



国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

(a joint stock limited company established in the People's Republic of China with limited liability)
(Stock Code: 01456)

Articles of Association

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Articles of Association of Guolian Securities Co., Ltd.

Chapter 1 General Provisions

Article 1.01 To safeguard the legal interests of Guolian Securities Co., Ltd., its shareholders and creditors and regulate the organisation and behavior of the Company, the Articles of Association are prepared in accordance with the Company Law, the Securities Law, the Special Provisions, the Mandatory Clauses, the Zheng Jian Hai Han, the Guidelines on the Governance of Securities Companies, Provisions on the Administration of Equities of Securities Companies, the Guidelines on the Articles of Association for Listed Companies, the Guidelines on the Governance of Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (hereinafter referred to as the “Listing Rules of the Shanghai Stock Exchange”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules of the Stock Exchange”), as well as other relevant laws and administrative regulations of the PRC.

The Company is a joint stock company incorporated with limited liability in accordance with the Company Law, the Securities Law and other relevant laws and administrative regulations. The Company was established by way of promotion with the approval of the China Securities Regulatory Commission and the Stateowned Assets Supervision and Administration Commission of Jiangsu Provincial Government, as evidence by the approval documents “Reply on the Approval of Change of Guolian Securities from a Limited Liability Company to a Joint Stock Limited Company” (Zheng Jian Xu Ke [2008] No. 322) (《關於核准國聯證券有限責任公司變更為股份有限公司的批覆》(證監許可[2008]322號)) and “Several Issues Concerning the State-owned Equity Management of Guolian Securities Co., Ltd. (Preparing)” (Su Guo Zi Fu [2008] No. 26) (《關於國聯證券股份有限公司(籌)國有股權管理有關問題的問題》(蘇國資覆[2008]26號)). It was registered with the Jiangsu Wuxi Administration for Industry and Commerce on May 26, 2008 and obtained a business license with registered number of 32020000009279.

Article 1.02 Registered name of the Company:
Chinese: 國聯證券股份有限公司
English: Guolian Securities Company Limited

Article 1.03 Domicile: No.8 Jinrong One Street, Wuxi
Postcode: 214121
Tel: 0510-82833209
Facsimile: 0510-82833124

Article 1.04 The Chairman of the Board of Directors of the Company is the legal representative of the Company.

Article 1.05 The Company is a joint stock limited company in perpetual existence.

The capital of the Company shall be divided into shares of equal value. The shareholders shall be responsible for the Company to the extent of the shares held by them. The Company shall bear the liabilities for its debts with all its assets.

The Company is an independent legal entity, being governed and protected by laws and administrative regulations of the PRC.

All behaviors of the Company shall comply with relevant laws and regulations of the places of listing inside and outside the PRC, and shall protect the legal rights of shareholders.

Article 1.06 The Article of Association are passed by resolution at the general meeting of the Company with approval of the securities regulatory authorities and other relevant competent authorities, and come into effect from the date of listing of the Company's publicly issued A Shares on the Domestic Stock Exchange.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organisation and behavior, and the rights and obligations between the Company and the shareholders and among the shareholders. The previous Article of Association will automatically be invalid.

Article 1.07 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, manager and other senior management, all of whom may assert rights in respect of the Company's affairs in accordance with the Articles of Association.

On the premise of not violation of the Article 22.01 of the Articles of Association, shareholders shall have the right to take legal proceedings against the Company; the Company shall have the right to take legal proceedings against its shareholders; shareholders shall have the right to take legal proceedings against other shareholders; and shareholders shall have the right to take legal proceedings against directors, supervisors, manager and other senior management of the Company pursuant to the provisions of the Articles of Association.

The term legal proceedings mentioned in the preceding paragraph shall include the commencement of legal proceedings before a court or application for arbitration to an arbitration organisation.

- Article 1.08 Subject to the laws and administrative regulations of the PRC, the Company has financing rights or rights to provide loans. The financing rights of the Company includes (but not limited to) the issuance of bonds, mortgage or pledge of the ownership or use right of part or all of the assets of the Company, and any other rights which are permitted by laws and administrative regulations of the PRC, as well as, various forms of guarantees provided to any third party (which includes but is not limited to the subsidiaries or associated companies of the Company) under any circumstances. Notwithstanding the above, the exercising of the aforesaid rights by the Company should not undermine or abolish the rights of shareholders of any classes.
- Article 1.09 The Company may invest in other limited liability companies or the joint stock limited companies, and shall be responsible for the invested companies to the extent of the capital contributions it has made.
- However, unless stipulated by laws otherwise, the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor.
- Article 1.10 Other senior management referred to in the Articles of Association include the manager, deputy manager, secretary of the Board of Directors, chief financial officer, chief compliance officer, chief risk officer, chief information officer and the persons who actually perform the above-mentioned duties.
- Article 1.11 In accordance with the relevant provisions in the Constitution of the Communist Party of China, the Company Law and the Working Rules of Primary-level Party Organisations of State-owned Enterprises (for trial implementation), the Company shall establish a party organisation to uphold and enhance the Party's overall leadership and give play to the leading role of the Party Committee in setting the direction, keeping in mind the big picture and ensuring the implementation of the Party policies and principles. The working organs of the Party shall be established with sufficient staff to deal with Party affairs and sufficient funds to operate the Party organisation.

Chapter 2 Scope and Objectives of Business

- Article 2.01 The business objectives of the Company: the Company is committed to offering the shareholders of the Company with considerable return, providing our customers with quality services, realizing growth value for employees, and contributing to the sound development of the securities markets in the PRC, through lawful and well-regulated operation, effectively serving the development of the real economy, proactively fulfilling corporate social responsibilities, and protecting the legitimate rights and interests of investors in accordance with the Company Law, the Securities Law, the Regulations on Supervision and Management of Securities Companies and other rules and regulations.

Article 2.02 The business scope of the Company is as approved by the securities regulatory authorities and registered by the company registration authority.

Upon registration according to law, the business scope of the Company is: licensed items: securities business, securities investment consultation, sales of public securities investment funds and bond market business. (For items requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities, and the specific items are subject to the approval documents or licences of relevant authorities) General items: provision of intermediary business for futures companies by securities companies and securities financial advisory services. (Except for items requiring approval in accordance with the law, operations shall be commenced independently with the business licences in accordance with the law)

Upon approval by the securities regulatory authorities, the business scope of the Company is: securities brokerage, securities investment consultation, financial advisory in relation to securities trading and securities investment activities, proprietary securities trading, the sales of securities investment funds on commission basis, margin financing and securities lending business, provision of intermediary business for futures companies, the sales of financial products on commission basis, and securities (limited to treasury bonds, policy financial bonds, debt instruments issued by non-financial enterprises) underwriting business.

Article 2.03 Upon approval by the CSRC, the Company may establish private funds subsidiary to conduct private equity investment fund business and other private fund businesses.

Upon approval by the CSRC, the Company may establish alternative investment subsidiary to conduct alternative investment businesses for financial products and equities other than those listed on the List of Securities Proprietary Investment Products for Securities Companies.

The Company may establish professional subsidiaries for information technology to provide information technology services for the Company. Professional subsidiaries for information technology can provide information technology services to other financial institutions after filing with the CSRC.

Chapter 3 Shares and Registered Capital

Article 3.01 The Company shall create ordinary shares at all times. If required, upon approval by the authorities delegated by the State Council, the Company may create shares of other classes.

The Company may issue the preferred shares in accordance with the laws.

Article 3.02 The Company shall issue Shares under the principles of openness, fairness and equity, and shares of the same class shall carry same rights, and rank pari passu over dividends or any forms of distribution. Each of the shares of the same class shall carry the same rights, and shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

Article 3.03 The stock of the Company shall take the form of shares. All shares issued by the Company shall have par values, with each share having a par value of RMB1.

The RMB mentioned above refers to legal currency of the PRC.

Article 3.04 Upon approval of the securities regulatory authorities in China, the Company may issue its shares to both domestic investors and foreign investors.

The foreign investors mentioned above refer to those investors who subscribe for the shares issued by the Company and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. The term domestic investors refer to those investors who subscribe for shares issued by the Company and who are located within the territory of the PRC other than those regions mentioned above.

Article 3.05 Shares which the Company issues to domestic investors for subscription in RMB shall be referred to as domestic shares.

Shares which the Company issues to foreign investors for subscription in foreign currency shall be referred to as foreign shares.

Foreign shares, which are listed overseas, shall be referred to as overseas listed foreign shares.

Article 3.06 The foreign shares which the Company issues for listing in Hong Kong shall be referred to as H shares. H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange with a par value denominated in RMB and are subscribed and traded in Hong Kong Dollars. The domestic shares which the Company issues for listing domestically shall be referred to as A shares. A shares are shares which have been approved by the competent authorities of the State Council for issuance, and vetted and agreed by the Domestic Stock Exchange for listing and dealing on the Domestic Stock Exchange.

Upon approval from the securities regulatory authorities of the State Council, domestic shareholders of the Company may transfer the shares held by them to overseas investors and such shares could be listed and traded on an overseas stock exchange. Shares transferred and listed on an overseas stock exchange shall comply with the supervision procedures, regulations and requirements of the overseas stock exchange. No class meeting is required to be held for voting on the listing and trading of shares so transferred on such overseas stock exchange.

Article 3.07 The Company was established on May 26, 2008 by way of promotion. Upon its establishment, the total share capital of the Company was 1,500 million ordinary shares and all shares were issued to the promoters, accounting for 100% of the total share capital. The names of promoters, the number of shares subscribed and the shareholding ratio are as follows:

No.	Names of promoters	Number of shares subscribed (in ten thousand)	Shareholding ratio (%)
1	Wuxi Guolian Development (Group) Co., Ltd.	56,046	37.364
2	Guolian Trust Co., Ltd. (國聯信託有限責任公司)	40,201.5	26.801
3	Wuxi Municipal Electric Power Company	27,502.5	18.335
4	Wuxi Guolian Textile Group Co., Ltd.	7,500.0	5.000
5	Wuxi Minsheng Investment Co., Ltd.	7,350.0	4.900
6	Wuxi Guolian Environmental Energy Group Co., Ltd.	3,000.0	2.000
7	Wuxi Jinhong Telecommunications Group Co., Ltd.	2,400.0	1.600
8	Jiangsu Xinfang Industrial Co., Ltd.	2,250.0	1.500
9	Wuxi Weifu High-technology Co., Ltd. (無錫威孚高科技股份有限公司)	1,800.0	1.200
10	Wuxi New District Economic Development Group Corporation (無錫市新區經濟發展集團總公司)	1,200.0	0.800
11	Wuxi Xinye Construction Development Co., Ltd.	600.0	0.400
12	Yixing Assets Management Company	150.0	0.100
	Total	150,000.0	100.000

On May 26, 2015, upon approval of the securities regulatory authorities in China, the Company may issue no more than 442,640,000 H shares, and such H shares were listed on the Hong Kong Stock Exchange on July 6, 2015.

On 29 June 2020, upon approval by the China Securities Regulatory Commission, the Company issued 475,719,000 RMB ordinary shares to the public for the first time.

The total number of the Company shares was 2,831,773,168 ordinary shares. The shareholding structure of the Company was as follows: 2,389,133,168 was domestic shares, accounting for 84.37% of the total number of ordinary shares issued by the Company, 442,640,000 was H shares, accounting for 15.63% of the total number of ordinary shares issued by the Company.

Article 3.08 In respect of the plan for issuing overseas listed foreign shares and domestic shares by the Company as approved by the China securities regulatory authority, the Board of Directors of the Company may arrange for the implementation of such plan through separate issue.

The Company's plan for the separate issue of overseas listed foreign shares and domestic shares in accordance with the above paragraph may be implemented separately within 15 months from the date of approval by the securities regulatory authority of China.

Article 3.09 In issuing the planned shares, the Company shall issue overseas listed foreign shares and domestic shares in single tranche respectively. Where there are special circumstances that the shares cannot be issued in one tranche, the Company may issue the shares in several tranches, subject to approval of the securities regulatory authorities of China.

The Company shall establish the management and the employees' incentive mechanism with long-term effects according to its business development. The Company shall take charge of preparing the draft for the incentive mechanism with long-term effects, which shall be implemented after being passed by the Board of Directors of the Company and general meeting and the approval of the relevant competent authorities, and being filed with the securities regulatory authorities of China without objection.

Article 3.10 The registered capital of the Company is RMB2,831,773,168.

Article 3.11 The Company may, based on its requirements for operation and development of the Company and in accordance with the relevant provisions of the Articles of Association, having obtained the approval of the securities regulatory authorities in China, increase its registered capital.

The Company may increase its capital in any of the following manners:

- (1) offer of new shares to investors not particularly designated;
- (2) private placement of shares;
- (3) right issue of new shares to existing shareholders;
- (4) bonus issue of new shares to existing shareholders;
- (5) transfer of capital reserve fund into capital; and
- (6) any other way permitted by the laws, administrative regulations and the relevant regulatory authorities.

Upon approval in accordance with the provisions of the Articles of Association, the increase of capital by the Company to issue new shares shall be implemented in accordance with the procedures stipulated by the relevant laws and administrative regulations of PRC.

Article 3.12 Save as otherwise specified by laws, administrative regulations, department rules and relevant requirements of the stock exchange in the place where the Company's shares are listed, the shares of the Company may be transferred freely without any lien being attached. Transfer of overseas foreign shares listed in Hong Kong shall be registered by the share registrar in Hong Kong entrusted by the Company.

Article 3.13 The Company shall not accept any pledge of its shares.

Trade, donate, inherit and pledge the domestic shares and overseas listed foreign shares of the Company shall be in accordance with the PRC laws and the Articles of Association respectively. To transfer or divert the shares, the Company shall appoint the share registration agent(s) with the registration, and complete the transfer of ownership in accordance with the relevant regulations.

Article 3.14 Promoter shares of the Company shall not be transferred within one year from the date of incorporation of the Company.

Shares already issued by the Company before public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

The directors, supervisors and senior management of the Company shall notify the Company of their shareholdings in the Company and changes thereof, and shall not transfer more than 25% of their shares per annum during their terms of office, save and except changes in shareholdings caused by judicial enforcement, inheritance, bequest and legal division of assets. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their resignation.

Article 3.15 Where any director, supervisor, senior management of the Company and shareholder holding 5% or above of the Company's shares in issue sell his/her shares or other securities with an equity nature within a period six months after their purchase, or repurchase shares in the Company within a period of six months after their disposal, the gains so earned shall belong to the Company. The Board of Directors of the Company shall demand such gains for the benefit of the Company. However, a securities company holds 5% or more of the Company's shares as a result of its purchase of the untaken shares in an offer, and other circumstances stipulated by the CSRC are excluded.

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

In the event that the Board of Directors fails to comply with the provisions of the first provision of this article, shareholders shall have the right to request the Board of Directors to implement the related provisions within 30 days. In the event that the Board of Directors fails to implement the requirements within the period specified above, shareholders may initiate litigation in the People's Court directly in their own names for the interest of the Company.

In the event that the Board of Directors does not comply with the provisions of the first paragraph of this Article, the responsible director or directors shall bear joint and several liabilities according to the laws.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 4.01 Under the premise of compliance with the relevant provisions of the laws and administrative regulations of PRC and subject to the approval of the securities regulatory authorities in China, the Company may reduce its registered capital in accordance with the provisions of the Articles of Association.

Article 4.02 The Company shall prepare a balance sheet and a list of property inventory when reducing its registered capital.

The Company shall notify its creditors within ten days and shall publish a notice in newspapers at least 3 times within 30 days after the passing of resolution approving the reduction of capital. Creditors shall, within 30 days after receiving the notice or 45 days after the first publication of the notice (for those who have not received the notification), have a right to require the Company to settle its debts or to provide guarantees for their settlement.

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

Article 4.03 The Company may repurchase its shares, subject to the procedures of the Articles of Association and upon approval by the relevant competent authorities of the State under the following circumstances:

- (1) to reduce the registered capital of the Company through cancelling shares;
- (2) to merge with other companies holding shares of the Company;
- (3) to utilize the shares for employee stock ownership plans or equity incentives;

- (4) to acquire shares held by dissident shareholders (if so requested) who vote against the resolution proposed in shareholders' general meeting on the merger or division of the Company;
- (5) to utilize shares for the conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) to safeguard the value of the Company and the interests of the shareholders when necessary; and
- (7) other circumstances as permitted by laws and administrative regulations.

The Company shall not acquire the shares of the Company save for the circumstances specified above.

Repurchase of the issued shares by the Company shall be compliance with the provisions of Articles 4.04 to 4.07 of the Articles of Association.

Article 4.04 The Company may repurchase its shares by means of public centralized trading or otherwise as permitted by laws, regulations and relevant regulatory authorities upon approval by relevant competent authorities of the State. Where the Company repurchases its shares under the circumstances as mentioned in provisions (3), (5) and (6) of Article 4.03 of the Articles of Association, it shall do so by means of public centralized trading.

Article 4.05 The Company's repurchase of its shares by off-market agreement is subject to prior approval by the shareholders' general meeting in accordance with the provisions of the Articles of Association. Upon prior approval by the shareholders' general meeting in the same manner, the Company may rescind or change the contracts concluded in the manner set forth above, or waive any of its rights in such contracts.

The share repurchase contracts referred to in the above paragraph shall include (but not limited to) agreements whereby it's agreed to bear the obligation and obtain the right to repurchase shares.

The Company may not transfer its contract for the repurchase of its shares or any of its rights therein.

That, where the Company has the rights to repurchase the redeemable shares, repurchases not made through the market or by tender shall not exceed a certain maximum price limit; if repurchases are made by tender, such tenders shall be made available to all shareholders alike.

Article 4.06 Shares repurchased in accordance with the laws by the Company shall be canceled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered share capital.

The total par value of the deregistered shares shall be deducted from the registered capital of the Company.

Shares of the Company repurchased under circumstances specified in provision (1) and provision (2) of Article 4.03 of the Articles of Association shall be implemented after it is approved by shareholders' general meeting. Shares of the Company repurchased under the circumstances specified in provisions (3), (5) and (6) of Article 4.03 of the Article of Association shall be subject to the approval of more than two-thirds of the directors attending the relevant Board of Directors meeting.

In the circumstances categorized under provision (1) of Article 4.03 of the Articles of Association, the Company shall deregister such shares within 10 days of the date of repurchase; in the circumstances categorized under provisions (2) and (4), such shares shall be transferred or deregistered within 6 months; in the circumstances categorized under provisions (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total shares issued by the Company, and shall be transferred or cancelled within 3 years.

The repurchase of H Shares of the Company shall comply with the regulatory requirements of the Listing Rules of the Stock Exchange.

Article 4.07 The Company shall comply with the following provisions when repurchasing its issued shares, unless the Company is already in the process of liquidation:

- (1) In the event that shares of the Company are repurchased at par value, the payment therefore shall be deducted from the Company's book balance of distributable profit and the proceeds from a new share issue made to repurchase old shares;
- (2) In the event that shares of the Company are repurchased at a price higher than the par value, the portion equivalent to the par value shall be deducted from the Company's book balance of distributable profit and the proceeds from a new share issue made to repurchase old shares; and the portion in excess of the par value shall be handled as follows:
 - (i) in the event that shares are repurchased at par value, the payment therefore shall be deducted from the book balance of distributable profit of the Company;

- (ii) in the event that shares are repurchased at a price higher than the par value, the payment therefore shall be deducted from the Company's book balance of distributable profit and the proceeds from a new share issue made to repurchase old shares; provided, however, that the amount deducted from the proceeds from the new share issue shall not exceed the total premium obtained at the time of issuance of the old shares, nor shall it exceed the balance of the premium account (or capital reserve account) of the Company (including the premiums from the new share issue) at the time of repurchase.
- (3) Payments by the Company for purposes set forth below shall be paid out of the distributable profits of the Company:
 - (i) acquisition of the right to repurchase its shares;
 - (ii) modification of the contract for the repurchase of its shares;
 - (iii) release from any of its obligations under the repurchase contract.
- (4) After the par value of the deregistered shares has been deducted from the registered capital of the Company in accordance with relevant regulations, the amount deducted from the distributable profits for repurchasing the portion of the par value of shares shall be included in the premium account (or capital reserve account) of the Company.

Article 4.08 The Company shall apply to the registration authority for registration of the change of its increase or reduction of the registered share capital.

Where the laws, regulations, rules and regulatory documents and other relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed provide otherwise for the financial affairs of the repurchase of shares above, those provisions shall prevail.

Chapter 5 Financial Assistance for Purchase of Company's Shares

Article 5.01 The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. The aforementioned person shall include the person who has direct or indirect obligations in the purchase of shares of the Company.

The Company or its subsidiaries shall not, at any time, provide any form of financial assistance to the Obligor for the purposes of reducing or discharging the obligations assumed by such person.

This Article shall not apply to the circumstances set out in Article 5.03.

Article 5.02 The financial assistances referred to in this Chapter shall include (but not limited to) those given by way of:

- (1) gift;
- (2) guarantee (including the undertaking of liability or the provision of property by the guarantor in order to secure the performance of the obligation by the obligor), compensation (however, not including compensation arising from faults made by the Company), and the release or waiver of rights;
- (3) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party, and a change in the parties to such loan or contract as well as the transfer of rights under such loan or contract;
- (4) financial assistance in any other form when the Company is insolvent or has no net assets, or when such assistance would lead to a major reduction in the net assets of the Company.

The undertaking of obligations referred to in this Chapter shall include the undertaking of an obligation by the obligor through concluding a contract or making an arrangement (regardless of whether such contract or arrangement is enforceable or not, and whether such obligation is undertaken by the obligor individually or jointly with any other person), or through changing its financial position in any other way.

Article 5.03 The following actions shall not be regarded as actions prohibited under Article 5.01 of this Chapter:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the purchase of shares in the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company's assets as dividend;
- (3) the distribution of dividends in the form of shares;

- (4) a reduction of registered capital, a repurchase of shares of the Company or reorganisation of the shareholding structure of the Company in accordance with the Articles of Association;
- (5) the provision of loans by the Company within its scope of business and in the ordinary course of its business, where the provision of loans falls within part of the scope of business of the Company (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits); and
- (6) contributions made by the Company to the employee share ownership scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).

Chapter 6 Share Certificates and Register of Shareholders

Article 6.01 The share certificates of the Company shall be in registered form.

The share certificates of the Company shall contain the following particulars:

- (1) the name of the Company;
- (2) the date of incorporation of the Company;
- (3) the class and par value of the shares and the number of shares that each share certificate represents;
- (4) the serial number of the share certificate; and

any other matters needed to be specified as required by the Company Law and the securities regulatory authorities in the place where the Company's Shares are listed.

The regulations of the securities regulatory authorities in the place where the share are listed shall be applied in condition of paperless transactions of shares.

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

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

- (1) the acquirer of shares agrees with the Company and each of its shareholder, and the Company agrees with each shareholder, to observe and comply with the Company Law, the Special Provisions, other relevant laws and administrative regulations and the Articles of Association;
- (2) the acquirer of shares agrees with the Company, each of its shareholders, directors, supervisors, manager and other senior management and the Company (acting for the Company and for each director, supervisor, manager and other senior management) agrees with each shareholder, to refer all differences and claims arising from its Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association. Any reference to arbitration will be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration will be final and conclusive;
- (3) the acquirer of shares agrees with the Company and each shareholders that shares of the Company are freely transferable by the holder of such shares;
- (4) the acquirer of shares authorizes the Company to enter into a contract on his behalf with each director, manager and other senior management whereby such directors, manager and other senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

Article 6.02 The share certificates of the Company shall be signed by the Chairman of the Board of Directors. In the event that signatures of other senior management of the Company are required by the stock exchange on which shares of the Company are listed, the share certificates shall also be signed by such other senior management. The share certificates shall become effective once the Company's seal (including the Company's securities seal) is affixed thereto or printed thereon. Authorization by the Board of Directors shall be attained prior to the Company's seal or securities seal being affixed or printed on the share certificates of the Company. The signature of the Chairman of the Board of Directors or other senior management on the share certificates may also be in printed form.

Under the circumstances of paperless issuance and transactions, other provisions of the securities regulatory authority at the place where the Company's shares are listed and the stock exchange shall be applicable.

Article 6.03 The Company shall establish a register of shareholders to record the following particulars:

- (1) the name, addresses (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) serial number of share certificate held by each shareholder;
- (5) the date on which each shareholder is registered as a shareholder; and
- (6) the date on which each shareholder ceases to be a shareholder.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shares in the Company.

Any behavior or transfer of overseas listed foreign shares shall be registered in the register of shareholders of overseas-listed foreign shares maintained in the place where such shares are listed according to the Articles of Association.

Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

- (1) the Company shall not register more than four persons as the joint holders of any shares;
- (2) all joint holders of any shares shall assume the several and joint liability to pay all the payables related to the shares;
- (3) in the event that one of the joint holders deceased, the surviving joint holders shall be deemed as the holders of the relevant shares. However, the Board may request the provision of death certificate, which it thinks fit, for the purpose of amending the register of shareholders; and

- (4) in respect of the joint holders of any shares, only the joint holder whose name stands first on the register of shareholders shall be entitled to receive the certificate of relevant shares and notice of the Company, to attend the shareholders' general meeting or to exercise the voting rights of the relevant shares. Any notice so served shall be deemed as having served on all the joint holders of the relevant shares.

Article 6.04 The Company may, in accordance with the understanding or agreements made between the securities regulatory authorities in China and overseas securities regulatory authorities, maintain the register of holders of overseas listed foreign shares in any place outside China for inspection by shareholders, and appoint an overseas agent to manage such register of shareholders. Such original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall maintain a copy of the register of overseas shareholders at the domicile of the Company.

The appointed overseas agent shall ensure the consistency between the original and the duplicate register of overseas shareholders at all times.

If there is any discrepancy between the original and the duplicate register of overseas shareholders, the original register of shareholders shall prevail.

Article 6.05 The Company shall maintain a complete register of shareholders.

A register of shareholders shall include the following components:

- (1) the register of shareholders that is maintained at the Company's domicile (other than those share registers described in sub-paragraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of overseas listed foreign shares that is maintained in the same place as the overseas stock exchange on which the shares are listed;
- (3) the registers of shareholders that are maintained in such other places as the Board of Directors may consider necessary for the purpose of listing the Company's shares.

Article 6.06 Parts of the register of shareholders shall not overlap. No transfer of shares registered in any part of the register shall, during the continuous period of such registration, be registered in any other part of the register.

All paid-up overseas listed foreign shares listed in Hong Kong may be transferred freely in accordance with the Articles of Association. However, the Board may refuse to recognize any instrument of transfer without giving any reasons unless the following conditions are satisfied:

- (1) instrument of transfer and any other documents related to the title of any Shares or may affect the title of any Shares shall be registered, and made payment to the Company for such registration according to the expenses stipulated by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
- (2) the instrument of transfer relates to the overseas listed foreign shares listed in Hong Kong;
- (3) the stamp duty for the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (5) if the stock is to be transferred to joint holders, the number of the joint registered shareholders shall not exceed four; and
- (6) the relevant shares of the Company are free from all liens.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.

All instruments of transfer of overseas listed foreign shares listed in Hong Kong shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board of Directors (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time), which shall be signed under hand by the transferor and the transferee. Where the transferor or transferee is a recognized clearing house (a “Recognized Clearing House”) as defined by the relevant laws and regulations at the place of listing of the shares of the Company or its nominee, the instrument of transfer may be signed under hand or in a machine-imprinted format. All instruments of transfer shall be maintained at the legal address of the Company or such other places as the Board of Directors may specify from time to time.

If the Company refuse to register the transfer of any share, it shall the Company shall notify the transferor and transferee of the refusal within two months from the date of the application for registration of transfer.

Article 6.07 Closure of registers of members prior to a shareholders' general meeting or prior to the reference date set by the Company for the purpose of distribution of dividends shall be conducted in accordance with the laws, regulations and the relevant requirements of the securities regulatory authorities at the place where the shares of the Company are listed.

The period of closure of registers of members shall not be more than thirty (30) days within one year, but can be extended for thirty (30) days at most upon approval of the shareholders' general meeting. During the period of closure of registers of members, in the event of any application for access to the registers of members, the Company shall send a certification document signed by its company secretary to the applicant, stating the approval authority and period of closure of registers of members.

Article 6.08 When the Company is to convene a shareholders' general meeting, distribute dividends, be liquidated, or to carry out other acts requiring confirming of equity interests, the Board of Directors shall decide a date for the record date. Shareholders whose names appear on the register at the end of the record date shall be the shareholders of the Company.

Article 6.09 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 6.10 Any registered shareholder or any person who claims to have his/her name entered into the register of shareholders in respect of shares in the Company may apply to the Company for a new share certificate for replacement in respect of such shares (the "Relevant Shares"), in the event that his/her share certificate (the "Original Share Certificate") has been stolen, lost or destroyed.

Applications for a replacement share certificate by shareholders of domestic shares shall be addressed pursuant to the relevant requirements of the Company Law.

Applications for a replacement share certificate by holders of overseas listed foreign shares shall be addressed pursuant to the law, the rules of the stock exchange, or other relevant regulations of the jurisdiction in which the original register of shareholders for overseas listed foreign shares is maintained.

With respect to shareholders of H shares who have lost their share certificates, the replacement of share certificate shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form along with a notarization or a statutory declaration stating the grounds upon which the application is made and the circumstances and evidence of the loss. Moreover, the applicant shall declare that no other person shall be entitled to have his name entered into the register of shareholders with respect to the Relevant Shares;
- (2) The Company shall not have received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders with respect to such shares (prior to the issue of a replacement share certificate to the applicant);

- (3) In the event that the Company intends to issue a replacement share certificate to an applicant, it shall publish an announcement of such intention at least once every 30 days within a period of 90 days in the newspaper as prescribed by the Board of Directors;
- (4) Prior to its publication, the Company shall deliver, to the stock exchange on which its shares are listed, a copy of aforementioned announcement. The Company may publish the announcement upon receipt of confirmation from such stock exchange confirming the announcement has been exhibited on the premises of said stock exchange. Such announcement shall be exhibited on the premises of the stock exchange for a period of 90 days;

In case an application for a replacement share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver, by post, to such registered shareholder a copy of the announcement to be published;

- (5) Upon expiration of the 90-day period referred to in the provisions (3) and (4) of this Article, the Company may issue the replacement share certificate to the applicant in the event that the Company has not received any objections from any person with respect to the issuance of a replacement share certificate;
- (6) When the Company issues a replacement share certificate pursuant to the provisions of this Article, it shall cancel the original share certificate and record the cancellation of said original share certificate, along with the issuance of the replacement share certificate in the register of shareholders;
- (7) All expenses relating to the cancellation of the original share certificate and the issuance of a replacement share certificate shall be borne by the applicant, and the Company shall have the right to refuse to take any action until reasonable guarantee is provided by the applicant.

Article 6.11 Where the Company issues a replacement share certificate pursuant to the Articles of Association, as for a bona fide purchaser obtaining the new share certificate referred to above or a shareholder registered as a owner of the relevant shares (in case of a bona fide purchaser), his name (title) shall not be removed from the register of shareholders.

Article 6.12 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the said person claiming damage proves that the Company has acted in a deceitful manner.

Chapter 7 Party Organisation

Article 7.01 The Committee of the Communist Party of Guolian Securities Co., Ltd. (hereinafter referred to as the “Party Committee of the Company”) shall be established by the Company. The Party Committee of the Company shall consist of one secretary, one to two deputy secretaries, and several other members. Generally, the secretary to the Party Committee and the Chairman shall be the same person. Eligible members of the Party Committee can join the Board of Directors, the Supervisory Committee and the management through statutory procedures, while eligible Party members of the Board of Directors, Supervisory Committee and the management can also join the Party Committee in accordance with relevant rules and procedures. Meanwhile, the Discipline Inspection Committee of the Communist Party of Guolian Securities Co., Ltd. (hereinafter referred to as the “Discipline Inspection Committee”) shall be established by the Company in accordance with the relevant requirements.

Article 7.02 The Party Committee of the Company shall perform the following duties in accordance with the Constitution of the Communist Party of China, the Working Rules of Primary-level Party Organisations of State-owned Enterprises (for trial implementation) and other internal laws and regulations of the Party:

- (1) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics, as well as educate and guide all Party members to closely align with the Party Central Committee with Comrade Xi Jinping at its core in terms of the political stance, direction, principles and path;
- (2) to thoroughly study and implement Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, learn and propagate the Party’s theory, thoroughly implement the Party’s route, principles and policies, as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organisation at higher levels in the Company;
- (3) to investigate and discuss the significant operation and management matters of the Company and support the general meetings, the Board of Directors, the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;
- (4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;

- (5) to undertake the main responsibility of improving Party conduct and upholding integrity, lead and support the Discipline Inspection Committee of the Company to fulfill its supervisory and disciplining responsibilities as well as exercise stringent administrative discipline and political rules, promote Party self-governance in every aspect and with rigor into the primary-level;
- (6) to strengthen the building of primary-level Party organisations and of its contingent of Party members, and unite and lead employees company-wide to devote themselves into the reform and development of the Company;
- (7) to lead the Company's ideological and political work, the spirit and civilization progress, the United Front work and lead the Labour Union, Communist Youth League, Women's Organisation and other mass organisations of the Company;
- (8) other relevant important matters within the scope of the Party Committee's responsibilities.

Article 7.03 The investigation and discussion of the Party Committee of the Company on major issues shall be a prerequisite procedure for any decision-making by the Board of Directors and the management on such issues. The opinions of the Party Committee of the Company shall be heard before the Board of Directors and the management decide material issues of the Company.

Chapter 8 Shareholders' Rights and Obligations

Article 8.01 Any shareholder shall notify the Company in advance and go through the review and approval process with the relevant securities regulatory authorities under the State Council to effect the same, in the event that such shareholder will hold 5% or more registered capital in the Company through subscription for or acquisition of the Company's shares or the equity in any other shareholder of the Company or otherwise. The Company's shareholders shall comply with the conditions prescribed by the securities regulatory authorities in China, any entity or individual which holds or actually controls more than 5% of the shares of the Company without review and approval, the securities regulatory authorities of China will order it to make rectifications within the specified time limit; before making such rectifications, the corresponding shares shall not have any voting rights; the aforementioned shareholders shall dispose the corresponding shares if they are unable to obtain such review and approval within one year from the securities regulatory authorities under the State Council.

A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

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

The Company shall not exercise any power against any person who fails to disclose any of his direct or indirect interests in the Company by freezing or otherwise damaging the interest of such person as attached to shares.

Article 8.02 The Company shall make arrangements for risk prevention during the period of change of registered capital or equity to ensure the normal operation of the Company and the interests of customers are without prejudice.

Where review and approval is required from the CSRC according to law, shareholders of the Company shall continue to independently exercise their voting rights in accordance with the proportion of their shareholding prior to review and approval. The equity transferor shall not recommend the relevant personnel of the equity transferee to act as directors, supervisors and senior management of the Company, and disguise the transfer of voting rights in any form.

Article 8.03 Shareholders of the Company shall have a full understanding of shareholders' conditions and shareholders' rights and obligations, be fully aware of the information on the operation and management situation and potential risks of securities companies, have reasonable investment expectations and a real willingness to make capital contribution, and perform necessary internal decision-making procedures.

No agreement with a nature of "betting on" shall be entered into or related arrangements be formed for the Company or other designated entities to redeem equity from or transfer equity to specific shareholders in the event that the Company does not meet specific conditions in the future.

Article 8.04 Shareholders of the Company shall truthfully, accurately and completely explain the shareholding structure up to the actual controllers, the ultimate equity holders, and the related relationship or the relationship of concerted action with other shareholders shall not evade the approval or supervision of the shareholder qualification of securities companies by concealing or deceiving.

Article 8.05 The holders of the ordinary shares of the Company shall be entitled to the following rights:

- (1) to receive distribution of dividends and other forms of benefits in proportion to the number of shares held;
- (2) to request, convene, hold, attend or appoint a shareholder proxy to attend the shareholders' general meeting, speak at the shareholders' general meeting and exercise voting rights at such meeting according to the laws;

- (3) to supervise and manage the operations of our Company, and to submit proposals and inquiries;
- (4) to transfer, make a gift or charge of the shares held in accordance with the laws, administrative regulations and the requirements of the Articles of Association;
- (5) to obtain relevant information in accordance with the Articles of Association, including:
 1. to receive the Articles of Association, subject to the payment of production cost;
 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (i) all or any part of the register of shareholders;
 - (ii) personal particulars of each of the directors, supervisors, manager and other senior management of the Company, including:
 - (a) current and previous names and aliases;
 - (b) main address (premise);
 - (c) nationality;
 - (d) full-time and all other con-current positions and duties;
 - (e) identification documents and their numbers.
 - (iii) the status of the issued share capital of the Company;
 - (iv) the latest audited financial statements and reports of the Board of Directors, of the auditors and of the Supervisory Committee of the Company;
 - (v) special resolutions of the shareholders' general meetings and/or of the Board meetings of the Company;
 - (vi) the par value, the number, in respect of its own each class of shares repurchased by the Company since the previous financial year, and the total amount paid by the Company for this purpose, and the report of the highest and the lowest prices paid for each class of shares repurchased, categorized as domestic shares and foreign shares (and H shares, if applicable), respectively;

- (vii) a copy of the latest annual report filed with the State Administration for Market Regulation or other competent authorities;
- (viii) minutes of the shareholders' general meetings;
- (ix) counterfoils of the bonds of the Company;
- (x) resolutions of the Board meetings;
- (xi) resolutions of meetings of the Supervisory Committee;
- (xii) financial and accounting reports.

Items (i) to (xii) above (except item (ii)) shall be placed at the office of the Company in Hong Kong in accordance with the Listing Rules of the Stock Exchange for inspection by the public and holders of its overseas-listed foreign shares free of charge, and charge a reasonable fee for the copy, Item (viii) shall be available for inspection by shareholders only;

- (6) in the event of the dissolution or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion with the number of shares then held;
- (7) the right to request the Company to repurchase its shares so long as the shareholder dissents the resolutions of the shareholders' general meeting approving a merger or division of the Company;
- (8) other rights conferred by laws, administrative regulations and the Articles of Association.

Article 8.06 Where any shareholder proposes to inspect relevant information described in the preceding Article or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder status.

Article 8.07 Shareholders who shall but have not been reviewed and approved by the regulatory authorities or have not filed with the regulatory authorities, or those who have not completed the rectification, shall not exercise such rights as requesting to convene a general meeting, voting, nominating, proposing and disposition, etc.

Shareholders who make false statements, abuse shareholders' rights or do other acts that prejudice the interests of the Company, shall not exercise such rights as requesting to convene a general meeting, voting, nominating, proposing and disposition, etc.

Article 8.08 In the event that any resolution of the shareholders' general meeting or the Board meeting of the Company violates any applicable law or administrative regulations, the shareholders shall have the right to request the People's Court to invalidate the resolution. The provision for disputes settlement in these Articles shall be applicable to disputes involving the holders of foreign shares.

In the event that any convening procedure, voting method or any resolution of the shareholders' general meeting or of any Board meeting is found in violation of applicable laws, administrative regulations or these Articles, the shareholders shall have the right to request the People's Court to invalidate the resolution thereof within 60 days from the date on which such resolution is resolved. The provision for disputes settlement in these Articles shall be applicable to disputes involving the holders of foreign shares.

Article 8.09 In the event of any loss caused to the Company as a result of violation of applicable laws, administrative regulations or these Articles by the directors or senior management when performing their duties, any shareholder who holds 1% or more of the shares individually or jointly for no less than 180 consecutive days shall have the right to request the Supervisory Committee in writing to initiate litigation before the People's Court. In the event of any loss caused to the Company as a result of violation of applicable laws, administrative regulations or these Articles by the Supervisory Committee when performing its duties, any of the aforementioned shareholders shall have the right to request the Board of Directors in writing to initiate litigation before the People's Court. The provision for disputes settlement in these Articles shall be applicable to disputes involving the holders of foreign shares.

In the event that the Supervisory Committee or the Board of Directors refuses to institute litigation after receiving the written request from any of the shareholders as specified in the preceding paragraph, or withholds from instituting litigation within 30 days from the receipt of the request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, such shareholder(s) as mentioned in the preceding paragraph shall have the right to initiate litigation before the People's Court in the name(s) of such shareholder(s) in the interest of the Company. The provision for disputes settlement in these Articles shall be applicable to disputes involving the holders of foreign shares.

In the event of any infringement by a third party to the Company's legitimate rights and interest, resulting in losses to the Company, such shareholders as mentioned in the first paragraph of this Article may initiate litigation before the People's Court in accordance with the preceding two paragraphs. The provision for disputes settlement in these Articles shall be applicable to disputes involving the holders of foreign shares.

Article 8.10 In the event that any director or senior management violates applicable laws, administrative regulations or these Articles to the detriment of the interest of the shareholders, the shareholders may initiate litigation before the People's Court.

Article 8.11 The holders of ordinary shares of the Company shall have the following obligations:

- (1) that each holder shall comply with the laws, administrative regulations and these Articles;
- (2) that each holder shall pay capital contribution as per the shares subscribed for and the method of subscription with its own funds. The source of funds shall be legal and may not be invested by non-own funds such as entrusted funds, except for circumstances as recognized by laws and regulations and the CSRC; substantial shareholders and controlling shareholders of the Company shall replenish capital to the Company when necessary;
- (3) that each holder may not claim the share capital in respect of its shares, unless otherwise specified by the laws or regulations;
- (4) that each holder shall not abuse rights of shareholder to the detriment of the interest of the Company or other shareholders, or abuse the Company's independent legal person status or the limited liability of the shareholders, to the detriment of the interest of the creditors of the Company; In the event of any damage caused to the Company or other shareholders arising from any abuse of the shareholder's right, such shareholder shall be liable for compensation in accordance with the laws. In the event of any material damage caused to the interest of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.
- (5) that each holder shall assume other obligations imposed by laws, administrative regulations and these Articles.

Shareholders shall not bear any further liabilities to the share capital other than the conditions agreed to by the subscriber of the relevant shares upon subscription.

Article 8.12 Shareholders of the Company and their controlling shareholders and actual controllers shall not perform the following acts:

- (1) False or untruthful capital contribution, withdrawal or evasion of capital contribution to the Company, or withdrawal or evasion of capital contribution to the Company in a disguised form;

- (2) In violation of laws, administrative regulations and the Articles of Association to intervene in the business management activities of the Company;
- (3) Abuse rights or influence to occupy the assets of the Company or customers, and transfer interests, which damage the legitimate rights and interests of the Company, other shareholders or customers;
- (4) Illegally require the Company to provide financing or guarantee to them or their related parties, or force, instruct, assist, accept the Company to provide financing or guarantee with the assets of its securities brokerage clients;
- (5) Conduct improper related party transactions with the Company and use the influence on the Company's operation and management to obtain illegitimate interests;
- (6) Entrust others or accept trust from others to hold or manage the equity of the Company without approval, accept or transfer the control over the equity of the Company in a disguised form;
- (7) Other acts prohibited by the CSRC.

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

Article 8.13 The number of securities companies participated in by shareholders of the Company and their controlling shareholder and actual controller shall not exceed two, of which the number of controlling securities companies shall not exceed one. The following circumstances shall not be counted into the number of shareholding and controlling securities companies:

- (1) Directly hold and indirectly control less than 5% of equity in securities companies;
- (2) Invest in other securities companies through controlling securities companies;
- (3) Securities companies have control over other securities companies;
- (4) Transitional arrangements for implementing mergers and acquisitions of securities companies;

- (5) The State Council authorizes the holding of equity in securities companies;
- (6) Other circumstances as recognized by the CSRC.

Article 8.14 In addition to the obligations required by laws and administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise its voting rights in respect of the following matters to the detriment of the interest of all or some of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duties to act honestly in the best interest of the Company;
- (2) to approve any director or supervisor to deprive the Company of any of its properties, including (but not limited to) any opportunity in favor of the Company, for the benefit of such director or supervisor or of any other person;
- (3) to approve any director or supervisor to deprive any other shareholder of any of its legitimate right, including (but not limited to) right to distributions and voting right (save as pursuant to a restructuring approved by the shareholders at general meeting in accordance with Articles of Association), for the benefit of such director or supervisor or of any other person.

Article 8.15 The term controlling shareholder referred to in the preceding Article shall refer to a person that satisfies any of the following conditions:

- (1) a person who, acting alone or in concert with others, has the power to elect more than half of the directors;
- (2) a person who, acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Company's voting rights;
- (3) a person who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, controls the Company in any other manner in fact.

The term "acting in concert" herein shall mean that investors, through agreement or other arrangements, enlarge their control proportion in the shares of the Company or reinforce their control in the Company and take actions expressing the same will when exercising the voting rights of the Company, with other investors.

Article 8.16 The controlling shareholder and the actual controller of the Company shall not take advantage of their association relationship to harm the interest of the Company; otherwise they shall make compensation for the loss incurred to the Company.

The controlling shareholder and the actual controller of the Company shall bear the fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholders shall strictly abide by the laws in exercising the contributor's rights and shall not infringe the legitimate rights of the Company and the public shareholders by way of profit distribution, asset reorganisation, external investment, use of capital and guarantee for borrowings, and shall not exploit his/her controlling position to harm the interest of the Company and the public shareholders.

Article 8.17 Any shareholder holding 5% or more voting shares of the Company shall notify the Company within 5 (five) business days of any of the following events:

- (1) its shares of the Company held or controlled are subject to any property preservation or other mandatory measures;
- (2) any of its shares of the Company are pledged;
- (3) the actual controller of any shareholder who holds 5% or more of the shares of the security company is changed;
- (4) its name is changed;
- (5) a merger or division is effected;
- (6) it is ordered to suspend operation, or is appointed a receiver, or is taken over, subject to revoke or other regulatory measures or in the process of dissolution, bankruptcy or liquidation;
- (7) it is imposed upon administrative penalties or criminal punishment due to serious violation of laws or regulations;
- (8) other circumstances that may result in the transfer of the shares of the Company that it holds or controls or otherwise affect the operation of the Company.

Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possessions, he/she shall report to the Company in writing on the day of effectiveness of such pledge of shares.

The Company shall report to the local office of the securities regulatory authorities in China within 5 (five) business days following its acknowledgement of any event aforementioned.

Pledge of H shares shall be handled in accordance with the Laws of Hong Kong, the Listing Rules of the Stock Exchange and other relevant regulations.

Article 8.18 The Company shall maintain a stable shareholding structure. The shareholding period of the Company's shareholders shall comply with the laws, administrative regulations and the relevant provisions of the CSRC, where shareholders of the Company acquire equity in other securities firms by way of share conversion, the shareholding period may be counted continuously. Where the main assets of the Company's shareholders are the equity of the Company, the controlling shareholders and actual controller of the shareholder shall abide by the same lock-up period for the equity of the Company under its control as the shareholders of the Company, except for cases recognized by CSRC according to law.

The shareholders holding more than 5% of shares of the Company shall not pledge their equity in the Company during the equity lock-up period, upon the expiry of the equity lock-up period, the proportion of the Company's equity held that is pledged shall not exceed 50% of the proportion of the Company's equity held by the shareholders. Shareholders who have pledged the equity in the Company shall not prejudice the interests of other shareholders and the Company, or agree that the pledgee or other third parties shall exercise the voting rights and other shareholders' rights, nor shall they transfer the control over the equity of the Company in a disguised form.

Article 8.19 The board office of the Company shall, as the office handling the affairs of the administration of equities of the Company, organize and implement the work concerning to the affairs of administration of equities. The Chairman of the Board of Directors of the Company shall be the first responsible person for the affairs of administration of equities in the Company. The board secretary of the Company who assists in the work of Chairman of the Board of Directors shall be the direct responsible person for the affairs of administration of equities in the Company.

In the event of any illegal or improper conduct related to equity management affairs in the violation of laws, administrative regulations and regulatory requirements, shareholders, companies, responsible person for the affairs of administration of equities and related personnel shall undertake the corresponding responsibilities in accordance with the provisions of the Securities Law, the Securities Companies Supervision and Administration Regulations and relevant laws and regulations and regulatory documents.

Article 8.20 The Company's share management and related matters shall be implemented in accordance with the Provisions on the Administration of Equities of Securities Companies and relevant laws and regulations; if the Articles of Association are not expressly agreed or the agreements are inconsistent, they shall be implemented in accordance with the Provisions on the Administration of Equities of Securities Companies and relevant laws and regulations.

Chapter 9 Shareholders' General Meeting

Section 1 Shareholders' General Meeting

Article 9.01 The shareholders' general meeting is the authority of the Company and exercise functions and powers in accordance with the laws.

Article 9.02 The shareholders' general meeting shall exercise the following functions and powers:

- (1) to determine the operating policies and investment plans of the Company;
- (2) to elect and replace any of the directors and to determine the matters in relation to the remuneration of the directors;
- (3) to elect and replace any of the supervisors other than those held by staff representatives, and to determine the matters in relation to the remuneration of the supervisors;
- (4) to consider and approve the reports of the Board of Directors;
- (5) to consider and approve the reports of the Supervisory Committee;
- (6) to consider and approve the annual financial budget and final account of the Company;
- (7) to consider and approve the profit distribution plans and plans of deficit coverage of the Company;
- (8) to approve resolutions on increase or reduction of registered capital of the Company;
- (9) to resolve on matters such as merger, division, change of nature of the Company, dissolution and liquidation;
- (10) to resolve on the issuance of bonds of the Company;
- (11) to resolve on the appointment, removal or non-retention of any accounting firm;
- (12) to amend these Articles;
- (13) to consider and approve the changes in the use of proceeds from share offering;

- (14) to consider and approve proposals submitted by the Supervisory Committee or shareholders in compliance with the requirements of the Articles of Association;
- (15) to consider matters relating to the Company's purchase or disposal of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;
- (16) to consider and approve the transactions required to be considered by general meeting in accordance with the Listing Rules of the Shanghai Stock Exchange and the Listing Rules of the Stock Exchange;
- (17) to consider and approve any external guarantee set out in Article 9.03 of the Articles of Association;
- (18) to consider any equity incentive scheme and employee stock ownership plan;
- (19) to consider and approve any shareholding schemes of directors, supervisors, senior management or employees of the Company;
- (20) to consider and approve other matters that shall be approved by the shareholders' general meeting as stipulated by laws, administrative regulations, department rules and listing rules of the stock exchange in the listing place of the Company as well as the Articles of Association.

Any resolution passed at the general meeting shall come into effect upon the approval of the securities regulatory authorities in China; any matter involved in changes in the registration of the Company shall legally go through the registration formalities to alter the registration particulars.

Article 9.03 The following external guarantees by the Company shall be considered and approved by a shareholders' general meeting:

- (1) provision of any external guarantee by the Company or its holding subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;
- (2) provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (3) provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;
- (4) provision of any external guarantee by the Company, the total amount of which exceeds 30% of the latest audited total assets of the Company;
- (5) provision of guarantee by the Company within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;

- (6) any other guarantee which shall be considered by the general meeting as stipulated by the listing rules of the stock exchange where the shares of the Company are listed.

References to “external guarantees” in the Articles of Association are to guarantees provided by the Company in favor of other persons, including guarantees provided by the Company in favor of its controlling subsidiaries. References to “the aggregate amount of external guarantees provided by the Company and its controlling subsidiaries” are to the sum of the aggregate amount of external guarantees provided by the Company, including those in favor of its controlling subsidiaries, and the aggregate amount of external guarantees provided by controlling subsidiaries of the Company.

Provision of financing or guarantee by the Company to the shareholders or their related parties is not allowed, except those that the Company provides customers with margin financing and securities lending in accordance with the regulations.

Article 9.04 Save as otherwise the Company is in crisis or in other special circumstances, the Company shall not, without being passed by special resolution of shareholders’ general meeting, enter into any contract with such persons (other than directors, supervisors, manager and other senior management) pursuant to which such person shall be assigned the management and administration of the whole or any substantial part of its business.

Article 9.05 General meetings are classified into annual general meetings and extraordinary general meetings and convened by the Board. The annual general meeting shall be held once every year within six months after the end of the previous financial year.

In any of the following circumstances, the Board shall convene an extraordinary general meeting within two months from the date upon which the circumstance occurs:

- (1) the number of directors falls short of the quorum stipulated in Company Law or is less than two thirds of the number specified in the Articles of Association;
- (2) the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (3) shareholders holding more than 10% (inclusive 10%, and excluding voting proxy) of the Company’s issued voting shares request(s) in writing the convening of an extraordinary general meeting;
- (4) the Board consider it necessary or the Supervisory Committee proposes to convene such meeting;

- (5) independent directors propose to convene such meeting with the consent of more than half of all independent directors; and
- (6) other circumstances stipulated by the laws, administrative regulations, department rules or the Articles of Association.

The number of shares held by the shareholders in aforementioned item (3) is calculated on the day the relevant shareholders submit their written request.

Where the Company is unable to convene the general meeting within the abovementioned time limit, the Company shall report and explain the reasons to the local office of the CSRC in the place where the Company is located and the stock exchange where the Company's shares are listed and make an announcement thereof.

Article 9.06 Independent directors shall be entitled to propose to the Board to convene an extraordinary general meeting. If any independent director proposes to the Board to convene an extraordinary general meeting, he/she shall put forward its proposal in writing. Regarding the proposal requesting to convene an extraordinary general meeting by the independent directors, the Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 (ten) days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within 5 (five) days after the resolution is made by the Board. If the Board refuses to convene an extraordinary general meeting, an explanation and relevant announcement shall be made.

Article 9.07 The Supervisory Committee shall have the right to propose to the Board to convene an extraordinary general meeting, and such proposal shall be submitted in writing. The Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 (ten) days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within 5 (five) days after the resolution is made by the Board and any changes to the original proposal contained in the notice shall be subject to the approval of the Supervisory Committee.

If the Board does not agree to convene the extraordinary general meeting or fails to give any reply within 10 (ten) days after receiving the proposal, it shall be deemed as unable to perform or failing to perform the duty of convening the general meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Article 9.08 Shareholder(s) severally or jointly holding more than 10% shares of the Company shall have the right to request the Board to convene an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 (ten) days after receiving the proposal.

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

If the Board does not agree to hold the extraordinary general meeting or fails to give any reply within 10 (ten) days after receiving the proposal, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

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

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

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.

Article 9.09 Where the Supervisory Committee or the shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and the relevant documents shall be filed with the stock exchange.

The shareholding proportion of the convening shareholders prior to announcement of the resolution of the general meeting shall not be less than 10%.

The Supervisory Committee or convening shareholders shall, when issuing the notice of general meeting and announcement on the resolution of the general meeting, submit relevant evidential documents to the stock exchange.

Article 9.10 The Board of Directors and its secretary shall cooperate with the Supervisory Committee or such shareholder(s) convening the meeting. The Board of Directors will provide the register of shareholders as of the record date. If the Board of Directors fails to provide the register of shareholders, the convener may apply to the securities depository and clearing institution for the register of shareholders with the presence of relevant announcement of convening the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for other purposes than convening the shareholders' general meeting.

Any such expense necessary to convene the meeting, incurred by the Supervisory Committee or such shareholder(s) shall be borne by the Company.

Article 9.11 Where the Company convenes an annual general meeting, a written notice shall be given 20 days before the meeting is held. Where the Company convenes an extraordinary general meeting, a written notice shall be given 15 days before the meeting is held. If there is any other requirements under the laws, regulations and as required by the securities regulatory authorities and the stock exchanges in the place where the shares of the Company are listed, such requirements shall apply.

When calculating the abovementioned period, the date of the meeting shall not be included.

Article 9.12 A notice of shareholders' general meeting shall meet the following requirements:

- (1) it shall be given in written form;
- (2) it shall specify the venue, the date and time of the meeting;
- (3) it shall state the matters to be considered;
- (4) it shall provide the shareholders with such information and explanations as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with the agreement, if any, and the cause and effect of such proposal must be properly explained;
- (5) if any director, supervisor, manager or other senior management has material interests in matters to be considered, he/she shall disclose the nature and the extent of such interests; and if the matters to be considered have an effect on such director, supervisor, manager or other senior management in his/her capacity as a shareholder in so far as it is different from the effect on the interests of the shareholders of the same class, such differences shall be specified;

- (6) it shall contain the full text of any special resolution to be proposed for approval at the meeting;
- (7) it shall expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend on his/her behalf and to vote thereat and the proxy or proxies need not be a shareholder;
- (8) it shall specify the time and venue for lodging proxy forms for the relevant meeting;
- (9) the record date of the shareholders entitled to attend the shareholders' general meeting;
- (10) name and telephone number of the contact person for the meeting;
- (11) the voting time and procedures via the Internet or other methods.

For general meetings initiated by the Supervisory Committee or the shareholders in accordance with these Articles, the requirements under these Articles are applicable to the notice of such meetings.

Article 9.13 Notice and supplementary notice of the general meeting shall disclose fully and completely of the specific contents of all matters. Where the matters to be considered require the independent director's opinions, the independent director's opinions and reasons shall be disclosed as well in the notice and supplementary notice of the general meeting.

The time and procedures for voting by online voting shall be explicitly stated in the notice of shareholders' general meeting if the online voting is adopted.

The interval between the equity registration date of domestic shareholders and the date of the general meeting shall not exceed 7 (seven) working days. The equity registration date shall not be changed once confirmed.

Article 9.14 Where the election of directors and supervisors will be discussed at shareholder's general meeting, the notices of the shareholders' general meeting shall, contain the details of the proposed directors and supervisors, including at least the following particulars:

- (1) personal particulars such as education background, working experience and con-current positions;
- (2) whether there is any connected relationship with the Company or the controlling shareholders and actual controller of the Company;
- (3) number of shares held in the Company;

- (4) whether there are any penalties or punishments imposed by the securities regulatory authorities in China and other authorities or stock exchanges.

The election of each director and supervisor shall be proposed by separate resolutions except that the election is carried out by cumulative voting.

Article 9.15 Any proposal at the shareholders' general meeting involving investment, disposal of assets and merger and acquisition shall be accompanied by details including: the amount involved; consideration (or computation of the consideration); book value of the assets, impact on the Company; status of approval. If relevant regulations require the preparation of evaluation, audit or independent financial advisor's report, the Board of Directors shall announce the results of such evaluation, audit or independent financial advisor's report 5 (five) working days prior to the convention of the shareholders' general meeting.

Article 9.16 When the Board of Directors proposes to change the use of proceeds of share offer, it shall state the reason, general information of the new project and impact on the future of the Company in the notice of meeting.

Article 9.17 Notices of the general meeting shall be served on all shareholders (whether or not entitled to vote thereat) by personal delivery or prepaid mail, and the address of the recipient shall be the address appearing on the register of shareholders. According to relevant regulations specified by laws, administrative regulations, department rules and provisions of the securities regulatory authority at the place where the Company's shares are listed, the notice of the shareholders' general meeting may be given through an announcement.

The announcement referred to in the preceding paragraph shall be published on the website of the Company, the website of the stock exchange and the media that meet the conditions required by the securities regulatory authorities and other regulatory authorities. Once the announcement is published, all shareholders shall be deemed to have received the relevant notice of the general meeting.

Article 9.18 The accidental omission to give notice of a meeting to any person entitled to receive notice or the non-receipt of notice of a meeting by such person shall not invalidate the meeting or any resolution passed at the meeting.

Once the notice of shareholders' general meeting is issued, the meeting shall not be postponed or cancelled and the resolutions proposed in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall announce and explain the reasons at least 2 (two) working days before the original date of meeting. If there is any requirement of the aforementioned matters by the listing rules in the place where the shares of the Company are listed, such requirements shall apply.

Article 9.19 Venue to convene the general meeting of the Company is: the Company's domicile or other locations specified in the notice of the general meeting that is convenient for shareholders to attend. After issuing the notice of a general meeting, the venue of the physical general meeting shall not be changed without any justifiable causes. If there is a need to change, the convener shall make an announcement and explain the reasons at least two working days prior to the physical meeting date. A meeting place shall be set up for the general meeting, and such meetings shall be held on-site.

In the premise that lawfulness and effectiveness of the general meeting can be guaranteed, the Company may provide various ways and means, including an online voting platform using modern information technology, to facilitate participation in the general meeting by shareholders. Shareholders participating in a general meeting online are deemed to be present at such meeting. Where a general meeting of the Company adopts online or other means, the notice of general meeting shall clearly state the time and procedure of voting by way of online or other means.

Where the shareholders' general meeting adopts on-line voting, the Company shall confirm the identification of the shareholders strictly in accordance with the relevant regulations of the securities regulatory authority at the place where the Company's shares are listed, the stock exchange of the place where the Company's shares are listed.

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

Article 9.20 The Company shall engage a legal counsel to issue a legal opinion on the following matters in respect of shareholders' general meeting, and make an announcement accordingly:

- (1) whether the convention and procedure of the meeting are in compliance with the laws, administrative regulations and these Articles;
- (2) whether the attendees and the convener of the meeting are legally and validly eligible, respectively;
- (3) whether the voting procedure and results at the meeting are legitimate and valid;
- (4) issue of a legal opinion on such other matters as required by the Company.

The Board of Directors of the Company may engage a notary to attend shareholders' general meeting as well.

Section 2 Proposal of the Shareholders' General Meeting

Article 9.21 The contents of the proposal shall fall within the functions and powers of shareholders' general meeting and have specific discussion topic and specific matters to be resolved, and in compliance with the laws, administrative regulations and these Articles.

Article 9.22 Where the Company convenes a general meeting, the Board, the Supervisory Committee, and shareholder(s) severally or jointly holding more than 3% shares of the Company may make proposals to the Company, and the Company shall place the proposal on the agenda for the said meeting and submit the proposal for consideration at a general meeting if the said proposal falls within the functions and powers of general meetings.

Shareholder(s) severally or jointly holding more than 3% shares of the Company may submit written provisional proposals to the convener 10 (ten) days before a general meeting is convened. The convener shall issue a supplementary notice of the general meeting to give details of the provisional proposals within 2 (two) days after the receipt thereof, and publish the contents of provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of the general meeting or add any new proposal after the said notice is served.

Any proposal other than those set forth in the notice of shareholders' general meeting and in compliance with the requirements set out in Article 9.21, shall not be put forward for voting at a shareholders' general meeting.

Article 9.23 Any proposal relating to public offers of shares requiring the approval of the securities regulatory authorities in China shall be put forward as a special proposal.

Article 9.24 After the annual report has been considered and passed by the Board of Directors, a resolution relating to the distribution of profits shall be made and be proposed at the annual general meeting. Any proposal on capitalization of the capital reserve by the Board of Directors shall disclose the figures on the earning per share and net asset value per share before and after such capitalization and the impact on the future of the Company in such announcement.

Article 9.25 The appointment of accounting firm shall be proposed by the Board of Directors and approved by the shareholders' general meeting. In the event that the Board of Directors proposes to dismiss or not to re-appoint the accounting firm, prior notice shall be given to the accounting firm concerned and the Board of Directors shall explain the reasons thereof to the shareholders' general meeting. The relevant accounting firm shall be entitled to give its opinion in the shareholders' general meeting.

In the event that the Board of Directors dismisses the accounting firm due to proper reasons during time not having a shareholders' general meeting, it may appoint other accounting firm as a temporary replacement provided that such appointment shall be ratified and approved in the coming shareholders' general meeting. If an accounting firm resigns from its position, the Board of Directors shall explain the reasons in the coming shareholders' general meeting. The resigned accounting firm has duty to make representations in written form or send person to attend the general meeting to explain whether there has been any improprieties of the Company.

Section 3 Convening and Voting of Shareholders' General Meetings

Article 9.26 The chairman shall preside over and act as chairman of the general meeting. If the chairman is unable or fails to perform the duty thereof, a director shall be elected by more than half of all directors to preside over and act as chairman of the meeting.

Article 9.27 Under the premise of compliance with the Article 9.08 of these Articles, any shareholder who requests to convene an extraordinary shareholders' general meeting, shall abide by the following procedures:

- (1) two or more shareholders who together hold 10% or more of the shares carrying the right to vote in the meeting can request the Board of Directors to convene an extraordinary general meeting by signing one or several copies of written request(s) in the same form and content, and stating the proposals and resolutions proposed. The Board of Directors shall convene the extraordinary general meeting as specified in the request as soon as possible. The amount of shareholdings referred to above shall be calculated as at the date of request made.
- (2) If no notice of convening a general meeting was issued within thirty (30) days after the Board of Directors receiving the aforementioned written request(s), the shareholders making the request(s) can convene a meeting by themselves within four 4 months after the Board of Directors receiving the aforementioned written request(s), and the procedures for convening such meeting shall follow the procedures of the shareholders' general meeting convened by the Board of Directors as much as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.

Article 9.28 Where the general meeting is convened by the Supervisory Committee itself, the chairman of the Supervisory Committee shall preside over and act as chairman of the meeting. If the chairman of the Supervisory Committee is unable or fails to perform the duty thereof, more than half of the supervisors may jointly elect a supervisor to preside over and act as chairman of the meeting.

Where the general meeting is convened by the shareholders themselves, the convener shall elect a representative to preside over and act as chairman of the meeting.

When convening the general meeting, if the chairman of the meeting violates any of rules of procedure and shall not continue to preside over the meeting, a person shall be elected by shareholders present at the meeting carrying more than half of the voting rights to act as the chairman of the meeting to resume the meeting.

Article 9.29 The Board of Directors of the Company and other convener shall take necessary measures to ensure the normal order of the general meeting. For any disturbance to the order of the meeting and acts infringing the lawful interests of shareholders, preventive measures shall be taken, and any such incidents shall be reported to the relevant authorities for actions.

Article 9.30 The Company shall formulate rules of procedure for general meetings to specify in details the convening and voting procedures of general meetings, including notification, registration, review of proposals, voting, counting, announcement of voting results, formation of the meeting resolution, minutes and signatures, etc, and the meetings' principle of authorization to the Board. The authorized content should be specific. The rules of procedure of general meetings shall be annexed to the Articles of Association upon formulated by the Board and approved at the general meeting.

Article 9.31 All shareholders in the register of shareholders or proxies thereof on the equity registration date shall be entitled to attend the general meeting and exercise their voting rights according to the relevant laws and regulations and the Articles of Association.

Shareholders may attend and vote at the general meeting in person or by proxy.

Article 9.32 An individual shareholder attending a general shareholders' meeting in person shall produce his identity card or other valid identity certificate and share account card; a proxy attending a shareholders' general meeting on behalf of an individual shareholder shall produce his valid identity card and power of attorney from the shareholder and share account card.

For a corporate shareholder, its legal representative, or a proxy appointed by its Board of Directors or approved by other governing body shall attend the meeting. The legal representative attending the meeting shall produce his own identity card, stock account card and any certificate that could prove his identity as a legal representative; the appointed proxy attending the meeting shall produce his own identity card, the instrument of proxy issued by the legal representative of the shareholder entity in writing in accordance with the laws and stock account card.

Article 9.33 Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (who need not be a shareholder or shareholders) as his/her proxies to attend and vote at the meeting on his/her behalf. The proxy(ies) so appointed may exercise the following rights as granted by the said shareholder:

- (1) to exercise the said shareholder's right to speak at the general meeting;
- (2) to severally or jointly request to vote by ballot; and
- (3) to exercise the right to vote by a show of hand or ballot; where there are more than one proxy, the said proxies shall only vote by ballot.

Article 9.34 The power of attorney shall be in writing under the hand of the principal or his/her proxy duly authorized in writing or, if the principal is a legal person, it shall be under seal or under the hand of a director or a proxy duly authorized.

The proxy form that a shareholder issues to appoint another person to attend a general meeting on his/her behalf shall contain the following particulars:

- (1) the name of the proxy;
- (2) whether the proxy has voting right;
- (3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the general meeting;
- (4) the issuing date and effective period of the proxy form;

(5) the signature (or seal) of the principal. If a shareholder is recognized as a clearing house or its nominee according to the relevant laws of the place where the shares of the Company are listed, the shareholder is entitled to authorize one or more person(s), as it thinks fit, to act as its proxy at any general meeting or any class meeting of shareholders. However, if more than one person is authorised, the proxy form shall set out the number and class of shares represented by each of the persons so authorised. The power of attorney shall be signed by the authorised personnel of the recognized clearing house. A person so authorized may attend meetings (without presenting his/her identity card) and exercise the right on behalf of the recognized clearing house (or its nominee), as if he/she was an individual shareholder of the Company.

Article 9.35 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by an attorney authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.

If the general shareholders' meeting is held virtually, ordinary shareholders appear on the in the register of members as of the record date shall have the rights to vote through the general shareholders' meeting network voting system, but only one of the means including onsite at the venue, virtual access or any other means shall be selected to the same share. When the general shareholders' meeting is held virtually, it is deemed as the shareholder exercises his voting rights personally no matter the voting has been acted personally by the shareholder or his proxy.

Article 9.36 Any proxy statement form issued to the shareholder by the Board of Directors of the Company for appointing a proxy shall provide the shareholder with the flexibility to instruct the proxy to vote for or against at the meeting, and shall give directives on each of the resolutions to be decided at the meeting. Such a proxy statement form shall contain a statement that, in default of directives, the proxy may vote in his discretion.

Article 9.37 A vote given in accordance with the terms of the proxy statement shall be valid notwithstanding the death, loss of capacity, revocation of the proxy statement, revocation of the power of attorney to sign the proxy statement or the transfer of the share(s) in respect of which the proxy is given prior to voting, provided that no written notice of such death, loss of capacity, revocation or transfer has been received by the Company before the commencement of the meeting.

- Article 9.38 The Company shall maintain a register of attendees. The register shall contain information such as names of attendees (or names of shareholders), identity card number, residential address, number of shares with voting rights held or represented, and names of persons represented (or names of shareholders represented).
- Article 9.39 In convening a shareholders' general meeting, the convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.
- Article 9.40 The presider shall, prior to voting, announce the number of shareholders and proxies present at the venue of the meeting and the total number of voting shares held by them, each subject to that recorded by the meeting.
- Article 9.41 All directors and supervisors and the secretary of the Board of Directors shall attend the shareholders' general meeting, whereas the manager and other senior management shall be present at the meeting.
- Article 9.42 The directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by the shareholders at shareholders' general meetings.
- Article 9.43 The Board of Directors and the Supervisory Committee shall report their work in the preceding year at the annual general meeting. Every independent director shall also make his work reports.
- Article 9.44 In voting at shareholders' general meetings, the shareholders (including their proxies) shall exercise their voting rights in accordance with the number of their voting shares. Each share shall have one vote.

The shares of the Company held by itself have no voting rights, and such shares shall be excluded from the total number of voting shares at shareholders' general meetings.

When material issues affecting the interests of minority shareholders are considered at the shareholders' general meeting, the votes of minority shareholders shall be counted separately. The results of separate vote counting shall be disclosed publicly in a timely manner.

Where a shareholder's purchase of the Company's voting shares is in violation of the provisions of the first and second paragraphs of Article 63 of the Securities Law, the voting rights of such shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares shall not be included in the total number of voting shares of the shareholders attending the general meeting.

The Board of Directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations or the requirements of the securities regulatory authorities may act as solicitors, and by themselves or by entrusting securities companies or securities service institutions, publicly request the shareholders of the Company to appoint them as proxies to attend the general meeting and exercise the proposal rights, voting rights and other shareholders' rights on their behalf.

Where the shareholders' rights are collected in accordance with the provisions of the preceding paragraph, the collector shall disclose the collection documents and the Company shall cooperate. Collecting the shareholders' rights publicly with consideration or de facto consideration is prohibited. Where the public collection of shareholders' rights violates the laws, administrative regulations or the relevant requirements of the securities regulatory authorities, causing losses to the Company or its shareholders, the collector shall be liable for damages.

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

Article 9.45 Unless otherwise stipulated by the listing rules of the stock exchange on which the Company's shares are listed and the requirements of the securities regulatory authorities, or a poll is demanded before or after any vote by show of hands by the following persons, a resolution shall be decided on a show of hands at any shareholders' general meeting:

- (1) the chairman of the meeting;
- (2) at least two shareholders entitled to vote in person or by proxy; or
- (3) one or more shareholders (including their proxies) representing, either calculated separately or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is so demanded or unless as otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, a declaration by the chairman of the meeting that a resolution has on a show of hands been passed or rejected and any entry to that effect in the minutes book shall be the conclusive evidence of the fact; there is no need for proof of the number or proportion of the votes recorded in favor and against the resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

Article 9.46 A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may be proceeded with first. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 9.47 Shareholders present at the shareholders' general meeting should express their opinions on the proposal put forward for voting in one of the following options: For, Against or Abstain.

On a poll taken at a meeting, a shareholder (including his proxies) entitled to two or more votes need not cast all his votes in the same way.

Any incomplete, incorrectly completed or illegible ballots of any voters shall be deemed to be forbidden voting rights, thus the voting result in respect of these shares shall be counted as "Abstain".

Article 9.48 In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

Article 9.49 Save and except for those under the cumulative voting system, the shareholders' general meeting shall vote on all proposals item by item, and shall vote on the proposals in temporal sequence as they are raised when different proposals are put forward for a single matter. Unless a shareholders' general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected from being voted on at the shareholders' general meeting.

Article 9.50 When a voting is made on the election of directors or supervisors at a shareholders' general meeting, the cumulative voting system may be adopted to reflect the opinions of minority shareholders. If a single shareholder and its parties acting in concert are interested in 30% or above of the Shares, the cumulative voting system shall be adopted for the election of directors and supervisors.

The cumulative voting system as mentioned in the preceding paragraphs means that, where there are two or more candidates for the election of a director or supervisor at a general meeting, each of the shares with voting rights shall have the same number of votes as the total number of directors (including independent directors) and supervisors, and the voting rights can be concentrated on electing one person, or be separated on electing several persons. The director or supervisor shall be elected according to the number of votes. The cumulative voting system shall also apply for election of independent directors.

The implementing rules of the cumulative voting system on the election of directors or supervisors are as follows:

- (1) the promoters propose the candidates of the first Board of Directors and the Supervisory Committee at the establishment meeting of the Company;
- (2) the term of office for the candidates of the directors and the supervisors per year according to the nomination of the last term of office of the directors and the supervisors;
- (3) the shareholders' general meeting resolves to the list for the candidates of the directors and the supervisors by way of proposal. The board of directors and the Supervisory Committee shall provide the resume and the key facts about the candidate of the directors and the supervisors;
- (4) the candidate of the directors and the supervisors shall be have a written promise preceding the shareholders' general meeting that they agree to the proposal and ensure the information disclosed publicly is true and complete and pledge to exercise their responsibilities since they are elected;
- (5) the shareholders' general meeting should vote for each candidates of the director and supervisor when going through the proposal;
- (6) the shares representing the voting rights has the voting rights equal to the total number of the elected directors and supervisors specified in the articles of association, shareholders can either vote to any of the candidates or disperse to several candidates or all the candidates (for example, a shareholder own 100 shares of stock, the company prepare to elect 9 directors, the shareholder's voting rights accumulated to $100 \times 9 = 900$ votes);
- (7) to guide the shareholders entitled to vote by providing the written instructions regarding the cumulative voting system and its operation in details before electing the directors and supervisors;
- (8) Where the proposal of reelecting the directors and supervisors has been approved, the newly appointed directors and supervisors shall hold the post on the day the resolution is passed at the shareholders' general meeting.

Article 9.51 When a proposal is put forward for discussion at the shareholders' general meeting, no modification of the proposal shall be made, or the relevant change shall be deemed as a new proposal which may not be voted at the meeting.

Article 9.52 The voting at the general meeting shall be conducted in the form of open ballot. The voting right of the same shares shall be exercised only either by on-site voting, online voting or other means of voting. In case of repeat voting by the same shares, only the first vote is valid.

Article 9.53 Before a resolution is voted on at a shareholders' general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is related to the matter to be considered and proxies of such shareholder shall not participate in vote counting or scrutinising.

When the shareholders are voting on the proposals, lawyers, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly, and the voting result shall be announced forthwith. Voting on the resolutions shall be recorded in the minutes of meeting.

The shareholders or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.

Article 9.54 The onsite shareholders' general meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and results of each of the proposals, and announce whether or not they are approved in accordance with the results.

Before the results are officially announced, all related parties such as the companies, vote counters, vote scrutinisers, substantial shareholders and online voting service provider involved in onsite shareholders' general meeting, online or other means of voting are obliged to keep the results confidential.

Article 9.55 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he/she may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted promptly.

Article 9.56 Resolutions of general meeting are divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution at a general meeting, votes representing more than half of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution at a general meeting, votes representing more than two-thirds of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

- Article 9.57 The following matters shall be resolved by an ordinary resolution at a general meeting:
- (1) work reports of the Board of Directors and the Supervisory Committee;
 - (2) profit distribution plan and loss recovery plan formulated by the Board of Directors;
 - (3) appointment or removal of members of the Board of Directors and the shareholder representative supervisors, their remuneration and manner of payment;
 - (4) annual budget and final accounts report;
 - (5) annual report; and
 - (6) such matters other than those required to be passed by special resolutions under the laws, administrative regulations or the Articles of Association.

- Article 9.58 The following matters shall be resolved by a special resolution at a general meeting:
- (1) increase or reduction in registered capital;
 - (2) the issue of corporate debentures;
 - (3) division, spin-off, merger, change of corporate form, dissolution and liquidation of the Company;
 - (4) amendments to the Articles of Association;
 - (5) purchase or disposal with the amount exceeding 30% of the Company's latest audited total assets for any 12 consecutive months;
 - (6) the equity incentive scheme of the Company;
 - (7) the issue of shares of any class, warrants and other similar securities;
 - (8) provision of guarantee whose cumulative amount in 12 consecutive months exceeds 30% of the latest audited total assets of the Company;
 - (9) other matters specified by the listing rules of the stock exchange in the place where the Company's shares are listed, the Articles of Association and confirmed by an ordinary resolution at a general meeting that is considered to be significant to the Company and accordingly shall be approved by special resolutions.

In reviewing and considering matters relevant to connected transactions at a shareholders' general meeting, the resolutions could be passed with more than half of favorable votes representing non-connected shareholders present in the meeting. However, when connected transactions involve the matters which shall be approved by special resolutions at shareholders' general meeting as required by the Articles of Association, the resolutions could be passed with more than more than two-thirds of favorable votes representing non-connected shareholders present in the meeting.

Save as otherwise specified in this Article and the Articles of Association, matters (proposals) to be considered at the shareholders' general meeting should be passed by ordinary resolutions.

Article 9.59 In reviewing and considering matters relating to connected transactions at a shareholders' general meeting, if required by the listing rules of the stock exchange on which the Company's shares are listed, the connected shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total effective votes. The announcement of resolutions passed at the shareholders' general meeting shall contain a complete disclosure of the voting of non-connected shareholders.

Article 9.60 According to the requirements of the listing rules of the stock exchange on which the Company's shares are listed, results of the resolution shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of shares with voting rights and the proportion of voting rights to the total voting shares of the Company, methods of voting, the voting result for each proposal and the details of each of the resolutions.

Article 9.61 If the proposal is not passed, or if the resolutions of the previous general meeting have been changed by the present shareholders' general meeting, a special highlight shall be made in the announcement of the resolutions of shareholders' general meeting.

Article 9.62 Minutes of a shareholders' general meeting shall be kept by the secretary of the Board of Directors. The minutes shall set out:

- (1) date, venue, agenda, and the convener of the meeting;
- (2) the name of the presider of the meeting, and the directors, supervisors, manager and other senior management attending or present at the meeting;
- (3) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and the proportion of such shares to the total number of shares of the Company;
- (4) the process of consideration, highlights of the speeches and voting result in respect of each proposal;

- (5) the inquiries and suggestions made by the shareholders and the corresponding responses or explanations;
- (6) the names of the lawyer, vote counter and scrutinizer; and
- (7) other issues that shall be recorded in the minutes in accordance with the provisions of the Articles of Association and as opined by the general meeting.

Article 9.63 The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, secretary of the Board of Directors, convener or representative thereof and the reside shall sign on the minutes of the meeting. The minutes of the meeting, the signed attendance record for the shareholders present in person and the powers of attorney for attendance by proxy, the valid information relating to the voting over network or by other means shall be kept in accordance with the laws.

Article 9.64 The convener shall ensure the shareholders' general meeting is held unceasingly until final resolutions are arrived at. If the shareholders' general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, necessary action shall be taken to resume the shareholders' general meeting as soon as possible, or the shareholders' general meeting should be simply terminated, and in both cases a timely announcement shall be made. Meanwhile, the convener shall report to the local office of securities regulatory authority in China of the Company's domicile as well as to the stock exchange(s).

Article 9.65 The presider of the meeting shall be responsible for deciding whether a resolution has been adopted. His/Her decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 9.66 If vote counting is carried out at the shareholders' general meeting, the vote counting result shall be recorded in the minutes of the meeting.

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

Article 9.67 Copies of the minutes of meeting shall be available for inspection free of charge by shareholders during the business hours of the Company. If a shareholder requests the Company for a copy of such minutes, the Company shall send a copy of such minutes to him/her within seven (7) days upon reception of reasonable charges.

Article 9.68 When the shareholders' general meeting has passed proposals regarding cash distribution, bonus issue or conversion of capital common reserve into capital, the specific proposals will be implemented within 2 months after the close of the shareholders' general meeting.

Chapter 10 Special Procedures about Voting of the Class Shareholders

Article 10.01 In the case of the Company issuing the different classes of shares. Shareholders holding different classes of shares are referred to as class shareholders.

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

Article 10.02 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders at a shareholders' general meeting and by the class shareholders so affected at a separate meeting convened in accordance with Articles 10.04 to 10.08.

The meeting attended by the shareholders holding certain class of shares is referred to as the class shareholders meeting of such class of shares.

Article 10.03 The following circumstances shall be deemed as a variation or abrogation of the rights of a certain class shareholders:

- (1) to increase or decrease the number of shares of that class or increase or decrease the number of shares of a class having voting rights, rights to receive distributions or other privileges equal or superior to those of shares of that class;
- (2) to exchange all or part of the shares of that class for shares of another class, or to exchange or grant a right to exchange all or part of the shares of another class for shares of that class;
- (3) to remove or reduce rights to any accrued or cumulative dividends attached to shares of that class;
- (4) to reduce or remove the preference rights attached to shares of that class to have priority in receiving dividends or in distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce the conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire the Company's securities attached to shares of that class;
- (6) to remove or reduce the rights to receive payments payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having voting rights or rights to receive distributions or other privileges equal or superior to those of the shares of that class;

- (8) to impose restrictions or additional restrictions on the transfer or ownership of the shares of that class;
- (9) to issue rights to subscribe for, or convert into, shares of that class or another class;
- (10) to increase the rights or privileges of shares of other class;
- (11) to restructure the Company in such a way so as to result in a disproportionate distribution of obligations among various classes of shareholders; and
- (12) to vary or abrogate the provisions of this chapter.

Article 10.04 The affected class shareholders, whether having the right to vote in shareholders' general meeting, shall be entitled to vote in class meetings in respect of matters concerning provisions (2) to (8), (11), (12) of Article 10.03 of the Articles of Association. However, the interested shareholder(s) shall have no voting right at such class meetings.

The aforementioned term "interested shareholder(s)" means:

- (1) in the event that the Company makes a repurchase offer to all shareholders in the same proportion or the Company repurchases its own shares by way of public dealings on a stock exchange pursuant to Article 4.04 hereof, a controlling shareholder within the meaning of Article 8.15 hereof;
- (2) in the event that the Company repurchases its own shares by an off-market agreement pursuant to Article 4.04 hereof, a holder of the shares to which such agreement relates;
- (3) in the event of a restructuring of the Company, a shareholder within a class who assumes a relatively smaller proportion of obligations than the obligations imposed on shareholders of that class or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

Article 10.05 A resolution at a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class present at the relevant meeting who are entitled to vote at the class meetings according to Article 10.04 hereof.

Article 10.06 A written notice convening a class meeting shall be given by reference to the time limit for notice convening a shareholders' general meeting required by the Articles of Association.

If there is any special requirement by the listing rules in the place where the shares of the Company are listed, such requirement shall apply.

Article 10.07 The procedure to convene a meeting for a certain class of shareholders shall be similar to that of shareholders' general meeting to the extent practicable. Provisions in the Articles of Association which are related to the procedure to convene a shareholders' general meeting shall apply to a meeting for a certain class of shareholders.

Article 10.08 Except other classes of shareholders, the holders of domestic shares and the holders of overseas-listed foreign shares shall be regarded as a different class of shareholders.

The special voting procedure at a meeting for a certain class of shareholders shall not be applicable for the following cases:

- (1) upon the approval of the shareholders' general meeting with special resolutions, the Company independently or simultaneously issuing domestic shares and overseas-listed foreign shares at intervals of twelve months, of which the number of the domestic shares and overseas listed foreign shares intended to be issued is not more than 20% of the issued and outstanding shares of the respective class;
- (2) the Company's plan on issuing domestic shares and overseas listed foreign shares at the time of incorporation, which is completed within 15 months upon approval of the China securities regulatory authority; or
- (3) upon the approval of the securities regulatory authorities in China, any domestic shares of the Company being transferred by the relevant holder to any overseas investor and listed and traded overseas.

Article 10.09 Where shareholders request to convene an interim meeting for a certain class of shareholders, the provisions of Article 9.27 hereof shall apply.

Chapter 11 Board of Directors

Section 1 Directors

Article 11.01 Directors shall be elected by the shareholders' general meeting. The term of office of a director shall be 3 years. A director may serve consecutive terms if he is reelected. Directors of the Company shall meet the postholding conditions required by securities regulatory authority. The appointment and removal of directors by the Company shall be filed with the securities regulatory authorities.

The written notice concerning intention of nominating director candidates and candidates' willingness to accept nomination shall be sent to the Company seven (7) days before the date of the shareholders' general meeting (and such 7-day notice period shall commence no earlier than the day following the notice of the meeting for such election and end no later than seven (7) days before the date of the shareholders; general meeting). The period for nomination and acceptance of nomination shall be not less than 7 days.

Directors need not hold shares of the Company.

Article 11.02 The term of office of a director shall commence on the date of taking office and end on the expiration of the term of office of the relevant Board of Directors. If no replacement director is elected in a timely manner upon the expiration of the term of office of a director, such director shall still perform his duties as a director in accordance with the provisions of laws, administrative regulations, department rules and the Articles of Association until the newly-elected director takes office.

The shareholders' general meeting may remove any director before the expiry of the terms of office.

The manager and other senior management may serve concurrently as directors, provided that the number of directors who serve concurrently as the manager or other senior management shall not exceed half of the total number of directors of the Company.

Article 11.03 If a director neither attends the Board meeting in person nor entrusts other directors to attend the meeting for two consecutive times, such director shall be deemed to be unable to perform his duties, and the Board of Directors shall propose to the shareholders' general meeting to remove and replace such director.

The shareholders' general meeting may remove any director by way of ordinary resolution before expiration of his/her term of office in accordance with relevant laws, regulations and rules (but the director's right to raise any claim in accordance with any contract shall not be affected), except that the removal and deposition of any independent director shall comply with relevant provisions of Chapter 12 hereof.

Article 11.04 A director may resign prior to the expiry of his term of office. When a director intends to resign, he shall submit a written resignation to the Board of Directors. The Board of Directors shall make a relevant disclosure thereof within two (2) days.

If the resignation of a director causes the number of directors to be less than the statutory minimum quorum, such director shall still perform his duties as a director in accordance with the provisions of the laws, administrative regulations, department rules and the Articles of Association until the newly-elected director takes office.

Subject to the preceding paragraph, the resignation of a director shall become effective when the written resignation is delivered to the Board of Directors.

Article 11.05 Upon the effective date of resignation or the expiration of the term of office of a director, he should complete all hand-over procedures with the Board of Directors and his duty of loyalty towards the Company and shareholders shall not be discharged necessarily and will survive in a reasonable period. His obligation to keep the secrets of the Company confidential shall survive the expiration of his term of office until such secrets go into public domain. The survival period of any other duty shall be determined based on the principle of fairness.

If a director leaves his/her post without permission prior to the effective date of his/her resignation or the expiration of his/her term of office, or fails to perform his/her duty of loyalty in accordance with the provisions of the laws, administrative regulations, department rules and the Articles of Association after the effective date of his resignation or the expiration of his/her term of office, resulting in any loss to the Company, he/she shall be held liable for such loss.

Article 11.06 If not specified in the Articles of Association or without legal authorization by the Board of Directors, any director shall not act on behalf of the Company or the Board of Directors in his own name. If a director acts in his own name, and the third party might reasonably consider that such director is acting on behalf of the Company or the Board of Directors, such director shall state his position and capacity in advance.

Article 11.07 If a director perform his/her duties to the Company in violation of any provision of the laws, administrative regulations, department rules or the Articles of Association, resulting in any loss to the Company, he/she shall be liable for such loss.

Article 11.08 The Company shall have the Board of Directors, which shall report to the shareholders' general meeting.

The Board shall comprise nine directors, and the number of independent directors shall be three. The Board includes on chairman, who shall be elected or removed by a majority of the directors. The chairman shall serve a term of three years, and is eligible for reelection.

Article 11.09 A directors shall comply with the laws, administrative regulations and the Articles of Association and have the following duties of care towards the Company:

- (1) not to abuse their official powers to accept bribes or other illegal income, and not to misappropriate the properties of the Company;
- (2) not to embezzle monies of the Company or customers;

- (3) not to deposit any assets or money of the Company in any accounts under their own names or in the names of other persons;
- (4) not to lend monies of the Company or any customer to other persons or provide guarantee for any debt of the Company, any shareholder of the Company, or any other institution or individual with the property of the Company or any customer counter to the Articles of Association or without the consent of the general meeting or the Board;
- (5) not to conclude any contract or conduct any transaction with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;
- (6) not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, or conduct for themselves or others any businesses similar to those of the Company without approval of the shareholders' general meeting;
- (7) not to accept commissions in relation to transactions between any third party and the Company;
- (8) not to disclose any secret of the Company without authorization;
- (9) not to use their connections to damage the interests of the Company;
- (10) not to seek gains for themselves or others by taking advantage of inside information; and
- (11) to fulfill other obligations of honesty stipulated by the laws, administrative regulations, department rules and the Articles of Association.

Any income obtained by a director in breach of this Article shall belong to the Company. If such breach has caused any loss to the Company, such director shall be liable for such loss.

Article 11.10 A director shall comply with the laws, administrative regulations and the Articles of Association and have the following duties of diligence towards the Company:

- (1) to exercise the powers granted to him by the Company in a prudent, conscientious and diligent manner to ensure that the business activities of the Company comply with the requirements of the laws, administrative regulations and economic policies of the State and do not go beyond the scope of business as stipulated in the business license;
- (2) to treat all shareholders equally;

- (3) to read various business and financial reports of the Company carefully to get a timely understanding of the operation and management of the Company;
- (4) to sign a written confirmation of the documents for the issuance of securities and the regular reports of the Company to ensure the timeliness and fairness of the information disclosed by the Company and that the information disclosed by the Company is true, accurate and complete. In the event that the directors are unable to ensure the truthfulness, accuracy and completeness of the contents in the documents for the issuance of securities and the regular reports of the Company or disagree with such contents, they shall express their opinions and state the reason in the written opinions for confirmation and the Company shall disclose. In the event that the Company fails to disclose the same, the directors shall directly apply for disclosure;
- (5) to furnish true information and data to the Supervisory Committee and not to impede the Supervisory Committee or any supervisor from performing its duties; and
- (6) any other duties of diligence stipulated by the laws, administrative regulations, department rules and the Articles of Association.

Section 2 The Board

Article 11.11 The Board shall perform the following duties:

- (1) to convene general meetings and to report his work to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to determine the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans on deficit coverage;
- (6) to formulate the proposals for increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (7) to formulate the plans for any substantial acquisition by the Company and repurchase of the Shares;
- (8) to formulate the plans for merger, division, change of the form and dissolution of the Company;

- (9) to decide on external investment, acquisition and disposal of assets, asset mortgage, consigned financial management, connected transactions and external donations, etc. of the Company within the authority granted by the general meeting;
- (10) to resolve on the establishment of internal management organisations and branches of the Company;
- (11) to decide to appoint or dismiss the Company's manager, secretary of the Board, chief compliance officer and chief risk officer based on the nominations of the chairman, and determine their remunerations and penalties; to decide to appoint or dismiss the deputy manager, chief financial officer, chief information officer and other senior management who actually perform the above-mentioned duties based on the nominations of the manager and determine their remunerations and penalties;
- (12) to formulate the proposals for the allowance standard of the independent directors of the Company;
- (13) to formulate the basic management system of the Company;
- (14) to formulate the basic comprehensive risk management system of the Company;
- (15) to formulate the amendment plan of the Articles of Association;
- (16) to formulate the equity incentive programs of the Company;
- (17) to manage the information disclosure matters of the Company;
- (18) to formulate the plan for the appointment and termination of accounting firms;
- (19) to hear the work report of the manager of the Company and to review the work of the manager;
- (20) to consider and approve the guarantees provided to third parties which are not within the review range of the general meeting stipulated by Article 9.03 of the Articles of Association;
- (21) to facilitate the establishment of the risk culture, consider and approve the risk appetite, risk tolerance and major risk limits of the Company; review the periodic risk assessment report of the Company; establish the direct communication mechanism with the chief risk officer;

- (22) to establish and develop a corporate culture construction system that can effectively support the Company's strategies under the guidance of the core philosophy of the industry culture of "compliance, integrity, professionalism, and prudence". To consider and approve the Company's corporate culture construction related plans and systems, guide and evaluate the Company's corporate culture construction work, and increase the compatibility between the culture and development strategy of the Company;
- (23) to decide on the targets of honest employment management and assume responsibility for the effectiveness of honest employment management;
- (24) to exercise other powers as conferred by the laws, administrative regulations, department rules and listing rules of the stock exchange in the place where the Company's shares are listed or provisions of the Articles of Association as well as the general meetings.

The Board shall resolve on the matters mentioned in the above paragraph, in accordance to Article 11.26 of these Articles of Association as mentioned above. If such powers involving matters such as external investment, acquisition and disposal of assets, asset mortgage, entrusted financial management, connected transactions, external donations, the Board shall exercise such powers according to the listing rules of the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed.

Article 11.12 The Board of Directors shall undertake the responsibility for the effectiveness of the compliance management of the Company, and perform the following duties of compliance management:

- (1) to consider and approve general objectives and fundamental policies of the compliance management of the Company;
- (2) to consider and approve the fundamental system of compliance management of the Company and the establishment of the compliance management organisations of the Company and their responsibilities;
- (3) to decide the appointment, dismissal and assessment of the chief compliance officer, and determination of his/her remuneration, ensure the independence of the performance of the chief compliance officer, and establish a mechanism for direct communication with the chief compliance officer;
- (4) to consider and approve of the annual compliance reports submitted by the chief compliance officer, ensure the annual compliance reports are true, accurate and complete;
- (5) to conduct evaluation for the effectiveness of the compliance management of the Company, and urge to solve problems that exist in compliance management;

- (6) to decide the dismissal of the senior managements who assume the primary or leadership responsibility for the occurrence of major compliance risks;
- (7) to perform other duties required by laws and regulations.

Article 11.13 The Company's Board of Directors clarifies that targets of honest employment management are to firmly establish a correct concept of honest employment, and integrate honest employment into corporate culture; establish and improve the internal control mechanism for honest employment covering all businesses and processes to effectively identify and prevent and control honest employment risks; continue to strengthen the honest employment management of staff, strictly implement the assessment of honest employment, so as to promote the Company and its staff to strictly abide by laws, regulations, regulatory requirements and industry selfregulatory provisions, abide by social ethics, business ethics, professional ethics and code of conduct, and adhere to fair competition, compliant operation, faithfulness and diligence, honesty and trustworthiness in the course of carrying out securities business and related activities, with a view to realize the standardized and orderly development of the Company.

Article 11.14 The Board shall make explanations to the general meeting regarding the nonstandard auditor's opinions given by the accounting firm in relation to the financial reports of the Company.

Article 11.15 The Board shall formulate the Rules of Procedure of Board meetings to ensure the implementation by the Board of the resolutions of general meeting, to improve efficiency and to make decision in a scientific manner.

Article 11.16 The Board of Directors shall define the authority of making venture capital investment with the assets of the Company and formulate strict examination and decision-making procedures in relation thereto. For any major investment project, the Board of Directors shall organise relevant experts and professionals to make an assessment and report it to the general meeting for approval.

Article 11.17 When disposing of fixed assets, if the expected value of the fixed assets to be disposed of plus total value of the fixed assets that have been disposed of 4 months before such disposal proposal exceeds 33% of the fixed assets value in the latest balance sheet reviewed by the shareholders' general meeting, the Board of Directors shall not dispose of or approve the disposal of such fixed assets until it is approved by the shareholders' general meeting.

The disposal of fixed assets referred to in this article includes the transfer of rights and interests of some assets, but excludes the provision of guarantee with fixed assets.

The effectiveness of transaction conducted by the Company to dispose of fixed assets shall not be affected by the violation of the first provision of this Article.

Article 11.18 The Board of the Company could establish special committees, such as the Strategy Committee, the Risk Control Committee, the Audit Committee, the Remuneration and Nomination Committee according to the resolutions of the general meeting. All such committees shall consist of directors. The majority of the members of the Audit Committee, the Remuneration and Nomination Committee shall be independent directors, who shall convene the meetings of such committees. All the members of the Audit Committee shall be non-executive directors, the majority of which shall be independent directors and at least one independent director shall have over five years' working experience in accounting, possess the professional qualifications as required by the stock exchange of the place where the Company's shares are listed, or have appropriate expertise in accounting or relevant financial management.

The chairman of the Remuneration and Nomination Committee, and the Audit Committee shall be independent directors.

The special committees may appoint intermediaries to provide professional recommendations at the expense of the Company.

The special committees shall report to the Board of Directors and their proposals shall be submitted to the Board of Directors for examination and approval.

Article 11.19 All the directors of the Company shall carefully consider and strictly control any debt risks arising from providing guarantee for any external party and shall be jointly liable for any losses caused by any non-compliant or improper provision of such guarantee. The controlling shareholder and its affiliates shall not force the Company to provide guarantee for others.

Article 11.20 Any guarantee to be provided by the Company shall be submitted to the Board of Directors or the general meeting for consideration according to their respective authority.

For any guarantee to be provided by the Company for any external party, the Company must request a counter-guarantee from such party, which shall be provided by a party that is actually able to do so. This provision shall not apply to the case where the Company provides guarantee for any of its controlled subsidiaries in proportion with its equity interest in such subsidiary.

The Company shall faithfully observe its information disclosure obligation in respect of any guarantee provided to any external party and provide the registered accountant with true information on all of such guarantees in accordance with the relevant provisions of the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association.

Article 11.21 The chairman is the legal representative of the Company, and shall perform the following duties:

- (1) to preside over general meetings and to convene and preside over the Board meetings;
- (2) to supervise and examine the implementation of resolutions passed by the Board;
- (3) to sign share certificates, bonds and other marketable securities of the Company;
- (4) to sign important documents of the Board and other documents which should be signed by the legal representative of the Company;
- (5) to perform the duties as legal representative;
- (6) to exercise discretion in dealing with matters of the Company in compliance with legal requirements and in the interests of the Company in case of force majeure events such as extraordinary natural disasters and report to the Board and the general meeting thereafter;
- (7) to perform other duties conferred by the Board.

If the chairman fails to perform his duties, a director elected by more than half of all the directors shall act on his behalf.

Article 11.22 Board meetings shall be held regularly at least four times every year, about once a quarter, and shall be convened by the chairman, with the notice of meeting sent in writing to all the directors and the chief compliance officer 10 business days before the date of the meeting. The chief compliance officer has the right to attend or observe regular meetings of the Board of Directors and inspect and reproduce relevant documents and information as necessary in performing his/her duties.

The Chairman of the Board shall convene an interim Board meetings within 10 working days in one of the following situations when it is:

- (1) considered necessary by the chairman;
- (2) jointly proposed by more than one-third of the directors;
- (3) proposed by the Supervisory Committee;
- (4) jointly proposed by more than half of the independent directors;

- (5) proposed by the shareholders representing more than one-tenth of the voting rights;
- (6) proposed by the manager in case of an emergency;
- (7) when a board meeting is required by the securities regulatory authorities.

Article 11.23 The Board of Directors shall give a written notice to all directors and the chief compliance officer 5 days before any interim board meeting. The chief compliance officer has the right to attend or observe interim meetings of the Board of Directors and inspect and reproduce relevant documents and information as necessary in performing his/her duties.

In case an interim board meeting needs to be held as soon as possible under emergency, the meeting notice may be sent at any time by telephone or oral means but the convener shall make an explanation at the meeting.

Article 11.24 For any material matter to be determined by the Board of Directors, a notice thereof must be delivered to all directors within the time limit stipulated herein, together with sufficient information, including the relevant background information concerning the agenda and other information and data which may help the directors understand the business progress of the Company. Directors may request additional information. If one fourth or more of the directors or two (2) or more independent directors think that the meeting materials are incomplete, insufficiently demonstrated or not provided in a timely manner, they may submit a written proposal to the Board of Directors to postpone the meeting or postpone the consideration of the matter, and the Board of Directors shall adopt such proposal.

Article 11.25 The notice of a board meeting shall contain the following contents:

- (1) venue, date and time of the meeting;
- (2) duration of the meeting;
- (3) reason for the meeting and topics for discussion;
- (4) date of issuance of the meeting notice.

Article 11.26 The Board meetings shall only be held when more than half of the directors attend the meeting, including directors who designate other directors as their proxies to attend the meeting on their behalf in accordance with the provisions of laws, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association. Each director shall have one vote. Resolution on any matter set out in provisions (6), (7) (to formulate plans to repurchase the shares of the Company), (8), (15) and (20) of Article 11.11 shall be adopted only by consent and affirmative votes of two-thirds or more of the directors present at the relevant Board meeting.

When negative votes equal affirmative votes, the Chairman of the Board of Directors shall be entitled to one casting vote.

Article 11.27 A director who is affiliated with any legal person or natural person involved in the subject matter of any resolution of the Board shall not exercise his voting right or another director's voting right as his proxy in respect of such resolution. The relevant Board meetings may be convened if attended by half or more of the directors who are not so affiliated, and the resolution is subject to approval by half or more of directors who are not so affiliated. If the number of such non-affiliated directors present at the meeting is less than three, the matter shall be submitted to the general meeting.

Article 11.28 Except when a physical meeting or a video or telephone conference is not be able to be held, in emergency case or due to force majeure or other special reasons, the Board meeting shall be convened physically, by means of video or telephone. An interim Board meeting held via telecommunications other than by other off-site means shall guarantee that directors are able to fully express their opinions at such meeting.

Article 11.29 Directors shall attend the board meeting in person. If a director cannot attend the meeting in person for any reason, he may entrust another director in writing to attend the meeting on his behalf.

The power of attorney shall specify the proxy's name, entrusted matters, the scope of authority and the valid term, and shall be affixed with the signature or seal of the principal.

The director who attends the Board meeting on behalf of another director shall exercise the right of the principal within the scope of authorization. If a director neither attends the Board meeting nor entrusts a proxy to be present on his behalf, he shall be deemed to have given up his voting rights at that meeting.

Article 11.30 Voting at the Board meeting shall be conducted by show of hands or by ballot.

Article 11.31 Minutes of the Board meetings shall be made for the matters discussed at such meetings. Directors present at the meetings, the secretary of the Board and the recorder shall sign the minutes.

A director present the meeting shall have the right to require an explanatory note to be made in the minutes in respect of his speech at the meeting. The minutes of Board meeting shall be kept by the secretary of the Board of Directors as files of the Company. The secretary of the Board of Directors shall make the minutes of meetings publicly available for inspection in a reasonable period of time by any director, who has made a reasonable notice in respect thereto.

Article 11.32 The minutes of board meeting shall contain the following contents:

- (1) date and place of the meeting as well as the name of the convener;
- (2) names of directors who attend the meeting, directors who entrust other persons to attend the meeting and their proxies;
- (3) agenda of the meeting;
- (4) key points of directors' speeches;
- (5) voting method and result for each matter discussed (the voting result shall specify number of affirmative votes, negative votes or abstaining votes as well as the voting of every director).

Article 11.33 Directors shall be responsible for the resolutions of the Board meetings. If any resolution of the Board violates any laws, administrative regulations or the Articles of Association, resulting in significant losses to the Company, the directors who took part in the resolution shall be liable for compensation to the Company, while the directors who are certified by the meeting minutes as having expressed his opposition to such resolution when it was put to vote shall not be liable for the losses.

Chapter 12 Independent Directors

Article 12.01 Among all the members in the Board of Directors of the Company, the number of independent directors shall be not less than one-third, with at least one of them being an accounting professional. Independent directors shall faithfully perform their duties, safeguard the interests of the Company and be particularly concerned that the lawful rights and interests of public shareholders are not harmed.

There shall be at least one independent director of the Company who ordinarily resides in Hong Kong.

The independent directors shall perform their duties independently and shall not be influenced by the substantial shareholder or de facto controller of the Company or by the entities or individuals that have interests in the Company, the substantial shareholders or de facto controller of the Company.

Article 12.02 An independent director shall meet the following basic conditions:

- (1) having the qualifications as a director of a listed company and a director of securities companies in accordance with the laws, administrative regulations and other relevant provisions;

- (2) having good personal morality and no bad records such as major breach of trust;
- (3) possessing basic knowledge of the operation of a listed company, being familiar with the securities laws, regulations and rules, and having the necessary operation and management capacity to perform its duties;
- (4) having not less than five years of working experience in the fields of laws, accounting or economics is required for his/her performance of the duties as an independent director;
- (5) meeting the independence requirements of laws, administrative regulations and other relevant provisions;
- (6) other conditions as stipulated in the laws, administrative regulations, requirements of the CSRC, business rules of the stock exchange and the Articles of Association.

In principle, an independent director may serve as an independent director for at most three domestically listed companies and should ensure that he/she has sufficient time and energy to effectively perform his/her duties as an independent director.

Article 12.03 The following persons shall not act as an independent director:

- (1) persons employed by the Company or its subsidiaries and their spouses, parents and children and close social relationship (while close social relationship shall include brothers and sisters, brothers-in-law and sisters-in-law, parents of spouse, brothers and sisters of spouse, spouses of children, parents-in-law of children);
- (2) natural person shareholders who directly or indirectly hold more than 1% issued shares of the Company, or who are among the top 10 shareholders of the Company, and their spouses, parents and children;
- (3) shareholders who hold or control 5% or more of equity of the Company or who hold positions with the top five shareholders of the Company, and their spouses, parents and children;
- (4) persons who hold positions in the subsidiaries of the controlling shareholders, actual controller of the Company, and their spouses, parents and children;

- (5) persons who provide financial, legal, consulting or sponsoring services to the Company and its controlling shareholders, actual controller or each of their subsidiaries, including but not limited to all persons of the task force of the intermediary agency providing such services, supervising officer of each level, persons signing for the report, partner, directors, senior management and major persons in charge;
- (6) persons who have material business dealings with the Company and its controlling shareholders, actual controller or their respective subsidiaries, or persons who hold positions in entities with which the Company has material business dealings and their controlling shareholders or actual controllers;
- (7) persons who had been persons under six categories above within the last 12 months;
- (8) persons who are employed by other securities companies in a capacity other than independent directors;
- (9) persons who hold positions in the Company and its related parties in the last three years;
- (10) persons whose immediate family members or close social relationship hold positions in the Company and its related parties;
- (11) persons who have interest relationship with the senior management, other directors, supervisors and other persons holding important positions in the Company and its related parties;
- (12) persons who hold positions in institutions which conduct business with or are interested in the Company;
- (13) the existence of other circumstances that may preclude the exercise of independent and objective judgment;
- (14) failed to comply with Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (15) other persons recognized by the laws, administrative regulations, department rules, and securities regulatory authorities or the stock exchange in the place where the Company's shares are listed, unfit to serve as independent directors.

The subsidiaries of the controlling shareholders and actual controller of the Company referred to in provisions (4) to (6) of the preceding paragraph exclude enterprises that are under common control of the same state-owned assets administration institution as the Company but do not constitute related parties of the Company in accordance with the relevant provisions.

The independent directors shall review their own independence annually, and submit the review results to the Board of Directors. The Board of Directors shall assess the independence of the existing independent directors annually and issue special opinions thereon, which shall be disclosed together with the annual report.

Where any independent director is involved in any of the aforesaid circumstances, the securities company shall immediately dismiss the said director, and report to the industry competent authority of the Company and the securities regulatory authority at the location where the Company's shares are listed.

Article 12.04 The nomination, election and replacement of independent directors shall be conducted in a regulated manner in accordance with the laws:

- (1) The Board of Directors, the Supervisory Committee or any shareholder(s) individually or collectively holding 1% or more of the issued shares of the Company may nominate candidates for independent directors for election by the shareholders' general meeting, the aforesaid nominators shall not nominate any person that has interest relationship with with him/her or other persons with close relationship that may affect independent duty performance as candidates for independent director;

An investors protection organization established according to law may publicly request shareholders to entrust it to exercise the rights of nominating independent directors on their behalf.

- (2) The nominator of an independent director shall obtain the consent of the nominee before nomination. The nominator shall have a full understanding of the profession, academic credentials, job title, detailed work experiences and all part-time jobs, whether there exists any adverse records such as material dishonesty of the nominee and voice an opinion on his/her satisfying the independence and other conditions to serve as an independent director. The nominee shall publish a statement that he/she satisfies the independence and other conditions to serve as an independent director. The Remuneration and Nomination Committee of the Board of Directors of the Company shall review the qualifications of the nominees, and form specific review opinions. Prior to the shareholders' general meeting for election of independent directors, the Company shall disclose the relevant information as required and submit the relevant materials of all candidates for independent director to the stock exchange, and the relevant submission materials shall be true, accurate and complete. If the stock exchange raises an objection thereto, the Company shall not submit it to the shareholders' general meeting for election. If the proposal has already been submitted for consideration at the shareholders' general meeting, it shall be cancelled;

- (3) Independent directors shall serve for the same term of office as other directors and may serve consecutive terms if re-elected, provided that the total time of consecutive terms shall not exceed 6 years; any independent director who has served the Company for six consecutive years shall not be nominated as a candidate for independent director of the Company within 36 months from the date of the occurrence of such fact;
- (4) If any independent director has not attended the Board meetings in person for two times consecutively, and did not appoint another independent director to attend the meetings on his or her behalf, the Board of Directors shall, within thirty days from the date of such fact, propose to convene a shareholders' general meeting to remove such independent director from his or her position;
- (5) An independent director may be removed from his office by the Company through statutory procedures before the expiration of his term of office. In the case of any early removal, the Company shall promptly disclose the specific reasons and grounds. If the independent directors have any objections thereto, the Company shall disclose them in a timely manner;

Where the independent director fails to comply with the provisions (1) or (5) of Article 12.02 hereof, he/she shall immediately cease to perform his/her duties and resign from his/her position. If he/she fails to resign, the Board of Directors shall immediately remove him/her from office as required after becoming aware of or should be aware of the fact.

Where an independent director resigns or is dismissed from office due to the circumstances specified in the preceding paragraph, and results in the proportion of independent directors in the Board of Directors or its special committees failing to comply with the provisions of the laws and regulations or the Articles of Association, or there is a lack of accounting professionals among the independent directors, the Company shall complete the by-election within 60 days from the date of the occurrence of the aforesaid circumstances.

- (6) An independent director may resign prior to the expiration of his term of office by submitting a written resignation report to the Board of Directors and make an explanation of any circumstance which he thinks has something to do with his resignation or should attract the attention of the shareholders or creditors of the Company. The Company shall disclose the reasons for and concerns about the resignation of an independent director. If the resignation of any independent director results in the proportion of independent directors in the Board of Directors or its special committees failing to comply with the provisions of the laws and regulations or the Articles of Association or there is a lack of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is elected. The Company shall complete the by-election within 60 days from the date on which the independent director tendered his/her resignation.

Article 12.05 Independent directors shall perform the following duties:

- (1) to participate in the decision-making of the Board of Directors and express clear opinions on the matters considered;
- (2) to supervise the matters of potential material conflict of interests between the Company and its controlling shareholders, actual controller, directors and senior management, facilitating the Board of Directors to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders;
- (3) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making standard of the Board of Directors;
- (4) to perform other duties as required by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the independent director discovers any circumstances that may affect his/her independence regarding matters being considered, he/she shall duly declare it to the Company and withdraw from the consideration. During his/her term of office, if there are matters that can significantly affect his/her independence, he/she shall promptly notify the Company, propose solutions, and if necessary, resign.

Article 12.06 In addition to the powers conferred by the Company Law, relevant laws and regulations, the independent directors shall have the following special powers:

- (1) to independently engage intermediaries to provide audit, consulting or inspection services on specific matters of the Company;

- (2) to propose the convening of extraordinary general meetings to the Board;
- (3) to propose the convening of Board meetings;
- (4) to publicly solicit shareholders' right from shareholders according to law;
- (5) to express independent opinions on matters that may prejudice the rights and interests of the Company or minority shareholders;
- (6) other functions and powers prescribed by the laws, administrative regulations, requirements of the CSRC and the Articles of Association.

An independent director's exercise of functions and powers set forth in provisions (1) to (3) of the preceding paragraph shall be subject to the consent of a majority of all independent directors.

The Company shall disclose in a timely manner if an independent director exercises the functions and powers specified in provision (1). If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and the reasons thereof.

Article 12.07 Independent opinions issued by the independent directors on material matters shall at least include the following:

- (1) basic information of the material matters;
- (2) the basis of opinions, including the procedures performed, the documents reviewed and the contents of on-site inspection;
- (3) the legality and compliance of the material matters;
- (4) the impact on the rights and interests of the Company and minority shareholders, the potential risks and the effectiveness of the measures adopted by the Company;
- (5) conclusive opinions expressed. If a qualified opinion, objection is given or being unable to express an opinion on material matters, the relevant independent directors shall explicitly explain the reasons or obstacles for being unable to express opinions.

The independent directors shall sign and confirm their independent opinions issued, and report such opinions to the Board of Directors in a timely manner and disclose the same together with relevant announcements of the Company.

Article 12.08 Independent directors shall attend the Board meeting as scheduled, get an understanding of the production and operation of the Company, research and obtain information and data required for making decisions on their own initiative. Independent directors shall submit an annual work report to the Company's annual shareholders' general meeting, in which they shall make a statement about the performance of their duties.

Article 12.09 The Company shall establish a work system for independent directors and the secretary of the Board of Directors shall actively assist independent directors in performing their duties. The Company shall ensure that independent directors have the same right of information as other directors, provide independent directors with relevant materials and information in a timely manner, inform independent directors of the operation of the Company on a regular basis and, when necessary, organise an on-the-spot investigation for independent directors.

For the purpose of convening a Board meeting, the Company shall send the meeting notice to the independent directors in a timely manner, and provide relevant meeting materials to them within the notice period prescribed by laws, administrative regulations, requirements of the CSRC or the Articles of Association, and provide effective communication channels to the independent directors. For the purpose of convening a meeting of a special committee of the Board, the Company shall, in principle, provide relevant materials and information no later than three days before the date fixed for holding such special committee meeting. The aforesaid meeting materials shall be kept by the Company for at least ten years.

If more than 2 independent directors consider that the meeting information is incomplete, insufficiently supported by evidence, or not provided in a timely manner, they may propose in writing to the Board of Directors to postpone the convening of meeting or the review of such matter, and the Board of Directors shall adopt it.

The Company and independent directors shall keep the information provided by the Company to independent directors in accordance with the laws.

Article 12.10 The Company shall provide necessary working conditions and personnel support for independent directors to perform their duties, and designate specialized departments and personnel such as the office of the Board of Directors and the secretary of the Board of Directors, to assist independent directors in performing their duties. The secretary of the Board of Directors shall ensure the unimpeded information channel between independent directors and other directors, senior management and other relevant personnel, and ensure that independent directors have access to adequate resources and necessary professional opinions when performing their duties.

Article 12.11 The Company shall bear reasonable expenses incurred by independent directors for engaging intermediary agencies and performing their other duties.

Article 12.12 The Company shall grant the independent directors allowances commensurate with their duties at a standard rate prepared by the Board of Directors and approved by the shareholders' general meeting, which is to be disclosed in the annual report of the Company.

Other than such allowances, independent directors shall not receive any benefits from the Company or its major shareholders, actual controller or any other interested entity or individual.

Chapter 13 Manager and Senior Management

Article 13.01 The Company shall have one manager, who is to be appointed or removed by the Board of Directors. The senior management of the Company shall meet the conditions for the positions of senior management of securities regulatory authorities. The appointment and removal of managers and other senior management by the Company shall be filed with the securities regulatory authorities.

The manager, deputy manager or other senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as manager, deputy manager or senior management shall not be more than half of the directors of the Company.

Article 13.02 In exercising their duties and powers, the manager and other senior management shall observe the obligations of good faith and diligence in accordance with laws, regulations and the Articles of Association. The provisions of the Articles of Association concerning the obligations of loyalty and diligence of directors shall equally apply to the manager and other senior management. The manager and other senior management shall take charge of implementing the compliance management objectives and assume the responsibility for compliance operation.

Article 13.03 The manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

Article 13.04 The manager shall report to the Board of Directors and have the following duties and powers:

- (1) to be in charge of the Company's operation and management, to organise and implement the resolutions of the Board and to report his work to the Board;
- (2) to organise and implement the Company's annual operation plan and investment plans;
- (3) to prepare the plan for the setup of internal management of the Company;
- (4) to establish the basic management system of the Company;

- (5) to formulate the Company's specific rules;
- (6) to propose to appoint or dismiss the deputy manager, chief financial officer, chief information officer and other personnel who actually perform the above-mentioned duties;
- (7) to appoint or remove management staff other than those who should be appointed or removed by the Board of Directors;
- (8) to formulate the salary, welfare, incentives and penalties of the Company's staff, and to determine the appointment and dismissal of the Company's staff members;
- (9) to make proposals for convening interim Board meetings in case of an emergency;
- (10) to implement the corporate culture construction requirements of the Board of Directors of the Company, promote the close integration between the Company's corporate culture construction and operation and management, and realize the integrated development of the strategy and cultural concepts of the Company;
- (11) to act as the first responsible person for the implementation of the responsibility of honest employment management to perform the responsibility of honest employment management;
- (12) to have other powers authorized by the Articles of Association or the Board.

The manager may present at the Board meetings, but shall have no voting right if he/she is not a director.

If such powers involving matters such as external investment, acquisition and disposal of assets, asset mortgage, entrusted financial management, connected transactions, external donations, the Board shall exercise such powers according to the listing rules of the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed.

Article 13.05 The deputy manager of the Company shall be nominated by the manager and appointed by the Board of Directors. Where the deputy manager is to be removed in accordance with any existing laws, regulations, rules or the Articles of Association or the opinion of the manager, the manager shall make a removal proposal to the Board of Directors for its consideration and approval. Under the leadership of the manager, the deputy manager shall carry out tasks assigned or delegated by the manager to him and report to the manager.

Article 13.06 A person who holds administrative positions other than that of a director and supervisor of the Company's controlling shareholder or actual controller shall not act as the senior management of the Company.

The senior management of the Company only receives remuneration from the Company, and no remuneration shall be paid by the controlling shareholder on behalf of the Company.

A senior management of the Company may at most hold the office of director or supervisor concurrently in two companies where the Company has shareholding, but not an office other than those aforesaid. They shall not engage themselves concurrently in any other profit-making organizations or other operation activities.

Article 13.07 The manager shall, at the request of the Board of Directors or the Supervisory Committee, report thereto the execution and implementation of material contracts and the use of capital by, as well as the gains and losses of the Company. The manager must ensure the accuracy of such report.

Article 13.08 Based on the principle of improving the operating efficiency of the Company, under the premise of Article 13.04 and in compliance with the listing rules of the stock exchange where the Company's shares listed, the office meeting of the manager may decide on matters related to the operating process of the Company.

Article 13.09 In handling issues relating to the remuneration, benefits, safe production and labor protection, insurance, dismissal of employees of the Company, the manager shall first consult with the trade union or the employee representatives meeting.

Article 13.10 The manager shall formulate detailed work rules of the manager and submit the same to the Board of Directors for approval and, upon such approval, implement such rules.

The detailed work rules of the manager shall contain the following contents:

- (1) conditions, procedures and participants of the manager's office meeting;
- (2) specific duties of the manager and other senior management;
- (3) funds of the Company, use of funds, authority to enter into material contracts and systems for reporting to the Board of Directors and the Supervisory Committee;
- (4) such other matters as are deemed necessary by the Board of Directors.

Article 13.11 The manager may resign prior to the expiration of his term of office. The detailed procedures for the manager's resignation shall be set out in the labor contract between the manager and the Company.

- Article 13.12 The senior management shall be liable for any losses caused to the Company by their breach of any laws, regulations, rules or the Articles of Association in performing their duties for the Company.
- Article 13.13 The senior management of the Company shall faithfully perform their duties and protect the best interests of the Company and all shareholders. The senior management of the Company shall be liable for compensation in accordance with the law if they fail to perform their duties faithfully or violate their fiduciary obligations and cause damage to the interests of the Company and public shareholders.
- Article 13.14 The Company shall have one chief compliance officer, who shall be the compliance officer as well as senior management of the Company, and appointed or dismissed by the Board. The appointment and dismissal of the chief compliance officer shall comply with Company Law, Securities Law and relevant regulations of securities regulatory authorities in China. The chief compliance officer shall not concurrently hold positions which are in conflict with the duties of compliance management, and shall not be in charge of departments conflicting with the duties of compliance management.
- Article 13.15 The chief compliance officer shall familiarize himself/herself with relevant laws, regulations and standards, be honest and trustworthy, familiarize himself/herself with securities and fund businesses, possess the expertise and skills required for compliance management, and be equipped with the following qualifications:
- (1) he/she has 10 years or more of experience in securities and fund businesses and has passed the competence examination for compliance management personnel of the Securities Association of China or Asset Management Association of China; or he/she has 5 years or more of experience in securities and fund businesses and has passed the legal professional qualification examination; or he/she has 5 years or more of work experience in the Securities Regulatory Authorities or self-disciplinary organisations of securities and fund industries;
 - (2) he/she has not been imposed with administrative penalties or material administrative regulatory measures by financial regulators in the last three years;
 - (3) other conditions prescribed by the CSRC.
- Article 13.16 For the appointment of chief compliance officer, the Company shall file his/her resume and the relevant certification materials to the relevant local office of the CSRC. The chief compliance officer of the Company shall not take office until the approval is obtained from the relevant local office of the CSRC.

For the dismissal of chief compliance officer before his/her term of office expires, the Company shall provide proper reasons, and the Board of Directors shall make the decision and notify the chief compliance officer himself/herself. The Company shall file a written report with reasons for the dismissal to the relevant local office of the CSRC within 10 business days before the convocation of the relevant board meeting.

Article 13.17 If the chief compliance officer is not able to perform his/her duties or a vacancy exists, the chairman or manager of the Company shall perform duties on his/her behalf, and file a written report to the relevant local office of the CSRC within 3 working days from the date of the decision. The duration of performing duties on his/her behalf shall not exceed 6 months.

The chief compliance officer shall submit an application to the Board of Directors of the Company one month in advance for resignation and report to the relevant local office of the CSRC. The chief compliance officer shall not cease to perform his/her duties until the resignation application is approved.

If a vacancy exists for the chief compliance officer, the Company shall engage a person who meets the requirements of Article 13.14 of the Article of Association within 6 months to act as the chief compliance officer.

Article 13.18 The main duties of the chief compliance officer are:

- (1) to organise the drafting of the basic system of compliance management and other compliance management system of the Company, and urge and guide the implementation of such system by all subordinate entities. Where there are changes in any law, regulation or norm, the relevant officer shall inform the Board of Directors or senior management of the Company of the change, and supervise the relevant department to evaluate the impact on the compliance management and to modify and improve the relevant system and business processes;
- (2) to conduct compliance reviews on the Company's internal regulations and system, significant decisions, new products and new businesses programmes, and provide compliance review advice in writing;
- (3) to take effective measures to proceed with the compliance supervision and inspection concerning the operation, management and practice conduct of the Company and its personnel;
- (4) in the event that compliance review on application documents or report submitted is required by the CSRC and its agencies, self-discipline organisation, the relevant officer shall conduct compliance review, and sign for the compliance review opinion of such application documents or reports;

- (5) to assist the Board of Directors and the senior management in establishing and implementing the information screening wall system, conflict of interest management and anti-money laundering system;
- (6) to provide compliance consultation and organise compliance training for the senior management, various departments and branches of the Company;
- (7) to guide and supervise the relevant departments of the Company to deal with the complaints and reports on the conduct of the Company and the personnel of the Company violating the laws and regulations;
- (8) the chief compliance officer shall report to the Board of Directors and the chief operating officer on the compliance issue about operating management of the Company and the progress of compliance management works pursuant to the rules of the Company;
- (9) the chief compliance officer shall promptly handle matters subject to investigation as required by the CSRC, its agencies and self-discipline organisation, cooperate with the CSRC, its agencies and self-discipline organisation in the inspection and investigation of the securities and fund institution, as well as follow-up and evaluate the implementation of regulatory opinions and regulatory requirements;
- (10) other compliance management duties delegated by the laws and regulations and the Board of Directors.

Article 13.19 The Company shall present regular compliance reports regarding the interim and annual reports of the Company to the securities regulatory authorities of the place where the domicile of Company is located. The compliance report shall be considered and approved by the Board meeting.

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

In the event that the chief compliance officer discovers that the Company is in violation of certain laws and regulations or that there is a potential risk of non-compliance, he/she shall promptly report to the Board of Directors and the chief person in charge of operation and management and propose opinion to handle and supervise the rectification. At the same time, he/she shall supervise the Company to promptly report to the relevant delegated authority of the CSRC. In the case of involving violation of the normative and self-discipline rules of the industry, he/she shall report to the relevant self-discipline organisation as well.

Chapter 14 Secretary of the Board of the Directors

Article 14.01 The Board shall have a secretary, who is a senior management of the Company.

The secretary of the Board shall be accountable to the Company and the Board of Directors. The Board of Directors and the manager shall provide active support to the secretary of the Board of Directors in his work.

Article 14.02 The secretary of the Board of Directors shall be a natural person who has necessary professional knowledge and experience, and shall be appointed by the Board of Directors. The qualification of the secretary of the Board of Directors shall be as follows:

- (1) having good professional ethics and personal qualities;
- (2) being familiar with the laws and regulations of securities and funds as well as the requirements of the CSRC;
- (3) having more than three years of relevant working experience;
- (4) having appropriate management experience and operation and management capabilities;
- (5) having acted as head of a department of a securities institution or a higher position of this kind for at least two years, or having acted as head of a department of a financial institution or a higher position of this kind for at least four years, or of comparable management experience;
- (6) meeting other conditions as required by the laws, administrative regulations, department rules, regulatory rules and rules of the stock exchange of the place where the Company is listed.

A natural person who falls within any of the following circumstances shall not serve as the secretary of the Board of Directors:

- (1) any of the circumstances specified in Article 16.01 of the Articles of Association;
- (2) has been subject to any administrative penalty by CSRC in the most recent 3 years;
- (3) has been publicly reprimanded or criticized 3 or more times in circulars by any stock exchange in the most recent 3 years;
- (4) is a supervisor of the Company;

- (5) any other circumstances of being unsuitable to serve as the secretary of the Board of Directors as determined by laws, administrative regulations, regulatory rules and rules of the stock exchange of the place where the Company is listed.

Article 14.03 The secretary of the Board shall perform the following duties:

- (1) to address and coordinate information disclosure of the Company, organise and formulate information disclosure management system of the Company, and urge the Company and relevant information disclosure obligors to observe relevant provisions concerning information disclosure;
- (2) to be responsible for the investor relations management of the Company, and coordinate communication and liaison between the Company and securities regulatory authorities, investors and actual controllers, intermediaries and the media;
- (3) to organise and prepare Board meetings and general meetings, attend general meetings, Board meetings, Supervisory Committee meetings and meetings related to senior management, and maintain and sign the minutes of Board meetings;
- (4) to be responsible for the confidentiality of information disclosure of the Company and immediately report and disclose to the stock exchange when significant undisclosed information was disclosed;
- (5) pore over press coverage and initiatively seek confirmation of the authenticity of such coverage, and urge the Company and other related entities to timely reply enquiries of the stock exchange;
- (6) organise trainings for directors, supervisors and senior management on relevant laws and regulations, and relevant regulations of stock exchanges, and assist them in understanding their responsibilities in terms of information disclosure;
- (7) urge the directors, supervisors and senior management to observe the laws and regulations, the relevant regulations of the stock exchanges and the Articles of Association and earnestly fulfill their commitments; when becoming aware of that the Company, directors, supervisors and senior management make or may possibly make a decision in violation of the relevant provisions, remind related personnel and immediately report it to the securities regulatory authorities and stock exchanges;
- (8) being responsible for managing the changes in corporate stocks and their derivatives;

- (9) ensure that the Company keeps complete organisational documents and records;
- (10) ensure that the Company prepares and submits, in accordance with law, the reports and documents required by the competent authorities;
- (11) ensure proper establishment of the register of shareholders of the Company and ensure persons who are entitled to obtain related records and documents of the Company timely obtain the same;
- (12) perform other duties as required by the laws, administrative regulations, department rules, the securities regulatory authorities and the stock exchanges where the Company is listed.

Article 14.04 A director or other senior management of the Company may also act as the secretary of the Board of Directors. An accountant of the accounting firm appointed by the Company shall not act as the secretary of the Board of Directors of the Company.

Where a director concurrently serves as the secretary of the Board of Directors and a certain act needs to be done by directors and the secretary of the Board of Directors respectively, he shall not do the act in his double capacities.

Article 14.05 The directors, manager and relevant internal departments of the Company shall support the secretary of the Board of Directors in performing his duties in accordance with the law and provide him with requisite organisation, staff and funds. The various departments of the Company should actively cooperate with the organisation of the secretary of the Board of Directors in its work.

Article 14.06 The Company shall not remove the secretary of the Board of Directors without any reason. If the secretary of the Board of Directors is being dismissed or resigns from his/her position, the Company shall, in a timely manner, report to the Shanghai Stock Exchange and state reasons thereof and make an announcement. At the same time as the removal of the original secretary of the Board of Directors, a new secretary of the Board of Directors shall be appointed in accordance with the stipulated procedures and formalities.

Chapter 15 Supervisory Committee

Article 15.01 The Company shall establish a Supervisory Committee.

The Supervisory Committee shall be composed of five supervisors, and the supervisors of the Company shall meet the conditions for positions required by the securities regulatory authorities. Each supervisor shall serve for a term of three years, and is eligible for re-election. The appointment and removal of supervisors by the Company shall be filed with the securities regulatory authorities.

One of the members shall act as the chairman. The election or removal of the chairman of the Supervisory Committee shall be determined by the affirmative votes two-thirds or more of the members of the Supervisory Committee.

Article 15.02 The number of supervisors who represent the employees shall be two.

Supervisors who represent the shareholder shall be elected or replaced by the shareholders' general meeting by way of accumulative balloting. Supervisors who represent the employees shall be elected or replaced by the employee representative meeting of the Company via democratic election.

Article 15.03 The directors and senior management shall not act concurrently as supervisors.

Article 15.04 Meetings of the Supervisory Committee shall be held at least once every six months, and shall be convened and presided over by the chairman of the Supervisory Committee. The supervisors may propose to convene an extraordinary meeting of the Supervisory Committee.

Where the chairman of the Supervisory Committee is unable or fails to perform his duties, the meeting shall be presided over by a supervisor nominated by more than half of the supervisors.

Article 15.05 The meetings of Supervisory Committee shall be held prior to the publication of regular reports. Notice of any regular meeting shall be given to all supervisors and the chief compliance officer 10 days before the meeting and notice of any interim meeting shall be given to all supervisors and the chief compliance officer 5 days before the meeting. The chief compliance officer has the right to attend or observe the meeting of Supervisory Committee and inspect and reproduce relevant documents and information as necessary in performing his/her duties.

Notice of a meeting of Supervisory Committee shall contain the following contents:

- (1) date and venue of the meeting;
- (2) matters to be discussed (proposals);
- (3) person convening and presiding over the meeting, person proposing to convene the interim meeting and his written proposal;
- (4) materials and information required by supervisors for voting;
- (5) request that supervisors attend the meeting in person;
- (6) contact person and contact information.

The notice of a meeting shall at least include the contents set out in provisions (1) and (2) above and an explanation why an interim meeting should be convened as soon as possible in any emergency.

Article 15.06 If a supervisor fails to attend the meeting of Supervisory Committee in person or by proxy for 2 consecutive times, he shall be deemed to be unable to perform his duties and removed by the shareholders' general meeting or the employees representative meeting.

Article 15.07 Supervisors shall ensure the timeliness and fairness of the information disclosed by the Company and that any information disclosed by the Company be true, accurate and complete. In the event that the supervisors are unable to ensure the truthfulness, accuracy and completeness of contents in documents for the issuance of securities and the regular reports of the Company or disagree with such contents, they shall express their opinions and state the reason in the written opinions for confirmation and the Company shall disclose. In the event that the Company fails to disclose the same, the supervisors shall directly apply for disclosure.

Article 15.08 A supervisor may resign before the expiration of his term of office. The provisions of the Articles of Association regarding the resignation of directors shall also apply to supervisors.

Article 15.09 Supervisors shall faithfully perform their supervisory duties in accordance with laws, regulations and the Articles of Association and have obligations of loyalty and diligence towards the Company.

The provisions of the Articles of Association regarding the loyalty obligation of directors shall equally apply to directors, and the provisions (1), (2), (3) and (6) of Article 11.10 hereof regarding the diligence obligation of directors shall equally apply to supervisors.

Article 15.10 Supervisors shall be liable for any losses caused to the Company by their breach of any laws, administrative regulations, department rules or the Articles of Association in performing their duties for the Company.

Article 15.11 The Supervisory Committee shall report to the general meeting and exercise the following duties and powers in accordance with legal provisions:

- (1) to review the financial matters of the Company;
- (2) to supervise the performance by directors and senior management of their duties and make proposals regarding the removal of any director, supervisor or senior management who has violated any laws, administrative regulations, the Articles of Association or resolution of the shareholders' general meeting;

- (3) to supervise directors' and senior management's performance of compliance management duties, and put forward suggestions on the removal of directors or senior management who shall assume primary responsibility or leadership responsibility for material compliance risk;
- (4) to request any director or senior management to rectify his act that is harmful to the interest of the Company and, if necessary, report such act to the shareholders' general meeting or the competent authority of the State;
- (5) to review and provide a written review opinion on any documents for the issuance of securities and regular report of the Company prepared by the Board of Directors. The supervisors shall provide a signed written confirmation;
- (6) to propose to convene an interim shareholders' general meeting and, when the Board of Directors does not perform its duty to convene and preside over the shareholders' general meeting as stipulated in the Company Law, to convene and preside over the shareholders' general meeting;
- (7) to make proposals to the shareholders' general meeting;
- (8) to bring a legal action against any director or senior management in accordance with Article 151 of the Company Law;
- (9) to attend the Board meeting as observers and make enquiries or recommendations in respect of any matter to be resolved by the Board of Directors;
- (10) to verify the financial reports, business reports, profit distribution plans and other financial information to be submitted by the Board of Directors to the shareholders' general meeting and, if discovering any problem, commission a certified public accountant or licensed auditor (practising) to review such reports;
- (11) to take charge of supervising the comprehensive risk management, the duty and responsibility performance of the Board and management in risk management, and rectification of defects;
- (12) to supervise the implementation of the Company's corporate culture construction work;
- (13) other duties and powers stipulated in the Articles of Association.

Article 15.12 In exercising its duties and powers, Supervisory Committee may engage law firms, accounting firms or other professionals (if necessary) to provide assistance at the expense of the Company.

Article 15.13 When attending the shareholders' general meeting as observers, supervisors shall assist the Board of Directors in giving replies and make explanations in respect of enquiries and suggestions made by shareholders, other than matters involving the business secrets of the Company that may not be disclosed at the shareholders' general meeting.

When attending the Board meeting as observers, supervisors shall supervise the legality of the meeting procedures, the abstaining from voting by connected directors and such other matters as whether the contents of any resolution of the Board of Directors comply with the provisions of laws and the Articles of Association or meet the actual needs of the Company.

Article 15.14 The Supervisory Committee shall formulate its rules of procedure and define its mode of discussion and voting procedures to ensure the work efficiency and scientific decision-making of Supervisory Committee.

The rules of procedure of Supervisory Committee shall specify the convening and voting procedures of the meetings of Supervisory Committee. The rules of procedure of Supervisory Committee shall be attached to the Articles of Association and shall be formulated by Supervisory Committee and approved by the shareholders' general meeting.

Article 15.15 In any of the following circumstances, Supervisory Committee shall convene an interim meeting within 10 days:

- (1) any supervisor proposes to do so;
- (2) the shareholders' general meeting or the Board meeting adopts any resolution than violates any laws, regulations, rules, various provisions and requirements of the regulatory authorities, the Articles of Association, any resolution of the shareholders' general meeting and any other relevant provisions;
- (3) the misconduct of any director or senior management may cause any material harm to the Company or exert any bad influence in the market;
- (4) any shareholder brings a legal action against the Company or any of its directors, supervisors or senior management;
- (5) the Company or any of its directors, supervisors or senior management is punished by the securities regulatory authority or publicly reprimanded by the stock exchange of the place where the shares of the Company are listed;
- (6) the securities regulatory authority requires the Supervisory Committee to do so; and

- (7) other circumstances specified in the laws and regulations or the Articles of Association.

If any supervisor requests to convene an interim meeting of Supervisory Committee, he should explain the reasons and purposes for doing so.

Article 15.16 The meeting of Supervisory Committee may proceed only if it is attended by at least half of the supervisors. Supervisors shall attend the meetings of Supervisory Committee in person. If any supervisor cannot attend any such meeting for any reason, he may appoint another supervisor as his proxy to attend such meeting on his behalf. Every supervisor has the right to speak and make any proposal at the meeting of Supervisory Committee. The Supervisory Committee shall consider any proposal made by any supervisor.

Article 15.17 The Supervisory Committee shall vote on its resolutions by show of hands or any other means of voting acceptable to it. Each supervisor shall have one vote.

The resolutions of the Supervisory Committee shall be subject to affirmative votes by two-thirds or more of supervisors.

Article 15.18 The Supervisory Committee shall keep minutes of its meetings which shall be signed by supervisors present at the meetings and the recorder. A supervisor shall be entitled to request an explanatory note on his speech at the meeting to be included in the minutes. The minutes of meetings of Supervisory Committee shall be kept by the secretary of the Board of Directors as files of the Company.

The minutes of meetings of Supervisory Committee shall be kept for a period specified by the relevant regulations.

Chapter 16 Qualifications and Obligations of Directors, Supervisors, Manager and Other Senior Management of the Company

Article 16.01 Under any of the following circumstances, the persons shall not serve as directors, supervisors, manager or other senior management of the Company:

- (1) persons without civil capacity or with limited civil capacity;
- (2) persons who have been penalized or sentenced due to an offense of endangering national security, terrorism, corruption, bribery, encroachment on property, misappropriation of property, crime of underworld or disruption of the social economic order, or have been deprived of political rights due to committing of any crime;

- (3) persons who were the former directors, factory directors or managers of any company or enterprise which had been bankrupt and liquidated due to poor operation whereby such persons were personally liable for the bankruptcy of such company or enterprise where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (4) persons who were legal representative of a company or enterprise whose business license was revoked due to violation of laws whereby such persons were personally liable where less than three years have elapsed since the date of revocation of business license of the company or enterprise;
- (5) persons who have a substantial amount of debts due and outstanding;
- (6) persons who were ever the officer-in-charge of a stock exchange or securities registration and clearing institution or director, supervisor or senior management of a securities firm who was dismissed due to breach of the laws and irregularities where less than five years have elapsed since the date of such dismissal;
- (7) persons who were ever a lawyer, certified public accountant or a professional of other securities service institutions whose practicing certificates were revoked or qualification was cancelled due to breach of the laws and irregularities where less than five years have elapsed since the date of the revocation or cancellation of practicing certificates or qualification;
- (8) persons who were employees of stock exchange, securities registration and clearing institution, securities service provider or securities company and government officers discharged due to breach of the laws and irregularities;
- (9) government officer and other person who are prohibited by laws and administrative regulations to concurrently take up positions in the Company;
- (10) persons who were subject to administrative penalties by financial regulatory departments or prohibited by the CSRC to participate in the securities market due to material illegal or improper behavior where less than five years have elapsed since the date of completion of the penalties;
- (11) persons whose fund practicing qualification has been revoked by the CSRC or fund practicing qualification has been cancelled by the fund industry association in the past 5 years;

- (12) person who was acting as a legal representative and principal person in charge of business management of an institution that has been taken over, revoked, declared bankrupt or revoked its business licence, where less than five years have elapsed since the date of the company was taken over, revoked, declared bankrupt or revoked its business license, unless it is proved that such person was not personally responsible for the company being taken over, revoked, declared bankrupt or revoked its business license;
- (13) persons who are declared to be unfit by the CSRC or imposed on disciplinary sanction by an industry association of being unsuitable for engaging in the relevant business, and the relevant limitation period has not expired;
- (14) persons who have been subject to an investigation by administrative authorities or an investigation by judicial authorities for suspected illegal crimes, and such case has not yet been closed to form a final opinion;
- (15) persons who are prohibited from acting as senior management of enterprises by laws and administrative regulations;
- (16) persons other than a natural person;
- (17) persons who have been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five years not having elapsed since the date of the judgment;
- (18) other circumstances as provided by the laws and regulations, or the listing rules of the place where the Company's shares are listed.

If any election or appointment of directors, supervisors or engagement of senior management violates the provisions of this article, such election, appointment or engagement shall be deemed invalid. Where a circumstance prescribed in this article occurs during the term of office of directors, supervisors or senior management, the Company shall dismiss them.

Article 16.02 The validity of an act carried out by a director, manager or other senior management on behalf of the Company, as against a bona fide third party, shall not be affected by any irregularity in his office, election or any defect in his qualification.

Article 16.03 In addition to obligations imposed by the laws, administrative regulations or listing rules of the stock exchanges on which the Company's shares are listed, each of the Company's directors, supervisors, manager and other senior management owes the following duties to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

- (1) not to cause the Company to carry out any business outside the scope of business stipulated in its business license;
- (2) to act honestly in the best interests of the Company;
- (3) not to expropriate in any way the Company's property, including (without limitation) opportunities advantageous to the Company;
- (4) not to expropriate individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders' general meeting for approval in accordance with the Articles of Association.

Article 16.04 Each of the Company's directors, supervisors, manager and other senior management owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 16.05 Each of the directors, supervisors, manager and other senior management of the Company shall perform his duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his duty and their interest may conflict. These principles include (but not limited to) the following:

- (1) to act honestly in the best interest of the Company;
- (2) to exercise powers within the scope of his powers;
- (3) to exercise the discretion vested in him personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by the laws, administrative regulations or with the informed consent of shareholders at shareholders' general meeting, not to delegate to others for the exercise of his/her discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided by the Articles of Association or with the informed consent of shareholders at shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his/her own benefit, without the informed consent of shareholders at shareholders' general meeting;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including but not limited to opportunities advantageous to the Company;

- (8) not to accept commissions relating to the transactions of the Company unless with the informed consent of shareholders at shareholders' general meeting;
- (9) to obey the Company's Articles of Association, perform his duties honestly and faithfully, protect the Company's interests, and not to pursue his personal gain by taking advantage of his powers and positions at the Company;
- (10) not to compete with the Company in any way unless with the informed consent of shareholders at shareholders' general meeting;
- (11) lend the funds of the Company to other persons, open accounts in his own or another individual's name for deposit of the Company's assets, or use Company's assets as security for the debts of the shareholders of the Company or other individuals;
- (12) not to divulge the confidential information relating to the Company received during his term of office, unless approved by the shareholders with full knowledge at the general meeting; and not to use such information unless for the purpose of the Company's interests; however, to be allowed to disclose such information to a court of law or other governing authorities under the following circumstances:
 1. as prescribed by law;
 2. as required for the purpose of public interest;
 3. as required for the purpose of such director's, supervisor's, manager's or other senior management' own interests.

Any income received by a director from violating the provisions of this Article shall belong to the Company and any losses incurred by the Company shall be borne by such director.

Article 16.06 Each director, supervisor, manager and other senior management of the Company shall not cause the following persons or entities ("associates") to do what he or it is prohibited from doing:

- (1) the spouse or minor child of that director, supervisor, manager, and other senior management;
- (2) a person acting in the capacity of trustee of that director, supervisor, manager, and other senior management or any person referred to in provision (1) of this Article;

- (3) a person acting in the capacity of partner of that director, supervisor, manager, and other senior management or any person referred to in provisions (1) and (2) of this Article;
- (4) a company in which that director, supervisor, manager and other senior management, alone or jointly with one or more persons referred to in provisions (1), (2) and (3) above or other directors, supervisors, manager, and other senior management of the Company have a actual controlling interest;
- (5) the directors, supervisors, manager, and other senior management of the controlled company referred to in provision (4) of this Article.

Article 16.07 The fiduciary duties of the directors, supervisors, manager, and other senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 16.08 Except for circumstances prescribed in Article 8.14 of the Articles of Association, a director, supervisor, manager, and other senior management of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a shareholders' general meeting.

Article 16.09 Where a director, supervisor, manager, and other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement made or proposed to be made with the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefore is otherwise subject to the approval of the Board of Directors.

Except for other exception circumstances explained in note 1 of Appendix 3 of the Listing Rules of the Hong Kong Stock Exchange or approved by the Hong Kong Stock Exchange, a director shall not vote nor shall be counted in the quorum on any resolution of the Board approving any contract, arrangement or any other proposal in which he or any of his close associates (as defined in the Listing Rules of the Hong Kong Stock Exchange from time to time, if applicable) has a material interest.

Unless the interested director, supervisor, manager, and other senior management has disclosed his interests in accordance with the preceding provision of this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested director, supervisor, manager, and other senior management is not counted in the quorum and refrained from voting, the Company is entitled to rescind the contract, transaction or arrangement in which that director, supervisor, manager, and other senior management is materially interested except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, manager, and other senior management.

A director, supervisor, manager, and other senior management of the Company are deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

Article 16.10 Where a director, supervisor, manager, and other senior management of the Company gives to the Board of Directors a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding provision of this Article to be a sufficient declaration of his interests, so far as the relevant content has been stated in such notice, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 16.11 The Company shall not, in any manner, perform tax duties for its directors, supervisors, manager and other senior management.

Article 16.12 The Company shall not directly or indirectly make a loan to or provide a guarantee to a director, supervisor, manager and other senior management of the Company or of its parent company or any of their respective associates.

The foregoing shall not apply to the following circumstances:

- (1) the provision by the Company of a loan or loan guarantee to its subsidiaries;
- (2) the provision by the Company of a loan or loan guarantee or any other funds available to any of its director, supervisor, manager and other senior management to meet expenditures incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him to perform his duties properly in accordance with an employment contract approved by the shareholders in a general meeting;

- (3) if the ordinary course of the business of the Company includes the lending of money and the provision of loan guarantee, the Company may provide a loan and loan guarantee to the relevant directors, supervisors, manager and other senior management or their respective associates, provided that they are on normal commercial terms.

Article 16.13 A loan made by the Company in breach of the above provisions shall be forthwith repayable by receiving the loan regardless of the terms of the loan.

Article 16.14 A loan guarantee provided by the Company in breach of Article 16.12 shall be unenforceable against the Company, except that:

- (1) the loan was advanced to an associate of any of the directors, supervisors, manager, and other senior management of the Company or of the Company's parent company where the lender did not know the relevant circumstances; or
- (2) the security provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 16.15 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 16.16 In addition to the rights and remedies provided by the laws and administrative regulations when a director, supervisor, manager or other senior management of the Company breaches the duties which he owes to the Company, the Company shall be entitled:

- (1) to demand such director, supervisor, manager or other senior management compensate for the losses sustained by it as a result of such breach;
- (2) to rescind any contract or transaction which has been entered into between the Company and such director, supervisor, manager or other senior management or between the Company and a third party, where such party knew or should have known that such director, supervisor, manager or other senior management representing the Company was in breach of his duty owed to the Company;
- (3) to demand such director, supervisor, manager or other senior management return the profits made as result of the breach of his duty;
- (4) to recover any money which shall have been received by the Company but were received by such director, supervisor, manager or other senior management instead, including (but not limited to) any commissions;

- (5) to demand repayment of interest earned or which may have been earned by such director, supervisor, manager or other senior management on moneys which shall have been received by the Company.

Article 16.17 The Company shall enter into a contract in writing with each director, supervisor or other senior management, which shall include at least the following provisions:

- (1) each director, supervisor and other senior management shall undertake to the Company that he/she will comply with the “Company Law”, the “Special Regulations”, the Articles of Association and the provisions of the “Code on Takeovers and Mergers” and the “Code on Share Repurchase” approved by the Securities and Futures Commission of Hong Kong as amended from time to time, and agree that the Company shall be entitled to the remedies provided in the Articles of Association and that neither the contract nor his/her office is capable of assignment;
- (2) each director, supervisor and other senior management shall undertake to the Company that he/she will comply with and fulfill his/her obligations to the shareholders stipulated in the Articles of Association;
- (3) the arbitration clauses provided under the Article 22.01 of the Articles of Association.

The Company shall, with the prior approval of the shareholders’ general meeting, enter into a contract in writing with a director or supervisor wherein his emoluments are stipulated, including:

- (1) emoluments in respect of his service as director, supervisor or member of senior management of the Company;
- (2) emoluments in respect of his service as director, supervisor or member of senior management of any subsidiary of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries;
- (4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for any benefits in respect of the matters mentioned in this Article.

Article 16.18 Contracts concerning the employment between the Company and its directors or supervisors shall provide that in the event that the Company is to be acquired by others, the Company's directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement.

A takeover of the Company as referred to above means:

- (1) a takeover offer made by any person to all shareholders; or
- (2) an offer made by any person with a view to rendering the offer or a "controlling shareholder" within the meaning of Article 8.15.

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

Chapter 17 Financial and Accounting System and Profit Distribution

Section 1 Financial and Accounting Systems

Article 17.01 The Company shall develop its financial and accounting systems in accordance with laws, administrative regulations and provisions of the PRC general accepted accounting principles established by the competent financial departments of the State Council.

Article 17.02 The Company shall prepare the financial reports at the end of each financial year, which shall be audited by an accountant firm in accordance with the laws.

Article 17.03 The Board of Directors of the Company shall present to the shareholders, at every annual general meeting, such financial reports which the relevant laws, administrative regulations and normative documents promulgated by regional governmental authorities and the competent departments require the Company to prepare. Such reports shall be audited by an accounting firm.

Article 17.04 The Company shall deposit its financial reports at the Company for inspection by the shareholders at least 20 days before the convening of the annual general meeting of shareholders. Each shareholder of the company is entitled to obtain financial reports mentioned in this chapter.

The Company shall send (i) the report of the Directors together with the balance sheet (including all documents attached to the balance sheet as required by the applicable laws and regulations) and the income statement and the statement of income and expenditure; or (ii) summary of the financial report, to each holder of overseas listed foreign shares by prepaid mail at least 21 days before the convening of the annual general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of members.

Subject to compliance the laws, administrative regulations, departmental rules, the relevant requirements of the securities regulatory authority in the jurisdiction in which the shares of the Company are listed, the Company may also send the aforesaid reports through announcement (including public in the Company's website).

Article 17.05 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed. If there is any material discrepancies between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits for that financial year, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 17.06 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas.

Article 17.07 The Company shall prepare the annual financial and accounting reports within 4 months after the end of each financial year and submit them to the China Securities Regulatory Commission and stock exchanges; prepare the interim financial and accounting reports within 2 months after the end of the first 6 months of each financial year and submit them to the China Securities Regulatory Commission and stock exchanges; and prepare the quarterly financial and accounting reports within 1 month after the end of the first 3 months and the first 9 months of each financial year and submit them to the China Securities Regulatory Commission and stock exchanges.

The above financial and accounting reports shall be prepared in accordance with laws, administrative regulations and departmental rules, and announced pursuant to the requirements of the securities regulatory authorities of the place where the shares of the Company are listed. The Company shall announce the interim financial report within 2 months after the end of the first 6 months of each financial year, and announce the annual financial report within 4 months after the end of each financial year.

Article 17.08 The Company shall not keep accounts other than those provided by law.

Any assets of the Company shall not be kept under any account opened in the name of any individual.

Section 2 Profit Distribution

Article 17.09 The basic principles of distributing profits by the Company are set out below:

- (1) the Company shall take fully into account the returns for its investors and distribute the dividends to its shareholders according to the stipulated proportion of the profits available for distribution achieved by the parent company during the year;
- (2) the Company shall keep an on-going and stable profit distribution policy and also consider the long-term interest of the Company, the overall interests of all shareholders and the sustained development of the Company.

Article 17.10 In distributing its after-tax profits, the Company shall allocate 10% of its net profit of the current year to the transaction risk reserve of the Company for covering losses incurred for securities transactions, but not for distributing dividends or increasing its capital, and then shall allocate 10% of its profits to the statutory surplus reserve of the Company. Allocation to the Company's statutory surplus reserve may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

Where the statutory surplus reserve of the Company is not sufficient to cover the Company's loss from the previous year, the current year profits shall be used to cover such loss before allocation is made to the statutory surplus reserve pursuant to the previous paragraph. After allocation to the statutory surplus reserve has been made from the after-tax profits of the Company, the discretionary surplus reserve fund shall also be allocated from the after-tax profits upon passing a resolution at the shareholders' general meeting.

The Company shall not distribute profits to the shareholders before covering losses of the previous year and making allocation to the statutory surplus reserve.

After the Company has covered its loss and made allocation to the reserve funds, the remainder of the after-tax profits shall be distributed to the shareholders in proportion to their share holdings, unless otherwise stipulated in the Articles of Association of the Company.

Where the shareholders' general meeting distributes its profits before recovery of losses and appropriation of reserve funds to the shareholders in breach of the provisions of the preceding provision, the shareholders must refund to the Company the profits distributed in violation of the provisions.

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

Article 17.11 Dividends shall be distributed on the basis of the after-tax distributable profit, which shall be the smaller one of the following two figures:

- (1) the aggregate amount of after-tax distributable profit in the financial report audited by an accounting firm in accordance with the PRC accounting standards; or
- (2) the aggregate amount of after-tax distributable profit in the financial report based on the audited financial report prepared in accordance with the PRC accounting standards and adjusted in accordance with international accounting standards or accounting standards of the place where the main overseas public offering occurs.

Article 17.12 The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capitalization of the Company, provided that the capital reserve fund shall not be used for making up for the loss of the Company.

When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered share capital of the Company before the capitalization.

Article 17.13 Capital reserve fund includes the following items:

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

Article 17.14 The Company may distribute dividends in the following manners:

- (1) cash;
- (2) shares;
- (3) a combination of cash and shares.

Where the Company satisfies the conditions of cash dividend distribution, it shall accord priority to profit distribution by way of cash dividends. Where the Company has a rapid growth in operating revenue, and the Board considers that the share price of the Company does not reflect the share capital size of the Company, the Company may, in addition to satisfying the above distribution of cash dividends, put forward and implement a plan for distribution of share dividends.

Article 17.15 In principle, the Company makes profit distribution annually, but where conditions permit, interim profit distribution can be made.

Article 17.16 Subject to ensuring that regulatory requirements and requirements for the normal operation and long-term development of the Company are met, where there are distributable profits from the profits achieved for the year after making allocation to the risk reserve, covering loss and making allocation to the statutory surplus reserve in accordance with the law, cash dividend distribution can be made. The profits distributed in cash by the Company annually shall not be less than 30% of the distributable profits achieved for the year.

Article 17.17 The dividends paid by the Company shall be denominated and declared in RMB, and shall be paid to holders of domestic shares in RMB, paid to holders of H shares in Hong Kong dollar. The applicable exchange rate shall be the average closing rate for the dollar and RMB announced by the People's Bank of China at the first business day on which the resolution on announcement of payment of dividend is made.

Any amount paid upon any shares before a call is made shall bear interest thereon. However, the shareholder is not entitled to any dividends of such pre-paid share capital declared subsequently.

Article 17.18 The Company shall appoint receiving agents for holders of overseas listed foreign shares. The receiving agents shall, on behalf of the related shareholders, receive dividends and other payables distributed by the Company for the overseas listed foreign shares.

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

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

Subject to compliance with the relevant laws, administrative regulations and provisions of Hong Kong Stock Exchanges, the Company may exercise a right to forfeit unclaimed dividends, provided that such right shall be exercisable only after the applicable limitation period expires.

The Company shall have the right to cease sending dividend warrants to holders of overseas-listed shares by mail, provided that the Company shall only exercise such right if such dividend warrants are not cashed for two consecutive times. If such dividend warrant fails to be served on the recipient after it is sent for the first time and is returned, the Company may exercise this right.

While exercising the right of issue warrants to the holders, unless the company believes the original warrants has been destroyed or lost, the company shall not issue any new warrants to replace such lost warrants.

The Company shall have the right to sell the shares held by uncontactable holders of overseas-listed shares in such ways as the Board of Directors think fit, provided that the following conditions shall be complied with:

- (1) the Company has distributed dividends for at least 3 times in 12 years, and nobody claims the dividends during the period; and
- (2) after expiry of the 12-year period, the Company shall put up an advertisement in one or more newspapers at the place where the shares of the Company are listed, stating the Company's intention to sell the shares and inform the security regulatory authority of the place where the shares of the Company are listed.

Article 17.19 Procedures of reviewing the profit distribution plan:

When formulating the profit distribution plan, the Board shall diligently study and discuss on matters including the timing, conditions and minimum proportion, conditions for adjustments and the requirements of the decision-making procedures of the cash dividends, and the independent directors shall express an unequivocal opinion. Independent directors may solicit the opinions of minority shareholders, put forward a dividend proposal, and directly submit it to the Board for consideration. Before the shareholders' general meeting considers the specific proposal for cash dividends, the Company shall take the initiative to communicate and exchange views with shareholders, especially minority shareholders, through various channels and fully listen to the views and aspirations of minority shareholders, and to make replies to questions of concern from minority shareholders in a timely manner. The Supervisory Committee of the Company shall supervise the circumstances and decision-making procedures regarding the formulation of the profit distribution proposal by the Board.

If the Company has distributable profits for the year but does not put forward any cash dividend proposals, the Board shall provide a special explanation for matters including the specific reasons for not making cash dividends, the exact use of the retained earnings of the Company and the expected return on investment, which, after the independent directors have expressed their opinions, shall be submitted to the shareholders' general meeting for consideration, the approval of which shall require no less than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting and shall be disclosed in the designated media of the Company, and the Company shall provide shareholders with the Internet voting platform for voting.

The Company shall disclose the profit distribution plan for the year in the annual report, where regulatory requirements and requirements for the normal operation and long-term development of the Company are met and there are distributable profits during the reporting period, but the Board of the Company does not put forward any plan for profit distribution in cash, the reasons shall be disclosed in the periodic report to provide a detailed explanation for not making profit distribution and the use of capital that may otherwise be used as dividends but has been retained by the Company.

Article 17.20 Implementation of the profit distribution plan:

After the shareholders' general meeting of the Company adopts a profit distribution plan by way of resolution, or after the Board of Directors of the Company has formulated a specific plan in accordance with the conditions and caps of the interim dividend distribution for the following year as considered and approved at the annual general meeting, the distribution of dividends (or shares) shall be completed within two months.

Article 17.21 Any change of the profit distribution policy of the Company:

In case of force majeure such as war or natural disasters, or any changes in the external operation environment of the Company which may have a material impact on the production and operation of the Company, or any changes in its own operating conditions of the Company, the Company may make adjustments to its profit distribution policy.

The Board of Directors shall make special discussion on adjusting the profit distribution policy of the Company, detail the reasons of such adjustments and form a written demonstration report, which shall be submitted to the shareholders' general meeting for approval by a special resolution after prior consideration of the independent directors. When considering the matters regarding any change in profit distribution policy, the Company may provide the Internet voting platform for the shareholders. When the shareholders' general meeting considers any change of the profit distribution policy, it shall fully consider the opinions of minority shareholders.

Chapter 18 Appointment of Accounting Firm and Internal Audit

Article 18.01 The Company shall engage an independent accounting firm which is qualified under the relevant regulations of China to audit the annual financial statements and other financial reports of the Company. The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting. If the inaugural meeting fails to exercise its aforesaid powers, those powers shall be exercised by the Board.

The Company shall engage an accounting firm which complies with the requirements of the Securities Law to audit the financial statements, net assets verification and other relevant consultancy services. The term of office of an accounting firm appointed by the Company shall be one year, and the appointment may be renewed.

Article 18.02 Unless be provided by Article 18.05 herein, the appointment of accounting firms shall be decided by the shareholders' general meeting, and the Board of Directors shall not appoint the accounting firm before the resolution is adopted by the shareholders' general meeting.

The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual meeting of shareholders.

Article 18.03 The accounting firm appointed by the Company shall enjoy the following rights:

- (1) to inspect the books, records and vouchers of the Company at any time; to require the directors, manager or other senior management of the Company to provide relevant information and explanations;
- (2) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations as are necessary for the purpose of discharging its duties;
- (3) to attend shareholders' general meetings and to receive all notices of, and other information relating to any shareholders' general meeting which any shareholder is entitled to receive, and to deliver speeches at any shareholders' general meeting in relation to the matters concerning its role as the accounting firm of the Company.

Article 18.04 The Company warrants that the Company will provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and the Company shall not refuse to provide or conceal or falsify such documents.

Article 18.05 In the event of any casual vacancy, before the convening of the shareholders' general meeting, the Board of Directors may fill any casual vacancy in the office of the accounting firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

Article 18.06 The shareholders in general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim against the Company, if any, for damages in respect of such removal.

Article 18.07 The remuneration of an accounting firm or the manner for determining the same shall be determined by the shareholders at a general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board.

Article 18.08 The Company's engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the shareholders at a general meeting, and such resolution shall be filed with the China securities regulatory authorities.

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

- (1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to cease to act or the firm which has ceased to act in the relevant financial year before notice of general meeting is given to the shareholders. Ceasing to act includes leaving by removal, resignation and retirement;
- (2) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
 1. in any notice given to shareholders about a resolution to be made, state the representations that have been made by such accounting firm; and
 2. send the duplicate copy of the statement in the form of an attachment to the notice to shareholders in a way stipulated by the Articles.
- (3) if the Company fails to send the statement of relevant accounting firm according to the above provisions of item (2) above, the accounting firm may ask the statement be read out at the shareholders' general meeting and make further appeal;
- (4) an accounting firm to leave the post shall be entitled to attend the following meetings:
 1. shareholders' general meeting at which its term of office shall expire;
 2. shareholders' general meeting at which the vacancy due to its removal is to be filled up;

3. shareholders' general meeting convened due to its resignation from its post.

The accounting firm leaving the post shall be entitled to receive all notices of the aforesaid meetings or other information in relation to the meetings and speak at the aforesaid meeting with regard to matters involving its duties as the previous accounting firm engaged by the Company.

Article 18.09 When the Company intends to remove or do not renew the engagement of an accounting firm, it shall notify the said firm 30 days in advance, and the accounting firm shall be entitled to state its opinions at the shareholders' general meeting. Where the accounting firm resigns, it shall state to the shareholders' general meeting whether there is anything inappropriate in the Company.

Any accounting firm may resign by depositing at the Company's legal address a written resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the followings:

- (1) a statement to the effect that there are no circumstances in connection with its resignation which should be brought to the notice of the shareholders or creditors of the Company; or
- (2) a statement of other circumstances considered necessary.

The Company shall within 14 days after receiving such notice send a copy of the notice to the competent authority. If the notice contains a statement under subprovision (2) of the preceding Article 18.08, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign shares to the address registered in the share register.

If the resignation notice of the accounting firm contains a statement on any issues to be explained, it may request the Board of Directors to convene an extraordinary general meeting to hear its explanation on issues relating to its resignation.

Article 18.10 The Company implements an internal audit system and is equipped with fulltime auditors. The Company's financial revenues and expenditures and economic activities are under internal auditing supervision.

Article 18.11 The internal audit system and the responsibilities of the auditors of the Company shall be implemented upon the approval by the Board of Directors. Audit director shall be responsible and report on its work to the Board of Directors.

Chapter 19 Merger and Division

Article 19.01 In the event of the merger or division of the Company, a plan shall be presented by the Board of Directors of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association of the Company, and the Company shall then go through the relevant approval process according to the laws. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders' shares at a fair price.

The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for shareholders' inspection. Holders of overseas-listed foreign shares of the Company shall be served copies of the abovementioned document by way of mail.

Article 19.02 The merger of the Company may take the form of either merger by absorption or the establishment of a new company.

When a company absorbs other companies, it is merger by absorption, and the absorbed companies shall be dissolved. When two or more companies merge to establish a new company, it is merger by new establishment, and all parties being merged shall be dissolved.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's merger resolution and shall publish a notice on a newspaper within 30 days from the date of the Company's merger resolution.

A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 45 days from the date of the public notice, to demand the Company to settle its debts or provide corresponding guarantees for such debts. Where the Company fails to settle its debts or provide corresponding guarantees for such debts, it may not be merged or divided.

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

Article 19.03 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's division resolution and shall publish an announcement in a newspaper within 30 days.

The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, except for those which written agreement has been reached with the creditor in respect of repayment of the debts prior to the division.

Article 19.04 The Company shall, in accordance with law, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

Chapter 20 Dissolution and Liquidation

Article 20.01 In any of the following circumstances, the Company may be dissolved and liquidated according to the laws upon approval by China securities regulatory authorities:

- (1) where the term of operations expires;
- (2) where the shareholders' general meeting has adopted a resolution for dissolution;
- (3) where dissolution is required due to merger or division of the Company;
- (4) where the business license is revoked, or the Company is ordered to close down or cancelled;
- (5) where the Company runs deep into difficulties in operation and management, its continuous existence may cause heavy losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding more than 10% votes of all shareholders of the Company may apply to the people's court to dissolve the Company;
- (6) where the Company is declared bankrupt according to the laws due to its inability to repay its debts as they fall due.

Article 20.02 In the circumstance set out in item (1) above, the Company may continue to subsist by amending this Articles of Association.

The amendment shall be approved by two-thirds or more of the voting rights held by the shareholders present at shareholders' general meetings.

Where the Company is dissolved pursuant to the item (1), (2), (4) or (5) above, it shall establish a liquidation committee to carry out liquidation within 15 days upon approved by the CSRC. The liquidation committee shall be composed of the persons determined by the Board of Directors or the shareholders' general meeting. In case no liquidation committee is established within the specified period to carry out liquidation, the creditors may apply to the people's court to designate related persons to form a liquidation committee and carry out liquidation.

Article 20.03 Where the Board of Directors decides to liquidate the Company due to causes other than the declaration of insolvency, the Board shall state in the notice convening a shareholders' general meeting for that purpose that the Board have made a comprehensive investigation into the situation of the Company and is in the opinion that the Company can settle the debts of the Company within 12 months after commencement of the liquidation.

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

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

Article 20.04 The liquidation committee shall send notices to the creditors within 10 days of its establishment and shall make announcements in the newspaper within 60 days. The liquidation committee shall register the creditor's rights.

The creditors shall claim their rights to the liquidation committee within 30 days of receipt of the notice or within 45 days of the date of the public announcement if the creditors received no notice. In claiming its rights, the creditor shall specify the matters in respect thereof and provide supporting materials. The liquidation committee shall register the creditor's rights. In the course of claiming of creditor's rights, the liquidation committee shall not make any repayment to the creditors.

Article 20.05 The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (1) to sort out the Company's assets and prepare the balance sheet and an inventory of assets;
- (2) to notify the creditors by a notice or announcements;
- (3) to dispose of outstanding business of the Company in relation to the liquidation;
- (4) to pay off all outstanding taxes and taxes arising from the liquidation;
- (5) to settle claims and debts;
- (6) to dispose of the remaining property after full repayment of the Company's debts; and
- (7) to participate in civil litigations on behalf of the Company.

Article 20.06 After the liquidation committee has sorted out the assets of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation proposal and submit it to the shareholders' general meeting or the relevant competent authorities for confirmation.

The assets of the Company shall be paid off in the following order:

- (1) to pay the liquidation expenses;
- (2) to pay employees' salary, social insurance expenses and statutory compensations;
- (3) to pay outstanding taxes;
- (4) to pay the Company's debts.

Any remaining assets of the Company after repaying fees and debts in accordance with the preceding provision shall be distributed to its shareholders based on the category and proportion of shares they held.

During the liquidation period, the Company shall not carry out any new business activities. The assets of the Company shall not be distributed to shareholders prior to repaying debts in accordance with the preceding provision.

Article 20.07 Where the liquidation is due to dissolution of the Company, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, if the liquidation committee discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court for a declaration of insolvency.

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

Article 20.08 Upon completion of liquidation, the liquidation committee shall prepare a liquidation report and a statement of the receipts and payments and the financial accounts for the liquidation period which shall be audited by PRC certified public accountants and then submitted to the shareholders' general meeting or relevant competent authorities for confirmation.

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

Article 20.09 Members of a liquidation committee shall be devoted to their duties and perform their liquidation obligations in accordance with the laws, and they shall not take advantage of their functions and powers to accept bribes or other illegal income, or to take illegal possession of the property of the Company.

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

Article 20.10 Where the Company is declared bankrupt according to the laws, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

Chapter 21 Amendment Procedure to the Articles of Association

Article 21.01 The Company may amend the Articles of Association in accordance with the laws, administrative regulations, the Listing Rules of the place where the Company's shares are listed and the Articles of Association.

Article 21.02 The Company shall amend the Articles of Association under any of the following circumstances:

- (1) there is a conflict between these Articles and any provision of the amended version of the Company Law, the laws, administrative regulations and the Listing Rules of the place where the Company's shares are listed;

- (2) there is any change to the Company's situation and is inconsistent with any matter recorded in the Articles of Association; and
- (3) the general meeting has resolved to amend the Articles of Association.

Article 21.03 Any amendment to the Articles of Association approved by the general meeting involving any registered particulars, application shall be made for the change of registration in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' general meeting.

Article 21.04 Where the provisions to be revised in the Articles of Association concern the information required to be disclosed by laws and regulations, such changes, in accordance with laws or regulations, shall be announced.

Chapter 22 Settlement of Disputes

Article 22.01 The Company shall follow the rules for dispute resolution mentioned below:

- (1) all disputes and claims between shareholders of overseas-listed foreign shares and the Company, between shareholders of overseas-listed foreign shares and the directors, supervisors, manager or other senior management of the Company, or between the Company and its directors, supervisors, the manager or other senior management, or between shareholders of overseas-listed foreign shares and other domestic shareholders arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and regulations concerning the affairs of the Company shall be referred by the relevant parties to arbitration.

Where a dispute or claim referred to in the preceding provision is submitted to arbitration, such claim or dispute must be submitted to arbitration in its entirety, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the Company's shareholder, director, supervisor, manager, or any other member of the senior management of the Company, submit to the arbitration.

Disputes relating to the definition of shareholders and dispute in relation to the register of shareholders need not be resolved by arbitration;

- (2) The claimant may select for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its Rules or the Hong Kong International Arbitration Center in accordance with its Securities Arbitration Rules. Once a claimant submits a dispute or claim to arbitration, the other party shall accept arbitration at the arbitral body selected by the claimant.

If a claimants elects for arbitration to be carried out at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of Hong Kong International Arbitration Center;

- (3) Where the dispute or claims stated in sub-paragraph (1) of this Article is to be resolved by way of arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations;
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties;
- (5) Any arbitration shall be deemed to authorise the arbitral tribunal to conduct hearings in open session and to publish its award.

Article 22.02 For disputes other than those stated in article 22.01, parties may choose to settle such disputes by litigation or arbitration.

Chapter 23 Notices and Announcements

Article 23.01 The notices of the Company shall be given (including to a shareholder whose registered address is out of Hong Kong) in the following ways:

- (1) in the written form
 1. by hand;
 2. by mail;
 3. by e-mail;
 4. by way of an announcement;
 5. by fax.

- (2) in verbal form
 1. by oral communication in person;
 2. by telephone.
- (3) subject to compliance with laws, administrative regulations, departmental rules and the rules of the securities regulatory authority of the place where the shares of the Company are listed, by posting on the website of the Company and a website designated by the stock exchange of the place where the shares of the Company are listed;
- (4) by other ways which are recognized by the securities regulatory authority of the place where the shares of the Company are listed or stipulated in the Articles of Association.

Article 23.02 Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once the announcement is published.

Article 23.03 The notice of convening a shareholders' general meeting shall be given by way of announcements. The notice of convening a board meeting shall be given in the written form. The notice of convening an extraordinary general meeting shall be given in the written form or verbal form. The notice of convening a meeting of the Supervisory Committee shall be given in the written form. The notice of convening an extraordinary meeting of the Supervisory Committee shall be given in the written form or verbal form.

Article 23.04 Where a notice is delivered by hand, the recipient shall acknowledge receipt by signing (or sealing) the delivery receipt, and the date on which the recipient signs the delivery receipt shall be the service date. Where a notice is sent by mail, the 5th business day from the day of posting at the post office shall be the service day. Where a notice is given by e-mail, the date of such e-mail entering the recipients' designated electronic data exchange system shall be the service day. Where a notice is given by way of announcement, the date on which the announcement is first published shall be the service date. Where an announcement is given by fax, the date on the fax record showing the send date shall be the service date.

Article 23.05 Where the Company gives notices to holders of overseas-listed foreign shares by way of announcements, it shall submit the electronic version for immediate release to Hong Kong Stock Exchange via its Electronic Publication System on the same date in accordance with the listing Rules of the listing place for the publish of announcements on the website of Hong Kong Stock Exchange. The same announcement shall also be posted in the Company's website. In addition, the Company shall serve the announcements by hand or by prepaid mail to the holders of overseas-listed foreign shares according to the addresses on the register of members, so that the shareholders have sufficient notice and sufficient time to exercise their rights or to act in accordance with the terms of the notices.

Holders of overseas-listed foreign shares may apply in writing to choose to receive corporate communication which shall be sent to shareholders by electronic means or by mail and to choose to receive either Chinese version or English version, or receive Chinese and English version at the same time. They may give advance notice within a reasonable time to modify the means of receiving and language versions of the aforesaid information according to the appropriate procedures.

Article 23.06 In respect of shareholders who failed to provide the registered addresses or cannot be contacted due to mistakes and omissions of their addresses, relevant notices shall be deemed as being received by such shareholders if the Company presents and keeps such notices at the legal address of the Company for twenty-four (24) hours.

In the case of joint holders of a share, all notices, information or other documents shall be served or sent to anyone of the joint holders by the Company.

Article 23.07 Any notices, documents, information or written statements given by shareholders or directors to the Company may be delivered to the legal address or the registered agent of the Company by hand or by registered mails.

Where shareholders or directors prove notices, documents, information or written statements had been sent to the Company, they have to provide evidence of such notices, documents, information or written statements sent at designated time by the usual way of delivery or by prepaid mail to the right address.

- Article 23.08 In respect of ways of the Company to provide and/or distribute corporate communication to its shareholders in accordance with the Listing Rules of the Stock Exchange, where the Company obtains the prior written consent or implied consent of the shareholders in compliance with relevant provisions of relevant laws, regulations or the Listing Rules of the Stock Exchange (amended from time to time), it may release or provide the corporate communication to its shareholders by electronic ways or publishing the information on the its website, notwithstanding the above context specified that the corporate communication shall be provided and/or distributed to shareholders in the written form. The corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other corporate communications as required under the Listing Rules of the Stock Exchange.
- Article 23.09 The Company shall publish announcements and disclose information to domestic shareholders through the website of the Company, the website of stock exchange and the media that meet the conditions specified by securities regulatory authorities and other regulatory authorities. If the Company is required to make an announcement to the holders of overseas-listed foreign shares in accordance with the Articles of Association, the Listing Rules of Stock Exchange or the laws and regulations, the relevant announcements shall be published at the same time in the same manner as prescribed in the Listing Rules of Stock Exchange.

Chapter 24 Supplementary Provisions

- Article 24.01 The Articles of Association shall be written in Chinese. In the event of any discrepancy between the Articles of Association in other languages or other versions of the Articles of Association and the Articles of Association, the most recent Chinese version registered with company registry shall prevail. In the event of any discrepancy between the version in other languages and the Chinese version of the Articles of Association, the Chinese version shall prevail.
- Article 24.02 Unless the Articles of Association otherwise requires, the terms “no less than”, “within” and “no more than” referred to in the Articles of Association include the number itself. The terms “less than”, “more than” do not include the number itself.

Article 24.03 In the Articles of Association, the following expressions have the following meanings unless the context otherwise requires:

“Controlling Shareholder”	a person as defined in article 8.15 of the Articles of Association
“Actual Controller”	a person who is able to practically control the behaviour of the Company through investment relations, agreements or other arrangements, although the person is not a shareholder of the Company
“Connected Relationships”	means the relations between the controlling shareholder, actual controllers, directors, supervisors, the members of the senior management of the Company with the enterprises which are directly or indirectly under the control of the Company, and other relations which may lead to transfer of the Company’s interests. However, connected relationships do not exist among the companies controlled by the State although their shares are held by the State in common
“Articles of Association” or “the Articles of Association”	the articles of association of the Company
“Company” or “the Company”	Guolian Securities Co., Ltd. (國聯證券股份有限公司)
“Subsidiaries”	include wholly owned subsidiaries and holding subsidiaries
“Branches”	entities without legal personality which are engaged in business operating activities under securities firms, including branch office and securities branches
“the Board”	the Board of Directors of the Company
“Chairman of the Board”	chairman of the Board of Directors of the Company
“Directors”	the directors of the Company

“Supervisory Committee”	the Supervisory Committee of the Company; according to the PRC laws, the Supervisory Committee is responsible for monitoring the Board of Directors, the members, the manager and the members of the senior management of the Company
“Supervisors”	members of the Supervisory Committee
“manager”	the president of the Company
“deputy manager”	the vice president of the Company
“RMB”	the lawful currency of the PRC
“secretary of the Board”	secretary of the Board appointed by the Board of the Company
“the PRC”	the People’s Republic of China
“the PRC laws”	the Constitution of the PRC or any laws, regulations and rules in force in the PRC (as the context may require)
“Company Law”	The Companies Law of the PRC which was amended on October 26, 2018
“Securities Law”	The Securities Law of the PRC which was amended on 28 December, 2019
“Special Regulations”	the Special Regulations of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies which was adopted at the 22nd executive meeting of the State Council on July 4, 1994
“Mandatory Provisions”	Mandatory Provisions of the Articles of Association of Companies Seeking Overseas Listing issued by Securities Commission of State Council and State Commission for Economic Restructuring on August 27, 1994

“Zheng Jian Hai Han”	The Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong jointly issued by the Overseas-Listing Department of the CSRC and the Production System Department of State Commission for Economic Restructuring on April 3, 1995
“Hong Kong Register of Members”	the part of register of members placed at Hong Kong in accordance with the Articles of Association
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Listing Rules of the Stock Exchange”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Rules of the Shanghai Stock Exchange”	Rules Governing the Listing of Securities on the Shanghai Stock Exchange
“Arbitral Body”	China International Economic or Trade Arbitration Commission or Hong Kong International Arbitration Centre
“Special Resolutions”	resolutions adopted by the shareholders present at the shareholders’ general meeting representing two thirds or more of the voting rights
“Ordinary Resolutions”	resolutions adopted by the shareholders present at the shareholders’ general meeting representing half and more of the voting rights
Article 24.04	the Board of Directors may make by-laws in accordance with the provisions of the Articles of Association. The by-laws shall not contravene the provisions of the Articles of Association.
Article 24.05	“Accounting firm” in these Articles of Association shall have the same meaning as “auditors”.
Article 24.06	the right of interpretation shall belong to the Board of Directors of the Company whereas the right of amendment shall belong to the shareholders’ general meeting.

Article 24.07 the attachments of the Articles of Association include rules of procedure of the shareholders' general meeting, rules of procedure of the Board of Directors and rules of procedure of the Supervisory Committee.

Where such rules of procedure are inconsistent with the Articles of Association, the Articles of Association shall prevail.

Guolian Securities Co., Ltd.