prior to the expiration of their terms of office. When a director resigns, he/she shall submit a written resignation notice to the Board of Directors. The Board of Directors will disclose the relevant information within two (2) days.

If the resignation of a director causes the number of in-service directors to fall below the statutory minimum, the incumbent director shall continue to perform his/her duties as a director in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions until the incoming director assumes his/her position.

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

Article 123 In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his/her personal capacity on behalf of the Company or the Board of Directors. A director shall declare his/her stance and capacity in advance if, such director is acting in his/her private capacity, insofar as a third party would reasonably believe that he/she is acting on behalf of the Company or the Board of Directors.

Article 124 If a director, when carrying out his/her duties, breaches the laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association or other relevant provisions and causes loss to the Company, he/she shall be responsible for damages.

Article 125 Independent directors shall perform their duties in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association, and other relevant provisions.

Section II Board of Directors

Article 126 The Company shall set up a Board of Directors which shall be accountable to the shareholders' general meeting.

Article 127 The Board of Directors shall consist of fifteen (15) directors, and the independent directors shall account for at least one-third of the total directors, including at least one accounting professional that complies with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Article 128 The Board of Directors consists of five special committees, namely, the Risk Management Committee, the Audit Committee, the Strategy and Sustainability Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. All of the special committees carry out the work with the authorization of the Board of Directors, provide suggestions for the decision of the Board of Directors, and are responsible to the Board of Directors. The composition and function of the special committees shall be determined by the Board of Directors. The Board of Directors is responsible for formulating the working rules of special committees and regulating the operation of special committees.

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

Article 129 The Board of Directors is entitled to exercise the following functions and powers:

- (I) To convene shareholders' general meetings and report to general meetings;
- (II) To implement the resolution of the shareholders' general meeting;
- (III) To decide the business plans and investment schemes of the Company;
- (IV) To formulate the annual financial budget plan and final accounts plan of the Company;
- (V) To formulate the profit distribution plan and loss recovery plan of the Company;
- (VI) To prepare plans for increase or reduction of registered capital of the Company, issuance of bonds and other securities and their listing;
- (VII) To formulate plans for significant acquisition of the Company, repurchase of the Company's shares or merger, division, dissolution and change in the corporate form of the Company;
- (VIII) To decide on the acquisition of the Company of its own shares under circumstances set out in paragraphs (III), (V) and (VI) of Article 33 of these Articles of Association;
- (IX) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, and other matters of the Company within the authority granted by the general meeting;
- (X) To decide on the establishment of the internal management structure of the Company;

- (XI) To appoint or dismiss the Company's general manager, secretary to the Board; to appoint or dismiss the Company's vice general manager, chief financial officer, Chief Compliance Officer, Chief Risk Officer, the Chief Information Officer and other senior officers as nominated by the general manager and determine their remunerations, rewards and penalties;
- (XII) To set up the basic management system;
- (XIII) To formulate the proposals for any amendment to these Articles of Association;
- (XIV) To manage the disclosure of information by the Company;
- (XV) To propose to the shareholders' general meeting the adjustment of the scale and personnel composition of the Board of Directors;
- (XVI) To propose to shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company;
- (XVII) To listen to the work report of the general manager of the Company and examine the general manager's work;
- (XVIII) To determine the Company's goal of compliance management and be responsible for its effectiveness; to review and approve the basic system of compliance management; to review and approve the annual compliance report; to ensure the independence of the Chief Compliance Officer, establish a direct communication mechanism with the Chief Compliance Officer, and safeguard the smooth reporting between the Chief Compliance Officer and the regulatory authority; to assess the effectiveness of compliance management and procure solutions for the problems relating to compliance management;
- (XIX) To be ultimately responsible for the overall risk management (including reputational risk management), facilitate the construction of risk management culture (including reputational risk management culture), review and approve the Company's basic overall risk management system, risk preference, risk tolerance and material risk limits, review the regular risk assessment reports of the Company, and establish a direct communication mechanism with the Chief Risk Officer, etc; ensure that reputational risk is included in the comprehensive risk management system, determine the general goal of reputational risk management, and continuously pay attention to the Company's overall reputational risk management standard. The Board of Directors may authorize the relevant risk management committee to fulfil part of its risk management duties;

- (XX) To be responsible for reviewing the Company's information technology management objectives, assume responsibility for the effectiveness of information technology management; to review information technology strategies to ensure their consistency with the Company's development strategies, risk management strategies and capital strength; to establish information technology human resource and fund guarantee programs; to assess the overall effects and efficiency of the annual information technology management work;
- (XXI) To determine the objectives of business integrity management and be liable for ensuring the effectiveness of business integrity management;
- (XXII) To guide the Company to accomplish the cultural construction of the Company and facilitate the cultural construction of the Company;
- (XXIII) To determine the objectives of business integrity management and be liable for ensuring the effectiveness of business integrity management;
- (XXIV) To be ultimately responsible for protecting the interests of investors; and
- (XXV) To exercise other functions and powers as conferred by laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions.

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

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

Article 130 The Board of Directors shall make explanations to the shareholders' general meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company.

Article 131 The Board of Directors shall formulate rules of procedure for the Board meetings in order to make sure that the Board of Directors shall implement the resolutions made by the shareholders' general meeting, improve the work efficiency and guarantee scientific decision-making.

Article 132 The Board of Directors shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset mortgage, external guarantee, provision of financial assistance, connected transactions, and external donations, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' general meeting for approval.

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

- (I) Matters related to Company's purchase or disposal of major assets within twelve (12) consecutive months with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients' margins);
- (II) Matters related to Company's external investment within twelve (12) consecutive months with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients' margins);
- (III) Other guarantees in addition to those as stipulated by Article 57 of these Articles of Association;
- (IV) Provision of other financial assistance in addition to those as stipulated by Article 58 of these Articles of Association;
- (V) To consider and approve the connected transaction which shall be resolved by the Board of Directors as required by the listing rules of the place where the securities of the Company are listed, and other provisions.

Major events set forth in items (I), (II) and (IV) of the preceding paragraphs exclude transactions related to the ordinary course of business such as the purchase and sale of computer equipment and software, office facilities, and transportation equipment, as well as transactions arising in the ordinary course of business such as proprietary trading in securities, securities underwriting and sponsorship, asset management, private equity investment fund business, margin financing and securities lending.

The Company shall not, in violation of the regulations, provide financial assistance to the shareholders and their related parties as well as the connected persons specified under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, except for the provision of financial assistance to an affiliated company which is not related to the shareholders of the Company, provided that other shareholders of such affiliated company shall provide financial assistance on the same conditions in proportion to their capital contributions.

Article 133 The matters related to external guarantees and provision of financial assistance that require deliberation by the Board of Directors must be deliberated and approved by more than half of all directors, and must also be deliberated and approved by two-thirds or above of directors who attend the Board meeting. For provision of guarantee to related parties (excluding shareholders and their related parties) and provision of financial assistance to affiliated companies that are not related to the shareholders of the Company, in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to deliberation and approval by two-thirds or more of the non-related directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for deliberation.

Article 134 In the event of any of the following circumstances, the Company shall promptly notify all shareholders by way of public announcement, and report to the local office of CSRC at the domicile of the Company:

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

Article 135 The Board of Directors shall have one chairman, who shall be elected by more than half of all directors at the Board meeting.

Article 136 The chairman of the Board is entitled to exercise the following functions and powers:

- (I) To preside over shareholder's general meetings, and to convene and preside over Board meetings;
- (II) To supervise and examine the implementation of any resolution passed at the Board meeting;
- (III) To exercise other functions and powers granted by the Board of Directors;
- (IV) To exercise other functions and powers conferred by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Article 137 When the chairman of the Board is unable or fails to perform such duties or is vacant, a director elected jointly by more than half of the directors shall fulfill the duties.

Article 138 The Board meetings shall be held at least four (4) times a year. Meetings shall be convened by the chairman of the Board. Written notice shall be given to all directors and supervisors fourteen (14) days before the meeting is held. The regular meeting cannot be convened in the form of a written resolution.

Article 139 The chairman of the Board shall convene and preside over an extraordinary board meeting within ten (10) days in one of the following situations when it is:

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

Article 140 The notice of an extraordinary board meeting shall be served by direct delivery, mail, fax, email or other means to all directors three (3) days prior to the date of meeting.

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

Article 141 The notice of the Board meeting shall include the following:

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

Article 142 The Board meetings shall be held only if more than half of the directors are present. Unless otherwise specified in these Articles of Association or relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, resolutions made by the Board of Directors must be passed by more than half of the directors of the Company.

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

Article 143 If a director has connection with the enterprise involved in a resolution made at a Board meeting, he/she shall not vote on the said resolution for himself/herself or on behalf of other directors. Any such Board meeting may be held with more than half of the non-connected directors present. The resolution made at the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors present at the meetings is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

Article 144 The vote on board resolutions shall be taken by way of voting on a site poll or on a show of hands or by way of correspondence.

Article 145 The Board meeting shall be held on-site or by way of video or telephone unless such means are impossible due to emergency, force majeure and other special reasons. The meeting shall be primarily held on-site. As long as all directors present at the meeting can fully communicate and express their opinions, the meeting may be held by way of video, telephone or other means in accordance with the procedures when necessary.

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

Article 146 Directors shall attend Board meetings in person. If any director is unable to attend the meeting for any reason, he/she may authorize in writing another director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director.

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

Article 147 The Board of Directors shall prepare minutes of the Board meetings, and accordingly may make sound recording of the meetings. The minutes of meetings shall truthfully, accurately and completely record the meeting process, resolution, directors' remarks and voting, and be kept in compliance with laws. The minutes of meeting shall be signed by the directors present at the meeting, the secretary to the Board and the person recording the minutes. The minutes of meeting shall be kept as corporate files for a period of not less than ten (10) years.

Article 148 The minutes of the Board meeting shall include the following:

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

Article 149 The directors shall sign on the resolutions passed at Board meetings and be responsible for the resolutions passed at Board meetings. If any resolution of the Board of Directors breaches laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association, resolutions passed at shareholders' general meetings and other relevant provisions, thereby causing the Company to sustain a loss, the directors who take part in passing the resolution shall be liable to the Company for damages. However, those directors who are proved to have expressed their objection to the voting with record in the minutes of the meeting may be exempt from liability.

CHAPTER VI GENERAL MANAGER AND OTHER SENIOR OFFICERS

Article 150 The Company shall have one general manager and several deputy general managers.

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

Article 151 The provisions of Article 119 hereof concerning directors' duties of loyalty and of Clauses (IV) to (VI) of Article 120 hereof concerning the duty of diligence shall also apply to senior officers.

Senior management of the Company should faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.

Article 152 No person of the Company who assumes administrative duties other than as a director and supervisor in the operation of the controlling shareholder of the Company shall undertake the role of a senior management in the Company.

Senior management of the Company may only receive remuneration from the Company and may not be paid by the controlling shareholder.

Article 153 Each term of office of the general manager shall be three years and may be extended if he/she is re-appointed.

Article 154 The general manager shall be responsible to the Board of Directors and have the authority to:

- (I) take charge of the operation and management of the Company, organize and implement resolutions of the Board of Directors and report his/her work to the Board of Directors;
- (II) organize and implement annual operation plans and investment plans of the Company;
- (III) draw up plans for the establishment of internal management departments of the Company;
- (IV) draw up the basic management system of the Company;
- (V) formulate the specific rules and regulations of the Company;
- (VI) submit a proposal to the Board of Directors for the appointment and removal of deputy general managers, person in charge finance, person in charge of compliance, Chief Risk Officer, the Chief Information Officer and other senior officers (other than the secretary of the Board of Directors) of the Company;
- (VII) decide the appointment or removal of responsible managers other than those to be appointed or removed by the Board of Directors;
- (VIII) be responsible for specific execution of investors' interests protection by the Company, and promoting the finalization of various requirements in respect of investors' interests protection; and
- (IX) be responsible for implementing the objectives of professional incorruptibility management and be liable for ensuring professional incorruptibility;
- (X) be responsible for implementing the objectives of business integrity management and be liable for ensuring business integrity;
- (XI) other authorities granted by the Articles of Association or the Board of Directors.

Article 155 The general manager shall attend a meeting of the Board of Directors as a non-voting delegate, and the general manager who is not a director shall have no voting power in any meeting of the Board of Directors.

Article 156 The general manager shall, as required by the Board of Directors or the Board of Supervisors, report to the Board of Directors or the Board of Supervisors the entry into and performance of material contracts, application of funds and profits and losses. The general manager shall ensure the authenticity of such report.

Article 157 The general manager shall formulate the detailed working rules for general management and implement the same with the approval of the Board of Directors.

Article 158 The detailed working rules for general management shall contain:

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

Article 159 The senior management of the Company shall be responsible for implementing the compliance management target, assuming responsibilities for the compliance operations and performing the following compliance management duties:

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

Article 160 The management of the Company shall be responsible for implementing information technology management objectives, assume responsibilities for the information technology management work, and perform the following duties:

- (I) Organizing the implementation of relevant resolutions of the board of directors;
- (II) Establishing an information technology management organization structure with definite responsibilities and clear procedures, and specifying management duties, work procedures and coordination mechanisms;
- (III) Improving the performance assessment and accountability mechanism;
- (IV) Other information technology management duties prescribed by these Articles of Association or authorized by the board of directors.

Article 161 The general manager and other senior officers may tender their resignation before the expiry of their term of office, but shall notify the Board of Directors in writing of such resignation. Specific procedures and measures concerning resignation shall be prescribed in employment contracts between the general manager or other senior officers and the Company. When the general manager and other senior management leave their posts, the Company shall conduct an audit on them as required by regulatory authorities.

Article 162 Deputy general managers shall be nominated by the general manager and appointed and removed by the Board of Directors.

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

Article 163 The secretary to the Board shall be nominated by the chairman of the Board and be appointed and dismissed by the Board. The secretary to the Board shall be responsible for preparing the shareholders' general meetings and Board meetings, keeping the documents, managing shareholders' information and handling the information disclosure of the Company. The secretary to the Board shall comply with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association, and other relevant provisions.

Article 164 Senior officers shall be liable for compensating for any loss caused to the Company due to their violation of the provisions of laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions in the their performance of duties for the Company.

Article 165 The chief compliance officer shall be the person in charge of compliance of the Company. The Company shall have a chief compliance officer, who shall be directly accountable to the board of directors and perform the duties of chief legal advisor, and shall examine, supervise and inspect the compliance of the operation, management and practice of the Company and its working personnel. The chief compliance officer shall not concurrently assume any office or be in charge of any department, conflicting with the duty of compliance management.

Article 166 The person selected as chief compliance officer shall be nominated by the general manager of the Company and appointed and removed by the Board of Directors of the Company.

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

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

The Company shall have a proper reason for the dismissal of the chief compliance officer before the expiry of his/her term of office, and shall submit a written report to the local branch of the CSRC where the Company is located ten (10) working days before the relevant board meeting is convened.

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

The Company shall engage a qualified person to cover the vacancy of the chief compliance officer within six (6) months.

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

Article 167 If the chief compliance officer is unable to perform his/her duties or the position is vacant, the duties shall be performed by the chairman of the Board of Directors or the person in charge of operation and management of the Company instead. A written report shall be submitted to the local branch of the CSRC within three (3) working days from the day on which the decision is made. The period for such temporary assumption of duties shall last for no more than six months.

Article 168 The Chief Compliance Officer shall perform the following duties:

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

- (IX) to report any violation of laws and regulations or any hidden compliance risks found in the Company to the Board of Directors and person in charge of operation and management in accordance with these Articles of Association, to advise on and supervise the remedial actions to be taken; meanwhile, to ensure that the Company promptly reports to the local branch of the CSRC in the place where the Company is located; if the Company fails to make such report, he/she shall report directly to the local branch of the CSRC in the place where the Company is located; in case of violation of industry codes of practice or the rules of self-regulation to make a further report to the relevant self-regulatory organization;
- (X) in the case of any change in laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, to promptly advise the Board of Directors or senior officers of the Company to and direct relevant departments of the Company to, assess the effect of such change on the compliance management of the Company and modify and perfect relevant systems and business procedures;
- (XI) to promptly deal with investigation required by the CSRC, its local branch and the self-regulatory organization, to cooperate with the CSRC, its local branch and the self-regulatory organization in the inspection and investigation of the Company, and to follow up and assess the implementation of regulatory opinions and regulatory requirements;
- (XII) when the Company convenes Board meeting and related Board committee meeting, supervisory committee meeting, Chief Executive Office meeting, meeting where matters relating to major decision making, appointment and removal of major personnel, arrangement of key project, and use of large amount of money, management committee meeting, operation and management meeting on specific matter, other meetings which may facilitate the Chief Compliance Officer's performance of his/her duties, or other meetings the Chief Compliance Officer requests to participate in or attend, the Chief Compliance Officer shall be informed in advance. The Chief Compliance Officer shall have the right to participate in or attend any relevant meeting and to access and copy relevant documents and materials necessary for the performance of duties; where the matters to be considered by the Board involve legal issues, the Chief Compliance Officer shall attend the meeting and provide legal opinions;
- (XIII) to have the right to require explanation by relevant persons of the Company on relevant matters and make enquiries to the firms providing services in respect of audit and legal matters to the Company, as required necessary for the performance of duties;
- (XIV) to directly retain in the name of the Company external professional institutions or personnel to assist his/her work if he/she deems necessary at the expense of the Company;
- (XV) to conduct specific examination on senior officers and all departments, branches and subsidiaries at all levels of the Company in respect of the effectiveness of compliance management as well as compliance of the operation, management and business practices;

(XVI) other duties specified by laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions.

Article 169 The Company shall ensure the independence of the chief compliance officer and compliance executives, and that the chief compliance officer and compliance executives are able to fully exercise the right to be informed and the right of investigation required to perform duties.

CHAPTER VII BOARD OF SUPERVISORS

Section I Supervisors

Article 170 Directors and senior officers of the Company and their direct relatives and main social relations shall not concurrently be supervisors of the Company.

Article 171 Supervisors shall comply with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions, and bear the duty of loyalty and duty of care to the Company, and may not abuse their authorities to receive bribe or other illicit income, nor misappropriate properties of the Company, nor operate a business similar to or that has conflict of interest with that of the Company for themselves or for other persons.

Article 172 Supervisors shall be representatives of shareholders and of the staff and workers of the Company. Supervisors who are representatives of the staff and workers of the Company shall be no less than one-third of the total number of supervisors.

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

Article 173 Each term of office of a supervisor shall be three years. A supervisor may, if reelected upon expiration of the term of office, serve consecutive terms.

Article 174 Where no reelection is held in time before the expiration of the term of office of a supervisor, or the number of supervisors is less than the statutory number due to the resignation of a supervisor during his/her term of office, the existing supervisor shall, before the supervisor reelected takes office, continue to perform his/her duties as a supervisor in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions.

Article 175 Supervisors shall guarantee the trueness, accuracy and completeness of information disclosed by the Company, and shall sign written confirmation opinions on periodic reports.

Article 176 A supervisor may attend the meeting of the Board of Directors as a non-voting delegate and address inquiries to or suggestions on matters to be resolved by the Board of Directors.

Article 177 Supervisors may not take advantage of their affiliations in a manner detrimental to the Company's interest and shall be liable for compensating for any loss caused to the Company.

Article 178 Supervisors shall faithfully perform their duty of supervision in accordance with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions. Supervisors shall be liable for compensating for any loss caused to the Company due to their violation of laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provision in their performance of duties for the Company.

Section II Board of Supervisors

Article 179 The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of nine supervisors. The Board of Supervisors shall have one chairman, who shall be elected by more than half of all the supervisors. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors; and where the chairman of the Board of Supervisors cannot perform such functions or fails to do so or is vacant, a supervisor jointly elected by half or more of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

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

Article 180 The Board of Supervisors shall exercise the following authorities:

- (I) to examine the Company's periodic reports prepared by the Board of Directors and give written examination opinions;
- (II) to check on the financial affairs of the Company;
- (III) to supervise directors' and senior officers' performance of duties for the Company including the performance of compliance management duties, and put forward suggestions on the removal of directors or senior officers who violate laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, these Articles of Association, the resolutions adopted by shareholders' meetings or who shall assume primary responsibility or leadership responsibility for material compliance risk;
- (IV) to inquire about the acts of directors and senior officers;
- (V) to require directors and senior officers to correct their acts which are detrimental to the interest of the Company and its customers;

- (VI) to organize the off-office audit of senior officers;
- (VII) to suggest the holding of an interim general meeting of shareholders and convene and preside over the general meeting of shareholders in the event that the Board of Directors fails to convene and preside over the general meeting of shareholders in accordance with the Company Law;
- (VIII) to submit a proposal to the general meeting of shareholders;
- (IX) to bring a lawsuit against directors and senior officers in accordance with Article 151 of the Company Law;
- (X) to attend the meeting of the Board of Directors and address inquiries to or suggestions on matters to be resolved by the Board of Directors;
- (XI) to check on the financial reports, business reports, profit distribution plans and other financial materials submitted by the Board of Directors to the general meeting of shareholders, and conduct investigation and require the person in charge of compliance and the compliance department of the Company to offer assistance in case of any doubt or any abnormality in the operation of the Company; and if necessary, to retain such professional organizations as certified public accountants' firm and law firm to assist its work;
- (XII) to supervise the performance of duties by the Board of Directors and the operation management; to supervise whether any decision and the decision flow of the Board of Directors is in compliance with rules and whether any compliance weakness determined is rectified in a timely manner; to supervise the implementation of the compliance management system of the Company; and to organize and assess the effectiveness of management compliance risks of the Company at least once each year;
- (XIII) to take responsibility for the supervision of the overall risk management, supervise and inspect the performance on risk management of the Board of Directors and the management and supervising rectification;
- (XIV) supervision on the performance of statutory obligations such as investors' legitimate interests protection by the Company;
- (XV) supervision on the implementation of cultural construction of the Company;
- (XVI) to supervise the performance of duties by directors and senior officers in terms of professional incorruptibility management;
- (XVII) to supervise the performance of duties by directors and senior officers in terms of business integrity management;

(XVIII) other authorities prescribed by laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions or granted by the general meeting of shareholders.

Article 181 The Board of Supervisors shall discuss official business by means of meeting.

The Board of Supervisors shall hold at least one meeting every six (6) months. Supervisors may propose to convene an interim meeting of the Board of Supervisors. In respect of regular meetings and interim meetings, meeting notices shall be delivered to all the supervisors in writing ten (10) days and three (3) days respectively before the holding of the meetings.

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

Resolutions of the Board of Supervisors shall be subject to adoption by half or more of supervisors.

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

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

Article 182 The Board of Supervisors shall formulate the rules of procedure of the Board of Supervisors to define the methods of discussion and voting procedures of the Board of Supervisors for the purpose of ensuring the working efficiency of, and the scientificness of decisions made by, the Board of Supervisors.

Article 183 Minutes shall be written up and sound records may be made for meetings of the Board of Supervisors. The minutes of meeting shall truly, accurately and completely record the process of the meeting, the content of resolutions, speeches of supervisors and voting situation, and shall be kept in accordance with the law. Supervisors shall have the right to require certain explanatory notes of their speeches at the meeting to be recorded in the minutes. Supervisors attending the meeting and the recorder shall sign on the minutes of meeting. The minutes of meeting shall be kept as corporate files for a period of not less than ten (10) years.

Article 184 The meeting notice of the Board of Supervisors shall contain:

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

Article 185 The Company shall bear all reasonable costs arising from the engagement of lawyers, certified public accounts, independent auditors and other professional personnel by the Board of Supervisors for the purpose of exercising its authorities.

CHAPTER VIII QUALIFICATIONS AND PRACTICE STANDARDS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR OFFICERS OF THE COMPANY

Article 186 The directors, supervisors and senior officers of the Company shall meet the following basic requirements:

- (I) Acting with integrity, honesty and good conduct;
- (II) Being familiar with the laws and regulations in relation to securities and funds, and the requirements of the CSRC;
- (III) Possessing more than three (3) years of work experience in securities, funds, finance, law, accounting, information technology, etc. that commensurate with the position they hold;
- (IV) Possessing the management experience and management ability that commensurate with the position they hold;
- (V) (For senior officers) previously holding a position superior to the departmental head of a securities and fund business institution for not less than two (2) years, or previously holding a position superior to the departmental head of a financial institution for not less than four (4) years, or having management experience in an equivalent position;
- (VI) Other requirements stipulated by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

The chairman and senior officers of the Company shall also meet the requirements for securities practitioners.

The person-in-charge of compliance, person-in-charge of risk control and person-in-charge of information technology of the Company shall also meet other requirements stipulated by the CSRC.

Article 187 None of the following persons shall serve as a director, supervisor, general manager or other senior officer of the Company:

- (I) a person who is involved in any circumstance specified in Article 146 of the Company Law, paragraph 2 of Article 124 and paragraphs 2 and 3 of Article 125 of the Securities Law, and Article 15 of the Law of the People's Republic of China on Securities Investment Funds;
- (II) a person who was sentenced to criminal punishment for endangering national security, terrorism, corruption, bribery, embezzlement, misappropriation of property, crime of a gangland nature or disrupting social and economic order, or a person who was deprived of his political rights for the commission of a crime;
- (III) a person who carried any administrative penalty imposed by the financial regulatory department or was banned from the securities market by the CSRC due to his/her material violation of laws or regulations, where no more than five (5) years have elapsed since the maturity of enforcement period;
- (IV) a person whose fund practitioner qualification has been revoked by the CSRC or whose fund practitioner qualification has been removed by the fund industry association in the past five (5) years;
- (V) a person who served as the legal representative or principal person-in-charge of operation and management of an institution that was taken over, deregistered, declared bankrupt or had its business licence revoked, where no more than five (5) years have elapsed since such company was taken over, deregistered, declared bankrupt or had its business licence revoked, unless it can be proved that such person was not personally liable for such company being taken over, deregistered, declared bankrupt or having its business licence revoked;
- (VI) a person who has been banned from the market by the CSRC by prohibiting him/her from serving as a director, supervisor or senior officer of any listed company, or has been identified as an inappropriate candidate, or has been subject to disciplinary actions by the industry association that determined him/her as inappropriate for engaging in the relevant business, where the term of enforcement has not expired;
- (VII) a person who is under investigation by an administrative authority or a judicial authority on suspicion of any violation of law or any crime, and no final handling opinion has been formed;
- (VIII) a person who has been publicly identified by the stock exchange as being unsuitable to serve as a director, supervisor or senior officer of a listed company, where the term of enforcement has not expired;
- (IX) a person who is involved in any other circumstance specified by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

In addition to the provisions of the preceding paragraph, an independent director must also not have the following bad records:

- (I) Being subject to administrative penalty by the CSRC or criminal penalty by a judicial authority due to illegal securities and futures activities within the past thirty-six (36) months;
- (II) Being publicly censured or criticized thrice or above by the stock exchange within the past thirty-six (36) months;
- (III) Having bad records such as major breach of trust;
- (IV) Being removed from his/her position at a shareholders' general meeting proposed by the Board of Directors because he/she, during his/her office as an independent director in the past, failed to attend two consecutive Board meetings in person and did not appoint another independent director to attend the Board meeting on his/her behalf, and less than twelve (12) months have passed upon such removal;
- (V) Other circumstances determined by the stock exchange.

No election, appointment or engagement of any director, supervisor or senior officer in contravention of paragraphs 1 and 2 of this Article shall be valid.

Where, during his/her term of office, a director, supervisor or senior officer is found to be such a person as specified in paragraphs 1 and 2 of this Article, the Company shall remove him/her from office in accordance with the relevant regulations.

If such director or supervisor should be dismissed from his/her position but has not been dismissed, and if he/she attends the Board meeting, meeting of special committees under the Board of Directors, special meeting of independent director or the supervisory committee meeting and votes thereat, his/her vote(s) shall be deemed invalid and he/she shall not be counted in the quorum.

If a candidate for non-independent director, supervisor or senior officer is involved in any of the following circumstances, the Company shall disclose the specific circumstances of the candidate, the reasons for appointing the candidate and whether it will affect the standardized operations of the Company:

- (I) He/she has been subject to administrative penalty by the CSRC within the past thirty-six (36) months;
- (II) He/she has been publicly censured or criticized thrice or above by the stock exchange within the past thirty-six (36) months;
- (III) He/she has bad records such as major breach of trust.

The last day of the above period shall be the date on which the Board of Directors, shareholders' general meeting and other competent bodies of the Company considered the resolutions for the appointment of candidates for directors, supervisors and senior officers.

Article 188 The validity of any director's, the general manager's or any other senior officer's act on behalf of the Company against a bona fide third party shall not be affected by any non-compliance in his/her appointment, election or qualification.

Article 189 The Directors, Supervisors and senior officers of the Company shall comply with laws, regulations, regulatory provisions, self-disciplinary rules, these Articles of Association and other relevant provisions and earnestly perform their duties, and comply with the following professional code of conduct:

- (I) Have a good sense of compliance with laws and regulations, consciously resist illegal activities, and cooperate with the CSRC and its branches to perform regulatory duties in accordance with the laws;
- (II) Be honest and trustworthy, incorruptible and self-disciplined, compete fairly, abide by professional ethics and industry norms, and fulfill the written commitments to the CSRC and its branches;
- (III) Perform duties earnestly and diligently, effectively safeguard the legitimate rights and interests of investors, treat investors fairly, and effectively prevent and properly handle conflicts of interest;
- (IV) Be prudent and cautious, firmly establish risk awareness, be independent and objective, and be free from illegal interference by others;
- (V) Other professional codes of conduct stipulated by the CSRC.

Article 190 The directors, supervisors and senior officers of the Company shall not engage in the following acts:

- (I) Taking advantage of his/her position to obtain illegitimate benefits for himself/herself or others;
- (II) Engaging in activities that have conflict of interest with his/her performance of duties;
- (III) Engaging in illegitimate transactions or transfer of interests;
- (IV) Embezzling or misappropriating the assets of the Company or its customers or fund properties;
- (V) Privately accepting customers' engagement for securities and fund investment;

- (VI) Promising gains or bearing losses to customers in violation of regulations;
- (VII) Disclosing undisclosed information obtained by taking advantage of his/her position, and using such information to engage in, or expressly or impliedly instruct others to engage in relevant trading activities;
- (VIII) Providing funds or securities to customers in violation of regulations, or providing intermediaries, guarantees or other facilities for customers' financing in violation of regulations;
- (IX) Abusing his/her power, neglecting his/her duties, and failing to perform his/her duties in accordance with regulations;
- (X) Other acts prohibited by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Article 191 The directors, supervisors and senior officers of the Company shall refuse to execute any order or authorization of any institution or individual that infringes upon the interests of the Company or the legitimate rights and interests of investors. If any illegal or irregular acts infringing upon the legitimate rights and interests of investors are found, they shall promptly report to the compliance officer of the Company or relevant branches of the CSRC.

Article 192 The directors, supervisors and senior officers of the Company shall ensure that they have sufficient time and energy to perform their duties.

Article 193 A director, supervisor and senior officer shall complete all of the handover procedures with the Board of Directors or Board of Supervisors once he/she resigns. The fiduciary duties to the Company and the shareholders are not necessarily released upon his/her resignation. The duty of confidentiality in respect of the non-public information of the Company survives his/her resignation until such trade secrets enter the public domain. Other duties may continue for such a period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances and conditions under which the relationship between such person and the Company was terminated.

Article 194 The directors, supervisors and senior officers of the Company shall not authorize any personnel who does not meet the requirements for their positions to perform their duties on their behalf. Where laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions provide otherwise, such provisions shall prevail.

If the chairman, general manager or compliance officer of the Company fails to perform their duties for any reason, the Company shall, in accordance with the Company Law and the Articles of Association, decide within fifteen (15) working days to appoint a person who meets the requirements to perform their duties on their behalf. Personnel performing duties on their behalf shall act in a prudent, diligent and responsible manner, and such period shall not exceed six (6) months. Where laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions provide otherwise, such provisions shall prevail.

Article 195 Subject to exceptions allowed by the relevant requirements of the Hong Kong Listing Rules or SEHK, no director shall vote on any contract or arrangement in which he/she has any material interest through himself/herself or any of his/her close associates (as defined in the Hong Kong Listing Rules) or on any other proposed resolution of the Board of Directors; and he/she shall not be counted when determining whether a quorum is present in the meeting.

CHAPTER IX PARTY COMMITTEE

Article 196 The Company shall establish a party committee consisting of a secretary and several other committee members. In principle, the chairman of the Board of Directors and the party committee secretary shall be the same person. Eligible party committee members may be appointed as members of the Board of Directors, the Board of Supervisors and the management team of the Company through legal procedures, while eligible party members from the Board of Directors, the Board of Supervisors and the management team of the Company may be appointed as members of the party committee pursuant to relevant requirements and procedures. A Discipline Inspection Commission shall also be established in accordance with relevant regulations.

Article 197 The party committee of the Company shall perform its duties in accordance with the Constitution of the Communist Party of China and other party regulations.

- (I) To ensure and supervise the implementation of party and national guidelines and policies by the Company, to enforce the strategic decisions of the central party committee and the State Council as well as important tasks of the party committee of the State-owned Assets Supervision and Administration Commission of the State Council and the superior party organizations;
- (II) To stick to the principle of the Party Supervising Cadres while ensuring that the Board of Directors is entitled to appoint senior management pursuant to law and senior management is entitled to appoint staff members pursuant to law. The party committee shall consider and give advice on the candidates nominated by the Board of Directors and general manager, and may nominate candidates to the Board of Directors and general manager for consideration. It shall review the proposed candidates together with the Board of Directors and provide opinions and suggestions;

- (III) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions;
- (IV) To undertake the main responsibilities of comprehensive and strict party management; guide the Company's ideological and political work, the united front work, construction of spiritual civilization, construction of corporate culture and affairs of the trade union, the Communist Youth League and other mass organizations; take leadership in the construction of the Party's working style and a clean and honest administration, and support the Discipline Inspection Commission to effectively discharge its oversight responsibilities.

CHAPTER X INTERNAL CONTROL

Article 198 The Company shall, in accordance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, establish and perfect the compliance system of the Company for the purpose of supervising and inspecting the compliance of the operation and management of the Company.

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

Article 199 The Company shall, in accordance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, establish and perfect the risk control system of the Company for the purpose of preventing and controlling business operation and internal management risks of the Company.

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

Article 200 Persons in charge of compliance, risk control and internal audit of the Company may not concurrently take any other office in the operating departments.

CHAPTER XI EMPLOYEE DEMOCRATIC MANAGEMENT AND LABOR AND PERSONNEL SYSTEM

Article 201 The Company shall, in accordance with the laws, improve the democratic management system with the employees' congress as the basis, and respect and protect employees' rights to know, participate, express and supervise according to the laws. Major issues involving the vital interests of employees must be deliberated by the employees' congress, or the opinions of employees shall be heard through other means. The Company shall adhere to and improve the employee representative supervisor system, and safeguard the rights and interests of employee representatives to participate in corporate governance in an orderly manner.

Article 202 Employees of the Company shall organize a trade union in accordance with the Trade Union Law of the People's Republic of China, carry out trade union activities, and safeguard the legitimate rights and interests of employees. The Company should provide the necessary conditions for the activities of the trade union.

Article 203 The Company shall abide by PRC laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions on labor protection and work safety, implement relevant state policies, and protect the legitimate rights and interests of labor. The Company shall, according to PRC laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions and relevant policies on labor and personnel, and in light of the actual situation of the Company, formulate labor and personnel relevant systems.

CHAPTER XII FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section I Financial Accounting System

Article 204 The Company shall formulate the financial accounting system of the Company in accordance with laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Article 205 The Company shall submit and disclose annual reports to the CSRC and the stock exchange within four (4) months after the end of each accounting year, and interim reports to the agencies of the CSRC and the stock exchange within two (2) months after the end of first six (6) months of each accounting year.

The foregoing annual reports and interim reports shall be prepared in accordance with relevant laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Article 206 The Board of Directors shall, in each annual general meeting of shareholders, submit to shareholders such financial reports as the Company is required to prepare in accordance with relevant laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

Article 207 Annual financial accounting reports shall be made available in the Company for shareholders' reference twenty (20) days prior to the holding of the annual general meeting of shareholders. Each shareholder of the Company shall be entitled to financial reports mentioned in this Chapter.

Unless otherwise specified herein, the Company shall, no later than twenty-one (21) days prior to the holding of an annual general meeting of shareholders, make notifications and announcements regarding the foregoing reports or reports of the Board of Directors and balance sheets (including each document to be appended to balance sheets in accordance with statutes) and income statements or income and expenditure accounts or summary financial reports in accordance with the relevant provisions of Chapter XIII of these Articles of Association.

Article 208 Financial statements of the Company shall be prepared in accordance with accounting standards and regulations of China as well as international accounting standards or other accounting standards of the place where securities of the Company are listed. In case of any material difference between financial reports prepared in accordance with two sets of accounting standards, such difference shall be indicated in the notes to financial reports. Where the Company distributes after-tax profits of relevant accounting year, the lesser of after-tax profits indicated in the foregoing two sets of financial statements shall prevail.

Article 209 Interim results or financial materials announced or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of China as well as international accounting standards or other accounting standards of the place where securities of the Company are listed.

Article 210 The Company shall publish financial reports twice each accounting year, i.e., interim financial reports within sixty (60) days after the end of the first six (6) months of an accounting year and annual financial reports within one hundred and twenty (120) days after the end of an accounting year.

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

Article 211 Except for statutory accounting books, the Company will not prepare any other accounting books. The Company's assets may not be deposited into any account opened in the name of any individual.

Article 212 Where the Company distributes the annual after-tax profits, it shall allocate ten percent of its profits for the statutory surplus fund. Where the accumulated amount of the statutory surplus fund of the Company exceeds fifty percent of its registered capital, further allocation may be dispensed with.

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

The Company shall allocate a portion of its annual after-tax profits for such other special reserves as specified by laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions and as applicable to securities companies.

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

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

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

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

Article 213 The surplus fund of the Company shall be used to cover the Company's losses or to expand production and operation of the Company, or shall be converted into an increase in the Company's capital. However, the capital surplus fund shall not be used to cover the Company's losses.

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

Article 214 After the general meeting of shareholders adopts a resolution for the profit distribution plan, the Board of Directors of the Company must complete the distribution of dividends (or shares) within two (2) months after the holding of a general meeting of shareholders.

Article 215 The Company shall attach importance to the implementation of a lasting and stable profit distribution policy towards a reasonable return of investment for investors.

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

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

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

Article 216 The operation management and the Board of Directors of the Company shall put forward reasonable profit distribution proposals and plans in light of the profitability, funding requirements and plan of return to shareholders of the Company. When the Company is formulating the cash dividend distribution plan, the Board of Directors shall seriously consider and validate such matters concerning the Company's distribution of cash dividends as its timing, conditions and minimum ratio, conditions for adjustment, and requirements of decision procedures.

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

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

Article 217 The profit distribution plan of the Company shall be submitted to the general meeting of shareholders for approval after being deliberated and adopted by the Board of Directors. The general meeting of shareholders shall, while deliberating a profit distribution plan (especially cash dividend distribution plan), actively communicate through various channels with shareholders, especially minority shareholders, and sufficiently listen to opinions and demands of minority shareholders, so as to safeguard public shareholders' right to reasonable return on investment.

Article 218 Where the Company realizes profits in a certain year but fails to propose a cash dividend distribution plan, the operation management shall submit a detailed statement to the Board of Directors, indicating reasons for non-distribution, purpose and use plan of funds not used for dividend distribution but retained in the Company, etc., and independent directors shall express independent opinions on the profit distribution plan. Such statement shall, after being deliberated and approved by the Board of Directors, be submitted to the general meeting of shareholders for deliberation, the Company shall sufficiently listen to opinions and demands of minority shareholders, and the Board of Directors shall make a statement to the general meeting of shareholders.

Article 219 Where the Company needs to adjust the profit distribution plan and the plan of return to shareholders due to any material change in external business environment or its own state of operation, the operation management shall submit an elaborate validation and status report to the Board of Directors and independent directors shall express specific opinions. The adjustment plan shall be submitted to the general meeting of shareholders for voting after being deliberated and adopted by the Board of Directors. The Company shall actively communicate through various channels with minority shareholders to collect opinions and demands of minority shareholders. The Company shall, after issuing a notice of a general meeting of shareholders, send a reminder notice of the general meeting of shareholders within three (3) days after the date of equity registration, and the adjustment plan must be passed by more than two-thirds of the voting powers held by shareholders present in the general meeting of shareholders.

Article 220 Interest may accrue on money paid by the Company for any share prior to any call; provided, however, that the holder of any share shall have no right to participate in the declaration of dividends in respect of money prepaid for such share.

Subject to relevant laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions, the Company may exercise the right to forfeit dividends unclaimed; provided that such right may be exercised only after the expiry of any applicable period of time.

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

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

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

Article 221 The Company shall appoint a receiving agent for shareholders holding overseas listed foreign shares. Such receiving agent shall collect on behalf of relevant shareholders dividends distributed by the Company in respect of overseas listed foreign shares and other amounts payable.

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

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

Section II Internal Audit

Article 222 The Company shall implement the internal audit system, deploy full-time auditors and conduct internal audit and supervision over the financial revenues and expenditures and economic activities of the Company.

Article 223 The Company's internal audit system and the duties of the auditors shall apply after being approved by the Board of Directors. The person in charge of audit shall be responsible to the Board of Directors and make working reports to the Board of Directors.

Section III Engagement of Accounting Firm

Article 224 The Company shall engage an independent accounting firm that complies with relevant national regulations to audit financial statements, verify net assets and offer other relevant advisory services.

The Company shall engage an accounting firm for a term from the end of each annual general meeting of shareholders to the end of next annual general meeting of shareholders, and such engagement may be renewed. In principle, the Company shall not engage the same accounting firm (including any relevant member entity of such accounting firm) for more than five (5) consecutive years. At the expiration of the five-year period, based on the accounting firm's previous audit quality, evaluation by shareholders and opinions of regulatory authorities, and after performing the corresponding procedures, the engagement may be extended as appropriate, provided that the period of continuous engagement shall not exceed eight (8) years.

Article 225 The decision to engage, remove or discontinue the engagement of an accounting firm shall be taken by the general meeting of shareholders. The Board of Directors shall not appoint or change any accounting firm prior to the decision of the shareholders' general meeting.

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

Article 226 The Company shall ensure its provision to an accounting firm engaged thereby with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials and may not refuse, conceal and make false reports.

Article 227 The remuneration of the accounting firm or the mode of determination of the same shall be decided by the general meeting of shareholders.

Article 228 Where an accounting firm offers to resign, it shall explain to the general meeting of shareholders whether the Company is involved in any anomaly.

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

CHAPTER XIII NOTICE AND ANNOUNCEMENT

Section I Notice

Article 229 The Company's notices shall be sent by any or more of the following means:

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

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

Article 230 Where a notice is sent by the Company by means of announcement, all relevant persons shall be deemed to have received the notice upon the announcement.

Article 231 The notice of meeting of the Board of Directors of the Company shall be sent by person, mail, fax, email or other means.

Article 232 The notice of meeting of the Board of Supervisors of the Company shall be sent by person, mail, fax, email or other means.

Article 233 Where any notice of the Company is sent by person, the addressee shall sign (or seal) on delivery receipt and it shall be deemed to have been served on the date when the addressee signs to acknowledge the receipt of the notice; where any notice of the Company is sent by mail, it shall be deemed to have been served on the seventh business day after its delivery to the post office; where any notice of the Company is sent by email, fax or publication on the website, it shall be deemed to have been served on the date of sending; and where any notice of the Company is sent by means of announcement, it shall be deemed to have been served on the date of publication of the first announcement.

Article 234 If the Company is required to deliver, post, distribute, send, publish or otherwise furnish documents relevant to the Company in accordance with the listing rules of the place where securities of the Company are listed, and if the Company has made an appropriate arrangement to determine whether its shareholders only wish to receive the English version or Chinese version thereof, then to the extent allowed by applicable laws and regulations, the Company may (at the option of shareholders) only send English version or Chinese version thereof to relevant shareholders.

Article 235 In case any notice of meeting is not sent to a person who is entitled to receive the notice due to any accidental omission or such person fails to receive the notice of meeting, the meeting and resolutions made at the meeting shall not be invalidated.

Section II Announcement

Article 236 The Company shall issue announcements and make information disclosures to shareholders of domestic shares through the website of the stock exchange and the information disclosure media that meet the requirements stipulated by the CSRC. If any announcement shall be issued to shareholders of overseas listed foreign shares in accordance with relevant regulations, such announcement shall also be published in such manner as specified in the Hong Kong Listing Rules. Information shall be disclosed by the Company on the website of the stock exchange and the media that meet the requirements stipulated by the CSRC before through any other public media, and no corporate announcement shall be replaced by press release, answers to reporters' requests or other form.

The Board of Directors shall have the right to change to other media for Company disclosure; however, it shall ensure that the information disclosure media as so changed comply with such qualifications and conditions as specified by relevant laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

CHAPTER XIV MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Section I Merger, Division

Article 237 Merger of companies may take the form of merger by amalgamation or merger by new establishment.

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

Article 238 When the Company merges with another company, the parties to the merger shall sign a merger agreement, and draw up a balance sheet and a detailed inventory of assets. The Company shall, within ten (10) days from the date the resolution on such merger is adopted, notify its creditors of the intended merger, and make an announcement about it in the newspaper and by other means within thirty (30) days therefrom. The creditors may, within thirty (30) days from the date they receive the notice, or if they have not received the notice, within forty-five (45) days from the date the announcement is made, require the Company to settle their debts or provide corresponding guarantee.

Article 239 When the Company merges with another company, the claims and debts of all the parties to the merger shall be succeeded to by the company that continues to exist after the merger or by the newly established company resulting therefrom.

Article 240 Where the Company proceeds into a division, its assets shall be divided appropriately.

When the Company intends to divide itself, it shall draw up a balance sheet and a detailed inventory of assets. The Company shall, within ten (10) days from the date on which the resolution on such division is adopted, notify its creditors of the intended division, and make an announcement about it in the newspaper and by other means within thirty (30) days therefrom.

Article 241 The companies after the division shall assume joint and several liability for the debts of the Company prior to the division, except where the Company before the division and its creditors have otherwise reached a written agreement on repayment of the debts.

Article 242 Where the merger or division of the Company involves changes in the registered items, such changes shall, in accordance with law, be registered with the company registration authority; where the Company is dissolved, it shall apply for cancellation of its registration according to law; and where a new company is incorporated, it shall have its incorporation registered according to law.

Section II Dissolution and Liquidation

Article 243 The Company shall, upon approval by the securities regulatory authority of the State Council, dissolve and liquidate in accordance with the law if:

- (I) the general meeting of shareholders of the Company resolves that the Company be dissolved;
- (II) the Company dissolves due to merger or division;
- (III) any other cause of dissolution specified herein occurs;
- (IV) the Company has its business license revoked, is ordered to close down or is canceled in accordance with the law;
- (V) shareholders holding ten (10) percent or more of the voting powers held by all the shareholders of the Company may request a people's court to dissolve the Company to the extent that the Company is confronted with serious difficulties in operation and management, its continued existence may cause major losses to its shareholders and the difficulties cannot be surmounted by other means.

Article 244 In case of occurrence of any circumstance set out in Item (III) of Article 243, the Company may subsist by amending these Articles of Association; however, such amendment shall be passed by more than two thirds of the voting powers held by shareholders present in the general meeting of shareholders.

Article 245 Where the Company dissolves due to the occurrence of any of circumstances set out in Items (I), (III), (IV) and (V) in Article 243 hereof, the Company shall, within fifteen (15) days after the securities regulatory authority of the State Council approves such dissolution, set up a liquidation team and initiate liquidation. The liquidation team shall be composed of directors or persons determined at the shareholders' general meeting. Where the Company fails to set up a liquidation team to conduct liquidation at the expiration of the prescribed time limit, its creditors may apply to a people's court for designating relevant persons to form a liquidation team for liquidation.

Article 246 During the period of liquidation, a liquidation team shall exercise the following authorities:

- (I) to check up on the Company's assets and draw up a balance sheet and an inventory of its assets separately;
- (II) to notify the creditors by notice or announcement;
- (III) to dispose of and liquidate the Company's unfinished business;

- (IV) to pay off the tax arrears and the taxes generated in the process of liquidation;
- (V) to clear up claims and debts;
- (VI) to dispose of the property remaining after the Company pays off its debts;
- (VII) to participate in civil lawsuits on behalf of the Company.

Article 247 A liquidation team shall, within ten days from the date it is established, notify the creditors of its establishment and make an announcement in the newspaper and other means within sixty (60) days therefrom. The creditors shall declare their claims to the liquidation team within thirty (30) days from the date they receive the written notice, or if they have not received such notice, within forty-five (45) days from the date the announcement is made.

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

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

Article 248 After the liquidation team has checked up on the property of the Company and drawn up the balance sheet and the detailed inventory of assets, it shall work out a liquidation plan and submit the plan to the general meeting of shareholders or a people's court for confirmation.

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

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

Article 249 If, after checking up on the property of the Company and drawing up the balance sheet and the inventory of its property, a liquidation team discovers that the property of the Company is insufficient to pay off its debts, it shall apply to a people's court for declaration of bankruptcy of the Company.

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

Article 250 After the liquidation is finished, the liquidation team shall prepare a liquidation report, submit the same to the general meeting of shareholders or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company and to announce the termination of the Company.

Article 251 Members of the liquidation team shall be faithful in the discharge of their duties and perform their obligation of liquidation in accordance with the law, and shall not take advantage of their authorities to accept bribes or other illegal income, or to take illegal possession of the property of the Company.

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

Article 252 Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

CHAPTER XV AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 253 The Company shall amend the Articles of Association if:

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

Article 254 Where such amendment to the Articles of Association as passed by the general meeting of shareholders by a resolution shall be approved by the competent authority, it must be reported to the competent authority for approval; where such amendment involves any registered item of the Company, the Company shall modify its registration in accordance with the law.

Article 255 The Board of Directors shall amend the Articles of Association pursuant to the resolution of the general meeting of shareholders on such amendment and the approval opinions of relevant competent authority.

Article 256 Matters concerning the amendment of the Articles of Association which are information required to be disclosed by laws and regulations shall be announced as required.

CHAPTER XVI SUPPLEMENTARY PROVISIONS

Article 257 Interpretation

- (I) “Controlling shareholder” refers to a shareholder the shares held by whom occupy more than fifty percent of the total amount of the Company’s share capital or a shareholder who holds less than fifty percent of the same but by whom the voting powers attached to the shares held is enough to impose significant impact on the resolution of the general meeting of shareholders.
- (II) “Actual controller” refers to a person who is able to actually govern the behavior of the Company through investment relations, agreements or other arrangements, although the person is not a shareholder of the Company.
- (III) “Affiliation” refers to the relation between the Company and such affiliate as defined in the listing rules of the place where securities of the Company are listed.
- (IV) “Laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions” refer to laws, administrative regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authority, industry associations and stock exchange where the securities of the Company are listed.

Article 258 The Board of Directors may formulate detailed rules of the articles of association in accordance with the provisions of the Articles of Association. Such detailed rules may not conflict with the Articles of Association.

Article 259 The Articles of Association shall be made in Chinese. In case of any conflict between the version in any other language or a different version and the Articles of Association, the latest version of the Articles of Association in Chinese approved and registered with the competent industrial and commercial registration authority shall prevail. In case of any conflict between the Articles of Association and the mandatory provisions of laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions as promulgated from time to time, the provisions of such laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions shall prevail.

Article 260 The terms “or more/or above”, “within” and “no more than” used herein shall include the given figure whilst the terms “other than”, “below” and “more than” shall exclude the given figure.

Article 261 The Articles of Association shall be construed by the Board of Directors of the Company.

Article 262 The annexes to these Articles of Association include the rules of procedure for shareholders’ general meetings, rules of procedure for the Board of Directors and rules of procedure for the Board of Supervisors.