

CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.*
(A joint stock limited company incorporated in the People's Republic of China)

Articles of Association

Adopted at the 2020 First Extraordinary General Meeting on May 8, 2020
Approved by China Banking and Insurance Regulatory Commission
Shenzhen Office on May 19, 2020



国银租赁
CHINA DEVELOPMENT BANK LEASING

* *China Development Bank Financial Leasing Co., Ltd. is (a) not an authorized institution within the meaning of the Banking Ordinance; (b) not authorized to carry on banking business/deposit-taking business in Hong Kong; and (c) not subject to the supervision of the Hong Kong Monetary Authority.*

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Articles of Association of China Development Bank Financial Leasing Co., Ltd.

CHAPTER 1: GENERAL PROVISIONS

Article 1 In order to protect the lawful rights and interests of China Development Bank Financial Leasing Co., Ltd. (“the Company”) and its shareholders and creditors, and to 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 (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), State Council’s Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Opinions on the Revision and Supplement to Articles of Association of Companies to be Listed in Hong Kong, Guidelines for the Articles of Association of the Listed Companies, Law of the People’s Republic of China on Regulation of and Supervision over the Banking Industry, Administrative Measures on Financial Leasing Companies (the “Administrative Measures”) and other regulations.

Article 2 The Company is a joint stock limited company and non-bank financial institution incorporated in accordance with the Company Law, the Special Regulations and other relevant laws and administrative regulations of the PRC.

The Company was restructured from the previous China Development Bank Financial Leasing Company Limited (founded in 1984) into a joint stock company with limited liability as approved by the Approval of the Change of the Company Name of China Development Bank Financial Leasing Company Limited (Shen Yin Jian Fu [2015] No.295) (《深圳銀監局關於國銀金融租賃有限公司變更公司名稱的批覆》(深銀監覆[2015]295號)), the Approval of the Changes of the Articles of Association of China Development Bank Financial Leasing Company Limited (Shen Yin Jian Fu [2015] No.296) (《深圳銀監局關於國銀金融租賃有限公司章程變更的批覆》(深銀監覆[2015]296號)) and the Approval of the Change of Registered Capital of China Development Bank Financial Leasing Company Limited (Shen Yin Jian Fu [2015] No.297) (《深圳銀監局關於國銀金融租賃有限公司變更註冊資本的批覆》(深銀監覆[2015]297號)), issued to the Company by Shenzhen Office of the China Banking Regulatory Commission on September 25, 2015, and the Company was incorporated through the way of promotion on September 28, 2015, and obtained a new business license upon registration changes with the Market and Quality Supervision Commission of Shenzhen Municipality on the same day. The code of the business license of the Company is 440301102880400.

The promoters of the Company were China Development Bank (國家開發銀行), HNA Group Company Limited (海航集團有限公司), Xi’an Aircraft Industry (Group) Company Ltd. (西安飛機工業(集團)有限責任公司), Jiangsu Jia Yuan Investment Company Limited (江蘇佳源投資有限公司), Qitian Holding Company Limited (啟天控股有限公司), Bank of Urumqi Co., Ltd. (烏魯木齊銀行股份有限公司), Sichuan Financial Leasing Co., Ltd. (四川金融租賃股份有限公司), and Huilian Assets Management Company Limited (匯聯資產管理有限公司).

Article 3 The Company shall establish an organisation of the Communist Party of China in accordance with the relevant requirements of the Constitution of the Communist Party of China and the Company Law to carry out activities of the Party. The Party Committee of the Company shall play the role of core leadership, provide direction, manage overall situation and ensure implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs, and provided with sufficient funds to operate the Party organisation.

Article 4 The Company's registered Chinese name: 國銀金融租賃股份有限公司
Or for short: 國銀租賃
The Company's registered English name: CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.
Or for short: CDB Leasing.

Article 5 Domicile of the Company: CDB Financial Center, No. 2003 Fuzhong Third Road, Futian District, Shenzhen, Guangdong Province, the PRC.
Post code : 518026
Telephone : 86-755-2398 0999
Fax : 86-755-2398 0900

Article 6 The chairman of the board of directors shall be the Company's legal representative.

Article 7 The Company is a joint stock limited company of perpetual existence.

The Company is an independent legal entity with independent properties and rights therein, which shall enjoy civil rights and assume civil obligations in accordance with laws.

All the Company's assets are divided into equal shares. Each shareholder is liable for the Company to the extent of the amount of his/her/its subscribed shares. The Company is responsible for its debts to the extent of its total assets.

Article 8 The Articles of Association are approved by the special resolution of the shareholders' general meeting of the Company and shall become effective on the date when the overseas listed shares, permitted by relevant authorities of the PRC, are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and shall replace the former Articles of Association registered and filed with the industry and commerce administration authorities.

From the date on which the Articles of Association come into effect, the Articles of Association shall become a legally binding document which regulates the Company's organization and acts, the rights and obligations between the Company and the shareholders, and among the shareholders.

Article 9 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, President and other senior management of the Company, all of whom are entitled, according to the Articles of Association, to claim rights concerning the matters of the Company.

Subject to Article 231 of the Articles of Association, shareholders may take action against the Company pursuant to the Articles of Association and vice versa. Shareholders may also take action against other shareholders pursuant to the Articles of Association, and the shareholders of the Company may take action against the directors, supervisors, President and other senior management of the Company pursuant to the Articles of Association.

The actions referred to in the preceding paragraph include court proceedings or arbitration proceedings.

Article 10 Upon approval of relevant government authorities, the Company may set up domestic and overseas subsidiaries, branches, representatives and offices, etc., based on its demands for business development.

Article 11 The Company may invest in other enterprises. However, unless otherwise provided by laws, the Company shall not be a contributor that shall bear joint and several liabilities for the debts of the enterprises it invests in.

CHAPTER 2: OBJECTIVES AND SCOPE OF BUSINESS

Article 12 The Company's business objectives are: to operate steadily and in compliance with laws and regulations while insisting on market-oriented, professional, diversified and international development policy, to serve for the national economic development strategies proactively, to provide excellent services to clients, to maximize returns for shareholders, and to establish a worldwide brand in finance lease sector of PRC.

Article 13 The Company's business scope shall be consistent with and subject to projects approved by the regulatory authorities of the Company's sector and the industry and commerce administration authorities.

The Company, with the approval by the banking regulatory authority, may engage in the following businesses in Renminbi or foreign currencies:

- (1) Finance lease business;
- (2) Transferring and acquiring assets subject to finance leases;
- (3) Investing in fixed-income securities;
- (4) Accepting lease deposits from lessees;
- (5) Accepting fixed deposits of three months or more from non-bank shareholders;
- (6) Interbank lending;
- (7) Taking loans from a financial institution;
- (8) Overseas borrowings in foreign currencies;
- (9) Realization and disposal of residual values of leased properties;
- (10) Economic consultancy ;
- (11) Establishment of project companies in domestic bonded zone to engage in financial leasing business;
- (12) Providing guarantee for external financing of holding subsidiaries and project companies.

The Company shall engage in businesses subject to the scope of business provided by the Articles of Association.

CHAPTER 3: SHARES, TRANSFER OF SHARES AND REGISTERED CAPITAL

Article 14 There must, at all times, be ordinary shares in the Company. Subject to the approval of the Company's approving department authorized by the State Council, the Company may, according to its requirements, create other classes of shares.

Article 15 The equities of the Company shall be represented by shares. The shares issued by the Company shall each have a par value of Renminbi one yuan.

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

Article 16 Issuing of shares of a company shall adopt an open, fair and just principle. The same class of shares shall carry equal rights.

Shares issued at the same time and within the same class shall be issued on the same conditions and at the same price. Any such share subscribed by any unit or individual shall charge the same price.

Article 17 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors.

“Foreign Investors” aforesaid refers to those investors who subscribe for the Company’s shares and are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic Investors” refers to those investors who subscribe for the Company’s shares and are located within the territory of the PRC excluding the areas aforesaid.

Article 18 Shares which the Company issues to Domestic Investors for subscription in Renminbi shall be referred to as “Domestic Shares”. Shares which the Company issues to Foreign Investors for subscription in foreign currencies shall be referred to as “Foreign Shares”. Shares issued with the approval of authorities authorized by the State Council and listed and traded on an overseas stock exchange with the approval of the overseas securities regulatory authorities shall be referred to as Overseas Listed Shares.

“Foreign currencies” aforesaid refers to the lawful currencies of countries or districts outside the PRC which are recognized by the foreign exchange authority of the state and can be used for payments of the shares to the Company.

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

Article 19 Subject to the approval of the Company’s approving department, the Company may issue a total of 9,500 million ordinary shares to its promoters when the Company was restructured into a joint stock company, of which 8,449,932,938 shares were subscribed and held by China Development Bank, representing 88.9466% of the total number of ordinary shares issued by the Company; 795,625,000 shares were subscribed and held by HNA Group Company Limited, representing 8.375% of the total number of ordinary shares issued by the Company; 154,375,000 shares were subscribed and held by Xi’an Aircraft Industry (Group) Company Ltd., representing 1.625% of the total number of ordinary shares issued by the Company; 88,203,937 shares were subscribed and held by Jiangsu Jia Yuan Investment Company Limited, representing 0.9285% of the total number of ordinary shares issued by the Company; 4,500,625 shares were subscribed and held by Qitian Holding Company Limited, representing 0.0474% of the total number of ordinary shares issued by the Company; 3,562,500 shares were subscribed and held by Bank of Urumqi Co., Ltd., representing 0.0375% of the total number of ordinary shares issued by the Company; 2,612,500 shares were subscribed and held by Sichuan Financial Leasing Co., Ltd., representing 0.0275% of the total number of ordinary shares issued by the Company; and 1,187,500 shares were subscribed and held by Huilian Assets Management Company Limited, representing 0.0125% of the total number of ordinary shares issued by the Company.

Article 20 The registered capital of the Company is paid-up capital in money. If the Company increases its registered capital, the contributions of shareholders for such increased registered capital shall be paid-up capital in money.

Article 21 The shareholders should support the board of directors in making reasonable capital plans to keep the capital of the Company complying with the provisions of the banking regulatory authority. The promoters shall provide the Company with liquidity support or make up the capital according to the provisions of the banking regulatory authority, when the Company falls in the situations required by regulatory requirements of the banking regulatory authority. Substantial shareholders shall make up the capital for the Company when necessary. Substantial shareholders of the Company shall issue a written undertaking to the Company on the above matter.

Article 22 Upon the establishment of the Company and the approval of securities regulatory authority of the State Council, the Company has issued 3,142,380,000 Overseas Listed Shares. State-owned shareholders of the Company have transferred to the National Council for Social Security Fund (the “NSSF”) the 314,238,000 state-owned shares in accordance with the national regulations on reduction of the state-owned shares, upon the initial offering of Overseas Listed Shares.

Upon the initial public offering of 3,142,380,000 Overseas Listed Shares in July 2016, the total share capital of the Company was 12,642,380,000, and the share capital structure of the Company was as follows: holders of Domestic Shares hold 9,185,762,000 shares, representing 72.66% of the total number of ordinary shares; holders of H shares hold 3,456,618,000 shares, representing 27.34% of the total number of ordinary shares.

As at 31 December 2019, the total number of shares of the Company was 12,642,380,000, and the share capital structure of the Company was as follows: holders of Domestic Shares hold 9,872,786,000 shares, representing 78.09% of the total number of ordinary shares; holders of H shares hold 2,769,594,000 shares, representing 21.91% of the total number of ordinary shares.

Article 23 The Company’s board of directors may arrange for the respective issuance of Overseas Listed Shares and Domestic Shares after proposals for issuance of the same have been approved by the securities regulatory authority of the State Council.

The Company may respectively implement its proposals to issue Overseas Listed Shares and Domestic Shares pursuant to the preceding paragraph within fifteen months from the date of approval by the securities regulatory authority of the State Council.

Article 24 Where the total number of shares stated in the proposal for the issuance of shares includes Overseas Listed Shares and Domestic Shares, such shares should be fully subscribed for all at once at their respective offerings. If the shares cannot be fully subscribed for all at once due to special circumstances, the shares may, subject to the approval of the securities regulatory authority of the State Council, be issued in separate branches.

Article 25 The registered capital of the Company shall be RMB12,642,380,000.

Article 26 Upon the demands of operation and business development, the Company may authorize the increase of its capital pursuant to requirements of the Articles of Association.

The Company may increase its capital in the following ways:

- (1) offering shares to non-specific investors for subscription;
- (2) placing shares to existing shareholders;
- (3) dispatching bonus shares to existing shareholders;
- (4) capitalization of capital reserve; or
- (5) other means permitted by laws, and administrative regulation and by the securities regulatory authority of the State Council.

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

After the Company's increase or decrease of share capital, the Company shall register changes with the original industry and commerce administration authorities and make an announcement.

Article 27 Unless otherwise provided by laws, administrative regulations and Hong Kong Stock Exchange, shares of the Company are freely transferable and are not subject to any lien.

Article 28 The Company shall not accept any pledge with its own shares as the objectives.

Where a promoter provides guarantee with the stock of the Company for itself or others, such promoter shall strictly abide by the laws, regulations and the requirements of the regulatory authorities, and inform the board of directors of the same in advance. Where a promoter transfers the shares of the Company, such promoter shall inform the board of directors of the Company of the same in advance.

Article 29 Shareholding of the Company held by the promoters shall not be transferred; shares of the Company shall not be pledged or placed under trust within five year commencing from the date of establishment incorporation of the Company. Shares of the Company that have been issued before public offering shall not be transferred within one year commencing from the date on which the shares of the Company are listed and traded on a stock exchange. The promoters who hold shares of the Company should also abide the restrictive provisions stipulated by the banking regulatory authority on prohibiting transfer of shares of the Company.

Directors, supervisors and senior management of the Company shall declare to the Company their shareholdings in the Company and any alternation of such shareholdings. They shall not transfer more than 25% of all the shares they held in the Company in any particular year during their tenure. They shall not transfer their shares of the Company within one year from the date of the Company's listing on a stock exchange, or six months after they have terminated their employment in the Company. If the restriction on the transfer of shares provided herein relates to H Share, such transfer shall be in compliance with related requirements of the Hong Kong Listing Rules and relevant applicable laws and regulations.

Article 30 Any gains from the sale of their shares of the Company by any Company's directors, supervisors, senior management or shareholders holding more than 5% of the shares of the Company within six months after purchasing such shares, or thereafter any gains from repurchasing such shares of the Company within six months after the sale thereof, shall be attributed to the Company. The board of directors of the Company shall forfeit such gains from the abovementioned parties. If the restriction on the transfer of shares provided herein relates to H Share, such transfer shall be in compliance with related requirements of the Hong Kong Listing Rules and relevant applicable laws and regulations. However, if a securities company holds more than 5% of the shares due to its unsold shares for underwriting, the sale of these shares shall not be subject to the restriction of six months.

If the board of directors of the Company fails to comply with the provision set forth in the preceding paragraph, a shareholder shall have the right to require the board of directors to implement within thirty days. If the board of directors fails to do so within the aforementioned time limit, a shareholder shall have the right to initiate proceedings in a court directly in his/her/its own name in the interests of the Company.

If the board of directors of the Company fails to comply with the provision set forth in the first paragraph of the Articles of Association, the responsible director(s) shall be jointly and severally liable thereof in accordance with the law.

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 31 The Company may reduce its registered capital. The reduction of the registered capital shall follow the procedures set out in the Articles of Association in accordance with the Company Law and other relevant regulations.

The registered capital of the Company after reduction shall not be less than the statutory minimum which is RMB100 million.

Article 32 The Company must be approved by the banking regulatory authority and prepare a balance sheet and an inventory of assets when reducing its registered capital.

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

Article 33 The Company may repurchase its issued shares in the following circumstances in accordance with procedures set out in the Articles of Association and subject to the approval of the relevant governing authority of the PRC:

- (1) reducing the registered capital of the Company to cancel shares;
- (2) merging with any other companies holding shares of the Company;
- (3) giving shares to employees of the Company as a reward;

(4) being requested to repurchase the shares of the Company by the shareholders who object to the resolutions adopted at the shareholders' general meeting concerning merger or division of the Company; and

(5) other circumstances permitted by laws and administrative regulations.

Article 34 The Company may, upon the approval of the relevant competent authorities of the PRC, repurchase its shares in any of the following ways:

(1) making a pro rata repurchase offer to all shareholders;

(2) repurchasing shares through public dealing on a stock exchange;

(3) repurchasing by an off-market agreement; or

(4) other ways as permitted by the relevant competent authorities.

Article 35 Where the Company repurchases its shares by an off-market agreement, the prior approval of shareholders' general meeting shall be obtained in accordance with the Articles of Association. The Company may, by obtaining the prior approval of the shareholders in a general meeting, in the same manner, terminate or amend the agreements entered into in the aforementioned ways or waive its rights under such agreements.

A agreement to repurchase shares referred to in the preceding paragraph includes (without limitation to) an agreement to become obliged to repurchase shares and acquire the right to repurchase shares.

The Company shall not assign an agreement to repurchase its shares or any right contained in such an agreement.

As regards redeemable shares that the Company has the right to repurchase, other than such repurchases made through the market or by tender, the repurchase price shall be limited to a maximum price; and if repurchases are made by tender, tenders shall be available to all shareholders alike.

Article 36 If the Company repurchases its shares pursuant to paragraph (1) of Article 34, the Company shall cancel such shares within the time limit provided by the laws and administrative regulations, and register the changed registered capital with the company registration authority and publish a related announcement; if the Company repurchases its shares pursuant to paragraph (2) and paragraph (4) of Article 34, it shall cancel or transfer such shares within time limit provided by the laws and administrative regulations, and register the changed registered capital with the company registration authority and publish a related announcement. The number of shares repurchased by the Company pursuant to paragraph (3) of Article 34 shall not exceed the maximum proportion provided by the laws and administrative regulations, and the shares so repurchased shall be transferred to employees within the time limit set out in the laws and administrative regulations.

If the Company cancels the shares as a result of repurchase of such shares, it shall register the changed registered capital with the company registration authority. The aggregate par value of the cancelled shares shall be deducted from the Company's registered share capital.

Article 37 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued shares:

(1) where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company and out of proceeds of a new issue of shares made for that purpose;

(2) where the Company repurchases shares at a premium to its par value, payment up to the par value may be made out of the book surplus distributable profits of the Company and out of the proceeds of a new issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:

(i) if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;

(ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of the Company and out of the proceeds of a new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value (including the premiums from the new issue) of the Company's premium account (or capital reserve account) at the time of the repurchase;

(3) the Company shall make the following payments out of the Company's distributable profits:

(i) payment for the acquisition of the right to repurchase its own shares;

(ii) payment for variation of any agreement for the repurchase of its shares;

(iii) payment for the release of its obligation(s) under any agreement for the repurchase of shares;

(4) after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company's premium account (or capital reserve account).

CHAPTER 5: FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES

Article 38 The Company or its subsidiaries shall not, at any time, offer any form of financial assistance to purchasers or prospective purchasers of the Company's shares. Such purchasers of the Company's shares shall include those who directly or indirectly assume the obligations in relation to the purchase of shares of the Company (the "Obligor").

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

This Article shall not apply to the circumstances specified in Article 40 of this Chapter.

Article 39 For the purposes of this Chapter, “financial assistance” includes (without limitation to) the following:

- (1) gift;
- (2) guarantee (including the assumption of obligations by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the Obligor), compensation (other than compensation in respect of the Company’s own fault), release or waiver of any rights;
- (3) provision of loan or entering into a contract under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in the parties to, or the assignment of rights arising under, such loan or a contract; and
- (4) any other form of financial assistance given by the Company when the Company is insolvent, has no net assets or when its net assets would thereby be reduced to a material extent.

For the purposes of this Chapter, “assumption of obligations” includes the assumption of obligations by changing of the Obligor’s financial position by way of entering into a contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Article 40 The following actions shall not be deemed to be activities prohibited by Article 38 of this Chapter:

- (1) the provision of financial assistance by the Company is in good faith and in the interest of the Company, and the principal purpose in giving the financial assistance is not for the purchase of the Company’s shares, or the giving of the financial assistance is an incidental part of a general plan of the Company;
- (2) the lawful distribution of the Company’s assets as dividends;
- (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure effected in accordance with the Articles of Association;
- (5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company); and
- (6) the provision of money by the Company for an employee shareholding scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).

CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 41 Share certificates of the Company shall be in registered form.

The share certificates of the Company shall, aside from matters required by the Company Law and the Special Regulations, also contain other matters required to be stated therein by the stock exchange(s) on which the Company's shares are listed.

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

(1) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.

(2) the purchaser of the share and the Company, each of the shareholders, directors, supervisors, President and other senior management of the Company, as well as the Company when acting on behalf of the Company and each director, supervisor, President and other senior management, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or disputes or claim of rights arising from any rights and obligations stipulated in the Company Law and other laws and administrative regulations relating to the Company in the PRC and relevant to the affairs of the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.

(3) the purchaser of the share, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.

(4) the purchaser of the share authorizes the Company to reach an agreement on behalf of him/her with each of the directors, President and other senior management that such directors, President and other senior management undertake to comply with and perform their duties to the shareholders in accordance with the Articles of Association.

Article 42 Share certificates of the Company shall be signed by the chairman of the Company's board of directors. Where the stock exchange(s) on which the Company's shares are listed require other senior management of the Company to sign on the share certificates, the share certificates shall also be signed by such senior management. The share certificates shall take effect after being sealed or affixed by way of printing with the seal of the Company. The share certificate shall only be affixed with the Company's seal under the authorization of the board of directors. The signatures of the chairman of the board of directors or other senior management of the Company may be printed in mechanical form.

Article 43 The Company shall keep a register of shareholders that contains the following particulars:

- (1) the name (title), address (domicile), occupation or nature of each shareholder;
- (2) the class and quantity of shares held by each shareholder;
- (3) the amount paid-up on or agreed to be paid-up on the shares held by each shareholder;
- (4) serial number(s) of shares held by each shareholder;
- (5) the date on which each person is entered in the register as a shareholder; and
- (6) the date on which any shareholder ceases to be a shareholder.

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

All acts or transfers of Overseas Listed Shares shall be registered on the register of shareholders for Overseas Listed Shares which maintained at the place where they are listed in accordance with the Articles of Association.

Where two or more persons are registered as shareholders in a joint account of any share, such persons should be deemed as joint owners of relevant share subject to the followings:

- (1) the Company does not have to register more than four persons as shareholders in a joint account of any share;
- (2) all of the shareholders in a joint account shall, collectively or individually, be liable for paying the amounts payable for relevant share;
- (3) if any of shareholders in a joint account dies, only the surviving shareholders in the joint account may be deemed as holders of relevant share of the Company, but the board of directors is entitled to require the death certificate of related shareholders which it considers to be proper as regard to the amendment to the register of shareholders; and
- (4) as regard to the shareholders in a joint account for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the stock of relevant share and notice from the Company and the notice which is serviced on the above-mentioned person should be deemed to be serviced on all of the shareholders in the joint account for relevant share. Any of shareholders in a joint account may sign the proxy form; provided more than one of the shareholders in a joint account attend the shareholders' general meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint shareholding.

Article 44 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of Overseas Listed Shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register of shareholders of Overseas Listed Shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate register of shareholders of Overseas Listed Shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure consistency between the original and the duplicate register of shareholders of Overseas Listed Shares at all times.

If there is any inconsistency between the original and the duplicate register of shareholders of Overseas Listed Shares, the original shall prevail.

Article 45 The Company shall maintain a complete register of shareholders.

Register of shareholders shall comprise the following parts:

- (1) the register of shareholders which is maintained at the Company's residence (other than those registers of shareholders which are described in sub-paragraphs (2) and (3) of this Article);
- (2) the register of shareholders of Overseas Listed Shares of the Company which is maintained in the same place as the overseas stock exchange on which the shares are listed; and
- (3) the register of shareholders which are maintained in such other place as the board of directors may consider necessary for the purposes of the listing of the Company's shares.

Article 46 Different parts of the register of shareholders shall not overlap. No transfer of shares registered in any parts of the register shall, during the existence of that registration, be registered in any other parts of the register of shareholders.

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

Article 47 All the fully paid-up Overseas Listed Shares that are listed in Hong Kong can be freely transferred in accordance with the Articles of Association. However, unless the following requirements are met, the board of directors may refuse to accept any transfer documents without giving any explanation for such refusal:

- (1) transfer documents and other documents relating to the ownership of any shares or having an impact on the ownership of the shares shall be registered, and a fee shall be paid to the Company for registration. The standard of such fee shall be determined by the board of directors, however, such fee shall not exceed the maximum amount of fee provided by the Hong Kong Stock Exchange from time to time;
- (2) such transfer documents only relate to the Overseas Listed Shares listed in Hong Kong;
- (3) any stamp duty payable on the transfer documents are duly paid;
- (4) relevant share certificate(s) and other proof which proves the transferor's ownership of the shares shall be provided, as the board of directors may reasonably require;

(5) there shall only be a maximum of four joint holders in the event that the shares are to be transferred to joint holders;

(6) no Company's lien shall be attached to the relevant shares; and

(7) no share shall be transferred to minors or mentally defective or person without legal capacity.

Where the Company refuses to register the transfer of shares, the Company shall issue a notice of refusal to the transferor and the transferee within two months from the date of application for the transfer.

Article 48 The transfer of the Overseas Listed Shares listed in Hong Kong shall be effected by transfer documents in a normal or ordinary form or any other transfer documents in writing accepted by the board of directors (including standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time); transfer documents may be signed by hand only or under seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (the "Recognized Clearing House") or its attorney as defined by relevant rules applicable from time to time in accordance with the law of Hong Kong, the transfer form may be signed by hand or printed by machine.

All of the transfer documents shall be deposited at the residence of the Company or at such other place as is specified by the board of directors from time to time.

Article 49 No change shall be made in the register of shareholders as a result of a transfer of shares within thirty days prior to the date of a shareholders' general meeting or within five days before the record date for the Company's distribution of dividends.

Article 50 When the Company convenes a shareholders' general meeting, distributes dividends, is liquidated or undertakes any other acts requiring determination of rights attaching to shares of the Company, the board of directors shall decide on a date for the registration of rights attaching to shares. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such registration date.

Article 51 Any person having an objection to the register of shareholders and thereby claiming to be entitled to have his/her name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register of shareholders.

Article 52 Any person who is a registered shareholder or who requests his/her name (title) be entered in the register of shareholders may, if his/her share certificate (the "Original Certificate") relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

Application by a holder of Domestic Shares, who has lost his/her/its share certificate, for a replacement share certificate shall be dealt with in accordance with the Company Law.

Application by a holder of Overseas Listed Shares, who has lost his/her/its share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of shareholders of Overseas Listed Shares is maintained, the rules of the stock exchange or other relevant regulations.

The issue of a replacement share certificate to a holder of Overseas Listed Shares of a company listed in Hong Kong, who has lost his/her/its share certificate and applied for the replacement, shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in a prescribed standard format accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and evidence of the loss; and declaring that no other person is entitled to have his/her/its name entered in the register of shareholders in respect of the relevant shares.

(2) The Company has not received any declaration made by any person other than the applicant declaring that his/her/its name shall be entered in the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.

(3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty days within a period of 90 consecutive days in the newspapers as prescribed by the board of directors.

(4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be displayed in the premises of the stock exchange for a period of 90 days.

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

(5) If, by the expiration of the 90-day period referred to in sub-paragraphs (3) and (4) of this Article, the Company has not have received any objections from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his/her/its application.

(6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and register the cancellation of the original share certificate and issuance of a replacement share certificate in the register of shareholders accordingly.

(7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant therefor.

Article 53 Where the Company issues a replacement share certificate pursuant to the Articles of Association and a bona fide purchaser acquires or becomes the registered owner of such shares (if he/she is a bona fide purchaser), his/her/its name (title) shall not be removed from the register of shareholders.

Article 54 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate unless the claimant is able to prove that the Company has acted fraudulently.

CHAPTER 7: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 55 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name (title) is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by him/her/it; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations. Shareholders of various classes shall enjoy that same rights for any distribution by way of dividend or otherwise. When the credit extended by the Company to shareholders is overdue, the voting rights of such shareholders in shareholders' general meetings and of directors representing such shareholders in board meetings shall not be exercised.

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

No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share in any form by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.

Article 56 The ordinary shareholders of the Company shall enjoy the following rights:

- (1) collect dividends and other profit distributions on the basis of the number of shares held by them;
- (2) participate or to appoint proxies to participate in shareholders' general meetings and exercise voting rights;
- (3) supervise and manage the Company's business activities, and raise suggestions and inquiries;
- (4) transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) obtain a copy of the Articles of Association upon payment of costs;
 - (ii) inspect and copy upon payment of a reasonable fee, including:
 - (A) the register of all shareholders;
 - (B) personal particulars of each of the Company's directors, supervisors, President and other senior management, including:
 - (a) present and former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;

- (e) identification documents and the numbers thereof;
- (iii) the status of the Company's share capital;
- (iv) latest audited financial report, and reports of the board of directors, auditors and board of supervisors of the Company;
- (v) special resolutions of the Company;
- (vi) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid by the Company for this purpose;
- (vii) a copy of the latest annual report filed with the State Administration for Industry and Commerce of the PRC or other competent authorities for inspection; and
- (viii) minutes of shareholders' general meetings.

The Company shall make available the documents mentioned in (1)-(8) above and any other applicable documents at its Hong Kong address for inspection, free of charge, by the public and the shareholders in accordance with requirements of the listing rules, of which (8) above is only for inspection by the shareholders.

A shareholder requesting for inspection of information or access to materials referred to in the preceding paragraphs shall provide the Company with written documents evidencing the class and number of shares that he/she/it holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

- (6) participate in the distribution of the surplus assets of the Company according to their shareholding when the Company is terminated or liquidated; and
- (7) other rights conferred by laws, administrative regulations and the Articles of Association.

Article 57 If the content of a resolution of a shareholders' general meeting or the board of directors violates any laws or regulations, a shareholder has the right to file a petition with the court to invalidate the resolution.

If the procedure for convening or the method of voting at a shareholders' general meeting or a meeting of the board of directors violates any laws, regulations or the Articles of Association, or if the contents of a resolution breaches the Articles of Association, a shareholder may file a petition with the court to revoke the resolution within 60 days from the date on which the resolution is passed.

Article 58 If a director or any senior management has violated any laws, regulations or the Articles of Association in the course of performing his/her duties to the Company, and thereby caused the Company to incur a loss, shareholder(s) who individually or jointly hold(s) more than 1% of the Company's shares for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the court. If the board of supervisors has violated any laws, regulations or the Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, shareholder(s) may request in writing the board of directors to initiate proceedings in the court in respect thereof.

If the board of supervisors or the board of directors refuse to initiate proceedings after receipt of a written request from the shareholder(s) as mentioned in the preceding paragraph, or fails to initiate proceedings within thirty days since the date of receipt of the request, or under urgent circumstances where failure to initiate the proceedings immediately would cause irreparable damage to the Company's interests, the shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the court in their own names in the interests of the Company.

If any third party infringes the lawful interests of the Company and has caused a loss to the Company, the shareholders mentioned in the first paragraph of this Article may initiate proceedings in the court according to the provisions of the two preceding paragraphs.

Article 59 If a director or any senior management violate any laws, regulations or the Articles of Association and prejudices the interests of the shareholders, the shareholders may initiate proceedings in the court in respect thereof.

Article 60 The ordinary shareholders of the Company shall assume the following obligations:

(1) to abide by laws and regulations, regulatory requirements and the provisions in the Articles of Association;

(2) to pay subscription monies in respect of the shares subscribed for and the method of subscription;

(3) not to withdraw his/her/its share capital unless required by laws or regulations;

(4) shareholders subject to approval but yet to be approved by the regulatory authorities or yet to report to the regulatory authorities shall not exercise the right to request to convene a shareholders' general meeting, voting right, right to nominate, right to raise a proposal, right of disposition and other rights;

(5) not to abuse his/her/its rights as a shareholder to impair the Company's or other shareholders' interests; not to abuse the Company's independent legal person status or his/her/its limited liability as a shareholder to impair the interests of the Company's creditors; If a shareholder abuses his/her/its rights as a shareholder and causes a loss to the Company or other shareholders, he/she/it shall be liable for damages in accordance with the law.

If a shareholder abuses the Company's independent legal person status or his/her/its limited liability as a shareholder to evade and repudiate debts, thereby materially impairing the interests of the Company's creditors, he/she/it shall bear joint and several liabilities for the debts of the Company.

For shareholders who make false statements, abuse shareholders' rights or have other acts impairing the Company's interests, China Banking and Insurance Regulatory Commission or its branch offices may restrict or prohibit the Company from conducting related party transactions with such shareholders, and restrict their shareholding limit of the Company, equity pledge ratio, etc., and may restrict such shareholders from exercising the right to request to convene a shareholders' general meeting, voting right, right to nominate, right to raise a proposal, right of disposition and other rights.

(6) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed by the subscribers of the relevant shares on subscription.

Article 61 Other than obligated by laws, administrative regulations or relevant requirements of the listing rules of the stock exchange on which the Company's shares are listed, a Controlling Shareholder (as such term is defined in the following Article), when exercising his/her/its rights as a shareholder, shall not vote to bring about decisions that would impair the interests of all or part of the shareholders of the Company on the following matters:

(1) to release the obligation of directors and supervisors to act honestly in the best interests of the Company;

(2) to allow directors and supervisors (for the interests of themselves or others), to expropriate by any means, the Company's property, including (without limitation to) any opportunities advantageous to the Company;

(3) to allow directors and supervisors (for the interests of themselves or others), to expropriate the individual rights of other shareholders, including (without limitation to) rights to distributions and voting rights, save for the restructuring of the Company which has been submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

The Controlling Shareholder or de facto controller of the Company may not use his/her/its connected relationship to damage the Company's interests. If this requirement is contravened, resulting in damage to the Company, he/she/it should be liable for compensation.

Article 62 The term "Controlling Shareholder" referred to in the foregoing Article means a person who satisfies any one of the following conditions:

(1) a person who, alone or acting in concert with others, has the power to elect more than half of the directors;

(2) a person who, alone or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;

(3) a person who, alone or acting in concert with others, holds 30% or more of the issued and outstanding shares of the Company;

(4) a person who, alone or acting in concert with others, has de facto control of the Company in other ways.

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

Article 63 The nomination of the candidates for directors and supervisors of the Company by shareholders should be strictly subject to the conditions and procedures required by laws, regulations, listing rules of the place where the shares are listed and the Articles of Association. The candidates for directors and supervisors nominated by shareholders shall have relevant professional knowledge and the abilities of decision and supervision.

CHAPTER 8: THE PARTY ORGANISATION

Article 64 The Company shall establish Party Committee. The Party Committee shall consist of one secretary, one to two deputy secretaries and several other members. The chairman of the board of directors and the secretary of the Party Committee shall be the same person, and one deputy secretary shall be designated to assist the secretary in carrying out Party-building work. Eligible members of the Party Committee can join the board of directors, the board of supervisors and the management through legal procedures, while eligible Party members of the board of directors, the board of supervisors and the management can also join the Party Committee in accordance with relevant rules and procedures. Meanwhile, the Company shall establish Commission for Discipline Inspection in accordance with the provisions.

Article 65 The Party Committee of the Company shall, in accordance with the Constitution of the Communist Party of China, the Work Regulation on Party Organization of the Communist Party of China (Trial) and other internal rules and regulations of the Party, perform the duties.

(1) to ensure and supervise the Company's implementation of policies and guidelines of the Party and the State, and to implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher Party organisations.

(2) to strengthen its leadership and gate keeping role in the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision, and to uphold the integration of the principle that the Party manages the cadres with the lawful selection of the management by the board of directors and the lawful exercise of authority of appointment, promotion and demotion of personnel by the management.

(3) to study and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and to provide suggestions. To support the shareholders' general meeting, the board of directors, the board of supervisors and the operating management of the Company in performing their duties in accordance with laws and to support the staff representative assembly in carrying out its work.

(4) to assume the primary responsibility to exercise strict self-governance in every respect of the Party, to lead the Company's ideological and political work, the united front work, the cultural and ethical cultivation, corporate culture cultivation as well as the work of mass organisations such as the Trade Union and the Communist Youth League, to lead the construction of the Party's working style and its clean and honest administration, and to support the Commission for Discipline Inspection of the Party in earnestly performing its supervisory responsibilities.

(5) to strengthen the building of the Company's primary Party organisations and ranks of Party members, to give full play to the role of Party branches as militant bastions and to the role of Party members as vanguard and exemplary, to unite and lead cadres and employees to devote themselves into the reform and development of the Company.

(6) other material matters that fall within the duty of the Party Committee.

CHAPTER 9: SHAREHOLDERS' GENERAL MEETINGS

Article 66 The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 67 The shareholders' general meeting shall exercise the following functions and powers:

- (1) deciding on the business policies, strategic development plans and investment plans of the Company;
- (2) electing and replacing directors who are not employee representatives and deciding on matters concerning their remuneration;
- (3) electing and replacing supervisors who are not employee representatives, and deciding on matters concerning their remuneration;
- (4) examining and approving work report of the board of directors;
- (5) examining and approving work report of the board of supervisors;
- (6) examining and approving the Company's annual financial budget and final account proposals;
- (7) examining and approving the Company's plans for profit distribution and loss recovery plan;
- (8) adopting resolutions concerning the increase or reduction of the Company's registered capital;
- (9) adopting resolutions on merger, division, dissolution, liquidation or change of corporate form of the Company;
- (10) adopting resolutions on the annual plans for issuance of corporate bonds;
- (11) adopting resolutions on the engagement, dismissal or non-reappointment of accounting firms by the Company;
- (12) amending the Articles of Association;
- (13) examining the material equity investment, bond investment, asset acquisition, asset disposal, asset write-off, external guarantee and other trading matters that shall be approved by the shareholders' general meeting as stipulated by laws, regulations and the listing rules of the place where the shares of the Company are listed;
- (14) examining and approving the equity incentive scheme;
- (15) examining the proposals raised by the shareholders who hold 5% or more of the voting shares of the Company;
- (16) other issues that shall be approved by the shareholders' general meeting as stipulated by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed as well as the Articles of Association.

The shareholders' general meeting may authorize or delegate power to the board of directors to carry out matters authorized or delegated provided that such authorization or delegation does not violate the laws, regulations and mandatory provisions of the listing rules of the place where the shares of the Company are listed.

Article 68 The Company shall not, without the prior approval of shareholders' general meeting, enter into any contract with any person, other than a director, supervisor, President and other senior management, whereby the Company delegates the management and administration of the whole or any substantial part of the Company's business to such person.

Article 69 Shareholders' general meetings include annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be held once each year and within six months from the close of the preceding accounting year.

The board of directors shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following events:

- (1) the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) the uncovered losses of the Company reaches one-third of the Company's total share capital;
- (3) shareholders who individually or jointly hold 10% or more of the issued and outstanding voting shares of the Company request to convene the meeting in writing;
- (4) the board of directors deems it necessary or the board of supervisors so proposes.

Article 70 The venue to hold a shareholders' general meeting of the Company is: the Company's domicile or at such other place as is specified in the notice convening the meeting.

The shareholders' general meetings shall be held at a meeting place in the form of on-site meeting. The Company may also use the network or any other means for its shareholders to make it convenient for them to participate in the shareholders' general meetings.

Article 71 When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given forty-five days before the date of the meeting to notify all shareholders in the share register of the matters to be considered, the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his/her/its written reply twenty days before the date of the meeting.

When calculating the days of notice, the date of the meeting and the date of the notices sent should not be included.

For the notice sent according to this Article, the date of sending the notice shall be the date when the relevant notice is served on the post office by the Company or the share registrar engaged.

Article 72 When the Company convenes an annual shareholders' general meeting, shareholders holding 3% or more of the total voting shares of the Company shall be entitled to propose ad hoc resolutions in writing to the Company. The Company shall include the matters in the ad hoc resolutions in the agenda for the meeting which if fall within the scope of duties of the shareholders' general meeting.

Ad hoc resolutions proposed by shareholders shall meet the following requirements:

- (1) the content of the resolutions shall fall within the business scope of the Company and the functions and powers of the shareholders' general meeting without violating any laws or regulations;
- (2) contain definite subjects for discussion and specific matters to be resolved; and
- (3) shall be delivered or served on the board of directors in writing 10 days prior to the date of the shareholders' general meeting.

Article 73 The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting has reached one-half or more of the Company's total voting shares, the Company may hold the meeting. Otherwise, the Company shall, within five days, notify the shareholders again by public notice of the matters to be considered, the date and place for the meeting. The Company may then hold the meeting after the publication of such public notice.

An extraordinary general meeting shall not decide on any matter not stated in the notice for the meeting.

Article 74 A notice of shareholders' general meeting of the Company shall be in compliance with the following requirements:

- (1) it shall be made in writing;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall describe the matters to be discussed at the meeting;
- (4) it shall record the registration date of equity interest for eligible shareholders for attending the meeting;
- (5) it shall provide to the shareholders the information and explanation necessary for them to make a wise decision on the matters to be discussed. This principle shall apply (but not limit) when the Company proposes a merger, share repurchases, reorganization of share capital or other restructuring, it shall provide the specific conditions and contract (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;
- (6) it shall disclose the nature and extent of conflict of interests, if any, of any director, supervisor, President and other senior management in any matter to be discussed; and provide an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor, President and other senior management in his capacity as shareholder and the way in which such matter would affect other shareholders of the same category;
- (7) it shall contain the full text of any special resolution proposed to be adopted at the meeting;

(8) it shall contain a conspicuous statement that shareholders entitled to attend and vote have the right to entrust one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder;

(9) it shall state the time and place for the delivery of the meeting's proxy's letter of authorization; and

(10) the name, telephone number and the email address of the standing contact person of the meeting.

Article 75 Notice of shareholders' general meetings shall be served to shareholder (whether or not entitled to vote at the meetings), by personal delivery or prepaid mail to their addresses as shown in the register of shareholders. Notice of shareholders' general meetings may also be given by public notice (including the notice on the website of the Company) subject to prior written or implied consent of the shareholders in accordance with relevant laws and regulations as well as the amended Hong Kong Listing Rules.

The public notice for holders of Domestic Shares shall be published in one or more newspapers designated by the securities regulatory authority of the State Council and on the website of the Company forty-five days to fifty days prior to the date of the meeting. Upon the publication of such notice, all the holders of Domestic Shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 76 The accidental omission to give notice of a meeting to, or the non-receipt of the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting or any resolutions adopted thereat.

Article 77 Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his/her/its proxy to attend and vote on his/her/its behalf. According to the appointment of the shareholder, a proxy so appointed shall:

(1) have the same right as the shareholder to speak at the meeting;

(2) have the authority to demand or join in demanding a poll; and

(3) have the right to vote on a show of hands or on a poll, unless as required by applicable listing rules or other security laws and regulations, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

If the shareholder is a Recognized Clearing House (or its attorney), as defined by relevant rules applicable from time to time in Hong Kong, such shareholder is entitled to appoint one or more persons he/she/it thinks fit as his/her/its proxies to attend on his/her/its behalf at any shareholders' general meeting or at any class meeting; but, if one or more persons have such authorization, the letter of authorization shall contain the number and class of the shares under authorization with respect to each of such persons and shall be signed by the persons authorized by the Recognized Clearing House. Such authorized person can attend the meeting (without presenting the proof of shareholding, notarially certified authorization and/or further proofs to verify that he/she is duly authorized) and exercise the right on behalf of the Recognized Clearing House (or its attorney) as if he/she is an individual shareholder of the Company.

Article 78 Shareholders shall appoint a proxy in writing which is signed by the appointer or his/her/its proxy so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its directors, or proxies duly appointed. The letter of authorization shall contain the number of the shares represented by the proxy. If several persons are authorized as the proxies of the shareholder, the letter of authorization shall specify the number of the shares represented by each proxy.

The proxy letter issued by a shareholder to entrust a proxy to attend shareholders' general meeting shall contain the following contents:

- (1) name of the proxy;
- (2) proxy's voting right;
- (3) instructions on each item to be discussed on the agenda of the shareholders' general meeting, stating whether the shareholder agrees to, objects to or abstains from voting on the resolution;
- (4) issuing date of the proxy letter and its effective period; and
- (5) signature (or seal) of the appointer.

Article 79 The proxy letter shall be deposited at the residence of the Company or at such a place as specified in the notice convening the meeting not less than twenty-four hours before the time of the meeting at which the proxy proposes to vote or the time appointed for voting. If the proxy letter is signed by other person authorized by the appointer, the power of attorney or other authorization document shall be notarially certified. The notarially certified power of attorney or other authorization document, together with the proxy letter, shall be deposited at the residence of the Company or at such a place as specified in the notice convening the meeting.

If the appointer is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing bodies may attend any shareholders' meeting as a representative of the appointer.

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

If a shareholder which is a legal person (unless otherwise as a Recognized Clearing House or its attorney) appoints its legal representative to attend a meeting on its behalf, the Company has the right to request such legal representative to provide evidence of his/her or other authorized organisation identity and a notarially certified copy of the resolutions or the power of attorney of such shareholder's board of directors in respect of the appointment of the proxy which has the capacity to appoint the proxy.

Article 80 The format of power of attorney or proxy letter provided to shareholders by the board of directors of the Company for appointing proxies shall enable the shareholders to instruct their proxies to vote for or against or abstain from voting and to make instructions on each item to be discussed on the agenda of the shareholders' general meeting. The proxy letter shall specify whether the proxy may vote as he/she thinks fit in the absence of instructions from the shareholder.

Article 81 A vote given in accordance with the terms of an instrument of proxy shall be valid if no notice in writing had been given to the Company with respect to the previous death or loss of capacity of the appointer, revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the relevant shares before the commencement of the relevant meeting.

Article 82 When a shareholders' general meeting is held, all the directors, supervisors and secretary of the board of directors should attend the meeting. The other senior management should be present at the meeting unless there is a proper reason.

Article 83 The conductor of the meeting should, before voting, announce the number of shareholders and their proxies as well as their shares held with voting rights. The number of shareholders and their proxies, as well as their shares held with voting rights, shall be in accordance with those registered at the meeting.

Article 84 Resolutions of shareholders' general meetings shall include ordinary resolutions and special resolutions.

An ordinary resolution must be passed by more than one-half of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution must be passed by two-thirds or more of the voting rights held by the shareholders (including proxies) present at the meeting.

Article 85 Shareholders (including their proxies) are entitled to exercise such voting rights as are attached to the voting shares which he represent at shareholders' general meeting. Each share shall have one voting right.

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

When the shareholders' general meeting is examining connected transactions, if required by the listing rules of the stock exchange where the shares of the Company are listed, the connected shareholders shall not vote and the voting shares they hold shall not be counted into the effective total voting shares.

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

Article 86 Unless otherwise provided in listing rules or other laws and regulations relating to securities that are applicable, the resolutions of the shareholders' general meeting shall be decided on a show of hands, unless a poll is demanded by the following persons (before or after announcing voting on a show of hands):

- (1) the chairman of the meeting;
- (2) at least two shareholders present in person or by proxy with voting rights; or

(3) one or more shareholders (including proxies) who individually or jointly hold 10% or more of the shares with voting rights at the meeting.

Unless provided in listing rules or other laws and regulations relating to securities that are applicable or demanded by the persons aforesaid, the chairman may declare that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution.

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

Article 87 A poll demanded on the election of the chairman or adjournment of the meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting decides and the meeting may proceed to discuss any other matters. The result of the poll shall be deemed as a resolution adopted at the meeting at which the poll is demanded.

Article 88 On a poll, a shareholder (including their proxies) who is entitled to have two or more votes need not cast all of his/her/its votes for or against a resolution.

Article 89 When the number of votes for and against a resolution is equal, whether the vote is taken by raising hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.

Article 90 The following matters shall be resolved by an ordinary resolution of a shareholders' general meeting:

- (1) work reports of the board of directors and the board of supervisors;
- (2) profit distribution plans and loss make-up plans proposed by the board of directors;
- (3) election, dismissal of directors and shareholder representative supervisors, their remuneration and manner of payment;
- (4) annual budgets and final account reports, balance sheets, profit statements and other financial statements of the Company; and
- (5) matters other than those which are required by the laws, administrative regulations, the listing rules of the stock exchange on which the Company's Shares are listed or the Articles of Association to be adopted by special resolutions.

Article 91 The following matters shall be resolved by a special resolution of a shareholders' general meeting:

- (1) increase or reduction of the Company's share capital, repurchase of shares of the Company and issuance of any category of shares, warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) division, merger, dissolution, liquidation and change of the form of the Company;

(4) amendment of the Articles of Association; and

(5) any other matters that, as resolved by way of an ordinary resolution of the shareholders' general meeting, may have a significant impact on the Company and require adoption by a special resolution.

Article 92 Where any shareholders or the board of supervisors request for the convention of an extraordinary general meeting or a class meeting, the following procedures shall be followed:

(1) Shareholders who individually or jointly hold more than ten percent of the Company's voting shares shall have the right to request the board of directors in writing to convene the extraordinary general meeting. Two or more shareholders that jointly hold ten percent or more of the Company's voting shares in such a meeting or the board of supervisors shall have the right to sign a copy or more of the request in writing in the same form and content with the proposals to be discussed and request the board of directors to convene an extraordinary general meeting or a class meeting. The board of directors shall convene the extraordinary general meeting or class meeting as soon as possible after it receives the request. The numbers of shares held by the shareholder(s) shall be counted on the date of the request in writing.

(2) If the board of directors fails to give a notice to convene the meeting within thirty days after it receives the aforesaid request, the shareholders who request to convene such a meeting may convene the meeting at its own discretion within four months after the board of directors receives the request, and the meeting may be conducted in a manner which is as similar as possible to that of shareholders' general meetings convened by the board of directors.

Any reasonable expenses incurred by the shareholders or the board of supervisors concerned by reason of failure by the board of directors to convene a meeting according to the foregoing requirements shall be repaid by the Company and any sum so repaid shall be set-off against sums owed by the Company to the defaulting directors.

In the shareholders' general meeting, the board of directors and the board of supervisors shall answer or give explanation to the inquiries and proposals raised by shareholders, unless otherwise related to confidential business information which is not allowed to be disclosed.

Article 93 Shareholders' general meeting shall be convened and presided over by the chairman of the board of directors. Where the Chairman of the board of directors is unable to attend such a meeting for any reason, the meeting shall be convened and presided over by the a vice chairman of the board of directors. Where both the chairman and the vice chairman of the board of directors are unable to attend the meeting, the board of directors may designate a director of the Company to convene and preside over the meeting on its behalf. Where no chairman is designated, the shareholders attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the shareholder (including their proxies) holding the largest number of voting shares and attending the meeting shall preside over the meeting.

Article 94 The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.

Article 95 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' general meeting, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article 96 If votes are counted in a shareholders' general meeting, the result of the count shall be recorded in the minutes of the meeting.

The minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's place of residence for at least ten years.

Article 97 Copies of the minutes of any shareholders' general meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests for a copy of such minutes from the Company, the Company shall send a copy of such minutes to him/her within seven days after receipt of reasonable fees therefor.

CHAPTER 10: SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

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

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

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

Where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

Article 99 Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders' general meeting and by holders of that affected class of shares at a separate meeting in accordance with Articles 101 to 105.

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

(1) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of class having voting or distribution rights or privileges equal to or more than those of shares of such class;

(2) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;

(3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;

- (4) to reduce or remove a dividend preference or a liquidation preference during the process of the Company's liquidation, attached to Shares of such class;
- (5) to add, remove or reduce conversion rights, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (7) to create a new class of shares having voting or distribution right or privileges equal to or more than those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or add such restriction;
- (9) to issue rights to subscribe for, or convert into, shares of such class or another class;
- (10) to increase the rights and privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of responsibilities in such proposed restructuring; and
- (12) to revise or abrogate any provisions of the Articles of Association.

Article 101 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 100, but interested shareholder(s) shall not be entitled to vote at such class meetings.

"Interested shareholder(s)", as such term is used in the preceding paragraph, means:

- (1) in the case that the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase of its own share by means of public transaction at the stock exchange pursuant to Article 34 of the Articles of Association, "interested shareholder(s)" shall refer to the Controlling Shareholders as defined in Article 62 of the Articles of Association;
- (2) in the case that the Company has made a repurchase of its own shares by means of agreement outside the stock exchange pursuant to Article 34 of the Articles of Association, "interested shareholder(s)" shall refer to the shareholders of the shares to which the proposed agreement relates;
- (3) in the case of a restructuring plan of the Company, "interested shareholder(s)" refers to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy interests different from other shareholders of the same class.

Article 102 Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders of that class presented at the relevant meeting who, according to Article 101, are entitled to vote thereat.

Article 103 Written notice of a class meeting shall be given forty-five days before the date of the class meeting to notify all shareholders in the share register of the class of the matters to be considered, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his/her/its written reply to the Company twenty days before the date of the class meeting.

If the shareholders who intend to attend such class meeting represent more than half of the total number of shares of that class entitled to vote at such meeting, the Company may hold the class meeting; if not, the Company shall within five days give the shareholders further notice of the matters to be considered, the date and the place of the class meeting by public notice. The Company may then hold the class meeting after such public notice has been made.

Article 104 Notice of class meetings may only be served to shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner as similar as possible to that of shareholders' general meetings. The provisions of the Articles of Association relating to the manner of convening shareholders' general meetings shall apply to class meetings.

Article 105 Except shareholders of other types of shares, shareholders holding Domestic Shares and shareholders holding Overseas Listed Shares are considered as shareholders of different classes.

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

(1) where the Company issues Domestic Shares and Overseas Listed Shares, either separately or concurrently, once every twelve months, with not more than 20% of each of its existing issued Domestic Shares and Overseas Listed Shares pursuant to approval by a special resolution at a shareholders' general meeting;

(2) where the Company issues Domestic Shares and Overseas Listed Shares under a plan adopted at the time of its establishment within fifteen months from the date of approval of the securities regulatory authority of the State Council.

CHAPTER 11: THE BOARD OF DIRECTORS

Section 1 Directors

Article 106 The Company shall have a board of directors. The board of directors shall consist of nine directors, including one chairman, one vice chairman and three independent directors. Before taking office, the qualifications of directors shall be verified by the banking regulatory authorities.

Article 107 Directors shall be elected by the shareholders' general meeting each for a term of three years. A director may serve consecutive terms if re-elected upon the expiration of his term.

The chairman and the vice chairman shall be elected and removed by a majority of all directors for a term of three years, the term is renewable upon re-election.

Directors are not required to hold any shares of the Company.

Article 108 The nominating means and procedures of directors are as follows:

(1) the nomination committee of the board of directors or the shareholders who individually or jointly hold more than three percent of the Company's total shares with voting rights may recommend the candidates for directors to the board of directors;

(2) the nomination committee of the board of directors shall conduct preliminary review of the qualifications and conditions of the candidates for the directors, and propose competent candidates to the board of directors for consideration; upon consideration and approval of the board of directors, the nomination committee shall submit the documents of candidates for the directors in written proposal to the shareholders' general meeting;

(3) the candidates for the directors shall make written commitments before convening the shareholders' general meeting, agree to accept nomination, undertake that the information publicly disclosed are true and complete, and assure to effectively fulfill his/her duties once elected;

(4) the board of directors shall, before convening the shareholders general meeting, disclose detailed information of the candidates to shareholders according to laws, regulations and the Articles of Association in order to ensure that shareholders could have sufficient knowledge of the candidates during voting;

(5) each candidate shall be voted one by one in the shareholders' general meeting;

(6) if required to fill a casual vacancy, the nomination committee of the board of directors or the shareholders satisfying conditions for nomination shall submit the proposal to the board of directors for consideration. The election or replacement shall be conducted in the shareholders' general meeting.

Article 109 The written notice of intention to propose a person for election as a director and the written notice by such person of his/her willingness to be elected, shall be sent to the Company no earlier than the day after the dispatch of the notice of the shareholders' general meeting and no later than seven days prior to the date of such meeting. The minimum length of period during the nomination and acceptance of nomination will be at least seven days.

Article 110 A director may resign before expiration of his/her term. The resigning director shall submit a resignation report in writing to the board of directors.

If the resignation of the director causes the number of the board of directors below the quorum required by law, the leaving director shall, prior to a new director taking his/her office, continue to perform his/her duties as a director in accordance with laws, administrative regulations, department rules and the Articles of Association.

Except as specified in the preceding paragraph, the director's resignation shall be effective when the written resignation report is served to the board of directors.

Article 111 When a director's resignation takes effect or his/her term of service expires, his/her duty to keep the business information confidential should survive unless such information becomes public knowledge.

Article 112 In the absence of a legal authorization by the Articles of Association or by the board of directors, no director may represent the Company or the board of directors in his/her name. When a director acts in his/her name, insofar as a third party would reasonably think that such director is representing the Company or the board of directors, that director should declare his/her position and capacity in advance.

Article 113 When a director violates laws, regulations or the Articles of Association while performing his/her duties, and causes losses to the Company, he/she should be responsible to compensate.

Article 114 Subject to relevant laws and administrative regulations, the shareholders' general meeting shall have power by ordinary resolution to remove any director before the expiration of his/her term of service (but without prejudice to any claim for damages under any contract).

Where a director fails to attend meetings of the board of directors and has not appointed a representative to attend the meetings on his/her behalf for two consecutive times, he/she shall be deemed as incapable to perform his/her duty. The board of directors shall propose the shareholders' general meeting to remove the director.

Section 2 Independent Directors

Article 115 The Company shall set up independent directors system. Independent directors refer to the directors who hold no position in the Company other than the position of director, and who maintain no relations with the Company and its substantial shareholders that might prevent them from making objective judgments independently. At least one independent director of the Company should be finance or accounting professional.

The independent directors' period of office shall be three years and renewable upon re-election but shall not exceed six years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed.

Article 116 An independent director shall meet the following basic requirements:

(1) with qualifications required to be a director of listed companies according to laws, administrative regulations, listing rules of the stock exchange on which the Company's shares are listed and other relevant provisions;

(2) meeting the independence requirements as stated in the listing rules of the stock exchange on which the Company's shares are listed and being capable of performing his/her duties independently and not affected by substantial shareholders, de facto controller or other institutions or individuals who or which has a material interest in the Company;

(3) with basic knowledge on the operation of listed companies and being familiar with relevant laws, administrative regulations, rules and regulations;

(4) with more than five years' working experience in law, economics, finance, finance and accounting or other fields conducive to performing his/her duties as an independent director and being the professionals in the fields of economics, finance, law or finance and accounting;

(5) being capable of judging the Company's operation management and risk profile from the Company's financial statements and statistical statements;

(6) being familiar with the Company's governance structure, the Articles of Association and the duties of the board of directors, and knowing very well about the rights and obligations of the directors.

(7) other requirements set forth in the Articles of Association.

Article 117 Apart from those who shall not act as directors of the Company, the following persons shall not act as an independent director of the Company as well:

(1) the principal and his/her close relatives who in aggregate hold more than one percent of the Company's shares;

(2) the principal or his/her close relatives working in a shareholder unit that holds more than one percent of the Company's shares;

(3) the principal or his/her close relatives who take office in the Company or in an institution controlled or actually controlled by the Company;

(4) the principal or his/her close relatives who take office in an institution which fails to duly repay the rents of the Company;

(5) the principal or his/her close relatives who take office in an institution having business relation in areas of law, accounting, audit, management consultancy and guarantee cooperation or having credit and debt interest in the Company, thus impeding his/her independence in the performance of duties;

(6) the principal or his/her close relatives who may be controlled or materially impacted by the Company's substantial shareholders and senior management, thus impeding his/her independence in the performance of duties;

(7) the principal who has taken office in similar types of companies.

The close relatives mentioned in this article include spouse, parents, children, siblings, grandparents and maternal grandparents.

Article 118 The nomination committee of the board or the shareholders who individually or jointly hold more than one percent of the Company's total shares with voting rights may recommend the candidates for independent directors to the board of directors. The qualifications of nominated candidates for independent directors shall be reviewed by the nomination committee of the board, and the review focuses on independence, professional knowledge, experience and ability, etc. The independent directors shall be elected by the shareholders' general meeting with each for a term of three years. The accumulated term of office shall not exceed six years, and the appointment shall be reported to banking regulatory authorities for review of qualifications. The independent directors shall not work at more than two financial leasing companies simultaneously.

Article 119 An independent director may resign prior to the expiration of his/her term of office. Such independent director shall continue to perform his/her duties until the resignation is approved by the board of directors.

An independent director who intends to resign shall submit a written resignation report to the board of directors and submit a written statement at the most recently held shareholders' general meeting to specify any circumstances related to the resignation or facts which he/she believes necessary to draw the attention of shareholders and creditors.

Provided that the independent director's resignation causes the number of independent directors to fall below the statutory minimum, the resignation of such independent director shall not take effect until his/her successor has been elected to fill his/her vacancy.

Article 120 The independent directors shall work for the Company for at least fifteen working days annually. The directors who act as chairman of audit committee, related party transaction control committee and risk management and internal control committee shall work at least twenty-five working days for the Company each year.

An independent director may entrust another independent director to attend the board meeting on his/her behalf, provided that he/she shall personally attend not less than two-thirds of the total number of the board meetings every year.

Article 121 An independent director shall have the following special powers other than those stipulated in the Company Law and other relevant laws, regulations, listing rules of the stock exchange on which the shares of the Company are listed and the Articles of Association:

- (1) to propose to the board of directors to convene an extraordinary general meeting;
- (2) to propose to convene a board meeting;
- (3) subject to consent from all independent directors and at the Company's expenses, to appoint external auditor or consulting organization independently to audit and advise on detailed matters of the Company.

Consent from no less than half of all independent directors shall be obtained if an independent director desires to exercise the above-mentioned powers other than the sub-paragraph (3) above. If the above proposals are not adopted or the above powers cannot be normally exercised, the Company shall disclose the related information.

Article 122 An independent director shall provide objective, fair and independent opinions on the matters discussed at shareholders' general meetings or board meetings, particularly the following:

- (1) material connected party transactions;
- (2) profit distribution plans;
- (3) appointment and removal of senior management;
- (4) matters that may impair the interests of minority shareholders in the opinion of independent directors;
- (5) matters that may cause significant losses to the Company in the opinion of independent directors,;
- (6) other matters specified by laws, administrative regulations, rules or the Articles of Association.

Article 123 The independent director shall not be dismissed without proper reason before the term of his/her office expires. If an independent director is dismissed by the Company before the term of his/her office expires, the Company shall disclose the dismissal as special disclosure matter.

Article 124 An independent director shall be deemed to have committed gross neglect of duty under any of the following circumstances if such independent director:

- (1) has disclosed the trade secret and impaired the lawful interest of the Company;
- (2) has accepted undue benefit during the course of performing his/her duties, or has sought private gains by taking advantage of his/her status of acting as an independent director;
- (3) has failed to raise an objection despite being fully aware that the resolution of the board of directors has violated the laws, administrative regulations or the Articles of Association;
- (4) has failed to exercise his/her veto power in connection with a connected transaction which will cause significant losses to the Company;
- (5) is engaged in any other gross neglect of duty as prescribed by the banking regulatory authority of the State Council.

If an independent director is disqualified by the banking regulatory authority of the State Council on the ground that he/she has committed gross neglect of duty, he/she shall be automatically removed from his/her duty since the date of disqualification.

Article 125 The board of directors and the board of supervisors shall have the right to propose the dismissal of an independent director at a shareholders' general meeting if such director:

- (1) has committed material dereliction of duty;
- (2) does not resign from his/her position when he/she is not or no longer qualified to act as an independent director;
- (3) fails to attend in person three consecutive board meetings, or fails to appoint another independent director on his/her behalf for two consecutive board meetings in his/her absence, or attends in person less than two-thirds of the total number of the board meetings within one year;
- (4) fails under other circumstances as provided for in the laws, administrative regulations and rules that an independent director is no longer suitable for holding such position.

Article 126 If the board of directors or the board of supervisors proposes the dismissal of an independent director at a shareholders' general meeting, it shall send a written notice to the independent director concerned one month prior to the convening of the shareholders' general meeting. The independent director shall have the right to give his/her representations orally or in writing before voting, and shall have the right to submit his/her representations to the banking regulatory authority of the State Council five days prior to the convening of the shareholders' general meeting. Shareholders shall vote at the general meeting after considering the representations of such independent director.

Article 127 The Company shall pay remuneration and allowance to independent directors. The standard for such payment shall be set by the board of directors, and considered and adopted at a shareholders' general meeting.

Article 128 As regard to the independent directors system, if not provided in this section, the provisions of relevant laws, regulations, rules and listing rules of the stock exchange where the shares of the Company are listed shall apply.

Section 3 Board of Directors

Article 129 The board of directors is accountable to the shareholders' general meeting and exercises the following functions and powers:

(1) to convene shareholders' general meetings and to report its work to the shareholders' general meeting;

(2) to implement the resolutions of the shareholders' general meeting;

(3) to formulate the Company's development strategic plans; to determine the operation plans, investment proposals and detailed annual business objectives of the Company;

(4) to formulate the Company's annual financial budgets plan and final accounts plan;

(5) to formulate the Company's profit distribution plan and loss recovery plan;

(6) to formulate proposals for the increase or reduction of the Company's registered capital and to formulate and approve the detailed plans for the issue of the bonds under the annual plan for the issue of the bonds approved at the shareholders' general meeting, among others, the asset-backed securitisation launched by the Company;

(7) to prepare plans for the material acquisition, repurchase of the Company's shares or merger, division, dissolution or change of corporate form of the Company;

(8) to determine the structure of internal management departments of the Company and the establishment or revocation of the Company's branches and other sub-branches;

(9) to elect the chairman and vice chairman of the board of directors of the Company;

(10) to appoint or dismiss the President and secretary of the board of directors of the Company, to appoint or dismiss chairmen of all special committees under the board of directors;

(11) pursuant to the President's nominations to appoint or dismiss a Vice President, chief financial officers and other senior management and to decide on their remuneration, incentive and punishment;

(12) to formulate the Company's basic management system and terms of reference of all special committees under the board of directors;

(13) to propose plans for amendments to the Articles of Association, Rules and Procedures for General Meetings and Rules and Procedures for the board of directors;

- (14) to formulate the Company's equity incentive scheme;
- (15) to manage the matters in relation to the information disclosure of the Company;
- (16) to determine the establishment of special committees and to elect their members;
- (17) to determine the Company's risk management system which includes risk assessments, financial control, internal audit and legal risk control and monitor its implementation;
- (18) to propose the appointment or replacement of the accounting firm of the Company to the shareholders' general meeting;
- (19) to listen to the regular or non-regular work reports from the Company's President or the senior management which is entrusted by the President, and to approve the President's work report;
- (20) to consider and approve the external donation that is more than three million yuan;
- (21) to consider and approve the major financial accounting policies and accounting estimates changes;
- (22) to determine the staff establishment, compensation plan and performance appraisal of the senior management;
- (23) to consider the material equity investments, bond investments, acquisition of assets, disposition of assets, write off of assets and external guarantee except for those which shall be approved by the shareholders' general meetings in accordance with the Articles of Association;
- (24) to consider the material related party transactions which shall be approved by the board of directors pursuant to the laws, regulations and listing rules of the place on which the Company's securities are listed;
- (25) to exercise other functions and powers conferred by laws, regulations, listing rules of the stock exchange on which the Company's shares are listed, the shareholders' general meetings and the Articles of Association.

Resolutions relating to the above, with the exception of sub-paragraphs (5), (6), (7), (10), (11), (13) and (23) which shall require the consent of more than two-thirds of the directors, shall require the consent of more than half of the directors. The board of directors shall carry out its duties in accordance with the PRC laws, administrative regulations, the Articles of Association and resolutions of the shareholders.

The board of directors of the Company should explain to the shareholders' general meeting in respect of auditors' report with a qualified opinion issued by the certified public accountants regarding the financial report of the Company.

Before deciding on material issues of the Company, the board of directors should first seek advice from the Party Committee of the Company, regarding the study of, and discussion with the Party Committee as a preposition procedure.

Article 130 The board of directors shall not, without the prior approval of shareholders' general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate amount of the expected value of the proposed disposition and the total value of all the dispositions of fixed assets of the Company that have been completed in the period of four months immediately preceding the proposed disposition, exceeds thirty-three percent of the value of the Company's fixed assets as shown in the latest balance sheet reviewed by the Shareholders' general meeting.

For the purposes of this Article, a disposition of fixed assets includes an act involving the transfer of an interest in assets but does not include the usage of fixed assets for the provision of security.

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

Article 131 The chairman of the board of directors shall exercise the following powers:

(1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;

(2) to urge and check on the implementation of resolutions passed by the board of directors at directors' meetings and to be briefed on relevant reports;

(3) to urge and organize to formulate the rules for the operation of the board of directors and to coordinate the operation of the board of directors;

(4) to sign the securities certificates issued by the Company;

(5) to sign the significant documents of the board of directors;

(6) to sign the significant documents with legal effectiveness on behalf of the Company;

(7) where there is emergency of force majeure such as serious natural disasters, to exercise the special right of disposal of the Company in accordance with the laws and for the interest of the Company, and report to the board of directors and shareholders' general meeting afterwards;

(8) to exercise other powers specified in laws, regulations or the Articles of Association and conferred by the board of directors.

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

Article 132 The vice chairman assists the chairman of the board of directors. When the chairman is unable to perform his/her duties and fails to designate a vice chairman to perform the duties on his/her behalf or fails to perform his/her duties, the vice chairman shall perform the duties (if the company has two or more vice chairmen, then these duties will be carried out by the vice chairman nominated by more than half of the directors). If the vice chairman is unable or fails to perform his/her duties, more than half of the directors may nominate a director to perform the duties.

Article 133 The board of directors shall hold at least one meeting every quarter, which shall be convened by the Chairman of the board of directors. Notice of meetings shall be delivered to all of the directors fourteen days prior to the date of meeting.

Extraordinary meetings of the board of directors shall be held in any of the following circumstances:

- (1) request of more than three (inclusive) directors;
- (2) request of the board of supervisors;
- (3) request of more than half of independent directors;
- (4) the chairman of the board of directors deems necessary;
- (5) request in writing by shareholders who hold 10% or more of the shares with voting rights of the Company;
- (6) request of the President.

Article 134 Notice of meetings and extraordinary meetings of the board of directors shall be delivered by telephone, facsimile or email. The time limit for the delivery of notice of meetings of the board of directors shall be at least fourteen days. The notice of extraordinary meetings shall be delivered to all of the directors three days prior to the date of meeting. If an urgent business, extraordinary meetings subject to no time limit, provided that making necessary explanations at the meeting.

The time and place of the meeting may be appointed by the board of directors in advance and recorded in the minutes. If the minutes have been sent to all of the directors at least fourteen days prior to the date of the next meeting, there is no need to send another notice to the directors.

If a director has attended the meeting and made no statement before or during the meeting that he did not receive the notice of the meeting, he/she is deemed to have received the notice of the meeting.

Article 135 Meetings of the board of directors may be held on-site or via conference call, video conference or writing resolutions. If the meetings of the board of directors are telephone conferences or video conferences, it shall be ensured that the participating directors are able to hear clearly other directors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings. Where the directors are not able to sign the meeting minutes immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the directors shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

If the meetings of the board of directors is convened by means of adopting written resolutions, i.e. by delivering the resolution for review in counterparts or by circulating it among the directors in turn, directors or other directors entrusted by them shall write "for", "against" or "abstain" on the vote clearly. Once the number of directors who sign in favor of a resolution reaches the quorum as required by the Articles of Association, the resolution shall be deemed adopted. Matters requiring the consent of more than two-thirds of all directors shall not be held by writing resolutions.

Article 136 Meetings of the board of directors shall be held only if more than half of the directors are present, unless otherwise provided for considering the related party transaction matters as provided in Article 138 of the Articles of Association.

Each director shall have one vote. Unless otherwise provided for related party transaction matters in Article 138 of these Articles of Association, a resolution of the board of directors must be passed by more than half of all of the directors of the Company.

When the number of votes for and against a resolution is equal, the chairman of the board of directors shall be entitled to one additional vote.

Article 137 Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he/she may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf.

A director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authorization conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

Article 138 When a director has an associated relationship with an enterprise (which means the director acts as a director or senior management of the counterparty, or can exercise direct or indirect control over a legal person entity of the counterparty, or acts as a director or senior management in a legal person entity under direct or indirect control of the counterparty) which is involved with a resolution to be decided at a board meeting, he/she cannot vote on that resolution, and cannot vote on behalf of other directors. The board meeting may be held if more than half of the directors who have no relevant interest in the resolutions attend. Resolutions made by the board of director's meeting shall be passed by more than half of the votes of the directors who have no relevant interest in the resolutions. Where less than three directors who have no material interest in the resolutions attend the board meeting, the board of directors shall refer such matters to shareholders' general meeting for review.

Article 139 The board of directors shall keep minutes of resolutions passed at meetings of the board of directors. The minutes shall be signed by the directors present at the meeting and the secretary of the board of directors (recorder). The minutes shall be kept for ten years. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association and the Company suffers material losses as a result thereof, the directors who participated in the passing of such resolution are liable to compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.

Minutes of a board of directors' meeting includes the following contents:

- (1) date and place of the meeting as well as the name of the convener;
- (2) names of directors attending the meeting and names of the directors appointed by and on behalf of other directors (the proxy) to attend;

- (3) agenda of the meeting;
- (4) main points of directors' speeches;
- (5) methods and results of voting on each resolution (the voting results should clearly contain the number of votes of consenting, objecting and abstaining).

Article 140 The reasonable fees for the directors to attend the meeting of the board of directors shall be borne by the Company, including inter-city travel expenses for the director traveling to the place of the meeting (if different) from his/her place, fees for business meal and accommodation during the meeting and local travel expenses etc.

CHAPTER 12: SECRETARY OF THE BOARD OF DIRECTORS

Article 141 The Company shall have one secretary of the board of directors. The secretary is the Company's senior management responsible for the board of directors.

Article 142 The secretary of the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her major duties include the following:

- (1) to assist the directors in handling the daily work of the board of directors, to provide the directors with or, remind them of and ensure that they understand the regulations, policies and requirements of the relevant regulatory authorities in relation to the Company's operation; and to assist the directors and the President in complying with the relevant laws, regulations, regulatory documents, the Articles of Association and other relevant provisions when exercising their powers;
- (2) to organize and prepare the documents of shareholders' general meetings and board meetings, prepare minutes of the meetings and ensure the decisions of such meetings are in compliance with the statutory procedures, and monitor the execution of the resolution by the board of directors;
- (3) to organize and coordinate information disclosure with the aim of enhancing the transparency of the Company, and to ensure that the Company prepares and submits the reports and documents required by the regulatory authorities in accordance with laws;
- (4) to be responsible for investor relations, to coordinate the relationship between the Company and the regulatory authorities, intermediaries, media and to coordinate public relations;
- (5) to assist the board of directors in preparing and revising documentation for corporate governance of the Company, and to establish a scientific decision making system and corporate governance procedure;
- (6) to maintain the registers of the shareholders, directors and senior management and the documents and minutes of the shareholders' general meeting, board meetings and meetings of special committees under the board of directors, and to ensure the availability of the relevant minutes and documents of the Company for access by people entitled thereto in a timely manner; and
- (7) to perform other duties stipulated in the laws, regulations, regulatory documents and the Articles of Association and authorized by the board of directors.

Article 143 A director or senior management of the Company other than the President and chief accountant may also act as the secretary of the board of directors. Any accountant from the accounting firm which has been appointed by the Company to act as its auditors shall not act as the secretary of the board of directors.

Where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary shall not perform the act in a dual capacity.

CHAPTER 13: SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

Article 144 The board of directors may set up certain special committees including risk management and internal control committee, related party transactions control committee, audit committee, remuneration committee and nomination committee. Under the leadership of the board of directors, the special committees are responsible for assisting the board of directors in exercising their powers or advising or consulting on decisions of the board of directors. The organization and terms of reference of the committees shall be formulated by the board of directors.

Article 145 The primary duties of the risk management and internal control committee are as follows:

- (1) to supervise senior management's control on credit risk, liquidity risk, market risk, operational risk, compliance risk, reputational risk and other risks;
- (2) to make a regular assessment of the Company's risk policies, management status and risk tolerance capacity;
- (3) to make suggestions on the optimization of risk management and internal control of the Company;
- (4) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authorities of the place where the shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the board of directors.

Article 146 The primary duties of the related party transaction control committee are as follows::

- (1) to manage the related party transactions;
- (2) to review and approve the related party transactions;
- (3) to control the risks of the related party transactions;
- (4) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authorities of the place where the shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the board of directors.

Article 147 The primary duties of the audit committee are as follows:

- (1) to review significant financial policies of the Company and their implementation, and supervise financial activities of the Company;

- (2) to review the financial information and relevant disclosure of the Company;
- (3) to consider and approve the internal control evaluation proposal of the Company, and supervise and evaluate the internal control of the Company;
- (4) to consider and approve the audit budget, remuneration of staff and appointment and removal of major officers of the Company, supervise and evaluate the internal audit work of the Company and formulate medium-to-long term audit plan, annual working plan and internal audit system setting plan of the Company in accordance with the authorization of the board of directors, and make reports to the board of directors;
- (5) to propose the appointment or dismissal of the external accounting firm, to supervise the work of the external accounting firm and to review the report of the external accounting firm to ensure that the external accounting firm undertakes the audit responsibilities;
- (6) to facilitate communications and monitor relationship between the internal audit department of the Company and the external accounting firm;
- (7) to monitor the non-compliance of the Company in respect of financial reports and internal control;
- (8) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authorities of the place where the shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the board of directors.

Article 148 The primary duties of the remuneration committee are as follows:

- (1) to organize the formulation of remuneration policy and plan of directors and senior management and submit to the board of directors for approval, and propose remuneration distribution plan according to the performance evaluation of directors and senior management and submit to the board of directors for approval;
- (2) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authorities of the place where the shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the board of directors.

Article 149 The primary duties of the nomination committee are as follows:

- (1) to formulate procedures and standards for the election of directors and senior management and make recommendations to the board of directors;
- (2) to make recommendations to the board of directors on the nomination of the candidates for directors, Presidents and board secretary;
- (3) to preliminarily examine the eligibility of the candidates for directors and senior management;
- (4) to make recommendations to the board of directors on the nomination of candidates for chairmen and members of the special committees of the board of directors;

(5) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authorities of the place where the shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the board of directors.

CHAPTER 14: PRESIDENT OF THE COMPANY

Article 150 The Company shall have one President, appointed or removed by the board of directors. The qualification of the President must be verified by the banking regulatory authority prior to his/her service.

Article 151 The President shall be accountable to the board of directors and shall exercise the following functions and powers:

(1) to be in charge of the Company's operation and management, and to organize the implementation of the resolutions of the board of directors;

(2) to propose and organize the implementation of the Company's annual business plan;

(3) to draft plans for the establishment of the Company's internal management bodies;

(4) to propose the Company's general administration system, and formulate special system, operational specifications, guidelines and other detailed rules and regulations of the Company;

(5) to propose the appointment or dismissal of the Company's Vice President and other senior management;

(6) to formulate the breakdown scheme of the Company's internal operational indicators and the scheme of performance assessments;

(7) to appoint or dismiss management other than those required to be appointed or dismissed by the board of directors;

(8) other functions and powers conferred by the Articles of Association and the board of directors.

Article 152 The President shall attend meetings of the board of directors.

Article 153 The President, when performing his/her functions and powers, shall act faithfully and diligently and in accordance with laws, administrative regulations and the Articles of Association.

CHAPTER 15: THE BOARD OF SUPERVISORS

Article 154 The Company shall have a board of supervisors composed of five supervisors, including shareholder representative supervisors, external supervisors and employee representative supervisors.

Article 155 Each supervisor shall serve a term of three years, which is renewable upon re-election.

One of the members of the board of supervisors shall act as the chairman. The election or removal of the chairman of the board of supervisors shall be determined by more than two-thirds (inclusive) of the members of the board of supervisors.

Article 156 Supervisors who are shareholder representatives shall be nominated by the board of supervisors or shareholders who individually or jointly hold more than 3% of the Company's voting shares, and shall be elected or removed by the shareholders in general meetings. External supervisors shall be nominated by the board of supervisors or shareholders who individually or jointly hold more than 1% of the Company's voting shares, and shall be elected or removed by the shareholders' general meetings. Supervisors who are employee representatives of the Company shall be elected or removed democratically by the staff of the Company through the staff representative assembly, general staff meeting or otherwise, and shall be not less than one-third of the total number of supervisors.

Article 157 The directors, President and other senior management shall not act concurrently as a supervisor.

Article 158 Meetings of the board of supervisors shall be convened at least once a quarter, and be convened and presided by the chairman of the board of supervisors. The supervisors may propose to convene an extraordinary meeting of the board of supervisors. If the chairman is unable or fails to perform his/her duties, a supervisor jointly selected by a majority of the supervisors shall convene and preside over the meetings. The notice of each meeting shall be delivered to all supervisors two days before the meeting.

Article 159 The board of supervisors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers in accordance with laws:

- (1) to examine the Company's financial affairs;
- (2) to supervise the performance of the directors and senior management and to propose the removal of directors and senior management who are in breach of the laws, administrative regulations, the Articles of Association of the Company or resolutions of the shareholders' general meeting;
- (3) to urge directors, the President and other senior management of the Company to correct their acts which impair the interests of the Company when discovered;
- (4) to propose to convene an extraordinary general meeting, and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting;
- (5) to propose resolutions at a shareholders' general meeting;
- (6) to negotiate with directors or senior management of the Company on behalf of the Company, and when necessary, to initiate legal proceedings including litigation against directors or senior management of the Company;
- (7) to propose to convene an extraordinary meeting of the board of directors;
- (8) to elect the chairman of board of supervisors;
- (9) to formulate the rule of procedures of the board of supervisors and submit it to the shareholders' general meeting for consideration;
- (10) to propose the remuneration package of supervisors and submit it to the shareholders' general meeting for consideration;

(11) other functions and powers provided by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the shares of the Company are listed and the Articles of Association of the Company.

Supervisors may be present at meetings of the board of directors and make enquiries or suggestions regarding matters resolved by the board of directors.

Article 160 Where there is a proper reason, a supervisor is entitled to propose to convene an extraordinary meeting of the board of supervisors according to the rule of procedures of the board of supervisors. The notice of each meeting of the board of supervisors shall be delivered by telephone or facsimile or other telecommunications ten days before the meeting. Emergencies shall not be subject to the foregoing time limit of notification. The notice shall include: date and place of the meeting, term of the meeting, subjects of the meeting and the date of the notice.

Meetings of the board of supervisors shall be held only if more than two-thirds of the supervisors are present. The meetings of the board of supervisors shall vote in registration. Each of the supervisors has one voting right. The supervisors shall attend the meetings of the board of supervisors in person. If any supervisor is unable to attend the meeting, he/she may appoint another supervisor to attend the meeting on his/her behalf in writing. The power of attorney shall include the scope of authorization.

Resolutions of either the ordinary meetings or extraordinary meetings of board of supervisors shall be passed by the affirmative votes of more than two-thirds (inclusive) of all supervisors.

The board of supervisors is entitled to demand any director, the President, other senior management of the Company, internal and external auditors to attend the meetings of the board of supervisors.

Article 161 Meetings of the board of supervisors may be held on-site or via conference call, video conference or written resolutions. If the meeting of the board of supervisors is held by means of conference call or video conference, it shall be ensured that each attending supervisor is able to hear clearly the other supervisors and communicate with other supervisors. Meeting of the board of supervisors in such manners shall be recorded in the form of sound or video. Supervisors who are unable to sign immediately instantly at such meetings shall vote orally and perform the procedure of signing in writing at the earliest opportunity. The oral vote and written signature of supervisors are equal in their effects, but the subsequent written signature must be in conformity with the oral vote at the meeting. In the event of the unconformity between such written signature and oral vote, the oral vote shall prevail.

If the meeting of the board of supervisors is convened by means of written resolutions, which means that resolutions of proposals are made upon delivering the review individually or going through the delivered review in turns, the supervisor or another supervisor appointed by him/her on his/her behalf shall specify his/her opinion as consenting, objecting or abstaining in the resolution. Once the number of supervisors who sign as consenting has amounted to the required quorum to make a resolution as set out in the Articles of Association, the content discussed regarding the resolution becomes the resolution of the board of supervisors.

Article 162 The board of supervisors should prepare minutes of meeting. A supervisor is entitled to request the addition to the minutes of some explanatory record concerning his/her speech made during the meeting. Supervisors attending the meeting and the recorder should sign on the minutes. Minutes of the meeting of the board of supervisors, as a company file, must be kept by the secretary to the board of directors.

Article 163 All reasonable fees incurred in respect of the engagement of professionals such as lawyers, certified accountants or practicing auditors, which are required by the board of supervisors in the exercise of its functions and powers shall be borne by the Company.

The reasonable fees for the supervisors to attend the meeting of the board of supervisors shall be borne by the Company, including inter-city travel expenses for the supervisor traveling to the place of the meeting (if different) from his/her place, fees for business meal and accommodation during the meeting, fees for the conference room and local travel expenses, etc..

Article 164 A supervisor shall carry out his/her supervisory duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.

CHAPTER 16: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Article 165 A person may not serve as a director, supervisor, President or other senior management of the Company in any of the following circumstances:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or sabotaging social economic orders, where less than five years have lapsed since the sentence was served, or a person who has been deprived of his/her political rights and not more than five years have lapsed since the sentence was served;
- (3) a person who is a director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a legal representative of a company or enterprise, the business license of which was revoked and was ordered to be closed down due to violation of law and who is personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is currently under investigation by the legal authority for violation of criminal law which is not yet closed;
- (7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
- (8) a non-natural person;
- (9) a person who is convicted of contravention of relevant securities regulations provisions by relevant competent authorities, and such conviction involves a fraudulent act or dishonesty, where not more than five years have elapsed since the date of the conviction;
- (10) other circumstances provided by the laws and regulations of the stock exchange on which the shares of the Company are listed.

Any person who serves as an employee other than a director in the institution of the Controlling Shareholder or actual controller of the Company may not serve as a senior management of the Company.

Article 166 The validity of an act carried out by a director, President and other senior management of the Company on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any non-compliance in his/her office, election or his/her qualification.

Article 167 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, President and other senior management shall owe the following duties to each shareholder when exercising the functions and powers entrusted to him/her by the Company:

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

Article 168 Each of the Company's directors, supervisors, President and other senior management owes a duty, in the exercise of his/her powers or in the discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 169 Each of the Company's directors, supervisors, President and other senior management shall perform his/her duties in accordance with the fiduciary principles; and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (without limitation to) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his/her powers;
- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a shareholders' general meeting, not to delegate the exercise of his/her discretion to other person;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in the Articles of Association or except with the informed approval of the shareholders given in a shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;

(6) not to use the Company's property for his/her own benefit in any way, without the informed consent of the shareholders given in a shareholders' general meeting;

(7) not to exploit his/her position to accept bribes or other illegal income or misappropriate or expropriate the Company's funds or property in any way, including (without limitation to) opportunities advantageous to the Company;

(8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given in a shareholders' general meeting;

(9) to comply with the Articles of Association, to perform his/her official duties faithfully, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her private interests;

(10) not to compete with the Company in any way, save with the informed consent of the shareholders given in a shareholders' general meeting; not to damage the Company's interests by exploiting associated relationships;

(11) not to misappropriate the Company's funds or lend such funds to any other person, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individuals with the Company's assets; and

(12) unless with the informed consent of the shareholders given in Shareholders' general meeting, to keep in confidence confidential information regarding the Company acquired by him/her in the course of and during his/her term and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:

(i) disclosure is required by law;

(ii) disclosure is required for public interest;

(iii) the interests of the relevant director, supervisor, President or other senior management so require.

Article 170 Each director, supervisor, President and other senior management of the Company shall not cause the following persons or institutions ("associates") to do what he/she is prohibited from doing:

(1) the spouse or minor child of the director, supervisor, President and other senior management;

(2) a person acting in the capacity of trustee of the director, supervisor, President and other senior management or of any person referred to in sub-paragraph (1) of this Article;

(3) a person acting in the capacity of partner of the director, supervisor, President and other senior management or any person referred to in sub-paragraphs (1) and (2) of this Article;

(4) a company in which the director, supervisor, President and other senior management, whether alone or jointly with the persons referred to in sub-paragraphs (1), (2) and (3) of this Article or other directors, supervisors, President and other senior management of the Company, have a de facto controlling interest; and

(5) the directors, supervisors, President and other senior management of the controlled company set out in sub-paragraph (4) of this Article.

Article 171 The fiduciary duties of the directors, supervisors, President and other senior management of the Company do not necessarily cease with the termination of their tenure. The duty to keep confidential trade secrets of the Company survives after the termination of their tenure. The continuous period of other duties must be decided according to the principle of fairness, depending on the time lapse between the act concerned and the termination and the circumstances and the conditions under which the relationships between them and the Company are terminated.

Article 172 Save for the circumstance provided in Article 61 of the Articles of Association, a director, supervisor, President and other senior management of the Company may be relieved from liabilities for specific breaches of his/her duty by the informed consent of the shareholders' general meeting.

Article 173 Where a director, supervisor, President and other senior management of the Company is, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than his/her contract of employment with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is normally subject to the approval of the board of directors.

A director shall not vote on any board resolution approving contract or arrangement or any other proposal in which he/she or any of his/her associates (as defined in the applicable securities listing rules effective from time to time) has a material interest nor shall he be counted in the quorum present at the meeting.

Unless the interested director, supervisor, President and other senior management of the Company discloses his/her interests in accordance with the aforesaid requirements of this Article and the relevant matter is approved by the board of directors at a meeting in which the interested director, supervisor, President and other senior management is not counted as part of the quorum and refrains from voting, a contract, transaction or an arrangement in which that director, supervisor, President and other senior management is materially interested is voidable at the discretion of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the relevant director, supervisor, President and other senior management.

For the purposes of this Article, a director, supervisor, President and other senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which his/her connected person and close associate is interested.

Article 174 Where a director, supervisor, President and other senior management of the Company gives to the board of directors a notice in writing stating that, by reason of the facts specified in the notice, he/she has an interest in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed to be a sufficient declaration of his/her interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 175 The Company shall not pay taxes for a director, supervisor, President and other senior management in any manner.

Article 176 The Company shall not directly or indirectly make a loan to or provide any guarantee in connection with the making of a loan to a director, supervisor, President and other senior management of the Company or its parent company or their respective associates.

The foregoing provisions shall not apply to the following circumstances:

- (1) the provision by the Company of a loan to or a guarantee of a loan to its subsidiary;
- (2) the provision by the Company of a loan, a guarantee in connection with the making of a loan or other funds to directors, supervisors, President and senior management of the Company to meet expenditure incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties, in accordance with the employment contract approved at the shareholders' general meeting; and
- (3) the Company may make a loan to or provide a guarantee in connection with the making of a loan to the directors, supervisors, President and senior management or their respective associates, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees and conducted on normal commercial terms.

Article 177 A loan made by the Company in breach of the above provisions shall be immediately repaid by the recipient of the loan regardless of the terms of the loan.

Article 178 A loan guarantee provided by the Company in breach of paragraph (1) of Article 176 shall not be enforceable against the Company, save in respect of the following circumstances:

- (1) at the time when the loan was provided to an associate of any of the directors, supervisors, President and other senior management of the Company or its parent company and the lender of such funds did not know of the relevant circumstances when providing the loan; or
- (2) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

Article 179 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided to secure the obligor's performance of his/her obligations.

Article 180 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, President and other senior management of the Company breaches the duties which he/she owes to the Company, the Company has a right:

- (1) to claim damages from the relevant director, supervisor, President and other senior management in compensation for losses incurred by the Company as a result of his/her negligence;
- (2) to rescind any contract or transaction which has been entered into by the Company with the director, supervisor, President and other senior management, and with a third party (where such third party knows or should have known that there is a breach of obligation by such director, supervisor, President and other senior management);

(3) to demand a surrender of profits made by the director, supervisor, President and other senior management in breach of his/her duties;

(4) to recover any funds which should have been received by the Company and which were received by such director, supervisor, President and other senior management instead, including (without limitation to) commissions;

(5) to demand return of interest earned or may have been earned by such director, supervisor, President and other senior management on funds that should have been paid to the Company.

Article 181 The Company shall enter into contracts in writing with each director, supervisor and senior management, which include the provisions at least as follows:

(1) The directors, supervisors and senior management make commitment to the Company that they will comply with the Company Law, Special Regulations, the Articles of Association, Hong Kong Codes on Takeovers and Mergers and Share Repurchases, Hong Kong Code on Share Repurchases and other rules formulated by the Hong Kong Stock Exchange and agree that the Company may enjoy the remedies as provided in the Articles of Association. The contracts and their positions may not be assigned;

(2) The directors, supervisors and senior management make commitment to the Company that they will comply with and perform their duties to the shareholders according to the Articles of Association; and

(3) The arbitration provisions in Article 231 of the Articles of Association.

Article 182 The Company shall, with the prior approval of shareholders' general meeting, enter into a contract in writing with director or supervisor concerning their emoluments. The aforesaid emoluments include:

(1) emoluments in respect of his/her service as director, supervisor or senior management of the Company;

(2) emoluments in respect of his/her service as director, supervisor or senior management of any subsidiary of the Company;

(3) remuneration otherwise in connection with the provision of other management services to the Company and its subsidiary; and

(4) compensation for loss of office, or retirement as a director or supervisor.

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

Article 183 The contract concerning the emoluments between the Company and its directors and supervisors should provide that in the event that the Company is acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement.

For the purposes of the above paragraph, the acquisition of the Company includes any of the following:

- (1) an offer made by any person to all the shareholders; or
- (2) an offer made by any person such that the offeror will become the Controlling Shareholder within the meaning of Article 62.

If the relevant director or supervisor does not comply with this Article, any sum payable to them shall belong to those persons who have sold their shares as a result of the aforesaid offer. The expenses incurred for the pro rata distribution of the sum among those persons shall be borne by the relevant director or supervisor and shall not be deducted from such sum.

CHAPTER 17: FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Article 184 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the requirements of the Chinese accounting standards formulated by the financial competent authority of the State Council.

Article 185 At the end of each fiscal year, the Company shall prepare a financial report which shall be examined and verified by an accounting firm in accordance with laws.

The fiscal year of the Company is in Gregorian calendar year which is from January 1 to December 31.

Article 186 The board of directors of the Company shall submit to the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and regulatory documents promulgated by competent local governments and the governmental authorities in charge require the Company to prepare.

Article 187 The Company's financial reports shall be made available for shareholders' review at the Company twenty days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Article 188 A copy of financial report, accompanied by the balance sheet (including every document required by applicable law to be annexed thereto) and profit and loss account or income and expenditure account, or the summary financial report shall be delivered by prepaid mail to every holder of Overseas Listed Shares of the Company at the addresses specified in the register of shareholders.

Article 189 In addition to financial statements prepared in accordance with Chinese accounting standards and regulations, the Company may also prepare its financial statements according to the international or overseas accounting standards in the place where the Company's Shares are listed. Material differences between the financial statements prepared according to different accounting standards shall be explicitly explained in the notes to the financial statements. When distributing the after-tax profits in the fiscal year, the Company shall base on the lower of the after-tax profits in the aforesaid two financial statements.

Article 190 Any interim results or financial information published or disclosed by the Company must be prepared in accordance with the requirements of the Chinese accounting standards and regulations, and also in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed.

Article 191 The Company shall publish its financial report twice in each fiscal year, namely an interim financial report within sixty days after the end of the first six months of a fiscal year and an annual financial report within one hundred and twenty days after the end of the fiscal year.

Article 192 The Company shall not keep any other account other than those required by law. No company asset may be deposited into any individual's account.

Article 193 Capital common reserve fund includes the following items:

- (1) premium received in excess of the par value of the issued shares;
- (2) any other income designated for the capital common reserve fund prescribed by the financial competent authority of the State Council.

Article 194 When the Company distributes its after-tax profits for the current financial year, it shall draw 10% of its profits as the company's statutory common reserve, and the general reserve in accordance with the laws, regulations, regulatory documents and the requirements of the relevant regulatory authorities. The Company shall no longer be required to make allocations to its statutory common reserve once the aggregate amount of such reserve exceeds fifty percent of its registered capital.

Where the aggregate balance of the Company's statutory common reserve is insufficient to cover any loss the Company made in the previous financial year, the current financial year's profits shall first be used to cover the loss before any statutory common reserve is drawn therefrom in accordance with the provisions of the preceding paragraph.

Where the Company has drawn a statutory common reserve and general reserve from its after-tax profits, it may, subject to a resolution of the board of shareholders or the general meeting, draw a discretionary common reserve from its after-tax profits.

Where losses have been covered and the common reserves have been drawn, any remaining after-tax profits shall be distributed to shareholders on a pro rata basis except for otherwise provided by the Articles of Association.

Where the shareholders' general meeting distributes profits in violation of the provisions of the preceding paragraph before losses are covered and the statutory common reserve is drawn, the profits distributed must be returned to the Company.

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

Article 195 The Company may distribute dividends in the form of (or in both forms):

- (1) cash;
- (2) shares.

The Company shall calculate and declare dividends and other payments which are payable to holders of Domestic Shares in Renminbi, and shall pay such amounts in Renminbi within three months following the announcement of dividends distribution. The Company shall calculate and declare dividends and other payments which are payable to holders of Foreign Shares in Renminbi, and shall pay such amounts in foreign currency within three months following the announcement of dividends distribution. The exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China during the five business days prior to the announcement of payment of dividend and other amounts. The Company shall pay the foreign currency to holders of Foreign Shares in accordance with the relevant foreign exchange control regulations of the PRC. The dividends distribution shall be implemented by the board of directors as authorized by ordinary resolution of shareholders' general meeting.

Article 196 Amounts paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 197 The Company shall appoint receiving agents on behalf of holders of the Overseas Listed Shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts owing by the Company in respect of their Overseas Listed Shares.

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

The receiving agent appointed on behalf of holders of Overseas Listed Shares listed on Hong Kong Stock Exchange shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Subject to compliance with the relevant laws, regulations of the PRC and rules of Hong Kong Stock Exchange, the Company may exercise its power to confiscate the dividends which are not claimed by anyone but such power can only be exercised after the expiry of the relevant time frame.

The Company may take power to cease sending dividend warrants to a holder of Overseas Listed Shares by post if such warrants have been left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

Where power is taken to issue share warrants to bearer, no new share warrant shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

The Company shall not exercise the power to sell the Overseas Listed Shares of a holder who is untraceable in a proper way decided by the board of directors unless:

(1) during a period of twelve years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and

(2) on expiry of the twelve years the Company gives notice of its intention to sell the shares by way of an advertisement published in the one or more newspapers and notifies the stock exchange where the shares are listed of such intention.

CHAPTER 18: APPOINTMENT OF AN ACCOUNTING FIRM

Article 198 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the Company's annual financial report and other financial reports.

Article 199 The term of office of the accounting firm appointed by the Company shall commence from the conclusion of the annual general meeting and shall end at the conclusion of the next annual general meeting.

Article 200 The accounting firm appointed by the Company shall have the following rights:

(1) the right to review the books, records or vouchers of the Company at any time and the right to require the directors, President or other senior management of the Company to supply relevant information and explanation;

(2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries such information and explanation as required by the accounting firm for performing its duties;

(3) the right to attend shareholders' general meetings and to receive all notices of or other information relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the Company's accounting firm.

Article 201 The Board shall appoint an accounting firm to fill any casual vacancy in the office of the accounting firm before the convening of Shareholders' general meeting. If the Company has other serving accounting firms, such accounting firms shall continue to perform their duties as long as the vacancy remains unfilled.

Article 202 The shareholders' general meeting may by ordinary resolution remove the Company's accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the Company's accounting firm. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

Article 203 The remuneration or the basis of remuneration of an accounting firm shall be determined by the shareholders' general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.

Article 204 The Company's appointment, removal or non-reappointment of an accounting firm shall be resolved by the shareholders' general meeting and shall be filed with the relevant securities regulatory authority of the State Council.

The Shareholders' general meeting shall abide by the following provisions when proposing to pass a resolution regarding the appointment of an accounting firm not currently serving the company to fill the vacancy of an accounting firm, or the renewal of terms of service of an accounting firm appointed by the Board to fill a vacancy, or the dismissal of an accounting firm before the expiry of its term:

(1) the proposal of appointment or removal shall be sent to the accounting firm proposed to be appointed, to be or has been terminated prior to the issue of the notice of shareholders' general meeting. The termination of an accounting firm includes dismissal, resignation and retirement.

(2) if the accounting firm being terminated requires the Company to forward its written statement to Shareholders, the Company shall take the following measures unless the written statement is not received in time:

(i) to state on the notice issued for adoption of the resolution that an accounting firm about to leave its post has made a statement; and

(ii) to deliver a copy of the statement to shareholders as an appendix to the notice of the meeting in accordance with the Articles of Association.

(3) if the Company fails to deliver the accounting firm's statement in the manner set out in sub-paragraph (2) above, such accounting firm may request such statement to be read at the meeting and may make further appeals.

(4) the accounting firm which is leaving its post shall be entitled to attend the following meetings:

(i) the shareholders' general meeting at which its term of service would otherwise have expired;

(ii) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and

(iii) the shareholders' general meeting which is convened as a result of its voluntary resignation.

The accounting firm leaving its post shall be entitled to receive all notices of, and other information relating to, any such meeting, and to present its views at any such meeting on matters in relation to its previous engagement as the accounting firm of the Company.

Article 205 Prior notice should be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall be entitled to make representations at the shareholders' general meeting. Where the accounting firm resigns from its position, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

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

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

(ii) a statement of any such circumstances.

(2) Upon receiving the notice referred to under the preceding sub-paragraph (1), the Company shall within fourteen days send a copy of the notice to the relevant governing authority. If the notice contains a statement under the preceding sub-paragraph (1)(ii), a copy of such statement shall be placed at the Company for shareholders' inspection. The Company should also send a copy of such statement by prepaid mail to every shareholder who shall be entitled to receive the statement of the Company's financial condition at the address as recorded in the register of shareholders.

(3) Where the accounting firm's notice of resignation contains a statement in respect of the preceding sub-paragraph (1)(ii), it may require the board of directors to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

CHAPTER 19: INSURANCE

Article 206 The Company may establish a liability insurance system for directors, supervisors, presidents and other senior management, so as to mitigate the risks resulting from duly performing their responsibilities by such persons.

CHAPTER 20: LABOR SYSTEMS

Article 207 If the Company employs the employee, the Company and the employee shall comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, other relevant laws and regulations of the PRC and relevant labor provisions of the place where the Company is located, and enter into the labor contract according to law.

Article 208 The Company may formulate its labor and payroll systems and payment methods in accordance with the relevant provisions of the State, the Articles of Association and the economic benefits of the Company.

Article 209 The Company shall endeavor to improve its employee benefits and to continually improve the working environment and living standards of its employees.

Article 210 The Company shall participate in retirement, medical, unemployment, work-related injury and other social insurance for its employees in accordance with the relevant laws and regulations of the PRC.

CHAPTER 21: LABOR UNIONS

Article 211 The employees of the Company shall have the right to establish a labor union and engage in labor union activities in accordance with the Labor Union Law of the People's Republic of China.

Article 212 The labor union is the representative of employees' interests. It is basically responsible for: protecting the employees' legal rights in accordance with the requirements of the laws and regulations of the PRC, and assisting the Company in the arrangement and reasonable use of benefits and bonuses; organizing the employees' studies and carrying on recreational and sports activities; educating the employees to follow the work rules and try their best to finish each economic task of the Company.

Article 213 The Company shall provide the necessary conditions and funds for the activities of the labor union in accordance with the requirements of laws, administrative regulations and relevant department rules.

CHAPTER 22: MERGER AND DIVISION OF THE COMPANY

Article 214 In the event of the merger or division of the Company, a plan shall be presented by the Company's board of directors and shall be approved in accordance with the procedures stipulated in the Articles of Association. The Company shall then go through the relevant approval process according to the laws. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan to acquire his/her shares at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders of the Company.

Such special documents shall be sent by mail to holders of Overseas Listed Shares.

Article 215 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, approvals from banking regulatory authorities shall be obtained, and the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days commencing from the date of the Company's merger resolution and shall publish a public notice in a newspaper within thirty days commencing from the date of the Company's merger resolution. Creditors may, within a period of thirty days commencing from the date of receipt of the written notification, or within a period of forty-five days commencing from the date of the announcement for those who do not receive written notification, claim full repayment or require a corresponding security from the Company.

At the time of merger, rights and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 216 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, approvals from banking regulatory authorities shall be obtained, and the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days commencing from the date of the Company's division resolution and shall publish a public notice in a newspaper recognized by the stock exchange where the shares of the Company are listed within thirty days commencing from the date of the Company's division resolution.

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

Article 217 The Company shall, in accordance with laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

CHAPTER 23: DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 218 The Company shall be dissolved and liquidated in accordance with laws upon the occurrence of any of the following events:

- (1) a resolution for dissolution is passed by shareholders' general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is declared bankrupt according to the laws because it is unable to pay its debts payable;
- (4) its business license has been revoked, or it is ordered to close down or is dissolved according to the laws;
- (5) other circumstances when the Company should be dissolved in accordance with laws and regulations.

Article 219 Where the Company is to be dissolved pursuant to sub-paragraph (1) of the preceding Article, a liquidation committee shall be set up within fifteen days. The members of such liquidation committee shall be determined by the shareholders' general meeting by way of an ordinary resolution.

Where the Company is to be dissolved pursuant to sub-paragraph (3) of the preceding Article, the People's Court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to set up a liquidation committee to carry out liquidation.

Where the Company is to be dissolved pursuant to sub-paragraph (4) of the preceding Article, the relevant authorities in charge shall arrange for the shareholders, relevant authorities and relevant professionals to set up a liquidation committee to carry out liquidation.

Article 220 Where the board of directors proposes to liquidate the Company (other than the Company's declaration of its own insolvency), the board shall include a statement in its notice convening a shareholders' general meeting stating that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within twelve months from the commencement of the liquidation.

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

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

Article 221 The liquidation committee shall, within ten days of its establishment, send notices to creditors and shall, within sixty days of its establishment, publish a public notice in a newspaper. A creditor shall, within thirty days of receipt of the notice, or for creditors who have not personally received such notice, within forty-five days of the date of the public notice, report its rights to the liquidation committee. The liquidation committee shall register the creditor's rights in accordance with the laws. During the creditor-reporting period, the liquidation committee shall not pay any debts to any creditor.

Article 222 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public notices;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle claims and debts;
- (6) to deal with the surplus assets remaining after the Company's debts have been repaid; (7) to represent the Company in any civil proceedings.

Article 223 After it has sorted out the Company's assets and has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general meeting or to the relevant governmental authority for confirmation.

After the resolution on liquidation is made by the shareholders' general meeting or the Company is declared to be bankrupt according to the laws or ordered to be closed, nobody may dispose the assets of the Company without approval of the liquidation committee.

The assets of the Company shall be paid in accordance with the following order: the liquidation charges, staff salary, social insurance, legally prescribed compensation, outstanding tax and company debts.

The shareholders of the Company may allocate the remaining assets of the Company, after paying the expenses provided at the preceding paragraph, in accordance with the class and proportion of the shares held by the shareholders.

During the liquidation period, the Company continues to exist, but it may not commence operational activities not related to the liquidation.

Article 224 If the Company is liquidated for dissolution, after the liquidation committee clears up the company assets, and prepares the balance sheets and the inventory of assets, if it discovers that the company assets is not enough to pay off the debts, it should apply to the People's Court to declare bankruptcy immediately.

After the People's Court declares the company bankrupt, the liquidation committee should transfer the liquidation to the People's Court.

It is subject to the approval of the banking regulatory authorities when the Company need to apply for declaring its bankruptcy for that its assets is not enough to pay off the debts.

Article 225 After the completion of liquidation, the liquidation committee should prepare a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verified thereof by an accountant registered in China, submit the same to the shareholders' general meeting or the relevant authorities in charge for confirmation.

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

CHAPTER 24: PROCEDURES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 226 The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

Article 227 Amendment of the Articles of Association shall become effective upon receipt of approvals from banking regulatory authorities, and for which involves the content of the Mandatory Provisions, upon receipt of approvals from the companies approving department authorized by the State Council and the securities regulatory authority of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with laws.

CHAPTER 25: NOTICE

Article 228 Unless otherwise provided in the Articles of Association, the notice delivered to the shareholders of Overseas Listed Shares, if delivered by public notice, the Company shall submit an electronic version which may be published immediately to Hong Kong Stock Exchange through the electronic upload system on the same day in accordance with the local listing rules, to publish it on the website of Hong Kong Stock Exchange. The announcement shall be published on the Company's website at the same time. In addition, the Company shall deliver the notice to each of the shareholders of Overseas Listed Shares in person or by prepaid mails according to their registered address, to facilitate that the shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.

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

Article 229 If a notice is delivered by post, it is only necessary to write down the address, prepay the post and put the notice into the envelope. The notice is deemed to be delivered when it is put into the mailbox and served in forty-eight hours afterwards.

The notice to the domestic shareholders which is delivered by sending an announcement should be announced on one or more newspapers designated by the state securities authorities and the Company's website. The notice is deemed to be served on all of the domestic shareholders upon publish of the announcement.

Article 230 Notwithstanding the preceding article specifies that the Company shall provide with and/or deliver the Company information in writing to the shareholders, as regard to the way to provide with and/or deliver the Company information to shareholders in accordance with the Hong Kong Listing Rules, if the Company has obtained the shareholders' written or implied consent in advance in accordance with relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may deliver or provide with the Company information for the shareholders of the Company by electronic way or by way of announcement on the Company's website. The Company information include but not limited to: circular letter, annual report, mid-term report, notice of shareholders' general meeting and other types of Company information provided by the Hong Kong Listing Rules.

CHAPTER 26: DISPUTE RESOLUTION

Article 231 The Company shall abide by the following principles for dispute resolution:

(1) Whenever any disputes or claims arise between: (i) the Company and its directors, supervisors or senior management; and (ii) shareholders of the Overseas Listed Shares and the Company; shareholders of the Overseas Listed Shares and the Company's directors, supervisors, President or other senior management; or shareholders of the Overseas Listed Shares and holders of Domestic Shares, in respect of any rights or obligations arising from this contract, the Articles of Association, the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraphs referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the Company's shareholders, directors, supervisors, President or other senior management of the Company, comply with the arbitration.

Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders do not have to be resolved through arbitration.

(2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must proceed with the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

(3) If any disputes or claims of rights are settled by way of arbitration in accordance with sub-paragraph (1) of this Article, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.

(4) The award of the arbitral body is final and shall be binding on the parties thereto.

(5) This agreement to arbitrate is made by the Company on its own behalf and on behalf of each shareholder.

(6) Any reference to arbitration shall be deemed to authorize the arbitral tribunal to conduct hearing in open session and to publish its award.

CHAPTER 27: SUPPLEMENTARY

Article 232 Unless otherwise specified in the Articles of Association, such terms as “no less than”, “within”, “no more than” as mentioned herein shall include in the amount the figures listed; such terms as “more than” or “beyond” shall not include the figures listed.

Article 233 The term “senior management” referred to herein mean the President, Vice President, secretary to the board of directors, chief financial officer (CFO) and chief risk officer (CRO). The “President”, “Vice President”, “the chairman of the board of supervisors” referred to herein shall have same meanings with the “manager”, “vice manager” and “the chairman of the board of supervisors” specified in the Company Law. The “banking regulatory authority” referred to herein means China Banking and Insurance Regulatory Commission and its branch offices. The “court” referred to herein means a competent court and arbitration institution. The “substantial shareholders” referred to herein mean shareholders who directly, indirectly or jointly hold or control over 5% of the Company's total number of shares or voting right, or shareholders who hold less than 5% of the total number of shares but could significantly affect the Company's operation and management.

Article 234 In the Articles of Association, references to “accounting firm” shall have the same meaning as “auditor”. In the Articles of Association, references to “related” shall have the same meaning as “connected” in the Hong Kong Listing Rules.

Article 235 The Articles of Association shall be written in Chinese. Where the versions written in other languages or other versions have different interpretations, the latest verified Chinese version reviewed by the banking regulatory authority and registered in the company registration authority shall prevail. Where the versions written in other languages have different interpretations, the Chinese version shall prevail.

The Articles of Association shall be interpreted by the board of directors of the Company. Any matters unspecified in the Articles of Association shall be decided by resolutions of the shareholders’ general meetings proposed by the board of directors.