

# **ARTICLES OF ASSOCIATION OF GF SECURITIES CO., LTD.**

**December 2025**

**(Considered and approved at the 2025 third extraordinary general meeting, 2025 second class meeting of A shareholders and 2025 second class meeting of H shareholders of the Company)**



<sup>#</sup> The original version of the Articles of Association of the Company (“AOA”) is in Chinese, and the English version of the AOA is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the AOA, the Chinese version shall prevail.

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## Chapter 1 General

**Article 1** In order to protect the legal rights and interests of GF SECURITIES CO., LTD. (hereinafter referred to as the “Company”), its shareholders, staff and creditors thereof and regulate the organization and acts of the Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Rules for Governance of Securities Companies (證券公司治理準則), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Provisions on the Administration of Equities of Securities Companies (證券公司股權管理規定), and other relevant provisions.

**Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law, the Securities Law and other relevant provisions.

Yan Bian Road Construction Co., Ltd., the predecessor of the Company, was established by way of private placement on January 21, 1994 in accordance with “Approval Regarding the Establishment of Yan Bian Road Construction Co., Ltd.” (《關於成立延邊公路建設股份有限公司的批覆》) (Ji Gai Gu Pi Zi [1993] No. 52 (吉改股批字[1993]52號)) issued by the Economic System Reform Committee of Jilin Province (吉林省經濟體制改革委員會), and was registered at the Administration for Industry and Commerce of the Yan Bian Korean Nation Autonomous Area in Jilin Province (吉林省延邊朝鮮族自治州工商行政管理局), with the business licence (business license number 2224001002142) granted. With the recommendation of “Reply in Relation to Yan Bian Road Construction Co., Ltd. Recommended by the State Ethnic Affairs Commission as a Listed Company” (《關於將延邊公路建設股份有限公司作為國家民委推薦上市公司的復函》) (Min Wei (Jing) Han Zi [1997] No. 55 (民委(經)函字[1997]55號)) issued by the State Ethnic Affairs Commission of the People’s Republic of China (國家民族事務委員會) and the approval of the China Securities Regulatory Commission on April 29, 1997, the Company initially issued 30,000,000 ordinary shares denominated in Renminbi (domestic shares) to the public and listed on the Shenzhen Stock Exchange on June 11, 1997.

As approved by the Approval Document Zheng Jian Xu Ke [2010] No. 164 (證監許可[2010]164號文) promulgated by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), Yan Bian Road Construction Co., Ltd. repurchased the non-tradable shares held by Jilin Aodong Pharmaceutical Group Co., Ltd. by way of directional repurchase, and completed the absorption and merger of the original GF Securities Co., Ltd. by way of issuing new shares. Subsequent to the repurchase and merger, Yan Bian Road Construction Co., Ltd. changed its name to GF Securities Co., Ltd. and was granted the Enterprise Legal Person Business License (business license number 222400000001337). On February 12, 2010, the Company resumed trading of its shares on the Shenzhen Stock Exchange.

As approved by the Approval Document Zheng Jian Xu Ke [2015] No. 347 promulgated by the China Securities Regulatory Commission in March 2015, the Company issued 1,479,822,800 overseas listed foreign shares (H Shares) and listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on April 10, 2015.

Pursuant to a resolution passed at the second extraordinary general meeting of the Company for 2014 and the approval of the CSRC, on April 13, 2015, the Joint Global Coordinators exercised the over-allotment option in full and the Company issued additional 221,973,400 overseas listed foreign shares (H Shares) which became listed on the Hong Kong Stock Exchange and on April 20, 2015.

**Article 3** The registered name of the Company: 廣發證券股份有限公司;

The English name of the Company: GF SECURITIES CO., LTD.

**Article 4** The address of the Company: Room 618, 2 Tengfei 1st Road, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong; Postal code: 510555;

Unified social credit code: 91440000126335439C.

**Article 5** The registered capital of the Company is RMB7,605,845,511.

**Article 6** The Company is a joint stock company with limited liability with no definite term of existence.

**Article 7** The chairman of the board of directors (“Board”) of the Company shall be the legal representative of the Company. If the chairman resigns, he shall be deemed to resign as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation of the legal representative.

**Article 8** The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.

Restrictions imposed on the powers of the legal representative by these Articles of Association or by general meetings shall not be invoked against a bona fide counterparty.

If the legal representative causes damage to others while performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming the civil liability, seek compensation from the legal representative at fault in accordance with laws or these Articles of Association.

**Article 9** Each shareholder shall be liable to the extent of the shares subscribed by him. The Company is liable for its debts to the extent of all of its available properties.

**Article 10** These Articles of Association take effect on the date upon approval through a resolution at the general meeting. As of the effective date of these Articles of Association, the previous Articles of Association of the Company shall become void automatically.

As of the effective date of these Articles of Association, these Articles of Association shall be a legally binding document which regulates the Company’s organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall legally bind on the Company, its shareholders, directors, senior management members, with such personnel being entitled to claim for right on matters relating to the Company in accordance with these Articles of Association. Pursuant to these Articles of Association, a shareholder may take action against the other shareholders, and the shareholders may take action against the Company’s directors and senior management members. The shareholders may take action against the Company. The Company may take action against its shareholders, directors, and senior

management members.

For the purposes of the preceding paragraph, the term “take action” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.

**Article 11** Senior management members referred to in this Articles of Association include the general manager, deputy general manager, the chief financial officer, the secretary to the Board, the chief compliance officer, the chief risk officer, the chief information officer, the chief audit officer and such other personnel expressly resolved and confirmed by the Board to hold important positions.

**Article 12** The Company shall establish an organization of the Communist Party of China to actively leverage the political core role of the Party organization among employees and the political leadership role of Party organizations in enterprise development. The Party organization is responsible for promoting and implementing the Party’s lines, principles and policies; uniting and rallying employees; leading mass organizations such as trade unions and the Communist Youth League; safeguarding the legitimate rights and interests of all parties; fostering the development of an advanced corporate culture; and promoting the healthy development of the Company.

The Company shall establish a Party Committee and a Discipline Inspection Commission, set up a working organ for the Party, allocate personnel to handle Party affairs and carry out Party activities. The Company provides necessary conditions for the activities of the Party organization. The Party Committee of the Company performs its duties in accordance with the Constitution of the Communist Party of China and other internal Party regulations, and supports the general meeting, board of directors, and management in exercising their powers in accordance with laws and regulations.

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

**Article 13** The objectives of business of the Company are: to insist on the principles of socialist marketing economy, to implement national economic and financial guidelines and policies, to promote the development of securities market, to conduct business in compliance with regulations, to comprehensively put in practice the development values of innovation, coordination, green, openness and sharing, to provide quality and effective services for customers, to create good economic benefits and social benefits, to proactively fulfill social responsibilities, to establish a sound, effective and transparent governance mechanism, to strengthen internal and external supervision and check and balance, to protect the legitimate rights of shareholders and to ensure that they are to receive fair treatment, to respect the basic rights and interests of stakeholders, to effectively enhance the overall value of the enterprises, and to maximise the investment return for all the shareholders of the Company.

The Company puts into practice the securities industry culture of “compliance, integrity, professionalism and stability” and continues to develop corporate culture.

By establishing an integrity management system, the Company will achieve the following management objectives:

(I) Establishing the concept of integrity in practice for all staff and building a culture of integrity in practice;

(II) Achieving effective management of integrity risks and to establish a long-term mechanism for internal discipline.

Integrity in practice as referred to in the Articles of Association means that the Company and its staff, in carrying out securities business and related activities, strictly abide by the laws, regulations and rules and the Company's policies, follow social ethics, business ethics, professional ethics and codes of conduct, compete fairly, operate in compliance, be faithful and diligent, be honest and trustworthy, and not directly or indirectly transfer improper benefits to others or seek improper benefits.

**Article 14** As registered in accordance with the laws, the scope of business of the Company covers: securities business, sales of public securities investment funds, provision of futures intermediary services for futures companies and securities investment fund custodian.

**Article 15** To the extent permitted by laws and regulations, the Company may invest in other bodies including companies with limited liability and joint stock companies, with the liability of the Company limited to the extent of the capital contribution thus made.

## **Chapter 3 Shares**

### **Section 1 Issuance of Shares**

**Article 16** The stock of the Company shall take the form of shares.

**Article 17** The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by the subscriber.

**Article 18** All the par value shares issued by the Company shall have a par value, with each share having a par value of RMB1.

**Article 19** Upon the registration or fulfilling relevant procedures by the securities regulatory authorities under the State Council or other relevant regulatory authorities, the Company may issue its shares to the domestic and foreign investors.

The term “foreign investors” mentioned in the preceding paragraph refers to the investors who are from foreign countries or Hong Kong Special Administrative Region, Macao Special Administrative Region or Taiwan of the PRC that subscribe for shares issued by the Company. The term “domestic investors” refers to the investors who are in the PRC, excluding the above-mentioned regions, and subscribe for the shares issued by the Company.

**Article 20** With the approval of the authorized reviewing and approving authority, the Company was approved to issue a total of 50,000,000 ordinary shares upon its establishment. The Company issued 35,600,000 ordinary shares to its promoters upon its establishment, representing 71.20% of the then total issued ordinary shares of the Company.

The promoters of Yan Bian Road Construction Co., Ltd., the predecessor of the Company, are Jilin Province Transportation Investment and Development Company (吉林省交通投資開發公司), Yanbian Transportation Bureau (延邊州交通局), Huichun City Transportation Bureau (琿春市交通局), Highway Survey and Design Institute of Jilin Province (吉林省公路勘測設計院), Jilin Province Road Construction Machinery Factory (吉林省公路機械廠), Jilin Province Transportation Cement Factory (吉林省交通水泥廠), Yanbian Highway Construction Office (延邊州公路工程處), Gongzhuling City Passenger Transport Company (公主嶺市客運公司). Save that Jilin Province Transportation Investment and Development Company made the capital contribution of RMB2 million in the form of fixed assets and RMB8 million in cash, Yanbian Transportation Bureau made the capital contribution of RMB11 million in the form of fixed assets and Huichun City Transportation Bureau made the capital contribution of RMB10 million in the form of fixed assets, all the shares of the other promoters were paid-in in cash. All the capital contributions were paid up on March 18, 1993.

**Article 21** The total number of shares of the Company is 7,605,845,511 shares, all of which are ordinary shares, among which 5,904,049,311 shares held by holders of domestic shares (hereinafter referred to as “A Shares”) and 1,701,796,200 shares held by holders of overseas listed foreign shares (hereinafter referred to as “H Shares”).

A Shares issued by the Company are centrally deposited at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company are principally deposited at the central depository under the Hong Kong Securities Clearing Company Limited, and may also be held by shareholders under their individual names.



**Article 22** The Company or its subsidiaries (including its affiliates) shall not provide any financial assistance, in the form of gift, advance, guarantee or borrowings, to acquire the shares of the Company or its parent company for other persons, except for the implementation of the employee stock ownership plan of the Company.

For the benefit of the Company, and subject to a resolution of the general meeting or a resolution of the Board made pursuant to these Articles of Association or as authorized by the general meeting, the Company may provide financial assistance to acquire the shares of the Company or its parent company for other persons, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution made by the Board shall be approved by more than two-thirds of all Directors.

The provision of financial assistance by the Company in respect of the aforesaid matters shall also comply with the relevant regulations of the stock exchange at the place where the Company's shares are listed.

## **Section 2 Increase, Decrease and Buyback of Shares**

**Article 23** Subject to approval of the shareholders at general meeting, the Company may, based on its requirements for operation and development and in accordance with the applicable laws and regulations, increase its capital by way of:

- (1) Offering of shares to non-specific investors;
- (2) Offering of shares to specific investors;
- (3) Offer of bonus shares to existing shareholders;
- (4) Capitalization of surplus reserve into share capital;
- (5) By other means stipulated by laws, administrative regulations or the regulatory authorities.

The Company may not issue preferred shares which are convertible into ordinary shares. The Company's increase of capital by issuing new shares shall be subject to approval as specified in the Articles of Association and follow the procedures specified by the relevant PRC laws and administrative regulations.

**Article 24** The Company may reduce its registered capital. The reduction of registered capital shall be made in accordance with the Company Law and other relevant regulations as well as procedures stipulated in these Articles of Association.

**Article 25** The Company shall prepare a balance sheet and a list of property inventory when decreasing its registered capital.

The Company shall notify all its creditors within 10 days following the resolution approving to decrease the registered capital and shall make announcements via newspapers or other external announcements such as the National Enterprise Credit Information Publicity System within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees in favour of such creditors for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors haven't received the notice.

The Company's registered capital shall not, upon the decrease of capital, fall below the statutory minimum limit.

**Article 26** The Company may not buy back its shares, except in any of the following circumstances:

- (1) Decreasing the registered capital of the Company;
- (2) Merging with other companies holding shares of the Company;
- (3) Using the shares in employee stock ownership plans or equity incentives;
- (4) As required by Shareholders objecting to approval of the general meeting concerning merger or division of the Company to buy their shares;
- (5) Using the shares for converting company-issued corporate bonds convertible into stocks;
- (6) The company is necessary to maintain the company's value and shareholders' rights.

**Article 27** The Company may buy back its shares through public centralized trading or other methods as permitted by laws, administrative regulations, the CSRC and the stock exchange of the place where the Company's shares are listed.

If the Company acquires shares of the Company due to the reasons stated in provisions (3), (5) and (6) of Article 26 of the Articles of Association, it shall be conducted by way of open centralized transaction.

**Article 28** Where a company buys back its shares due to reasons as stated in provision (1) and (2) of Article 26 of the Articles of Association, it shall be subject to the approval of the general meeting of shareholders. If the company acquires the shares of the company in the circumstances as stipulated in Article 26 (3), (5) and (6) of the Articles of Association, it shall be resolved by the board meeting attended by more than two-thirds of the Directors.

After the Company buys back the shares pursuant to the provisions of Articles 26, such shares shall be cancelled within 10 days from the date of buyback under the circumstance as described in (1); such shares shall be either transferred or cancelled within six months if it is under the circumstance as described in (2) and (4); the total number of shares of the company held by the Company shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within 3 years as described in (3), (5) and (6).

### **Section 3 Transfer of Shares**

**Article 29** Shares of the Company shall be transferred in accordance with the law. Transfer of H Shares of the Company shall be registered with the Hong Kong-based share registry designated by the Company.

**Article 30** All transfers of H Share shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by Hong Kong Stock Exchange from time to time); The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the company's seal. Where the transferor or transferee is a recognised clearing house ("Recognised Clearing House") as defined by relevant regulations in Hong Kong laws from time to time, or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

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

**Article 31** The Company shall not accept its own shares as the mortgage object.

**Article 32** Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed on the stock exchange.

The directors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office as determined at the time of their assumption of office; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company. Where laws, administrative regulations or the CSRC provide otherwise with respect to the transfer of shares held by shareholders in the Company, such provisions shall prevail.

**Article 33** If the Company's directors, senior management, and shareholders holding 5% or above shares of the Company sell shares or other equity securities within six months after buying the same or buy shares within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Board shall forfeit the said earnings. However, a securities company holding 5% or above of the Company's shares as a result of its underwriting of the untaken shares and other circumstances as specified by the CSRC shall be excluded.

The shares or other equity securities held by the directors, senior management and individual shareholders referred to in the preceding paragraph include the shares or other equity securities held by their spouses, parents and children, and the shares held through others' accounts.

If the Company's Board does not comply with the provision of the first paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the said period, the shareholders are entitled to commence litigations in the people's court in their own names for the interests of the Company.

If the Company's Board does not enforce the provision of the first paragraph of this Article, the accountable directors shall assume joint and several responsibilities in accordance with the laws.

## **Section 4 Equity Administration Affairs**

**Article 34** The chairman of the Board of the Company is the first responsible person for the Company's equity administration affairs. The secretary to the Board of the Company assists the chairman of the Board and is the immediate responsible person for the Company's equity administration affairs.

**Article 35** The office of the Board of the Company is the office that handles equity administration affairs of the Company, which organizes and implements the work related to equity administration affairs.

**Article 36** When the Company changes its registered capital or equity, it shall formulate a work plan and selection criteria for shareholders. The Company and equity transferors shall in advance inform the intended participants of the conditions to become a shareholder of the Company, the procedures required to be performed, the Company's operation status and potential risks, etc.

The Company and equity transferors shall conduct due diligence on the intended participants, and reach agreements on the subsequent measures for intended participants who are found to be unqualified. No agreements shall be entered into with the intended participants if they are found to be unqualified. If the relevant matters need to be approved by the CSRC, it shall be agreed that the agreement shall come into force after obtaining the relevant approval.

**Article 37** In the process of changing its registered capital or equity, the Company shall reach prior agreements with relevant parties on the treatment measures regarding the possible breach of requirements or commitments, specifying the accountability mechanism for persons held liable, and cooperate with regulatory authorities in investigation and handling.

**Article 38** The Company shall make arrangements for risk prevention during the period in which its registered capital or equity is changed, to ensure the normal operation of the Company and protect customers' interests from damages.

For matters subject to the approval of the CSRC in accordance with the law, the shareholders of the Company shall continue to exercise their voting rights independently according to the respective proportion of shares held by them prior to such approval, and equity transferors shall not recommend any person associated to equity transferees to act as a director or senior management of the Company, and transfer their voting rights in any disguised form.

**Article 39** Shareholders of the Company shall have full knowledge of shareholders' conditions and their rights and obligations, fully understand the operation and management condition, potential risks and other information of the Company, have reasonable investment expectation and genuine willingness to make capital contributions, and perform the necessary internal decision-making procedures.

**Article 40** Shareholders shall hold shares for a period in compliance with laws, administrative regulations and relevant requirements of the CSRC.

If the major assets of a shareholder of the Company are equities in the Company, the controlling shareholders and the de facto controllers of the shareholder shall be subject to the same lock-up period as the shareholders of the Company with respect to the equity interests under their control, except for the circumstances as recognized by the CSRC according to the law.

**Article 41** Shareholders of the Company shall not pledge the equity interests of the Company held by them in the Company during the lock-up period. Upon expiration of the lock-up period, the equity interests pledged by shareholders of the Company shall not exceed 50% of the equity interests held by them in the Company.

The shareholders' pledge of their equity interests in the Company shall not prejudice the interests of other shareholders and the Company, maliciously evade the requirements regarding the lockup period, agree to exercise the shareholders' rights such as voting rights by the pledgee or other third parties, or transfer the control over the Company's equity interests in disguise.

**Article 42** The Company shall strengthen the examination on the qualifications of shareholders, conduct verification on the information of the shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert, ultimate equity holders and grasp the changes therein. The Company shall make judgements based on the impact of shareholders on the Company's operation and management, timely, accurately and completely report or disclose relevant information in accordance with the law, and perform the approval procedures when necessary.

**Article 43** The Company shall strengthen the management of related party transactions, accurately identify related parties, strictly implement the approval regulations and the information disclosure regulations with regard to the related party transactions, to avoid any harm to the legitimate rights and interests of the Company and its customers, and to promptly report the related party transactions to the CSRC and its local branches.

The Company shall, in accordance with the principle of looking-through, manage the shareholders and its controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate equity holders as they were related parties of the Company.

**Article 44** The shareholders of the Company and their controlling shareholders and de facto controllers shall not:

(1) make false or untrue capital contributions, withdrawing or withdrawing in disguise capital contributions;

(2) interfere the operation and management of the Company in violation of laws, administrative regulations or requirements stipulated by the Articles of Association;

(3) abuse their rights or influence to occupy the assets of the Company or customers for the purpose of tunneling interest, which causes harm to the legitimate rights and interests of the Company, other shareholders or customers;

(4) request, in violation of requirements, the Company to provide financing or guarantee to them or their related parties, or forcing, instructing, assisting or accepting the financing or guarantee provided by the Company with the assets of its securities brokerage customers or securities asset management customers;

(5) conduct improper related party transactions with the Company, and obtaining improper benefits by taking advantage of their influence on the Company's operation and management;

(6) entrust others or accepting entrustment from others to hold or manage the Company's equities, and accepting or transferring the control over the Company's equities in a disguised manner without obtaining approval;

(7) engage in any other acts as prohibited by the CSRC.

The Company, its directors, senior management and other relevant parties shall not cooperate with the shareholders of the Company and their de facto controllers to conduct prohibited activities as mentioned above.

In the event of the Company notices that the shareholders and their controlling shareholders and de facto controllers have been involved in the above circumstances, it shall take timely measures to prevent such violation from aggravating and report it to the branches of the CSRC at the places where the Company is domiciled within two working days.

**Article 45** In case of any illegal or improper behaviors related to equity management affairs in violation of laws, administrative regulations and regulatory requirements, the Company shall conduct prompt investigation and report the matter to the Board, and the Board shall discuss and determine the rectification measures, accountability plans and opinions on disciplinary actions etc., within its scope of authority.

## **Chapter 4 Shareholders and the General Meeting**

### **Section 1 Shareholders**

**Article 46** The Company shall make a register of shareholders based on the vouchers provided by the securities registration and clearing institutions. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares. The shareholders enjoy rights and assume obligations as per the class of shares they hold; the same class of shares represents the same rights and the same obligations.

Approval from the CSRC shall be obtained for change of any major shareholders or the de facto controller, without the approval of the CSRC, such act shall be rectified in due course and the relevant shares will not carry voting rights before such rectification.

Where two or above 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 joint holders of any shares;

(2) The joint holders of any shares shall assume joint and several liabilities for all amounts payable for relevant shares;

(3) If any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as owners of the relevant shares, but the Board may, for the purpose of modifying the register of shareholders, require the provision of a death certificate as it deems appropriate;

(4) For joint shareholders of any share, the person whose name stands first in the register shall be entitled to receive share certificate of the relevant shares, receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders. Any of the joint shareholders may sign a proxy form; provided, however, where the number of the joint shareholders presenting in person or by proxy at a meeting is more than one, the vote cast, in person or by proxy, by the shareholder whose name appears in prior sequence shall be regarded as the sole and exclusive vote on behalf of all the rest joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding Relevant Shares as prescribed in the Company's register of shareholders.

**Article 47** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the convener of the Board or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date are entitled to the relevant rights.

**Article 48** The ordinary shareholders of the Company shall be entitled to the following rights:

- (I) To receive dividends and other distributions in proportion to the shares they hold;
- (II) To lawfully request to hold, convene, preside over, and attend general meetings either in person or by proxy and exercise the corresponding voting right;
- (III) To supervise, raise suggestions on or make inquiries about the operations of the Company;
- (IV) To transfer, gift or pledge their shares in accordance with laws, administrative regulations, relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed and these Articles of Association;
- (V) To inspect and make copy of the Articles of Association, the register of members, minutes of general meetings, resolutions of Board meetings and financial accounting report and a shareholder who severally or jointly holds more than 3% of shares of the Company for more than 180 consecutive days may inspect the accounting books and vouchers of the Company;
- (VI) To participate in the distribution of the remaining properties of the Company as per their shares in the event of the termination or liquidation of the Company;
- (VII) To require the Company to buy their shares in the event of objection to resolutions of the general meeting concerning merger or division of the Company; and
- (VIII) To enjoy other rights stipulated by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and these Articles of Association.

**Article 49** The shareholder who requests to inspect or copy the relevant information of the Company shall comply with the requirements of laws and administrative regulations, including the Company Law and the Securities Law. When a shareholder requests to inspect the relevant information mentioned 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 identity.

**Article 50** If any resolution of the general meeting or the Board meeting is in violation of the laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution.

If the convening procedure and voting method of the general meeting or the Board meeting is in violation of the laws, administrative regulations or these Articles of Association, or if the content of any resolution is in violation of these Articles of Association, the shareholders shall be entitled to request the people's court for revocation within 60 days after the resolution being passed. However, this does not apply if such procedures for convening the general meeting and the Board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the Board, shareholders and other stakeholders dispute the validity of a resolution of a general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the general meeting. The Company, its directors and senior management members shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and stock exchanges, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

**Article 51** A resolution of the general meeting or Board meeting of the Company shall be deemed invalid under any of the following circumstances:

- (1) the resolution is adopted without convening a general meeting or Board meeting;
- (2) the resolution is not voted on at the general meeting or Board meeting;
- (3) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or these Articles of Association;
- (4) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or these Articles of Association.



**Article 52** If any director or senior management, other than a member of the Audit Committee, violates laws, administrative regulations or these Articles of Association in fulfilling their duties, thereby incurring any loss of the Company, the shareholder(s) severally or jointly holding 1% or above shares of the Company for 180 consecutive days or above shall be entitled to request the Audit Committee in writing to institute legal proceedings to the people's court; if a member of the Audit Committee violates laws, administrative regulations or these Articles of Association in fulfilling its duties, thereby incurring any loss of the Company, the aforementioned shareholders shall be entitled to request the Board in writing to institute legal proceedings to the people's court.

If the Audit Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names for the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss of the Company, the shareholder(s) as mentioned in the first paragraph of this Article may institute legal proceedings to the people's court according to the provisions of the two preceding paragraphs.

If directors, supervisors or senior management members of a wholly-owned subsidiary of the Company cause losses to the Company for violation of the requirements of laws, administrative regulations or these Articles of Association during the performance of their duties, or if others infringe on the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses to it, shareholders who have held, severally or jointly, more than 1% of the shares of the Company for more than 180 consecutive days, may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, request in writing that the supervisory committee or the board of the wholly-owned subsidiary bring a lawsuit to the People's Court, or bring a lawsuit directly to the People's Court in their own name.

Where a wholly-owned subsidiary of the Company does not have a supervisory committee or any supervisor(s) but has established an audit committee, it shall comply with the provisions of the first and second paragraphs of this Article.

**Article 53** If any director or senior management violates laws, administrative regulations or these Articles of Association, thereby incurring any loss of the shareholders, the shareholders may institute legal proceedings to the people's court.

**Article 54** The ordinary shareholders of the Company shall have the following obligations:

- (1) To abide by laws, administrative regulations and these Articles of Association;
- (2) To pay capital contribution as per the shares subscribed for and the method of subscription;
- (3) Not to withdraw their share capital unless in the circumstances stipulated by laws and regulations;

(4) to perform capital contribution obligations in strict compliance with laws and regulations and requirements of the CSRC, and to use its own funds which is legally obtained to make contribution into the Company, for which no non-proprietary funds such as entrusted funds shall be used, unless otherwise permitted by laws and regulations;

(5) to give a true, accurate and complete statement of the shareholding structure up to the de facto controllers and the ultimate equity holders, as well as associations with other shareholders or persons acting in concert, and not conceal or misrepresent with the intention to circumvent shareholder qualification review or regulation;

(6) major shareholders and controlling shareholders shall replenish capital to the Company when necessary;

(7) shareholders who have not obtained the approval from or have not duly filed with the regulatory authorities, or shareholders who have not completed mandatory rectification process, shall not exercise such rights of requesting to convene a general meeting, voting, nomination, making a proposal, and disposing of their shareholding;

(8) not to abuse shareholder's right to damage the interests of the Company or other shareholders; not to abuse the independent status of legal person or shareholder's limited liability to damage the interests of the creditors of the Company.

Shareholders of the Company who abuse their shareholder's rights and thereby causing loss on the Company or other shareholders shall be liable for loss compensation according to the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Shareholders who make false statements, abuse their shareholder's rights or infringe on the interests of the Company, shall not exercise such rights of requesting to convene a general meeting, voting, nomination, making a proposal, and disposing of their shareholding;

(9) 99,980,000 shares in the former GF Securities Co., Ltd. (prior to its merger with Yanbian Road Construction Co., Ltd. (延邊公路建設股份有限公司)) held by Guangdong Finance Trust Co., Ltd. (廣東粵財信託有限公司) on trust for the then shareholders of the former GF Securities Co., Ltd. (including Liaoning Cheng Da Co., Ltd., Jilin Aodong Pharmaceutical Group Co., Ltd., Zhongshan Public Utilities Group Co., Ltd., Heungkong Group Limited, Guangzhou High Technology Industrial Group Co., Ltd., Jiuquan Iron and Steel (Group) Co., Ltd., Puning Xinhong Industrial Investment Co., Ltd. (普寧市信宏實業投資有限公司), Hengtong Group Co., Ltd. (亨通集團有限公司), Anhui Huamao Textile Company Limited, Shenzhen Huitianze Investment Co., Ltd. (深圳市匯天澤投資有限公司), Yihua Enterprise (Group) Co., Ltd., Hubei Buffalo Industrial Development Co., Ltd. (湖北水牛實業發展有限公司), Guangzhou Iron & Steel Enterprises Group (廣州鋼鐵企業集團有限公司), China Scholars Group Company Limited (神州學人集團股份有限公司) and Star Lake Bioscience Co., Inc. Zhaoqing Guangdong (廣東肇慶星湖生物科技股份有限公司) (the equivalent number of corresponding shares is 120,457,831 after completion of the share swap merger) and

the increased corresponding shares resulting from the Company's issuance of bonus shares and increase in share capital shall constitute the underlying assets of the Company's relevant long-term employee scheme. To the extent permitted by relevant laws, regulations and rules, the relevant long-term employee scheme may be implemented according to relevant agreements or covenants signed by the afore-said shareholders or relevant legal entities including the labour union of the Company; and

(10) To fulfill other obligations as stipulated by laws, administrative regulations and these Articles of Association.

**Article 55** Shareholders holding or controlling 5% or above voting shares of the Company shall promptly notify the Company in any of the following circumstances:

(1) Equity of the Company they hold or control is under property preservation measures or mandatory enforcement measures;

(2) Shares of the Company they hold is pledged;

(3) The shareholding represented by the Shares they hold as a percentage of the Company's shares in issue increase or decrease by every 1%;

(4) Change of the de facto controller;

(5) Their names are changed;

(6) A merger or division is effected;

(7) They are subject to regulatory measures including suspension of operation for rectification, designated custody, takeover or revocation or other regulatory measures, or proceeding with dissolution, bankruptcy or liquidation procedures;

(8) They receive administrative penalty or are investigated for criminal responsibility due to serious violations of laws and regulations; and

(9) They are involved in other circumstances that may lead to transfer of the shares of the Company they hold or control or affect operation of the Company.

The Board of the Company shall report to relevant regulatory authorities, such as the local office of CSRC of its place of domicile, within five working days after acknowledging the occurrence of the events as stated above.

**Article 56** The controlling shareholders and the de facto controllers of the Company shall comply with the following provisions:

(1) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;

(2) to strictly implement the public statements and undertakings made and shall not change or waive them without authorization;

(3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(4) not to appropriate the Company's funds in any way;

(5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(6) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;

(8) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;

(9) The controlling shareholders and the de facto controllers of the Company shall not exploit their special position to obtain additional benefits or execute any approval procedure with respect resolutions on election of personnel at general meetings and any resolutions on the appointment of any personnel by the Board or appoint or remove any senior management members of the Company without the approval at the general meeting and the Board or intervene directly or indirectly any decisions on production and operation of the Company or misappropriate or control any assets or other interests of the Company or intervene the finance and accounting related activities of the Company or impose any operation plans or give any orders to the Company or carry out any business activities which are the same or similar to those of the Company or influence the independence of the Company's operation and management or damage the legal interests of the Company by any other means;

(10) The undertakings of the controlling shareholder, the actual controller and the relevant parties of the Company shall be clear, specific and executable, and shall not undertake to judge matters that are obviously impossible as per the circumstances at the time. The undertaking party shall make, in his/her undertaking, a statement of fulfillment of its commitments, and clarify his/her responsibility in the event breach of commitments, and will endeavor his/her best to fulfill the commitments;

(11) to comply with other requirements under laws, administrative regulations, CSRC rules, the business rules of the stock exchanges, and these Articles of Association.

Where a controlling shareholder or de facto controller does not serve as a director of the Company but de facto manages the Company's affairs, the provisions of these Articles of Association regarding directors' fiduciary duties of loyalty and diligence shall apply.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management.

## **Section 2 General Provisions for General Meetings**

**Article 57** The general meeting of the Company shall comprise all shareholders. The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:

(1) To elect and change directors who are not employees' representatives, and resolve on the remunerations of directors;

(2) To examine and approve reports of the Board;

(3) To examine and approve the Company's profit distribution plan and loss recovery plan;

(4) To resolve on increase or decrease of the registered capital of the Company;

(5) To resolve on issuance of bonds of the Company;

(6) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;

(7) To amend these Articles of Association;

(8) To resolve on the appointment or dismissal of the accounting firms engaged in the audit work of the Company by the Company;

(9) To examine and approve the external guarantees and financial assistance matters specified in Article 58 of the Articles of Association;

(10) To consider the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (after deducting clients' margins);

(11) To examine and approve matters relating to the changes in the use of proceeds;

(12) To consider equity incentive scheme and employee stock ownership plan;

(13) To consider other matters which are required by laws, administrative regulations, departmental rules or these Articles of Association to be approved at a general meeting.

The Board may be authorized by the general meeting to adopt resolutions on the issuance of corporate bonds.

Save as otherwise specified by laws, administrative regulations, CSRC regulations or stock exchange rules, the functions and powers of the general meeting mentioned above shall not be delegated to the Board or any other body or individual.

**Article 58** The following external guarantees and financial assistance to be given by the Company shall be examined and approved by the general meeting:

(I) Where the external guarantees are under any of the following circumstances:

1. Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;

2. Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 30% of the latest audited total assets of the Company (after deducting clients' margins);

3. The cumulative amount of guarantees in the last twelve months exceeds 30% of the latest audited total assets (after deducting clients' margins) of the Company;

4. Provision of guarantee to anyone whose liability-asset ratio exceeds 70% based on the data in the latest financial statements;

5. Provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;

6. Provision of guarantees to the shareholders, de facto controllers and their related parties;

7. Other external guarantee matters which are required to submit to a general meeting for consideration by the relevant laws, administrative regulations and documents or the stock exchange of the listing place.

(II) Where the financial assistance is under any of the following circumstances:

1. Provision of a single financial assistance whose amount exceeds 10% of the latest audited net assets of the Company;

2. Provision of financial assistance to anyone whose asset-liability ratio exceeds 70% based on the data in the latest financial statements;

3. The cumulative amount of the financial assistance in the last twelve months exceeds 10% the latest audited net assets of the Company.

4. Other financial assistance matters which are required to submit to a general meeting for consideration by the relevant laws, administrative regulations and documents or the stock exchange of the listing place.

Where the Company provides subsidies to a subsidiary which is under the combined financial statements of the Company and owned as to 50% or above by the Company, and other shareholders of such subsidiary do not include any controlling shareholder, de facto controller and related party of the Company, the granting of financial assistance may be exempted from the relevant requirement of these Articles of Association in relation to financial assistance.

In breach of the requirements of these Articles of Association in respect of approval authority and approval procedures of general meeting, board of directors' external guarantees, and financial assistance, the Company shall pursue the corresponding legal and economic liabilities of the responsible person(s) in accord with the circumstances.

**Article 59** General meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months after the end of the previous financial year.

**Article 60** In any of the following circumstances, the Company 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 the Company Law or is less than two thirds of the number specified in these Articles of Association;

(2) The unrecovered losses of the Company amount to one third of the total amount of its share capital;

(3) If shareholder(s) severally or jointly holding 10% or above of the Company's shares request(s) in writing the convening of an extraordinary general meeting, the number of shares held by shareholder(s) shall be calculated as at the date on which the relevant shareholders submit the written requisition;

(4) The Board considers it necessary;

(5) The Audit Committee proposes to convene such meeting; and

(6) Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

**Article 61** The venue to hold a general meeting of the Company shall be the domicile of the Company or other location specified in the notice of the general meeting. A general meeting shall usually be in the form of physical meeting to be held by way of on-site meeting. The Company will also provide internet voting for the convenience of the shareholders. The general meeting may be convened by means of electronic communication in addition to setting up a venue and convening in the form of an on-site meeting.

**Article 62** The Company shall engage lawyers to attend the general meetings and advise on the following issues with announcements made thereon:

(1) Whether the convening of the general meeting and its procedures are in compliance with the requirements of laws, administrative regulations and the Articles of Association;

(2) Whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;

(3) Whether the procedures of voting and the voting outcome of the meeting are lawful and valid; and

(4) Legal opinions on other related matters at the request of the Company.

### **Section 3 Convening of General Meetings**

**Article 63** The Board shall convene the general meeting on time within the specified period.

Upon approval by the majority of all independent Directors, independent Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal of the independent Directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement.

**Article 64** The Audit Committee shall propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within 5 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 the Audit Committee shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Audit Committee may convene and preside over the meeting by itself.



**Article 65** Shareholder(s) severally or jointly holding 10% or above shares of the Company may 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 laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 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 a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of 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 term stipulated, the Audit 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 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

**Article 66** Where the Audit Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file with the Shenzhen Stock Exchange.

The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced. The convening shareholders shall, not later than the date of the notice of the general meeting, undertake not to reduce his/her shareholding in the Company from the date of proposing to convene the general meeting to the date of the general meeting.

The Audit Committee or the convening shareholders shall, when the notice of general meeting is issued and a resolution made at the general meeting is announced, submit relevant evidential documents to the Shenzhen Stock Exchange.

**Article 67** For the general meeting convened by the Audit Committee or shareholders on its/their own, the Board and the secretary to the Board shall cooperate. The Board will provide the register of shareholders on the record date of the equity interests.

**Article 68** The procedure for convening of the general meeting convened by the Audit Committee or shareholders on its/their own shall be identical with that of the Board. Expenses incurred by the meeting shall be borne by the Company.

## **Section 4 Proposals and Notices of General Meetings**

**Article 69** The content of the proposals shall fall within the functions and powers of the general meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with relevant requirements of laws, administrative regulations and the Articles of Association.

**Article 70** Where the Company convenes a general meeting or meetings of the Board and the Audit Committee, shareholder(s) severally or jointly holding 1% or above shares of the Company may make proposals to the Company.

Shareholder(s) severally or jointly holding 1% or above shares of the Company may nominate candidates for directors to the general meeting.

Shareholder(s) severally or jointly holding 1% or above shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting within 2 days after receipt of a proposal, and announce the contents of the proposal on the agenda, which shall be submitted to the general meeting for deliberation, unless it is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the general meeting.

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

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

**Article 71** The convener will notify the shareholders by way of announcement 20 days before the annual general meeting, and the extraordinary general meeting will be notified by way of announcement 15 days before the meeting.

In determining the commencement date and the period, the Company shall not include the date on which the meeting is held.

**Article 72** A notice of general meeting shall include the following contents:

- (1) specify the time and date, place and duration of the meeting;
- (2) state the businesses and motions to be considered at the meeting;
- (3) contain a conspicuous statement that all shareholders are entitled to attend the general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;
- (4) specify the record date for determining the shareholders who are entitled to attend the general meeting;
- (5) state the names and telephone numbers of the standing contact persons for the meeting;

- (6) the designated time and procedure for voting online or through other means;
- (7) other content specified by the laws, administrative regulations, departmental rules, normative documents and other relevant regulations.

The interval between the shareholding record date of a general meeting and the date of the meeting shall not be more than 7 working days. The shareholding record date shall not be changed once confirmed.

Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all contents of all motions in full.

**Article 73** Unless the Articles of Association otherwise requires, the notice of a general meeting shall be issued to shareholders (regardless of whether they are entitled to vote at the general meeting) by announcement, by mail or by means permitted by the relevant stock exchanges and regulatory authorities at the location where the Company's shares are listed.

In respect of the holders of domestic shares, the announcement referred to in the preceding paragraph shall be published on the websites of the relevant stock exchange and in the media that meet the requirements stipulated by the CSRC and other regulatory authorities. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.

**Article 74** Where the election of directors who are not employees' representatives are scheduled to be discussed at a general meeting, the notice of the general meeting shall sufficiently disclose the detailed information about the director candidate(s), including at least the following contents:

- (1) personal information including education background, working experience and part-time job;
- (2) whether he is connected with the Company or its controlling shareholders and actual controller;
- (3) his shareholding in the Company;
- (4) whether he has received any punishment from the CSRC and other relevant authorities and any penalty and warning from the stock exchange;
- (5) other information required to be disclosed by the laws, administrative regulations, departmental rules, normative documents, the securities regulatory authority at the location where the Company's shares are listed and other relevant regulatory authorities and regulations.

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

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

### **Section 5 Convening of General Meetings**

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

**Article 77** Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

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

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

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend a general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization duly issued by such legal representatives.

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

**Article 79** If the proxy form is signed by the attorney on behalf of the shareholder, the power of attorney or other authority must be notarized. The notarized power attorney or other authority must be delivered to the registered address of the Company or such other place specified in the notice of the meeting together with the proxy form.

**Article 80** The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:

- (1) Name of the principal, class and number of shares of the Company held;
- (2) Name of the proxy;
- (3) Specific instructions from shareholders, including instruction of voting "for", "against" or "abstain" for each resolution proposed at any general meeting;
- (4) Date of signing the proxy form and the effective period for such appointment;
- (5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

**Article 81** A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.

**Article 82** The convener and the legal counsel appointed by the Company shall examine legality of the shareholders' qualifications according to the register of members and other effective documents provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of the shares held with voting rights.

**Article 83** If the general meeting requires a director or senior management to attend the meeting as an observer, the director or senior management shall do so and shall answer the shareholders' inquiries.

**Article 84** The chairman of the Board shall preside over and act as chairman of the general meeting convened by the Board. If the chairman of the Board is unable or fails to perform his/her duties, the vice chairman of the Board (if there are two or more vice chairmen, the one elected by more than half of the directors) shall preside over and act as chairman of the meeting. Where the vice chairman of the Board is unable or fails to perform his/her duties, a Director selected by more than half of all Directors shall preside over and act as chairman of the meeting.

The convener of the Audit Committee shall preside over the general meeting convened by the Audit Committee. If the convener of the Audit Committee cannot or does not fulfill his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

The convener or a representative elected by the convener shall preside over the general meeting convened by the Shareholders.

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

**Article 85** The Company shall formulate rules of procedure for general meetings which shall specify the convening, holding and voting procedure of general meetings, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the Board by the general meeting, which should be clear and specific. The rules of procedures for general meetings shall be stipulated by the Board and approved by the general meeting.

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

**Article 87** The directors and senior management of the Company shall answer and explain inquiries and proposals made by shareholders at the general meeting except that the business secrets of the Company are involved and cannot be disclosed at the general meeting.

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

**Article 89** Minutes of a general meeting shall be kept by the secretary of the Board. The minutes shall state the following contents:

- (1) Time, venue and agenda of the meeting and names of the convener;
- (2) The name of the meeting chairman and the names of the directors and senior management present at the meeting;

(3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;

(4) The process of review and discussion, summary of any speech and voting results of each proposal;

(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;

(6) Names of lawyers, vote counters and scrutinizers of the voting;

(7) Other contents to be included as specified in these Articles of Association.

**Article 90** The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting attending the meeting, with or without voting rights, shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting for a term of not less than 15 years.

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

## **Section 6 Voting and Resolutions at General Meetings**

**Article 92** Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolution at a general meeting shall be passed by more than half of the voting rights held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 93** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

(1) Work reports of the Board;

(2) Profit distribution plan and loss make-up plan formulated by the Board;

(3) Appointment or dismissal of the members of the Board, remuneration and payment methods thereof;

(4) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations or the Articles of Association.

**Article 94** The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Increase or reduction of the registered capital of the Company;
- (2) Demerger, spinoff, merger, dissolution and liquidation of the Company;
- (3) Amendments to the Articles of Association;
- (4) Any purchase or disposal of substantial assets made or guarantee provided to others by the Company within one year, the amount of which exceeds 30% of the total assets (after deducting customer's deposit) as presented in the latest audited consolidated financial statements of the Company;
- (5) Share Option Incentive Scheme;
- (6) Any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

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

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

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

If a shareholder buys voting shares of the Company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six months after the purchase, and shall not be counted as part of the total number of voting shares present at the general meeting.

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



Where 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. Consideration or de facto consideration for collecting the shareholders' rights publicly is prohibited. Except for statutory conditions, the Company shall not propose a minimum shareholding limit for the solicitation of voting rights. Where the public collection of shareholders' rights violates laws, administrative regulations or the relevant requirements of the CSRC, causing losses to the Company or its shareholders, the collector shall be liable for damages.

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

The Company established The Management Systems of Connected Transaction in accordance with the requirements of institutes, including CSRC and stock exchanges. The Company will disclose and consider the connected transaction in accordance with The Management Systems of Connected Transaction.

Any shareholder is abstained to vote or is restricted to vote only "For" or only "Against" on any resolution, the vote will not be counted if this shareholder or its proxy violates the referred requirements or restriction.

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

**Article 98** Save that the Company is under exceptional circumstances such as crisis, unless approved by way of special resolution at a general meeting, the Company shall not enter into any contracts with any person other than the directors and senior management personnel pursuant to which the management of all or a substantial part of the business of the Company will be given to such person.

**Article 99** The list of candidates for directors who are not employees' representatives shall be submitted to the general meeting for voting by way of proposal.

When a voting is made on election of directors who are not employees' representatives at a general meeting, the cumulative voting system may be adopted in accordance with the requirement of these Articles of Association or the resolutions of the general meeting. When the Company's general meeting elects two or more independent directors, a cumulative voting system shall be implemented. The voting results of small and medium-sized shareholders shall be counted separately and disclosed.

The Directors who are not employees' representatives shall implement the cumulative voting system when the largest shareholder and persons acting in concert interest hold 30% or above of the total shares of the Company or the shareholders and connected persons together holds 50% or above.

The "cumulative voting system" as referred to in the preceding paragraph means that when a general meeting elects directors who are not employees' representatives, each share shall carry the same number of voting right as the number of directors to be elected, and the voting rights owned by shareholders may be cumulatively used. The Board shall announce the resumes and basic information of the director candidates to shareholders.

If a director is removed by the general meetings before his/her term of office expires, relevant explanation shall be provided. The director being removed shall be entitled to state his/her opinion to the general meeting, CSRC or its delegated institutes.

**Article 100** In addition to the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

**Article 101** When considering a proposed resolution at a general meeting, no amendments shall be made thereto. If there is any amendment, it shall be considered as a new proposed resolution, of which the voting shall not proceed in that meeting.

**Article 102** The same vote may only be cast once at the location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

**Article 103** At any general meeting, voting shall be conducted by open ballot.

**Article 104** Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is affiliated in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the general meeting, lawyers and representatives of the shareholders shall be jointly responsible for scrutinizing and counting votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

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

**Article 105** The ending time of a general meeting shall not be earlier than that of online or other access to the meeting. The Chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

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

**Article 106** A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through the Transaction Interconnection Mechanism for the Mainland and Hong Kong Stock Markets, make declarations according to the intention of actual holders.

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

**Article 107** In the event that the Chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the Chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the Chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the Chairman of the meeting shall have the votes counted immediately.

**Article 108** Resolutions of the general meeting shall be announced in due time according to relevant laws, regulations, departmental rules, regulated documents, the requirements of the securities regulatory authorities of the jurisdictions where the shares of the Company are listed or the Articles of Association. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.

**Article 109** Where a motion has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

**Article 110** Where a resolution on the election of directors is passed at the general meeting, the term of office of the newly-elected director shall commence at the passing of the relevant resolution is passed at the general meeting.

**Article 111** Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a general meeting, the Company shall implement the specific plans within two months after the conclusion of the general meeting.

## **Chapter 5 Directors and Board of Directors**

### **Section 1 Directors**

**Article 112** Directors are natural persons. Directors shall be honest, with good character, be familiar with securities laws and administrative regulations, and with management experience as well as the operating and management capabilities as required for discharging the duties. The following persons shall not serve as directors of the Company:

- (1) persons without civil capacity or with limited civil capacity;
- (2) persons who have committed offences relating to corruption, bribery, embezzlement of property, misappropriation of property or disruption of socialist market economic order and have been sentenced to criminal punishment or who have been deprived of their political rights due to the commission of a criminal offense, where less than five years has elapsed since the date of enforcement; or in the case of a suspended sentence, less than 2 years has elapsed since the expiration of the probation period;

(3) persons who were former directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years has elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;

(4) persons who were legal representatives of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who were personally liable, where less than three years has elapsed since the date of the revocation or order of closure;

(5) a person who was listed as a dishonest person subject to enforcement by the People's Court due to a substantial amount of debts due and outstanding;

(6) persons who are subject to the securities market access prohibition measures imposed by the CSRC for a period which has not yet expired;

(7) persons who were publicly identified by the stock exchange as being unsuitable to serve as directors or senior management of listed companies for a period which has not yet expired;

(8) other circumstances specified by the laws, administrative regulations, departmental rules, normative documents, the provisions of the CSRC, the securities regulatory authority at the location where the Company's shares are listed and other relevant regulatory authorities and the Articles of Association.

Where any director is elected or appointed in violation of this Article, such election or appointment shall be void. Where any director falls under any of the cases specified in this Article during his/her term of office, he/she shall be removed from office and cease to perform his/her duties by the Company.

**Article 113** Directors include executive directors, non-executive directors and directors serving as employee's representatives. In particular, non-executive directors include independent directors.

**Article 114** Except for directors who are employees' representatives, the directors shall be elected or replaced at the general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for re-election and re-appointment, and his appointment may be terminated by the general meeting prior to the expiration of his term.

The term of a director shall be calculated from the date upon which the director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and Articles of Association until a new director is elected.

While observing relevant laws and administrative regulations, Shareholders may remove any director whose term does not expire from his position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) at the general meeting.

A director may serve concurrently as the senior management, but the total number of directors and directors who are employees' representatives serving concurrently as the senior management shall not be more than half of the directors.

**Article 115** Directors shall observe laws, administrative regulations and the Articles of Association, honestly perform their duties, and protect the interests of the Company. In the event of any conflicts between their own interests and the interests of the Company and its shareholders, directors shall act in the best interest of the Company and its shareholders.

Directors shall undertake the following fiduciary duties to the Company:

- (1) Not to abuse their official powers to accept bribes or other unlawful income, and not to expropriate the Company's property;
- (2) Not to misappropriate monies of the Company or customers;
- (3) Not to open any bank account in their own names or in others' names for the purpose of depositing any of the Company's assets or monies;
- (4) Not to conclude any contract or conduct any transaction with the Company directly or indirectly without reporting to the Board or the general meeting and being approved by a resolution of the Board or the general meeting in accordance with the Articles of Association;
- (5) Not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, unless such business opportunities are not available to the Company upon reporting to the Board or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations or the Articles of Association;
- (6) Not to conduct for themselves or others any businesses similar to those of the Company without reporting to the Board or the general meeting and being approved by a resolution of the general meeting;
- (7) Not to take as their own any commission for any transaction between any third party and the Company;
- (8) Not to disclose any secret of the Company;
- (9) Not to seek gains for themselves or others by taking advantage of inside information;
- (10) Not to use their connected relations to damage the interests of the Company;
- (11) To fulfill other fiduciary duties stipulated by laws, administrative regulations, departmental rules and Articles of Association.

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

The provisions of the item (4) of the second paragraph of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the directors and senior management or enterprises directly or indirectly controlled by the directors and senior management or their close relatives, as well as persons who are otherwise related to the directors and senior management.

**Article 116** Directors shall comply with the laws, administrative regulations and the Articles of Association, and shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company. Directors shall fulfill the following obligations of diligence:

(1) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;

(2) To treat all shareholders impartially;

(3) To keep informed of the operation and management conditions of the Company;

(4) To initial and approve documents for the issuance of securities and periodic reports of the Company and to ensure timeliness and fairness of the information disclosed by the Company and truthfulness, accuracy and completeness of the information disclosed; In the event that the directors cannot ensure or object to the truthfulness, accuracy and completeness of contents in documents for the issuance of securities and periodic reports of the Company, they shall express their opinions and state the reason in the written opinions for confirmation, which the Company shall disclose. In the event that the Company fails to disclose it, the directors shall directly apply for disclosure;

(5) To honestly provide the Audit Committee with relevant information, not to prevent the Audit Committee from exercising their functions and powers, and to accept the lawful supervision and rational suggestions of the Audit Committee on their performance of duties;

(6) To fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules and Articles of Association.

**Article 117** If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his duties, and the Board shall suggest that the general meeting remove the said director.

**Article 118** Director may resign before his term of office expires. When a director resigns, he shall submit a written resignation notice to the Company, and the resignation will take effect on the day when the Company receives the resignation report. The Company will disclose the relevant information within 2 business days.

If the number of directors of the Board falls below the quorum as a result of any resignation, or the resignation of independent directors results in the proportion of independent directors on the board of directors or its special committees not complying with laws, regulations or the Company's Articles of Association, or there is a lack of accounting professionals among independent directors, the resignation shall not take effect until the next director fills the vacancy due to the resignation, save for the resignation of an independent director due to his/her not being qualified for serving as a director of a listed company or not meeting the independence requirement of an independent director; the proposed resigned director shall continue fulfilling the duties pursuant to laws, administrative regulations, departmental rules and Articles of Association.

**Article 119** A director shall complete all of the handover procedures with the Board once his/her resignation becomes effective or his/her term of office expires. The fiduciary duties to the Company and the shareholders are not necessarily released upon expiry of his/her term of office, but shall remain effective in a term of twelve months.

The duty of confidentiality in respect of trade secrets of the Company survives the termination of his term of office until such trade secrets become publicly known.

Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances and conditions under which the relationship between the director and the Company was terminated.

**Article 120** In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

**Article 121** If a director breaches the laws, administrative regulations, departmental rules or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be responsible for damages.

## **Section 2 Independent Directors**

**Article 122** The Company shall establish an independent director system.

Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders, and beneficial controllers, a direct or indirect interests, or other connection which may possibly affect their independent and objective judgments. Independent Directors should not hold any position other than special committees under the board of Directors. The term "Independent Director" used in the Articles of Association shall have the same meaning as the term "independent non-executive director" as defined in the Hong Kong Listing Rules; independent directors shall have independence in accordance with the requirements of Rule 3.13 of Hong Kong Listing Rules.

**Article 123** The Board of directors or shareholders individually or jointly holding 1% or above of issued shares of the Company are entitled to nominate candidates for independent directors to be elected at a general meeting. The above nominators shall not nominate persons who have an interest in them or persons who have other close relations that may affect their independent performance of duties as independent director candidates.

**Article 124** The independent directors have loyalty and diligence duties towards the Company and all shareholders of the Company. The independent directors shall perform their duties prudently in compliance with the provisions of laws, administrative regulations, departmental rules, the CSRC, the stock exchanges at the location where the Company's shares are listed and the Articles of Association, and play a role in decision-making, overseeing check-and-balance and providing professional advice as members of the Board, to protect the Company's interests and the legal rights of the small-and-medium shareholders.

The independent directors shall perform their duties independently, and shall not be influenced by the Company and its substantial shareholders, beneficial controllers or other entities or parties.

**Article 125** The member proportion of the Board by independent directors of the Company shall not be less than one-third, which contain one finance and accountant professional person at least, and meet the requirements of the Rule 3.10(2) of Hong Kong Listing Rules.

The number of independent directors of the Company to fall below the condition required by the Articles of Association, the Company shall timely take up the number of independent directors in according with these requirements.

**Article 126** An independent director shall meet the following basic conditions:

(1) Having the qualifications as a director of a listed company in accordance with the laws and administrative regulations of the listing venue, rules of the stock exchange on which shares are listed and other relevant provisions;

(2) Being independent as required by the CSRC and the stock exchange where the Company's Shares are listed;

(3) Having the basic knowledge about operations of listed companies, and being proficient in relevant laws, administrative regulations, regulations and rules of securities and funds;

(4) Having five or above years' experience in securities, financial, legal and economic, accounting work or other work required for fulfilling duties as independent director;



(5) Having good morality and no misconduct records such as material breach of trust;

(6) Having management experience and operational management ability appropriate for the performance of duties;

(7) Complying with the relevant provisions of the Civil Servants Law of the People's Republic of China, the provisions of the Notice on Regulating Central Management Officers from Serving as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies After Resignation or Retirement promulgated by the Central Commission for Discipline Inspection of the Chinese Communist Party, the Opinions on Further Regulating Party and Government Senior Officers from Concurrently Serving in Companies promulgated by the Organization Department of the Chinese Communist Party, the Opinions on Strengthening the Establishment of Anti-corruption and Integrity in Colleges and Universities promulgated by the Central Commission for Discipline Inspection, the Ministry of Education and the Ministry of Supervision (if applicable);

(8) Other conditions required by the laws, administrative regulations, departmental rules, the CSRC and the stock exchange where the Company's Shares are listed, and the Article of Association.

Independent directors should continue to strengthen their study of securities laws, regulations and rules, and continuously improve their ability to perform their duties.

**Article 127** Independent directors shall have the independence, the following persons shall not act as independent directors:

(1) Persons employed by the Company or its affiliated companies and their spouse, parents, children and major social connections (major social connections shall include siblings, siblings-in-law, parents-in-law, siblings of spouse, daughter/son-in-law and parents of daughter/son-in-law) and core connected persons as defined in the Hong Kong Listing Rules;

(2) Natural person shareholders who directly or indirectly hold 1% or above of the issued shares of the Company or natural persons who are the top 10 shareholders of the Company and their spouse, parents and daughters/sons;

(3) Persons who work for shareholders that directly or indirectly hold 5% or above of the issued shares of the Company or work for the top five shareholders of a listed company and their spouse, parents and daughters/sons;

(4) Persons working in subsidiaries of the Company's controlling shareholder or actual controller and their spouses, parents, and children;

(5) Persons who have significant business relationship with the Company, its controlling shareholders, beneficial controllers, or their respective subsidiaries, or persons who serve in entity with significant business relationship, their controlling shareholders or beneficial controllers;

(6) Persons providing financial, legal, consulting or sponsor services to the Company and its controlling shareholders, beneficial controllers or their respective affiliated companies, including but not limited to all members of the project team that provides the service, reviewers at all levels, those who signed the report, partners, directors, senior managers and principals of the intermediary;

(7) Persons who have experienced the conditions listed in the first six items in the past twelve months;

(8) Serving in the Company and its related parties in the past 3 years;

(9) Immediate family members and key social relations personnel serving in the Company and its related parties;

(10) Having interests in the senior management, other directors, supervisors and other key personnel of the Company and its related parties;

(11) Serving in an organization with which the Company has business dealings or in which the Company has interests;

(12) Persons holding positions other than independent directors in other securities fund business institutions;

(13) Other persons unfit of independence as stipulated by laws, administrative regulations, departmental rules and other regulations and the provisions of the CSRC, the securities regulatory authority at the location where the Company's shares are listed and other relevant regulatory authorities and the Article of Association, or other personnel who is being in other circumstances that may prevent him/her from making independent and objective judgments.

Independent directors should conduct self-examinations on their independence annually and submit their self-examination results to the Board. The Board shall evaluate the independence of serving independent directors annually and issue specific opinions, which shall be disclosed correspondingly with the annual report.

**Article 128** Independent directors shall perform his duties diligently, and discharge his duties with sufficient time. Independent directors shall work on-site at the Company for no less than fifteen days each year.

Independent directors shall attend Board and its special committees meetings in person. Where the independent director is unable to attend a meeting in person for any reason, independent directors shall review the meeting documents in advance and form concrete opinions, and by a written power of attorney appoint another independent director to attend the meeting on his behalf.

The proxy form shall set out the name of the proxy, the matter and scope of authority of the proxy, the effective period and such form shall be signed and sealed by the authorizing party.

The independent director appointed as the representative of another independent director to attend the meeting shall exercise the rights of the independent director within the scope of authority conferred by the appointing director. Where a director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

**Article 129** Independent directors shall have the same term of office as other directors. The term of office of an independent director is renewable upon re-election when it expires, but no independent director shall serve more than six years. Independent Directors are subject to retirement by rotation and re-election pursuant to the Hong Kong Listing Rules. The Company may dismiss any independent director in accordance with statutory procedures prior to expiry of the term of his office. In case of such early dismissal, the Company shall disclose the specific reasons and basis in a timely manner. If the independent directors have any objections, the Company shall make disclosure timely.

**Article 130** Independent directors may resign before the expiry of their tenure. They shall submit a written resignation to the Board. The written resignation shall contain explanation on the situation related to his resignation or any other matters which in his opinion, shall be brought to the notice of the shareholders and creditors of the Company. Where the independent director resigns, disengaged or dismissed during his tenure, he himself and the Company shall submit a written explanation respectively to the delegated institutes of CSRC and the general meeting.

If the resignation of independent director(s) shall result in the proportion of independent directors in the Board of the Company or its special committees to fail to comply with laws, regulations or the provisions of the Articles of Association or a lack of accounting professionals among the independent directors, the independent director(s) who intend(s) to resign shall continue to perform his/her/their duties until the date when the new independent director(s) is/are appointed, save for the resignation of an independent director due to his/her not being qualified for serving as a director of a listed company or not meeting the independence requirement of an independent director. The Company shall complete the by-election within sixty days from the date of the resignation of the independent director(s).

**Article 131** As members of the Board, the independent directors have a duty of loyalty and diligence to the Company and all its shareholders, and shall prudently perform the following duties:

(1) Participating in the decision-making of the Board and expressing clear opinions on the matters discussed;

(2) Supervising potential material conflicts of interests among the Company and its controlling shareholders, actual controllers, directors and senior executives, playing a leading and guiding role, and urging the Board to make decisions in line with the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies;

(3) Providing professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making of the Board;

(4) Serving as a member of the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and other governance committees upon invitation;

(5) Carefully checking whether the Company's performance has achieved the set corporate goals and objectives, and monitoring and reporting on the Company's performance;

(6) Other duties stipulated in laws, administrative regulations, the China Securities Regulatory Commission, the Hong Kong Listing Rules and the Articles of Association.

The independent directors exercise the following special authorities:

- (1) To independently engage intermediary agencies to audit, consult or verify specific matters of the Company;
- (2) To propose to the Board to convene an extraordinary general meeting;
- (3) To recommend the convening of Board meetings;
- (4) To publicly solicit shareholder rights from shareholders in accordance with the law;
- (5) To express independent opinions on matters that may harm the rights and interests of the Company or small and medium-sized shareholders;
- (6) To exercise other functions and powers conferred by laws, administrative regulations, the CSRC, the Hong Kong Listing Rules and the Articles of Association.

Independent directors who exercise the functions and powers as set out in items (1) to (3) of the preceding paragraph shall obtain the consent of more than half of all independent Directors.

If independent directors exercise the functions and powers as set out in item (1), the Company shall promptly disclose the same. If the above-mentioned functions and powers cannot be exercised normally, the Company shall disclose the specific situations and reasons.

**Article 132** The following matters shall be submitted to the Board for review after being approved by more than half of the independent directors of the Company:

- (1) Related party transactions that shall be disclosed;
- (2) Plans for the Company and related parties to change or waive commitments;
- (3) Decisions and measures taken by the board of directors of the Company regarding the acquisition of the Company;
- (4) Other matters stipulated by laws, administrative regulations, the CSRC, the Hong Kong Listing Rules and the Articles of Association.

**Article 133** The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as related parties transactions to be reviewed by the Board shall be approved in advance by special meetings of independent directors. The Company shall regularly or irregularly convene special meetings of independent directors to review matters stipulated by laws and regulations such as the Measures for the Administration of Independent Directors of Listed Companies. The special meeting of independent directors can discuss other matters of the Company as needed. The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors; when the convener fails or is unable to perform his duties, two or more independent directors may convene and elect a representative to preside on their own.

The special meetings of independent directors shall prepare minutes of meetings in accordance with regulations. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

The Company shall facilitate and support convening of the special meetings of independent directors.

**Article 134** In addition to attending general meetings, meetings of the Board and the committees thereunder and meetings of independent directors as required, independent directors can fulfill their duties through various means such as regularly obtaining information on the Company's operations, listening to management reports, communicating with the heads of internal audit institutions and intermediary agencies such as accounting firms that handle the Company's audit matters, conducting on-site inspections and communicating with small and medium-sized shareholders. Independent directors shall submit an annual duty report at the annual general meeting of the Company and state the circumstances for the performance of their powers and duties.

**Article 135** The Company shall set up a working system for the independent directors and the Board Secretary should actively co-operate with the independent directors to enable smooth performance of their duties. The Company should undertake that the independent directors shall enjoy the same right to information as other directors. The Company shall regularly notify the independent directors of the operation of the Company, provide information, and organize the Independent directors or cooperate with them to conduct on-site visits and others.

**Article 136** The fees of engaging professional companies by independent directors and other fees incurred in the process of exercising their authorities shall be borne by the Company.

**Article 137** The Company shall grant to allowances commensurate with their duties to the independent directors. The standards of such allowances shall be formulated by the Board and resolved after examination at the general meeting. In addition to the above allowances, the independent directors shall not obtain other benefits from the Company and its substantial Shareholders, actual controllers or interested entities and personnel.

### **Section 3 Board of Directors**

**Article 138** The Company shall set up a board of directors which shall be accountable to the general meeting.

**Article 139** The Board shall consist of 11 directors. The Board shall have one chairman and may have one to two vice chairmen, including four independent directors and one director who is a employees' representative.

**Article 140** The Board shall exercise the following functions and powers:

- (I) To convene general meetings and report to general meetings;
- (II) To execute resolutions of general meetings;
- (III) To resolve on the Company's business plans and investment plans;

- (IV) To formulate the Company's long-term and mid-term development plan;
- (V) To prepare the profit distribution plan and loss makeup plan of the Company;
- (VI) To prepare plans for the increase or decrease of the registered capital of the Company, the issuance of bonds or other securities and the Listing;
- (VII) To formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;
- (VIII) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, donations, etc. of the Company within the authority granted by the general meeting;
- (IX) To resolve on the establishment of internal management organizations of the Company;
- (X) To appoint or dismiss the Company's general manager, the secretary to the Board, the chief compliance officer, the chief risk officer, the chief audit officer, etc. as nominated by the chairman of the Board; to decide to appoint or dismiss the Company's deputy general manager, the chief financial officer, the chief information officer and other senior management members as nominated by the general manager; and determine their remunerations and rewards and penalties;
- (XI) To set up the basic management system of the Company;
- (XII) To formulate the proposals for any amendment to these Articles of Association;
- (XIII) To manage the disclosure of information by the Company;
- (XIV) To propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company;
- (XV) To listen to the work report of the general manager of the Company and examine the general manager's work;
- (XVI) To monitor, review and evaluate the establishment and implementation of the Company's various internal control systems and to be responsible for the effectiveness of the internal control;
- (XVII) To set a compliance management target for the Company, to assume responsibilities for the effectiveness of compliance management, to conduct evaluations of the effectiveness of compliance management, and to urge the Company to solve problems associated with compliance management, to ensure the independence of the chief compliance officer, guarantee the independent communication between the chief compliance officer and the Board and safeguard the smooth reporting between the chief compliance officer and the regulatory authority; to review and approve the annual compliance report and monitor the implementation of the compliance policies;

(XVIII) To undertake the ultimate responsibility for the overall risk management, to consider and approve the Company's risk management strategies and to promote their effective implementation in the Company's operation and management; to ensure the independence of the chief risk officer and establish a direct communication mechanism with the chief risk officer, to fulfil the significant risk management policies including the validation of risk preference and the corresponding duties including the consideration and approval of the Company's periodic risk assessment reports;

(XIX) To be responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving its strategic objectives. The Board is responsible for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the Company's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Company's financial reports and achieving compliance with applicable laws and regulations. The Board should oversee the management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis, and is also responsible for ensuring that the effectiveness of the Company's and its subsidiaries' risk management and internal control systems is reviewed at least annually, and the management should provide confirmation to the Board on the effectiveness of these systems. To this end:

The Board should ensure that there are adequate resources to conduct, at least annually, a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries. The scope of the review should cover all material controls, including financial, operational and compliance controls, with particular consideration to:

(a) the changes, since the last annual review, in the nature and extent of significant risks, and the ability of the Company to respond to changes in its business and the external environment;

(b) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and (where applicable), the work of its internal audit function and other assurance providers;

(c) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)), to enable it to assess the adequacy and effectiveness of risk management and internal control systems of the Company;

(d) significant control failings or weaknesses that have been identified during the review of the risk management and internal control systems. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the financial performance or condition of the Company, and any remedial measures taken to address such control failings or weaknesses;

(e) the effectiveness of the processes of the Company for financial reporting and the compliance with the Hong Kong Listing Rules; and

(f) the adequacy of the Company's resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's environmental, social and governance performance and reporting.

(XX) Decision on the Company buy back its shares as per the reasons stated in Article 26(3), (5) and (6) of the Articles of Association;

(XXI) To be responsible for reviewing the company's information technology management objectives and assuming responsibility for the effectiveness of information technology management; to review the information technology strategy to ensure its consistency with the company's development strategy, risk management strategy and capital strength; to establish manpower and funding support plans for information technology; to evaluate the overall effectiveness and efficiency of the annual information technology management;

(XXII) To guide and promote the construction of the Company's corporate culture;

(XXIII) To exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or these Articles of Association.

Major matters of the Company shall be decided by the board of Directors collectively, and the statutory functions and powers of the board of Directors shall not be exercised by the chairman of the board or general manager.

Matters exceeding the scope authorized by the general meeting shall be submitted to the general meeting for consideration.

**Article 141** The Board shall make explanations to the general meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company.

**Article 142** The Board shall formulate rules of procedure for the Board meetings in order to make sure that the Board shall implement the resolutions made by the general meeting, improve the work efficiency and guarantee scientific decision-making.

**Article 143** The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, financial assistance, consigned financial management, connected transactions, donations, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.

The Board's scope of authority for external investment, financing, external guarantee, financial assistance, asset disposal and donation is as follows:

(1) Matters related to acquisition and sale of major assets by the Company within one year that represents 5% or above of the Company's latest audited net assets and less than 30% of total assets (after deducting clients' margins);



(2) Matters related to external investment by the Company within one year that represents 5% or above of the Company's latest audited net assets and less than 30% of total assets (after deducting clients' margins);

(3) Matters related to external donation by the Company within one financial year in an amount between RMB50 million and RMB100 million;

(4) Other guarantees and financial assistance in addition to those as stipulated by Article 58 in these Articles of Association.

Matters set forth in paragraphs (1) and (2) of this Article exclude transactions arising in the ordinary course of business such as securities proprietary trading, securities underwriting and sponsorship, securities asset management, margin financing and securities lending.

The matters related to external guarantees and financial assistance by the Board shall not only be considered and approved by more than half of all directors, but also be approved and resolved by 2/3 or above of directors who attend the meeting.

**Article 144** According to the relevant requirements of the laws and administrative regulations and the relevant regulatory requirements, the Company may set up wholly-owned private investment subsidiaries to engage in government and private investment fund business.

According to the relevant requirement of the laws and administrative regulations and the relevant regulatory requirements, the Company may set up wholly-owned alternative investment subsidiaries to engage in the business of alternative investment in financial products, equities, etc. other than those listed in the List of Securities Investment Products of Proprietary Trading of Securities Companies (《證券公司證券自營投資品種清單》).

According to laws, administrative regulations and relevant regulatory requirements, the Company may set up subsidiaries to engage in government and social capital cooperation related business.

According to laws, administrative regulations and relevant regulatory requirements, the Company may set up subsidiaries to engage in financial leasing business.

**Article 145** The chairman and the vice chairman of the Board shall be a director and shall be elected or dismissed by a majority of all the directors.

**Article 146** The chairman of the Board shall exercise the following functions and powers:

(1) To preside over general meetings, convene and preside over the Board meetings and direct the daily operation of the Board;

(2) To sign important documents of the Board (including reports, representations, announcements or notices sent or delivered to relevant governmental authorities, other enterprises or public institutions, lending banks, securities underwriters or the Company's shareholders and directors in the name of the Board);

(3) To exercise the special right of disposal in respect of the business of the Company in compliance with laws and in the interests of the Company in case of force emergent majeure events such as extraordinary natural disasters, and report to the Board and the general meeting of the Company afterwards;

(4) To monitor and examine the implementation of resolutions made by the Board and propose relevant advice and suggestions;

(5) To sign and issue the Company's basic management systems;

(6) To nominate the general manager, the secretary to the Board, the chief compliance officer, the chief risk officer, the chief information officer, the chief audit officer, etc.;

(7) To examine and approve the costs and expenses which exceed or are not included in the Company's annual budget within the authority granted by the Board;

(8) To examine and approve the purchase and disposal of fixed assets within the authority granted by the Board;

(9) Assume primary responsibility in the information disclosure of the Company;

(10) To exercise other functions and powers conferred by laws, administrative regulations, departmental rules of competent authorities, the general meeting or the Board.

**Article 147** The vice chairman of the Board shall assist the chairman of the Board in work. When the chairman of the Board is unable to or does not carry out his duties, vice chairman of the Board shall fulfil his duties (if the Company has two vice chairmen, then the vice chairmen nominated by more than one half of the directors shall fulfill his duties). Where the vice chairman of the Board is unable to or does not carry out his duties, more than half of the directors shall nominate a director to carry out the duties, which shall be submitted to the relevant branches of China Securities Regulatory Commission for record in both cases.

**Article 148** Board Meetings shall be held at regular intervals and at least four times a year at approximately quarterly intervals. Meetings shall be convened by the chairman of the Board. Written notice shall be given to all directors at least 14 days before the meeting is held. The aforesaid time limit may not apply if written consent is given by all directors present at the meeting.

**Article 149** The chairman of the Board shall convene and preside a Board meeting within ten days upon receipt of the proposal in one of the following situations when it is:

- (1) Considered necessary by the chairman of the Board;
- (2) Jointly proposed by one-third or above of the directors;
- (3) Proposed by the Audit Committee;
- (4) Proposed by the general manager;

- (5) Proposed by the shareholders representing one-tenth or above of the voting rights;
- (6) Proposed by more than half of the independent directors;
- (7) Required by the securities regulatory authority.

**Article 150** The notice of an extraordinary meeting of the Board shall be served by: direct delivery, fax, e-mail or other means. The time limit of such notice is: 3 days prior to the date of meeting. The aforesaid time limit may not apply if written consent is given by all directors present at the meeting.

**Article 151** The notice of the Board meeting shall include the following:

- (1) The time and venue of the meeting;
- (2) The duration of the meeting;
- (3) The reasons and subject matters;
- (4) The date of issuing the notice.

If two or more independent Directors deem the meeting materials incomplete, the rationales inadequate or the provision of the same not timely, they may file a written request with the board of Directors to postpone the consideration of the matter in writing. The board of Directors shall accept the case.

**Article 152** A Board meeting shall be attended by more than one half of the directors. Save as otherwise specified in these Articles of Association, resolutions made by the Board must be passed by more than half of all directors.

As for the voting on a Board resolution, each director shall have one vote.

**Article 153** If a director has connection with the enterprise or individual involved in the resolution made at a Board meeting, such director shall report in writing to the Board in a timely manner. A director with any connection with the enterprise or individual shall not vote on the said resolution for himself or on behalf of other directors. The Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the Board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

**Article 154** The vote on board resolutions shall be taken by way of voting on a site poll or on a show of hands or through communication.

As long as directors can fully express their opinions, an extraordinary Board meeting may be held by way of communication (such as video, telephone and network, the same blow), and resolutions passed shall be signed by participating directors.

The procedures of the Board to form a resolution through communication meeting shall be:

(1) The resolution must be sent to every director by personal delivery, fax, email or letter three days in advance;

(2) All directors shall sign their votes upon receipt of the relevant written proposal and reason and basis for objection shall be given in case of a dissenting vote;

(3) A signed vote shall be delivered to the secretary of the Board by personal delivery, fax or letter;

(4) A resolution of the Board shall be formed depending on voting.

**Article 155** Directors shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he may authorize in writing another director to act on his behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the director's duties within the scope of authorization. If a director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he shall be deemed to have waived the voting rights at the meeting. A director shall not make or accept an appointment without voting intentions, discretionary appointment or appointment with indefinite scope of authorization. The responsibility of a director in connection with his/her voting on resolutions cannot be waived by attending the meeting by a proxy.

**Article 156** The Board shall file resolutions passed at the meeting as minutes, which shall be signed by the attending Directors, the secretary of the Board and the recorder. The Directors shall be responsible for the resolutions passed at Board meetings.

The minutes of Board meetings shall be kept as the Company's record for a term of not less than 15 years.

**Article 157** The minutes of the Board shall consist of the following:

(1) The date and venue of the meeting and the name of the convener;

(2) The names of the directors present and names of directors being appointed to attend the meeting on the other's behalf (proxy);

(3) The agenda;

(4) The main points of directors' speeches and opinions of independent directors;

(5) The voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

**Article 158** A resolution of the general meeting or the Board meeting, if in violation of the laws and administrative regulations, is void.

If the convening procedure and voting method of the general meeting or the Board meeting is in violation of the laws, administrative regulations or Articles of Association, or if the content of any resolution is in violation of the Articles of Association, the shareholders may be entitled to request the people's court to cancel the said procedure, method or resolution within 60 days after adoption of the resolution.

**Article 159** The directors shall sign and be responsible for the resolutions passed at Board meetings. If any resolution made by the Board runs counter to the laws, administrative regulations or the Articles of Association and resolutions of general meetings and causes any substantial losses to the Company, directors who vote for the said resolution shall be liable for compensation to the Company. If any director raises an objection to the resolution and the said objection is recorded in the minutes, the said director may be exempt from any liability.

#### **Section 4 Special Committees under the Board**

**Article 160** The Board consists of five special committees, namely the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategic Committee. All members of the special committees shall be Directors. Half or above of the members of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee shall be independent Directors, one of whom shall act as the chairman of the committee. All members of the Audit Committee shall be non-executive Directors who do not hold any senior management position in the Company, and there shall be at least one Independent Director who shall be an accounting professional with more than 5 years of working experience in accounting or related financial management. The chairmen of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee (being the chairman of the committee as defined in the Hong Kong Listing Rules, hereinafter referred to as the same) shall be an Independent Director. Chairman of the Audit Committee shall be an accounting professional.

**Article 161** The members of the special committees under the Board shall be directors who possess professional knowledge and experience appropriate to responsibilities and duties of the special committees. Each special committee may engage a professional to advise on the relevant matters as and when necessary at the cost of the Company, provided that it shall ensure no disclosure of the Company's business secrets.

**Article 162** All special committees are a specialized working body under the Board which shall be accountable to the Board. Each special committee shall submit its annual work report to the Board within four months from the end of every financial year.

The Board shall seek advice of the special committees before making any decision on matters related to the duties of the special committees.

I. The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control. Its main duties and responsibilities include:

(1) Examining and reviewing the financial monitoring, internal control systems and risk management systems of the Company and the effectiveness of the implementation of these systems. Discussing the risk management and the internal control with the management to ensure the management has performed its duty in establishing effective systems and reporting to the Board. Considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(2) Guiding the work of the internal audit department of the Company, and supervising the internal audit system and its implementation;

(3) Monitoring the annual audits, examining the Company's financial statements, annual reports and accounts, semi-annual reports and (if propose to publish) quarterly reports, reviewing the significant views on financial reporting set out in financial statements and reports as well as other information relating to the Company's operation and management and relevant disclosures. Making judgments on the truthfulness, accuracy and completeness of audited financial reports and information and submitting to the Board of Directors for consideration. In reviewing these statements and reports before submission to the Board, the Audit Committee should focus particularly on: any changes in accounting policies and practices; major judgmental areas; significant adjustments resulting from audit; the going concern assumptions and any qualifications; compliance with accounting standards; and compliance with the Hong Kong Listing Rules and legal requirements in relation to financial reporting; Considering any significant or unusual items that are, or may need to be, reflected in financial statements and periodic reports and accounts, and giving due consideration to any matters that have been raised by the staff of the Company responsible for the accounting and financial reporting function, compliance officer or auditors of the Company;

(4) Acting as the major representative of both the Company and external auditors, and responsible for overseeing the relationship between them;

(5) Inspecting and ensuring the Board will provide a timely response to the external auditor's (or equivalent documents) to the senior management, and also inspecting any significant queries raised by external auditors on accounting records, financial accounts or monitoring system to the senior management and the responses from the senior management;

(6) Examining and supervising related party transactions and assessing the appropriateness of related party transactions;

(7) Making proposals to the Board on the appointment, reappointment or change of external auditors, approving the compensation and terms of appointment for external auditors, as well as handling any matters regarding the resignation or removal of external auditors;

(8) Monitoring and assessing the independence and objectivity of work done by external auditors of the Company and the effectiveness of the auditing procedures, the Audit Committee shall discuss the nature, scope of the audit and relevant reporting obligations with external auditors before the auditing work commences as well as formulating policies on non-auditing service provided by external auditors and implementing such policies;

- (9) Reviewing the Company's financial and accounting policies and practices;
- (10) Being responsible for the communication between internal auditors and external auditors, and making sure adequate resources of the Company are available for internal auditors for operation and the proper positions for internal auditors, and reviewing and monitoring internal auditors' effectiveness;
- (11) Assessing the Company's arrangements for employees to raise concerns about possible improprieties in financial reporting, internal control or other matters, and the mechanism of the Company for making independent and fair investigations on reported matters and taking appropriate actions;
- (12) Paying attention to, and dealing with the challenges and claims raised by the employees, clients, suppliers, investors and media against the truthfulness, accuracy and completeness of information contained in the audited financial statement;
- (13) Submitting a report to the Board on the Company's compliance with the relevant requirements of the Hong Kong Listing Rules and the Corporate Governance Code;
- (14) Exercising the powers and functions of the supervisory committee as stipulated in the Company Law;
- (15) Other duties and responsibilities authorized by the Board of the Company.

The Audit Committee shall consist of 4 members who are directors not serving as senior management of the Company, including 3 independent directors, with the convener being an accounting professional among the independent directors.

The Audit Committee shall meet at least once every quarter. The Audit Committee may convene an extraordinary meeting upon the proposal of two or more members, or when the convener deems necessary. Meetings of the Audit Committee shall be held with the attendance of at least two-thirds of the members. Resolutions of the Audit Committee shall be passed by more than half of the members of the Audit Committee. Each member of the Audit Committee shall have one vote for any voting to be resolved by the Audit Committee. The resolutions of the Audit Committee shall be recorded in minutes as required, and the members of the Audit Committee attending the meeting shall sign the minutes.

The following matters shall be submitted to the Board for review after being approved by more than half of the members of the Audit Committee:

- (1) Disclosure of financial information and internal control evaluation report in financial accounting reports and periodic reports;
- (2) Engagement or dismissal of accounting firms that undertake audit services for the Company;
- (3) Engagement or dismissal of the financial manager of the Company;

(4) Changes in accounting policies, estimates or significant accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated by laws, administrative regulations, CSRC, the stock exchange in the place where the Company's shares are listed and the Articles of Association.

II. The main duties and responsibilities of the Risk Management Committee include:

(1) Formulating major risk management policies in relation to risk appetite;

(2) Reviewing general goals and fundamental policies of the risk management and compliance management of the Company, and making recommendations on the same;

(3) Reviewing the establishment and responsibilities of the compliance management and risk management, and making recommendations on the same;

(4) Evaluating the risks of substantial decisions which shall be reviewed by the Board and making recommendations on the resolutions to the substantial risks;

(5) Supervising the performance of the risk control committee under the operational management level of the Company and the management of the Company and ensuring the relevant risk management committee would report to the Board in due course any material information relating to the design, implementation and monitoring of the risk management, compliance control and internal control systems of the Company;

(6) Reviewing and setting the scale and maximum risk limitation for each substantial business sector of the Company and the nature and extent of the risks the Company is willing to take, under the authorization of the Board;

(7) Reviewing and deciding the resolutions of the substantial risks raising from operational management of the Company, under the authorization of the Board;

(8) Reviewing the risk management report, compliance report and internal audit report of the Company and making recommendations on the same; regularly evaluating the risk situation of the Company and its subsidiaries and reviewing the effectiveness of its risk control and management ability (at least annually);

(9) Evaluating and reviewing the effectiveness of the internal control system of the Company and its subsidiaries regularly (ensuring at least annually) based on the advice of external supervision authorities, internal and external audit reports, and supervising the operation management to adopt rectification measures; the review should cover all material controls, including financial, operational and compliance controls, and should, in particular, consider:

(a) the changes, since the last annual review, in the nature and extent of significant risks, and the ability of the Company to respond to changes in its business and the external environment;

(b) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;



(c) the extent and frequency of communication of monitoring results to the board (or board committee(s)) to assist the Board of Directors in assessing the adequacy and effectiveness of the Company's risk management and internal control systems;

(d) significant control failings or weaknesses that have been identified during the review of the risk management and internal control systems. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the financial performance or condition of the Company, and any remedial measures taken to address such control failings or weaknesses;

(e) the effectiveness of the processes of the Company for financial reporting and the Hong Kong Listing Rules compliance; and

(f) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's environmental, social and governance performance and reporting.

(10) Making decision and commanding on material and sudden crises of the Company;

(11) Making recommendations on the drafting and amending policies in relation to corporate governance;

(12) Carrying on self-examination on corporate governance, supervising rectifications on the same, promoting creativeness of the corporate governance management based on the practical situation of the Company;

(13) Considering major investigation findings on risk management matters as delegated by the Board or on its own initiative and management's response to these findings;

(14) Other duties as authorized by the Board.

III. The Nomination Committee shall be responsible for formulating criteria and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications for appointment. Its main duties and responsibilities include:

(1) Reviewing and making suggestions or recommendations on the structure, size and composition of the Board of Directors (including the expertise, know-how and experience) at least annually to the Board based on the business activities, asset size and shareholding structure of the Company, assisting the Board of Directors in maintaining a board skills matrix and making recommendations on any changes proposed to make to the Board of Directors in line with the Company's policies;

(2) Reviewing the selection standard and procedures of the Directors and senior management, and making recommendation to the Board;

(3) Identifying candidates with proper qualifications for the Directors of the Company, and selecting and nominating relevant candidates as Directors and senior management or make recommendations to the Board regarding this matter;

(4) Reviewing and making recommendations on the qualification, appointment, re-appointment or succession plan of the candidates for the directors, especially the chairman of the Board, and senior management;

(5) Assessing on the independence of independent directors;

(6) Making proposals of resignation, removal and dismissal of directors and senior management for their violations and dereliction;

(7) Supporting the Company's regular evaluation of the Board's performance;

(8) Other duties under the authorization of the Board.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for its non-adoption in a resolution of the Board of Directors and disclose the same.

IV. The main duties and responsibilities of the Remuneration and Evaluation Committee include:

(1) formulating the evaluation criteria for directors and senior management members and conducting the evaluation, preparing and reviewing the remuneration policies and programs for directors and senior management members such as the mechanism for determining the remuneration of directors and senior management members, the decision-making process, and the arrangements for the payment and stoppage of recourse;

(2) Reviewing and making opinions on the assessment and structure of the remuneration of the Directors and senior management members and the remuneration management system and structure with reference to the corporate goals and objectives, etc. formulated by the Board of Directors, reviewing and approving and making recommendations to the Board on the remuneration package of the Directors and senior management members and on the establishment of a formal and transparent procedure for developing remuneration policies;

(3) Making recommendations to the Board on the remuneration of non-executive directors;

(4) Assessing and making recommendations on the performance of directors and senior management according to the Company's performance assessment scheme, and determining the rewards and incentives/ punishments of senior management accordingly;

(5) Formulating the remuneration policies of the Company by taking into account financial position, operation and future major expenditure, risk prevention and control, development regulating and other factors as well as legal equity of stakeholders and considering the salary level of comparable companies, time devoted, responsibilities and the conditions of other positions of the Company, and supervising and inspecting the implementation of such policies;

(6) Reviewing and approving the compensation payable to executive Directors and senior management members for any loss or termination of offices and making recommendations to the Board of Directors;

(7) Reviewing and approving the compensation arrangement relating to the dismissal or removal of Directors for their misconducts, and making recommendations to the Board of Directors;

(8) Ensuring that any directors or other associates (as defined in the Hong Kong Listing Rules) are not involved in their own evaluation of their performance and the decision-making process of their remuneration, a part from their self-assessment of performance;

(9) Reviewing and/or approving matters relating to share scheme under Chapter 17 of the Hong Kong Listing Rules;

(10) Other duties and responsibilities authorized by the Board of the Company.

The Remuneration and Evaluation Committee shall make recommendations to the Board on the following matters:

(1) Remuneration of directors and senior management members;

(2) Formulation or modification of equity incentive plans and employee stock ownership plans, and conditions for granting equity to participants and fulfilment of exercising conditions;

(3) Arrangement plan for stock ownership by directors and senior management in the subsidiary to be spun off;

(4) Other matters stipulated by laws, administrative regulations, CSRC, the stock exchange in the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Evaluation Committee, it shall record the opinion of the Remuneration and Evaluation Committee and the specific reasons for its non-adoption in a resolution of the Board of Directors and disclose the same.

V. The main duties and responsibilities of the Strategic Committee include:

(1) Being aware of and supervising the basic operational situation of the Company;

(2) Analyzing and supervising the latest development of the domestic and overseas industries, relevant national policies and its effect on the Company's operation;

(3) Analyzing and preparing the medium to long-term development strategies of the Company and providing recommendations and making recommendations;

(4) Reviewing the medium to long-term strategic goals and development plans of each business sector and management sector of the Company;

(5) Drafting the medium to long-term strategic goals and development plans of the Company;

- (6) Providing consultation and advice on the medium to long-term development strategies and substantial decision on material changes of the Company;
- (7) Reviewing the operational plans and medium to long-term investment plans of the Company;
- (8) Reviewing the substantial strategic investments of the Company;
- (9) Reviewing the ESG report of the Company and providing recommendations to the Board on decision-making matters related to ESG governance, including visions, target and initiatives;
- (10) Other duties and responsibilities authorized by the Board.

### **Section 5 Secretary to the Board**

**Article 163** The Board shall have a secretary, who shall be responsible for the preparation of general meetings and meetings of the Board of Directors, the safekeeping of documents, the management of shareholders information, and handling matters relating to information disclosure. The secretary to the Board is a member of senior management of the Company, who shall be responsible to the Company and the Board. The secretary to the Board shall be nominated by the chairman of the Board of Directors and be appointed or dismissed by the Board of Directors.

**Article 164** The secretary to the Board shall abide by the relevant provisions of the laws, administrative regulations, department rules and these Articles of Association.

The secretary to the Board shall have a right to attend relevant meetings, inspect relevant documents and learn about the Company's financial and business conditions in order to perform his duties, and require related departments and personnel of the Company to provide related data and information in a timely manner. The Board and other senior management members and relevant personnel of the Company shall support and cooperate with the work of the secretary to the Board. No organizations or individuals shall interfere in the secretary's normal performance of his duties.

**Article 165** The main duties of the secretary to the Board are:

- (1) To address and coordinate information disclosure of the Company, organize and formulate information disclosure management system of the Company, and urge the listed company and relevant information disclosure obligors to observe relevant provisions concerning information disclosure;
- (2) To be responsible for organizing and coordinating the investor relations management of the Company, and coordinating the communication of information between the Company and securities regulatory authorities, shareholders and actual controllers, intermediaries and the media;
- (3) To organize and prepare Board meetings and general meetings, attend general meetings, Board meetings and relevant meetings of the senior management members, and maintain and sign the minutes of Board meetings;
- (4) To be responsible for the confidentiality of information disclosure of the Company and promptly report to the Shenzhen Stock Exchange and make an announcement when significant undisclosed information is divulged;

(5) To keep an eye on the rumours about the Company and take the initiative to make verifications, and urge the Board and other relevant entities to timely respond to the enquiries of the Shenzhen Stock Exchange;

(6) To organize trainings for Directors and senior management members as required by relevant laws, regulations and relevant regulations of the Shenzhen Stock Exchange, and assist them in understanding their respective responsibilities in information disclosure;

(7) To urge the Directors and senior management members to observe the laws and regulations, regulations of the Shenzhen Stock Exchange and these Articles of Association, and earnestly fulfil their commitments; when becoming aware that the Company, Directors and senior management members make or may possibly make a decision in violation of the relevant provisions, he/she shall remind the related personnel and immediately report it to the Shenzhen Stock Exchange;

(8) To be responsible for the management of changes in the Company's shares and derivatives, etc;

(9) To discharge such other duties as provided by the relevant laws, regulations and listing requirements of the place where the shares of the Company are listed.

## **Chapter 6 Senior Management**

**Article 166** The Company shall have one general manager, who shall be appointed or removed by the Board.

The Company shall have certain vice general managers, who shall be appointed or removed by the Board.

**Article 167** A director may serve concurrently as a senior management, but the number of directors concurrently serving as such and the staff representative directors shall not exceed half of the directors of the Company. The circumstances defined hereof regarding disqualified directors, the requirements regarding resignation management system and the requirements regarding directors' obligations of loyalty and diligence shall also be applicable to senior management.

**Article 168** Staff of the controlling shareholders and the actual controllers of the Company who serve positions other than directors and supervisors of the controlling shareholders shall not serve as senior management of the Company.

Senior management members of the Company shall only receive salaries within the Company and shall not receive salaries from controlling shareholders.

**Article 169** The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

**Article 170** The general manager shall be accountable to the Board and exercise the following functions and powers:

(1) To manage the daily business operations of the Company, organize and implement the Board's resolutions, and report to the Board;

(2) To organize and implement the Company's annual business plans and investment plans;

- (3) To prepare the plan for the establishment of internal management of the Company;
- (4) To prepare the plan of the basic management system of the Company;
- (5) To formulate the Company's specific rules;
- (6) To nominate the vice general manager, chief financial officer and other officers of the Company;
- (7) To decide to appoint or remove executives other than those appointed or removed by the Board;
- (8) To formulate plans for the wages, benefits, awards and punishments of the employees of the Company and determine the employment and dismissal of such employees;
- (9) To sign and issue documents relating to our daily administrative and business activities and other matters;
- (10) To organize the identification and assessment of various risks, establish a sound and effective internal control mechanism and internal control system and timely rectify the deficits and problems in our internal control;
- (11) To propose the convening of an extraordinary meeting of the Board;
- (12) To implement the work requirements of the Board on corporate culture construction, and carry out specific work on corporate culture construction;
- (13) To exercise other functions and powers conferred in these Articles of Association and by the Board.

**Article 171** The general manager shall attend the Board meetings, but if he is not a director, he shall not have voting rights at the Board meetings.

**Article 172** The general manager shall, as required by the Board, report to the Board on matters concerning the signing and execution of material contracts, application of funds, profit and loss of the Company. The general manager must ascertain the authenticity of the report.

The general manager shall consult the labour union and the employees' representative assembly, prior to formulating such matters relating to the employees' vital interests as wages, welfare, production safety, labour protection, labour insurance and dismissal of employees.

**Article 173** The general manager shall formulate his/her working rules, which shall come into effect upon approval by the Board.

**Article 174** The working rules of general manager shall contain the following:

- (1) Conditions for the convening of and the procedure for the general manager's meeting, and the personnel to attend the meeting;

(2) Specific duties and division of work of the general manager and other senior management;

(3) The authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the Board;

(4) Other matters which the Board considers necessary.

**Article 175** Senior management can tender his resignation before the expiry of his term of office, however with a notice to the Board in writing. The procedure and measures for such resignation shall be governed by the employment contract between the senior management and the Company.

**Article 176** Senior management members of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If a senior management fails to faithfully perform his duties or violate his integrity obligations, or violates any laws, administrative rules, departmental rules and regulations and the provisions stipulated in these Articles of Association in the course of performing his duties of the Company and subsequently causes damages to the Company and the interests of the general public and shareholders, he shall be liable for compensation.

## **Chapter 7 Compliance Management and Internal Control**

**Article 177** The Company shall establish and improve its compliance system to monitor and check the compliance of the Company's operational and management activities according to laws, regulations and relevant provisions of the CSRC. The Company's compliance management shall cover all the business, divisions, branches, subsidiaries at all levels and staff, and involve all aspects such as decision, execution, supervision and feedback.

The general manager and other members of senior management shall perform their compliance management duties as determined by the Articles of Association and the Board, establish a comprehensive organizational structure for compliance management of the Company, comply with procedures of compliance management, designate adequate and suitable staff for compliance management, and provide adequate support and protection in terms of human resources, materials, finance and technology for the performance of their duties.

The Company shall establish the compliance system, clarify the duties of the compliance staff according to the relative regulations and its own conditions, promote the sense of occupational honour shared by compliance staff and enhance their professional and occupational standard.

**Article 178** The Company shall have one chief compliance officer, who shall be nominated by the chairman of the Board and be appointed or dismissed by the Board. The chief compliance officer appointed by the Company shall meet laws, regulations and the regulatory requirements, and the Company shall submit the resume and the relevant supporting materials of the officer to the local office of the CSRC within its jurisdiction such that the officer can only assume his position upon the CSRC's approval.

Before the expiry of the term of office of the chief compliance officer, the dismissal of the chief compliance officer by the Company shall be supported by justified reasons, and the Company shall submit the reasons for dismissal to the local office of the CSRC within its jurisdiction before the board meeting is convened.

If the chief compliance officer is unable to perform his duties or is absent, his duties shall be performed by the Chairman or the General Manager of the Company, and a written report shall be submitted to the local office of the CSRC within 3 working days. The period during which his duties are performed by another person shall not be more than six months. The Company shall appoint a qualified person as the chief compliance officer within six months.

The chief compliance officer may tender an application for resignation to the Board one month in advance and shall report to the local office of the CSRC. The chief compliance officer shall continue to perform the relevant duties until the resignation application is approved.

The justified reasons referred to in the preceding paragraph include situations such as the application by the chief compliance officer on his own, or changes ordered by the CSRC and its local office, or where there is evidence showing that he is unable to perform his duties properly or has failed to act diligently.

**Article 179** The chief compliance officer is accountable to the Board of the Company internally and to regulatory authorities externally, and reports to the executive management team on the development and implementation of compliance initiatives. The chief compliance officer shall perform the following duties:

(1) To organize the formulation of the Company's basic compliance management system and other compliance management systems and supervise their implementation; advise the Board or senior management of any changes to the laws, regulations and rules in time and urge the relevant departments to assess their effect on compliance management and to amend and optimize relevant management rules and business processes;

(2) To conduct compliance reviews on the Company's internal regulations and rules, significant decisions, important business activities such as proposed new products and new businesses, and provide compliance review advice in writing and, upon request by the securities regulatory authority and self-regulatory organization, conduct compliance reviews on the applications or reports submitted by the Company and sign off on the compliance review advice on the relevant applications or reports;

To submit the relevant matters to the Board for determination where the Company does not adopt the compliance review advice from the chief compliance officer;

(3) To monitor and check the compliance of the operational and management and occupational behaviors of the Company and its staff;

(4) To assist the Board and senior management to establish and implement anti-money laundering, Chinese wall and interest conflict management systems;

(5) To provide compliance advice and organize compliance training;

(6) To guide and urge the relevant departments of the Company to deal with complaints and reports on the irregularities involving the Company and its staff;



(7) To report the compliance of the Company's operation and management and the implementation of the compliance management work to the Board and the general manager;

If the chief compliance officer finds that the Company's conduct is against the relevant laws and regulations or there are potential compliance risks, the chief compliance officer shall report to the Board and the main person in charge of business management in time in accordance with these Articles of Association and the relevant regulations, provide advice and urge for remedies, and procure the Company to report to local branch of CSRC in time in accordance with the relevant regulations; if the Company fails to report in time, the chief compliance officer shall report directly to local branch of CSRC; if any industry norms or rules of self-regulation are violated, the chief compliance officer shall also report to the relevant self-regulation organizations;

(8) To address matters to be investigated as required by regulatory authorities and self-regulatory organizations in time, cooperate with regulatory authorities and self-regulatory organizations to conduct review and investigation on the Company, follow and assess the implementation of regulatory advice and regulatory requirements;

(9) To exercise other duties specified by laws, administrative regulations, department rules and normative documents or granted by the Company.

**Article 180** The Company shall establish the compliance management department and employ sufficient compliance management staff with appropriate know-how and skills for performing compliance management functions.

**Article 181** The Company shall establish and improve its risk control system to prevent and control the Company's operation and internal management risks according to laws, regulations and relevant provisions of the CSRC.

The Company shall set up the position of chief risk officer who undertakes the overall risk management work of the Company. The chief risk officer shall neither concurrently hold position nor be in charge of department that conflicts with his or her duties.

The Company shall establish the risk control system and specify the duties of the risk controllers according to the relevant regulations and its own situations.

**Article 182** The Company shall perform the internal audit system and employ internal auditors, to inspect, supervise and evaluate the financial revenue, expenditure and operational and management activities of the Company.

The Company shall establish the internal audit system and clarify the duties of the related auditors according to the relative regulations and its own conditions, which shall be implemented subject to the approval of the board of directors.

**Article 183** The persons in charge of the Company's compliance management, risk control and audit departments shall not hold positions in operating departments.

## **Chapter 8 Financial Accounting System, Distribution of Profits and Audit**

### **Section 1 Financial Accounting System**

**Article 184** The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant PRC authorities.

**Article 185** The Company shall prepare its annual reports and submit and disclose to the local branch of the CSRC and the stock exchange(s) within four months from the ending date of each financial year, and prepare its interim reports and submit and disclose to the local branch of the CSRC and the stock exchange(s) within two months from the ending date of the first six months of each financial year.

**Article 186** The aforesaid annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, and the requirements of the CSRC and the stock exchange in the place where the Company's shares are listed.

**Article 187** The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

**Article 188** The Company shall distribute its after-tax profit for the current year in the order of:

- (1) Recovering losses of the previous years;
- (2) Withdrawing 10% after-tax profit as statutory common reserve fund;
- (3) Withdrawing general risk reserves and trading risk reserves in accordance with relevant laws and regulations;
- (4) Withdrawing discretionary common reserve fund according to resolutions of the general meeting;
- (5) Distributing dividends to shareholders.

The Company may not withdraw statutory common reserve fund if the cumulative amount has exceeded 50% of the Company's registered capital. The Company shall not distribute profits to its shareholders before it has recovered its losses or has withdrawn statutory common reserve fund, general risk reserves and trading risk reserves.

If the general meeting distributes profits to shareholders in violation of the Company Law, shareholders shall return to the Company the profits so distributed; and the shareholders as well as the directors and senior management members responsible shall be liable for compensation for any loss incurred by the Company.

The Company shall distribute dividends to shareholders in proportion to their shareholdings, unless it is not permitted in these Articles of Association to distribute profits in proportion to their shareholdings.

Under the relevant rules of the securities regulatory authority of the State Council, the Company is not allowed to use the gains from fair value changes of financial assets that are included in distributable profits as cash distribution to shareholders.

The shares of the Company held by the Company shall not be subject to profit distribution.

**Article 189** The Company shall attach importance to the reasonable returns to investors in its profit distribution, and the Company adopts consistent and stable profit distribution policy. The Company may distribute dividends by way of cash, stock shares or a combination of both. When the conditions of distribution of cash dividends are met, the Company shall distribute dividend in the form of cash in priority. When the Company does not experience such matters as material investment plan or material cash expenditure, the profits distributed by the Company in cash on a cumulative basis in any consecutive three years shall not be less than 30% of the average annual distributable profits achieved in such three years.

Subject to the condition that there are sufficient amount of cash dividends for distribution and having regard to authentic and reasonable factors such as the Company's growth and dilution of net asset per share, the Company may make profit distributions in the form of share dividends. The Board may propose to the Company to make payment of an interim cash dividend according to the business conditions of the Company.

The Board of the Company shall take into comprehensive consideration of factors such as industry characteristics, the Company's phase of the development stage, its own business operation model, profitability level, as well as any potential substantial capital expenditure arrangement, and formulate differentiated cash dividend distribution policy applicable to the following situations in accordance with the mechanisms stipulated in the Articles of Association:

(1) Where the Company is in a maturity phase of the development stage with no substantial capital expenditure arrangement, the cash dividend distributed shall not be less than 80% of the total profits distributed when carrying out profits distribution;

(2) Where the Company is in a maturity phase of the development stage with substantial capital expenditure arrangement, the cash dividend distributed shall not be less than 40% of the total profits distributed when carrying out profits distribution;

(3) Where the Company is in a growth phase of the development stage with substantial capital expenditure arrangement, the cash dividend distributed shall not be less than 20% of the total profits distributed when carrying out profits distribution;

Where the phase of the development stage of the Company is difficult to define but Company has substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

If the audit report of the Company in the most recent year include a non-unqualified opinion or an unqualified opinion with a paragraph on material uncertainty related to going concern, profit distribution may not be made.

When the Company formulates its cash dividend plan, the Board of Directors shall carefully study and discuss about the matters concerning the Company's cash dividend distribution, including the timing, conditions, the lowest payout ratio, conditions for adjustment and the decision-making procedures. Independent Directors have the right to express independent opinions if they believe that the specific cash dividend distribution plan may harm the interests of the Company or the minority shareholders.

Before considering the cash dividend plan submitted by the Board of Directors at the general meeting, the Company shall communicate and exchange views with shareholders (especially minority shareholders) through public channels, sufficiently listen to the comments and requests from minority shareholders and promptly answer the questions which concern minority shareholders.

**Article 190** If the Company needs to make adjustment on one of the dividends policies due to material changes in the external operation environment or internal operation conditions, the Company shall actively and adequately listen to the opinions of minority shareholders, actively communicate with minority shareholders through many channels, collect comments and requests from minority shareholders and publish a general meeting notice within 3 days since the date of shareholding registration following a general meeting announcement. The adjusted profit distribution policy shall be passed through the special resolution in shareholders' general meeting.

**Article 191** The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends and other payables distributed by the Company for the overseas listed foreign shares.

The collection agents appointed by the Company shall be in compliance with the requirements of the laws or local stock exchange at the place where the stock of the Company is listed.

**Article 192** The common reserve fund of the Company shall be used to make up for the losses, expand the operating scale or be converted to increase the registered capital of the Company. In case reserve funds are used to make up the Company's losses, discretionary reserve funds and statutory common reserve fund shall be prioritized. If the losses still cannot be made up, the capital reserve may be used in accordance with the provisions.

Upon the conversion of statutory common reserve into increased registered capital, the balance of the statutory common reserve shall not be less than 25% of the registered capital of the Company before such conversion.

**Article 193** After the profit distribution plan has been resolved at the shareholders' general meeting, or the Board of the Company formulates a specific plan based on the next year's interim dividend conditions and upper limit considered and approved by the annual general meeting, the dividend (or share) distribution must be completed within 2 months.

## **Section 2 Internal Audit**

**Article 194** The Company maintains internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial security, use of audit results and accountability for internal audit work. The internal audit system of the Company shall take effect upon approval by the Board and be publicly disclosed. The Company has established an audit department as its internal audit department.

**Article 195** The internal audit department of the Company conducts supervision and inspection of the business activities, risk management, internal control, financial information and other matters of the Company.

**Article 196** The internal audit department shall be accountable to the Board.

The internal audit department shall be subject to the supervision and guidance of the Audit Committee in the course of its supervision and inspection of the business activities, risk management, internal control and financial information of the Company. If the internal audit department identifies relevant major problems or clues, it shall report directly to the Audit Committee immediately.

**Article 197** The internal audit department shall be responsible for the specific organization and implementation of the evaluation of the Company's internal control. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant information issued by the internal audit department and reviewed by the Audit Committee.

**Article 198** The internal audit department shall actively cooperate and provide necessary support and collaboration when the Audit Committee communicates with the external audit institutions such as accounting firms and national audit authorities.

**Article 199** The Audit Committee shall participate in the assessment of the person in charge of internal audit.

## **Section 3 Appointment of an Accounting Firm**

**Article 200** The Company shall appoint an independent accounting firm which is qualified under the Securities Law to audit the financial statements, verify the net assets and provide other related consulting services for a term of one year. The accounting firm is eligible to be re-appointed.

**Article 201** The appointment and dismissal of an accounting firm by the Company shall be approved by the general meeting, and the Board shall not appoint an accounting firm before obtaining approval from the general meeting.

**Article 202** Where the Company dismisses or ceases to re-appointing an accounting firm, a thirty-day prior notice shall be given to the accounting firm, and the accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

**Article 203** The Company guarantees that the accounting evidence, accounting books, financial report and other accounting information provided to the accounting firm engaged are true and complete without any omission, concealment or false statement.

**Article 204** The audit fees of an accounting firm shall be determined at the general meeting.

## **Chapter 9 Notice and Announcement**

### **Section 1 Notice**

**Article 205** In accordance with laws, administrative regulations and the relevant rules of the stock exchanges in the place where the Company's shares are listed, notices of the Company shall be served by one or a combination of the following methods:

- (1) by hand;
- (2) by mail;
- (3) by facsimile or e-mail;
- (4) by announcement on the websites of the stock exchanges in the place where the Company's shares are listed and the Company;
- (5) by other means approved by the relevant regulatory authorities in the place where the Company's shares are listed or specified in the Articles of Association.

Any notice for convening a meeting of the Board of the Company shall be given by hand, by fax, by mail, by email or other means. Pursuant to the Hong Kong Listing Rules, subject to the laws and regulations and listing rules of the place where the Company is listed as well as these Articles of Association, corporate communications (hereinafter with the meaning ascribed to it in the Hong Kong Listing Rules) can be published by the Company by means provided by item (3) above or by other means provided by the listing rules and the regulatory authorities in the place where the Company's shares are listed, in place of sending corporate communications to each holder of H shares by hand or by mail.

Where notices are given by way of announcements under authorization conferred by these Articles, such announcements shall be published by means specified in the Hong Kong Listing Rules.

With regard to joint shareholders, the Company is only required to deliver or send any notice, information or other documents to one of such joint shareholders.

**Article 206** Where a notice of the Company is served by an announcement, the aforesaid notice shall be deemed as received by relevant persons once it is published.

**Article 207** For any notice delivered by hand, the addressee shall sign or seal with chop on the receipt slip and the date of delivery shall be the date of the confirmation of receipt by such addressee. For any notice delivered by mail, the date of delivery shall be the fifth working day upon the delivery to the post office. For any notice delivered by email, the date of delivery shall be the second calendar day from the date of sending the email. For any notice delivered by fax or published on website, the date of delivery shall be the date of sending or publishing. For any notice delivered by an announcement, the date of delivery shall be the date on which such announcement is initially published.

**Article 208** Only the accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

## **Section 2 Announcement**

**Article 209** The Company shall issue announcements and disclose information to holders of A shares through the websites of the stock exchanges and the media that meet the requirements stipulated by the CSRC and other regulatory authorities. If it is required to make public announcements to the holders of H shares pursuant to the Articles of Association, such announcements shall also be published in such manner as required by the Hong Kong Listing Rules.

The Board may change the websites and other media for information disclosure, but shall ensure that the designated websites and other media for information disclosure comply with the qualifications and conditions stipulated by the CSRC, overseas regulatory authorities, securities exchanges in China and overseas and other regulatory authorities.

## **Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

### **Section 1 Merger, Division, Capital Increase and Capital Reduction**

**Article 210** Merger of the Company may take the form of absorption or establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or above companies merge into a new company, the original companies will be dissolved.

**Article 211** If the consideration paid by the Company for the merger does not exceed 10% of the Company's net assets, a resolution of the general meeting is not required, unless otherwise provided by these Articles of Association.

Mergers that are not subject to a resolution of the general meeting in accordance with the preceding paragraph must be approved by a resolution of the Board.

**Article 212** 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 10 days of the date of the merger resolution and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System or by other means within 30 days of the date of the merger resolution. The creditors may, within 30 days after receipt of notice or, if the creditors do not receive such notice, within 45 days of the announcement, demand the Company to repay in full or to provide a guarantee.

**Article 213** Upon merger, the credits and liabilities of each of the merged parties shall be assumed by the surviving party or the newly established company.

**Article 214** Where there is a division of the Company, its assets shall be divided accordingly.

**Article 215** Where there is a division of the Company, a balance sheet and inventory of assets shall be prepared. The Company shall notify its creditors within 10 days of the date of the division resolution and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System or by other means within 30 days of the date of the division resolution.

**Article 216** Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before division, liabilities of the Company prior to the division shall be jointly assumed by the surviving companies after division.

**Article 217** Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution approved at the general meeting for reduction of capital and shall publish an announcement in the newspapers or on the National Enterprise Credit Information Publicity System or by other means within 30 days thereafter. A creditor has the right within 30 days of receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

Where the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' shareholdings, unless it is otherwise stipulated by laws or these Articles of Association.

**Article 218** Where the Company still incurs losses after making up its losses in accordance with the provisions of paragraph 1 of Article 192 of these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of paragraph 2 of Article 217 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at the general meeting.



After reducing its registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the accumulated amount of its statutory reserve and discretionary reserve reaches 50% of its registered capital.

**Article 219** If the reduction of the registered capital is in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible directors, and senior management members shall be held liable for compensation.

**Article 220** The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority in the event of any change in any particulars in its registration 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 the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

If the Company increases or reduces its registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

## **Section 2 Dissolution and Liquidation**

**Article 221** The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) expiry of the term of business provided in the Articles or other reasons for dissolution as specified in these Articles of Association;
- (2) a resolution on dissolution is passed by shareholders at a general meeting;
- (3) dissolution is required due to the merger or division of the Company;
- (4) the Company's business license is revoked or suspended or the Company is ordered to close down in accordance with the laws;
- (5) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss in shareholders' interests, and no solution can be found through any other channel, shareholders representing 10% or above of the voting rights of the Company may request the people's court to dissolve the Company.

If any of the circumstances as mentioned in the preceding paragraph arises, the Company shall disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System within 10 days.

**Article 222** Upon the occurrence of the situation described in sub-paragraphs (1) and (2) of Article 221 in these Articles of Association, the Company may continue to exist by amending these Articles of Association or with approval of the general meeting, if no property has been distributed to its shareholders.

Amendments to these Articles of Association or obtaining approval of the general meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the general meetings.

**Article 223** Where the Company is dissolved pursuant to sub-paragraphs (1), (2), (4) or (5) of Article 221, the Company shall be liquidated. Directors shall be the liquidation obligors, and a liquidation committee shall be formed within 15 days from the date of occurrence of events giving rise to dissolution to proceed with the liquidation.

The members of the liquidation committee shall be directors, unless otherwise stipulated in these Articles of Association or otherwise selected by a resolution of the general meeting.

If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, such liquidation obligor shall be held liable for compensation.

**Article 224** The liquidation committee shall perform the following duties:

- (1) to check the Company's assets and prepare a balance sheet and an inventory of assets;
  - (2) to notify the creditors by notice or announcement;
  - (3) to deal with and settle the outstanding affairs of the Company;
  - (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
  - (5) to settle all credits and debts;
  - (6) to dispose of the remaining assets of the Company after the settlement of debts;
- and
- (7) to represent the Company in any civil proceedings.

**Article 225** The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make public announcement on newspaper(s) or on the National Enterprise Credit Information Publicity System or through other channels within 60 days of its establishment. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanation for the relevant particulars and evidence of the claims upon declaration of such claims. The liquidation team shall register the creditors' claims.

The liquidation committee shall not settle the debts to creditors until the expiry of the period for declaration of claims.

**Article 226** After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan for confirmation by general meetings or the people's court.

The remaining properties of the Company, after payment of liquidation expenses, wages, social insurance contribution and statutory compensation of staff, and taxes and debts of the Company, shall be distributed in proportion to the shareholdings of shareholders.

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

**Article 227** If the liquidation committee, after checking the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to settle its debts, it shall immediately apply to the people's court for bankruptcy and liquidation.

After the Company's bankruptcy application is accepted by the people's court, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 228** Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be submitted to the general meeting or the People's Court for confirmation. The liquidation committee shall also submit the same to the company registration authority, apply for de-registration of the Company.

**Article 229** Members of the liquidation committee shall fulfill their obligations of liquidation with duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; if a member of the liquidation committee who causes loss to the Company or its creditors due to his intentional misconduct or gross negligence shall be liable for damages.

**Article 230** Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

## **Chapter 11 Amendments to these Articles of Association**

**Article 231** The Company may amend these Articles of Association in any of the following circumstances:

(1) after the amendments are made to the Company Law or other relevant laws and administrative regulations, these Articles of Association run counter to the said amendments;

(2) the Company's conditions have changed, and such change rendering these Articles of Association inconsistent;

(3) the general meeting has resolved to amend these Articles of Association.

**Article 232** Where the amendments to these Articles of Association resolved and passed at the general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

**Article 233** The Board shall amend these Articles of Association in accordance with the resolution to amend the Articles passed at the general meeting and examination and approval opinions from relevant authorities.

Where the matters on the amendments to these Articles of Association constitute information that shall be disclosed under the laws and regulations, the Company shall disclose such amendments according to the stipulations.

## **Chapter 12 Miscellaneous**

### **Article 234 Definitions**

(1) Controlling shareholder means a person who holds shares representing 50% or more of the entire share capital of the Company, or a person having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the general meetings despite holding no more than 50% of the entire share capital of the Company.

(2) Actual controller refers to a natural person, legal person or unincorporated organization that could actually control the acts of the Company through investment, agreement or other arrangement.

(3) The term "general manager", "deputy general manager" and "chief financial officer" as used in these Articles of Association have the meanings ascribed to them in the Company Law.

(4) Affiliated relation refers to the relation between the Company and its affiliates within the meaning of the listing rules of the place on which its shares are listed.

**Article 235** The Board may formulate by-laws in accordance with the provisions of these Articles of Association, provided that such by-laws shall not be in violation of these Articles of Association.

**Article 236** These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association approved by and registered with the company registration authority shall prevail.

In case of any inconsistency between any matters not covered by the Articles of Association and provisions of the laws, administrative regulations, departmental rules, other relevant regulatory documents and the listing rules of the place where the shares of the Company are listed as stipulated from time to time, the provisions of the latter shall prevail.

**Article 237** The term “or above”, “within”, “following”, as stated in these Articles of Association shall all include the given figure; the term “not exceeding”, “except”, “lower”, “more” and “exceed” shall all exclude the given figure.

**Article 238** The Board shall be responsible for the interpretation of these Articles of Association. Appendixes to the Articles of Association include the rules of procedures for shareholders’ general meetings and the rules of procedures for Board meetings.