

# **Shanghai Dongzheng Automotive Finance Co., Ltd.\***

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

## **Articles of Association**

**10 March, 2020**

**Approved at the Fourth Extraordinary General Meeting in 2019**

**and**

**Approved by CBIRC (Hu Yin Bao Jian Fu 2020 No. 114)**

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Note: In the side notes to the Articles of Association, “**Company Law**” refers to the “Company Law of the People’s Republic of China” (2018 revision); “**Mandatory Provisions**” refers to the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (Zheng Wei Fa [1994] No. 21) jointly issued by the former Securities Commission of the State Council and the former State Commission for Restructuring the Economic System; “**Letter of Opinions**” refers to the Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No. 1) jointly issued by the Overseas Listing Department of China Securities Regulatory Commission (“CSRC”) and the former Production System Division of the State Commission for Restructuring the Economic System; “**Opinions**” refers to the “Opinions on Further Promoting Standardized Operation and Deepening Reform of Overseas Listed Companies” (Guo Jing Mao Qi Gai [1999] No. 230) jointly issued by the former State Economic and Trade Commission and the CSRC; “**Guidelines for Articles of Association**” refers to the “Guidelines for Articles of Association of Listed Companies (2016 Revision)” (CSRC Announcement [2016] No. 23) issued by the CSRC; “**Main Board Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time; “**Appendix 3 to the Main Board Listing Rules**” means Appendix 3 to the Main Board Listing Rules; “**Appendix 13D to the Main Board Listing Rules**” means Part D of Appendix 13 to the Main Board Listing Rules.

# Shanghai Dongzheng Automotive Finance Co., Ltd.\*

## Articles of Association

### Chapter 1 General Provisions

Article 1                    In order to safeguard the legitimate rights and interests of Shanghai Dongzheng Automotive Finance Co., Ltd.\* (the “Company”) and its shareholders and creditors, and standardize the organization and activities of the Company, these articles of association (the “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Joint Stock Companies (“Special Regulations”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Main Board Listing Rules”), the Measures for the Administration of Auto Finance Companies and other relevant regulations as well as the Guidelines for Association of Listed Companies (2016 Revision).

Article 1 of the Mandatory Provisions Article 1 of the Guidelines for Articles of Association Section 1(a) of Appendix 13D to the Main Board Listing Rules Unless otherwise stated, any reference to the Mandatory Provisions and the Letter of Opinions below shall be considered as a reference to Section 1(a) of Appendix 13D to the Main Board Listing Rules as well.

Article 2	<p>The Company is a joint stock company with limited liability incorporated under the Company Law, the Special Regulations and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”).</p> <p>The Company is a joint-stock limited company promoted by all the shareholders of Shanghai Dongzheng Automobile Finance Co., Ltd.* and established on the basis of Shanghai Dongzheng Automobile Finance Co., Ltd.*. The Company was registered with Shanghai Administration for Industry and Commerce on August 15, 2018 and obtained a business license with a unified social credit code of 91310000717885619E when it was established.</p>	<p>Article 1 of the Mandatory Provisions Article 2 of the Guidelines for Articles of Association</p>
Article 3	<p>Registered Chinese name of the Company: 上海東正汽車金融股份有限公司</p> <p>Registered English name of the Company: Shanghai Dongzheng Automotive Finance Co., Ltd.*</p>	<p>Article 2 of the Mandatory Provisions Article 4 of the Guidelines for Articles of Association</p>
Article 4	<p>Domicile of the Company: Unit ABC, 30/F, Mirae Asset Tower, No.166, Lu Jia Zui Ring Road, Pilot Free Trade Zone, Shanghai, PRC.</p> <p>Postal code: 200120</p> <p>Tel: (86-21)20689999</p> <p>Fax: (86-21)20689996</p>	<p>Article 3 of the Mandatory Provisions Article 5 of the Guidelines for Articles of Association</p>
Article 5	<p>The Chairman of the Company is the legal representative of the Company.</p>	<p>Article 4 of the Mandatory Provisions Article 8 of the Guidelines for Articles of Association</p>

Article 6	All assets of the Company are divided into shares of equal par value. The shareholders shall be liable to the Company to the extent of their respective subscribed shares, and the Company shall be liable for its debts of the Company to the extent of all its assets.	Article 9 of the Guidelines for Articles of Association
Article 7	The Company is a joint stock company with limited liability with perpetual existence.	Article 5 of the Mandatory Provisions Article 7 of the Guidelines for Articles of Association
Article 8	<p>The Articles of Association, adopted by special resolution at the general meeting of the Company and approved by the relevant authorities of the PRC, shall come into effect from the date of listing of overseas listed foreign shares of the Company on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and supersede the articles of association of the Company formerly registered with the industrial and commercial administration authority.</p> <p>From the date on which the Articles of Association come into effect, the Articles of Association shall constitute a legally binding document governing the Company’s organization and activities, and the rights and obligations between the Company and its shareholders and among the shareholders.</p>	<p>Article 6 of the Mandatory Provisions</p> <p>Article 10 of the Guidelines for Articles of Association</p>

Article 9 The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management officers. The aforementioned persons may make claims for alleged rights regarding the Company's affairs pursuant to the Articles of Association.

Article 7 of the Mandatory Provisions Article 10 of the Guidelines for Articles of Association

Without prejudice and pursuant to the provisions of the Articles of Association, shareholders may sue the Company; the Company may sue its shareholders, directors, supervisors, general manager and other senior management officers; a shareholder may sue other shareholders; a shareholder may sue the Company's directors, supervisors, general manager and other senior management officers.

The term "sue" as referred to in the preceding paragraph shall include legal proceedings with a court or arbitration proceedings.

"Senior management officers" referred to herein refer to the general manager, deputy general managers, chief financial officer, secretary to the board of directors and assistant to the general manager and other personnel identified as senior management officers by the board of directors (the "Board") of the Company.

Article 11 of the Guidelines for Articles of Association

Article 10 The Company is legally subject to the supervision and administration of the China Banking and Insurance Regulatory Commission and any agency delegated by it ("CBIRC") and other competent regulatory authorities.

Article 11 Subject to approval by the CBIRC, the Company may invest in other enterprises and shall be liable to such enterprises to the extent of its capital contribution thereto. Unless otherwise provided by law, the Company shall not be a contributor to an enterprise with joint and several liability for the debts of such enterprise.

Article 8 of the Mandatory Provisions

## Chapter 2 Objectives and Scope of Business

Article 12 The objectives of the Company are to employ prudent business philosophy, strict risk control, standardize organization management and leverage advanced management experience and operation models to carry out auto finance business in accordance with the laws and regulations and based on the market conditions of the PRC, so as to provide high-quality financial services for customers, pursue maximum value for shareholders, fulfill social responsibilities and achieve sustainable development. Article 9 of the Mandatory Provisions Article 12 of the Guidelines for Articles of Association

Article 13 The business scope of the Company shall be subject to the items approved by the industrial and commercial administration authority. As approved by the CBIRC and registered according to law, the Company's business scope comprises: Article 10 of the Mandatory Provisions Article 13 of the Guidelines for Articles of Association

- (1) Taking time deposits with maturity of no less than three months from domestic shareholders and domestic subsidiaries wholly owned by foreign shareholder or by groups that a foreign shareholder belongs to;
- (2) Accepting security deposit from auto dealers for loans which are used to purchase automobiles and accepting auto lease security deposit from lessees;
- (3) Issuing financial bonds, subject to approval;
- (4) Interbank lending and borrowing;
- (5) Borrowing from financial institutions;
- (6) Providing loans for automobile purchase;

- (7) Providing loans to auto dealers for their purchases of automobiles and operating equipment, including loans for showroom construction, spare parts and maintenance equipment;
- (8) Providing auto finance lease services (except sale-and-leaseback business);
- (9) Selling or repurchasing auto loan receivables and auto finance lease receivables to or from financial institutions;
- (10) Selling off and disposing of leased automobiles with residual value;
- (11) Providing consultancy and agency services related to automobiles purchase financing activities;
- (12) Engaging in equity investments in financial institutions relating to auto financing business, subject to approval. [Business activities subject to approval according to law may be carried out only after being approved by the competent authorities]

The business scope referred to in the preceding paragraph shall be subject to the approval of the company registration authority. The Company may not operate other businesses beyond the business scope approved. Any change to the business scope of the Company is subject to the approval of the CBIRC and the legal procedures for change of business registration with the company registration authority.



### Chapter 3 Shares, Transfer of Shares and Registered Capital

Article 14	<p>The Company shall have ordinary shares at all times. Subject to approval by the approval authority authorized by the State Council, the Company may create other classes of shares if needed. All classes of shareholders of the Company shall have equal rights in any profit distribution in the form of dividends or in any other form.</p>	Article 11 of the Mandatory Provisions Section 9 of Appendix 3 to the Main Board Listing Rules
Article 15	<p>Shares of the Company shall be in the form of share certificates. All shares of the Company shall have a nominal value. Each share shall bear a nominal value of RMB1.00 each.</p> <p>The term “RMB” referred to herein means Renminbi, the lawful currency of the PRC.</p>	Article 12 of the Mandatory Provisions Article 16 of the Guidelines for Articles of Association
Article 16	<p>Shares of the Company shall be issued in an open, fair and just manner, and shares of the same class shall carry the same rights.</p> <p>All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.</p>	Section 9 of Appendix 3 to the Main Board Listing Rules Article 15 of the Guidelines for Articles of Association
Article 17	<p>Subject to approval of the CBIRC, the securities regulatory authority of the State Council and/or other relevant regulatory authorities, the Company may issue shares to domestic investors and overseas investors.</p> <p>The term “overseas investors” referred to in the preceding paragraph means investors located in foreign countries, the Hong Kong Special Administrative Region (“Hong Kong”), the Macao Special Administrative Region (“Macao”) and Taiwan region who subscribe for shares issued by the Company. The term “domestic investors” means investors located in the PRC (excluding the regions mentioned above) who subscribe for shares issued by the Company.</p>	Article 13 of the Mandatory Provisions

Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Foreign shares listed overseas are referred to as overseas listed foreign shares.

Article 14 of the Mandatory Provisions Section 9 of Appendix 3 to the Main Board Listing Rules

Shares listed and traded on an overseas stock exchange with the approval of the department authorized by the State Council and the relevant overseas securities regulatory authority are collectively referred to as overseas listed shares.

Overseas listed shares issued by the Company and listed on the Hong Kong Stock Exchange are referred to as “H shares”.

The term “foreign currencies” mentioned above means the lawful currencies of other countries or regions (other than the PRC) or overseas RMB which are recognized by the foreign exchange authority of the PRC and which can be used to make payments for shares to the Company.

Domestic shares issued by the Company shall be centrally deposited with a depository institution which meet the relevant regulatory requirements. The H shares issued this time are required by the laws of the listing jurisdiction to be deposited with a securities depository and clearing company in Hong Kong or held by shareholders in their own names.

Subject to the approval of the CBIRC and the securities regulatory authority of the State Council, unlisted shares may be listed and traded on an overseas stock exchange. Listing and trading of shares on an overseas stock exchange shall also be subject to the regulatory procedures, regulations and rules of the overseas stock exchange. The listing and trading of the abovementioned shares on an overseas stock exchange are not subject to approval by voting at a class shareholders’ meeting. Where the domestic shares held by shareholders of the Company are approved to be listed and traded overseas, such shares shall be converted into overseas listed shares.

Article 19	<p>With approval from the company approval authority, the Company issued a total number of 1.6 billion ordinary shares to the promoters, of which 1.52 billion shares were subscribed for and are held by China ZhengTong Auto Services Holdings Limited, representing 95% of the total number of ordinary shares issued; and 80 million shares were subscribed for and are held by Dongfeng Motor Corporation, representing 5% of the total number of ordinary shares issued.</p> <p>Within the scope of authorization of the general meeting, the Board may, after determining the number of domestic shares and overseas listed foreign shares to be placed or issued either separately or concurrently by the Company and being approved by the approval authority authorized by the State Council, appropriately adjust the number of the aforesaid shares.</p>	Article 15 of the Mandatory Provisions Article 18 of the Guidelines for Articles of Association
Article 20	<p>As approved by the securities regulatory authority of the State Council and the Hong Kong Stock Exchange, the Company may issue 2,139,651,400 ordinary shares after its establishment.</p> <p>The Company's share capital structure is as follows: 2,139,651,400 ordinary shares, including:</p> <p>80,000,000 domestic shares, accounting for 3.74% of the total number of ordinary shares issued by the Company;</p> <p>2,059,651,400 foreign shares, accounting for 96.26% of the total number of ordinary shares issued by the Company, including:</p> <p>539,651,400 overseas listed shares, accounting for 25.22% of the total number of ordinary shares issued by the Company.</p>	Article 16 of the Mandatory Provisions Article 19 of the Guidelines for Articles of Association Section 9 of Appendix 3 to the Main Board Listing Rules
Article 21	<p>Any plan of the Company for issuance of overseas listed foreign shares and domestic shares, after being approved by the securities regulatory authority of the State Council, may be implemented by the Board through separate issuance.</p> <p>The Company may implement its plan to separately issue of overseas listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authority of the State Council.</p>	Article 17 of the Mandatory Provisions

Article 22	<p>In the event that there are overseas listed foreign shares and domestic shares included in the total number of shares specified in the issuance plan, such shares shall be fully subscribed for at one time respectively. If the shares cannot be fully subscribed for at one time under special circumstances, the shares may be issued through multiple offerings subject to the approval of the securities regulatory authority of the State Council.</p>	Article 18 of the Mandatory Provisions
Article 23	<p>The registered share capital of the Company is RMB2,139,651,400.</p>	Article 19 of the Mandatory Provisions
Article 24	<p>According to its operation and development needs and subject to resolution by the general meeting and the approval of the relevant regulatory authorities, the Company may increase its registered capital by the following means in accordance with laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed:</p> <ol style="list-style-type: none"> <li>(1) offering new shares to non-specific investors;</li> <li>(2) placing new shares to specific investors and/or existing shareholders;</li> <li>(3) dispatching new shares to existing shareholders;</li> <li>(4) transferring capital reserve to increase share capital; or</li> <li>(5) other circumstances as permitted by laws and administrative regulations and approved by the relevant regulatory authorities.</li> </ol> <p>Subject to approvals required under the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed, the Company's increase of capital by issuing of new shares shall be executed in accordance with procedures prescribed by relevant laws and administrative regulations of the PRC.</p>	Article 20 of the Mandatory Provisions Article 21 of the Guidelines for Articles of Association

Article 25	<p>Unless otherwise provided by laws and administrative regulations or the Hong Kong Stock Exchange, shares of the Company may be freely transferred according to law without any lien.</p> <p>The transfer of the Company's shares is subject to registration with the share registrar of the Company.</p> <p>The transfer of the Company's shares, introduction of any new shareholder, and change of shareholdings or adjustment of shareholding structure shall be in compliance with the relevant regulations and procedures of the CBIRC.</p> <p>All transfer of overseas listed foreign shares listed in Hong Kong shall be effected by written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer prescribed by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be signed by hand, or (where the transferor or transferee is a corporation) affixed with the official seal of the company. Where the transferor or transferee is a recognized clearing house (as defined by relevant regulations in accordance with Hong Kong laws from time to time) or its nominee, the instrument of transfer may be signed by hand or in a machine-imprinted format.</p> <p>All instruments of transfer shall be maintained at the legal address of the Company or such addresses designated by the Board from time to time.</p>	<p>Article 21 of the Mandatory Provisions</p> <p>Article 26 of the Guidelines for Articles of Association</p> <p>Rule 19A.46 and Section 1(2) of Appendix 3 to the Main Board Listing Rules</p>
Article 26	<p>The Company shall not accept any shares of the Company as the subject of pledge.</p>	<p>Article 27 of the Guidelines for Articles of Association</p>

Article 27

For the transfer of shares issued prior to a public offering of shares by the Company, holders of such shares shall comply with the following provision of the Measures of the China Banking Regulatory Commission for the Implementation of Administrative Licensing Matters Concerning Non-bank Financial Institutions (2015 Revision): shareholders of an auto finance company shall undertake not to transfer shares of the auto finance company held by them within five years (unless the transfer is ordered by the CBRC according to law).

Directors, supervisors and senior management officers of the Company shall regularly report to the Company their shareholdings in the Company and any changes in their shareholdings during their tenure of service. They shall not transfer more than 25% of the shares of the same class held in the Company in particular year during their tenure of service. They shall not transfer the shares of the Company within one year from the date of listing and trading of the Company's shares. Each of the above-mentioned personnel shall not transfer the shares in the Company held by him/her within six months after their termination of employment. Where the Hong Kong Stock Exchange has otherwise provided for restrictions on the transfer of overseas listed shares, the relevant provisions shall prevail.

Article 28

Any gains from any sale of shares in the Company by any director, supervisor or senior management officer of the Company or any holder of 5% or more of the shares in the Company within six months after the date of purchase of the same, and any gains from any purchase of shares in the Company by any of the aforesaid parties within six months after the date of sale of the same shall be disgorged and paid to the Company, and the Board shall forfeit such gains from the abovementioned parties. If a transfer so restricted under this paragraph involves H shares, it shall be approved by the Hong Kong Stock Exchange. However, for a securities company holding more than 5% of the shares in the Company as a result of underwriting of the untaken shares, the sale of such shares shall not be subject to the six-month restriction.

Should the Board fail to comply with the provisions set out in the preceding paragraph, shareholder shall have the right to request the Board to do so within 30 days. Should the Board fail to do so within the said time limit, the shareholder shall have the right to initiate proceedings in a court directly in his/her own name for the interests of the Company.

Should the Board fail to comply with the provisions set out in the first paragraph, the responsible director(s) shall assume joint and several liability according to law.

Article 29

Any purchase of shares in the Company by any entity or individual shall be handled in accordance with the provisions of the CBIRC and other relevant regulatory authorities. Substantial shareholders shall disclose information on related parties to the Board in a true, accurate and complete manner and undertake to report any changes in related party relationships to the Board in a timely manner.

## Chapter 4 Capital Reduction and Repurchase of Shares

Article 30	<p>The Company may reduce its registered capital. Any reduction in registered capital of the Company shall be effected in accordance with the provisions of the Company Law, other relevant regulations and the Articles of Association.</p>	<p>Article 22 of the Mandatory Provisions Article 22 of the Guidelines for Articles of Association</p>
Article 31	<p>In case of reduction of its registered capital, the Company shall prepare a balance sheet and a list of assets.</p> <p>The Company shall notify the creditors within 10 days following the resolution approving to reduce the registered capital and shall publish an announcement on newspapers recognized by the stock exchange in which the Company's shares are listed within 30 days. The creditors may require the Company to repay its debts or provide guarantees in respect thereof within 30 days after receipt of the relevant notice or within 45 days after the date of the announcement if such notice is not received.</p> <p>The Company's registered capital following the reduction of capital shall not be less than the statutory minimum threshold.</p>	<p>Article 23 of the Mandatory Provisions Article 176 of the Guidelines for Articles of Association</p>



Article 32

In any of the following circumstances, the Company may repurchase its issued shares pursuant to the procedures stipulated in the Articles of Association and being approved by the relevant competent authorities of the PRC:

- (1) cancel shares for the purpose of reducing the Company's registered capital;
- (2) merge with other companies holding shares of the Company;
- (3) grant shares as incentives to employees of the Company;
- (4) shareholders request the Company to repurchase the shares held by them as they vote against a resolution on merger or divide of the Company at a general meeting;
- (5) other circumstances permitted by laws and administrative regulations.

Save as the aforesaid, the Company shall not conduct any activities of buying and selling in the shares of the Company.

Article 33

The Company may, subject to approval by the relevant competent authorities of the PRC, repurchase its shares in any of the following ways:

- (1) make a repurchase offer to all its shareholders in pro rata basis;
- (2) repurchase through public dealing on a stock exchange;
- (3) repurchase by means of contractual agreement outside the stock exchange; or
- (4) other ways permitted by laws and administrative regulations and approved by relevant regulatory authorities.

Article 34

A repurchase of shares by the Company by means of Article 26 of contractual agreement outside the stock exchange is subject to prior approval by the general meeting in accordance with the Articles of Association. Subject to prior approval of shareholders at a general meeting in the same manner, the Company may rescind or change the contract which has been entered into by the Company in the aforesaid manner, or waive any of its rights thereunder.

The contract to repurchase shares referred to in the preceding paragraph includes (but is not limited to) an agreement to become obliged to repurchase and acquire the right to repurchase shares.

The Company shall not assign any contract to repurchase its shares or any of its rights thereunder.

Insofar as the Company has the right to repurchase redeemable shares, the repurchase price shall not exceed a specific maximum price unless the repurchase is made through the market or by tender; in case of a repurchase by tender, the relevant tender shall be made available to all shareholders alike.

Where the Company is to repurchase its own shares for any of the reasons as mentioned in subparagraphs (1) to (3) of Article 32, a resolution thereon shall be passed at a shareholders' general meeting. Where the Company repurchases its shares in accordance with the provisions of Article 32, it shall cancel the shares repurchased within the time limit prescribed by laws and administrative regulations. In the case of subparagraph (1), the shares repurchased shall be cancelled within 10 days from the date of repurchase; in the case of subparagraph (2) or (4), the shares repurchased shall be transferred or cancelled within six months after the repurchase; the Company shall then apply to the original company registration authority for registration of change of registered capital and make an announcement thereon. The shares repurchased in accordance with subparagraph (3) of Article 32 shall not exceed 5% of the total issued shares of the Company, and shall be transferred to employees within one year. The funds used for the repurchase shall be expended from the Company's after-tax profits.

Where the Company cancels any shares repurchased, it shall apply to the industrial and commercial administration authority for registration of change of registered capital. The Company shall deduct the total nominal value of the shares cancelled from its registered capital.

Unless the Company is in the course of liquidation, it must comply with the following provisions when repurchasing its issued shares:

- (1) Where the Company repurchases shares at par value, payment shall be made out of the balance of distributable profits of the Company or out of the proceeds from issuance of new shares for the repurchase;
- (2) Where the Company repurchases shares at a price higher than its par value, payment up to the par value shall be made out of the balance of distributable profits of the Company or out of the proceeds from issuance of new shares for the repurchase. Payment of the portion in excess of the par value shall be effected as follows:
  1. If the shares being repurchased were issued at par value, payment shall be made out of the balance of distributable profits of the Company;
  2. If the shares being repurchased were issued at a price higher than its par value, payment shall be made out of the balance of distributable profits of the Company or out of the proceeds from issuance of new shares for the repurchase, provided that the amount deducted from such proceeds shall not exceed the aggregate of the premiums received by the Company on the issue of the shares repurchased, nor shall it exceed the Company's premium account (or capital reserve account) (including the premiums on the issuance of new shares) at the time of the repurchase;

- (3) Payments made by the Company for the following purposes shall be paid out of the distributable profits of the Company:
  - (1) acquire the right to repurchase its own shares;
  - (2) change a contract on the repurchase of its shares;
  - (3) release its obligations under a contract on repurchase of its shares.
- (4) After the Company's registered capital is 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 the repurchased shares shall be accounted for in the Company's premium account (or capital reserve account).

Where the accounting treatment for the aforesaid share repurchases is otherwise stipulated by laws, administrative regulations and relevant regulations of the competent regulatory authorities, the relevant laws and regulations shall apply.

## Chapter 5 Financial Assistance for the Purchase of the Company's Shares

Article 37 No financial assistance shall be provided at any time and in any manner by the Company or its subsidiaries to any person acquiring or intending to acquire the shares of the Company. The persons acquiring the shares of the Company mentioned above shall include the person who undertake, directly or indirectly, obligations as a result of purchasing the shares of the Company.

Article 29 of the Mandatory Provisions Article 20 of the Guidelines for Articles of Association

No financial assistance shall be provided at any time and in any manner by the Company or its subsidiaries to reduce or release the obligations to be undertaken by the aforesaid persons.

The provisions of this Article shall not apply to the circumstances described in Article 39 of the Articles of Association.

Article 38 The term "financial assistance" referred to in this Chapter shall include but not be limited to the financial assistance in the forms sent out below:

Article 30 of the Mandatory Provisions

- (1) gift;
- (2) guarantee (including the undertaking of liability or provision of assets by the guarantor to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company's own default), or a 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 to the contract, or a change in the parties to, or the assignment of rights under such loan or contract; and

- (4) any other means of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

“Undertaking of obligations” referred to in this Chapter shall include the undertaking of obligations of the obligator which have arisen by entering into a contract or arrangement (whether the contract or arrangement is enforceable, or whether such obligations are assumed by the obligator solely or jointly with any other person), or by any other means whereby the obligator’s financial position is changed.

#### Article 39

The following acts shall not be deemed as the acts prohibited Article 31 of under Article 37 of this Chapter, except those prohibited by the Mandatory relevant laws, administrative regulations, departmental rules and Provisions normative documents:

- (1) provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving such financial assistance is not for the acquisition of shares in the Company, or the giving of such financial assistance is an incidental part of an overall plan of the Company;
- (2) distribution of the property of the Company by way of dividends according to law;

- (3) distribution of dividends in the form of shares;
- (4) reduction of registered capital, repurchase of shares, or adjustment of shareholding structure in accordance with the Articles of Association;
- (5) provision of a loan by the Company within its business scope in the ordinary course of business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);
- (6) provision of funds by the Company for an employee stock ownership plan (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).



## Chapter 6 Share Certificates and Register of Shareholders

Article 40 The share certificates of the Company shall be in registered form. Share certificates of the Company shall contain the following major particulars: Article 32 of the Mandatory Provisions

- (1) name of the Company;
- (2) date of incorporation of the Company;
- (3) class of shares, nominal value and number of shares represented;
- (4) serial numbers of the share certificates;
- (5) other items required to be stated by the stock exchange where the Company's shares are listed and the securities regulatory authority in the place where such shares are listed;
- (6) other items required to be stated by the Company Law and other relevant laws and administrative regulations.

The Company may issue overseas listed foreign shares in the form of overseas depository receipts or any other derivative form in accordance with the laws and securities registration and depository practices of the place of listing. Article 3 of the Special Regulations

Equity transfer documents and other documents relating to or affecting the ownership of any H shares or other registered securities shall be registered. Section 1(1) of Appendix 3 to the Main Board Listing Rules

The Company shall instruct and procure its share registrar to reject the registration of subscription, purchase or transfer of shares in the name of any individual holder unless and until the individual holder submits to the share registrar a signed form for such shares, which shall contain the statements required by the laws and regulations of the place where the Company is listed and the relevant listing rules. Rule 19A.52 of the Main Board Listing Rules

Article 41	<p>Share certificates of the Company shall be signed by the Chairman. Where the securities regulatory authority and the stock exchange on which the Company's shares are listed require other senior management officer(s) to sign the share certificates, the share certificates shall also be signed by such senior management officer(s). The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the seal of the Company under the authorization of the Board. The signatures of the Chairman of the Board or other relevant senior management officers on the share certificates may also be in printed form. Where the shares of the Company are issued and traded in a paperless manner, such provisions as otherwise provided by the stock exchange where the Company's shares are listed and the securities regulatory authority shall apply.</p>	<p>Article 33 of the Mandatory Provisions Section I of the Letter of Opinions Section 2(1) of Appendix 3 to the Main Board Listing Rules</p>
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Article 42	<p>The Company shall maintain a register of shareholders which shall contain the following particulars:</p> <ol style="list-style-type: none"> <li>(1) the name, address (domicile), occupation or nature of each shareholder;</li> <li>(2) the class and quantity of shares held by each shareholder;</li> <li>(3) the amount paid or payable for the shares held by each shareholder;</li> <li>(4) the serial number of the shares held by each shareholder;</li> <li>(5) the date on which each shareholder was registered as a shareholder;</li> <li>(6) the date on which each shareholder ceased to be a shareholder.</li> </ol>	<p>Article 34 of the Mandatory Provisions Article 30 of the Guidelines for Articles of Association</p>
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Unless there is evidence to the contrary, the register of shareholders shall be the sufficient evidence of the shareholders' holding in the Company.

Any issue of transfer of overseas listed shares shall be registered in the register of shareholders of overseas listed shares at the place of listing in accordance with the provisions of the Articles of Association.

When two or more persons are registered as joint holders of any shares, they shall be regarded as joint owners of such shares and subject to the following terms:

- (1) the Company does not need to register more than four persons as joint holders of any shares;
- (2) the joint holders of any shares shall jointly or severally assume the liability for the payment of all amounts payable for the relevant shares;
- (3) in case one of the joint holders has deceased, only the surviving joint holder(s) shall be deemed by the Company to be the owner(s) of the relevant shares, though the Board has the right to demand a death certificate of the deceased shareholder as it deems appropriate for the purpose of amending the register of shareholders; and

Section 1(3) of  
Appendix 3 to the  
Main Board Listing  
Rules

- (4) for joint holding of any shares, only the joint holder whose name appears first in the register of shareholders is entitled to receive the certificate for the relevant shares, receive the Company's notices, and attend and exercise all voting rights of the relevant shares at the general meetings of the Company. Any notice served on such a joint holder shall be deemed to have been served on all joint holders of the relevant shares. Any joint holder may sign the proxy form for the purpose of attending a general meeting of the Company or exercising all voting rights of the relevant shares. The vote of the senior joint holder 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 members in respect of the joint shareholding.

If any of the joint holders sends to the Company a receipt of any dividend, bonus or capital return payable to the said joint holders, the said receipt shall be deemed as a valid receipt sent by the said joint holders to the Company.

#### Article 43

The Company may, in accordance with the memorandum of understanding and agreement reached between the securities regulatory authority of the State Council and the overseas securities regulatory authority, maintain the original register of shareholders of overseas listed shares abroad and entrust an overseas agency to manage the register. The original register of shareholders of overseas listed shares listed in Hong Kong shall be kept in Hong Kong.

Article 35 of the Mandatory Provisions Section II of the Letter of Opinions Section 1(b) of Appendix 13D to the Main Board Listing Rules

The Company shall keep at its domicile a duplicate of the register of shareholders of overseas listed shares; the entrusted overseas agency shall at all times ensure the consistency between the original and duplicate register of shareholders of overseas listed shares.

In case of any discrepancy between the original and duplicate register of shareholders of overseas listed shares, the original shall prevail.

Article 44

The Company shall maintain a complete register of shareholders. Article 36 of the Mandatory Provisions

The register of shareholders shall comprise the following parts:

- (1) the register of shareholders shall be maintained at the Company's domicile (other than those stipulated in subparagraphs (2) and (3) of this Article);
- (2) the register of shareholders of overseas listed shares of the Company which is maintained at the place of the overseas stock exchange on which the Company's shares are listed;
- (3) the register of shareholders maintained in such other place as the Board may deem necessary for the purpose of listing of the Company's shares.

Article 45

Each parts of the register of shareholders shall not overlap with each other. No transfer of the shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register of shareholders. Article 37 of the Mandatory Provisions

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

All fully paid-up overseas listed shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless the following conditions are satisfied:

- (1) a fee (for each instrument of transfer) or any higher fee as prescribed by the Hong Kong Stock Exchange has been paid in Hong Kong dollars to the Company to register the instrument of transfer of shares and other documents which relate to or may affect the ownership of such shares; Section XII of the Letter of Opinions
- (2) the instrument of transfer only involves overseas listed shares listed in Hong Kong;
- (3) the stamp duty payable on the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer the relevant shares have been submitted;
- (5) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four; Section 1(1) and 1(2) of Appendix 3 to the Main Board Listing Rules
- (6) the Company does not have any lien on the relevant shares; and Section 1(3) of Appendix 3 to the Main Board Listing Rules
- (7) no shares shall be transferred to a minor or a person who is mentally unsound or otherwise legally incompetent.

If the Board refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within two months from the date when the transfer application is formally filed.

The term “Hong Kong dollars” referred to herein means the lawful currency of Hong Kong.

- Article 47 All transfer of overseas listed shares listed in Hong Kong shall be effected by written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer prescribed by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be signed by hand or, (where the transferor or transferee is a corporation), affixed with the official seal of the company. Where the transferor or transferee is a recognized clearing house (“Recognized Clearing House”, as defined by relevant regulations in accordance with Hong Kong laws from time to time) or its nominee, the instrument of transfer may be signed by hand or in a machine-imprinted format.
- All instruments of transfer shall be maintained at the legal address of the Company, its share registrar or such addresses designated by the Board from time to time.
- Article 48 Where the laws and regulations in the PRC and the Main Board Listing Rules stipulate the period of closure of the register of members of the Company prior to the date of a general meeting or the record date on which the Company decides to distribute dividends, such provisions shall prevail. Article 38 of the Mandatory Provisions
- Article 49 In the event the Company decides to convene a general meeting, distribute dividends, liquidate or carry out other activities requiring the determination of shareholdings, the Board shall fix a record date for determining shareholdings. Those who are registered in the register of shareholders shall be the shareholders of the Company entitled to the relevant rights. Article 39 of the Mandatory Provisions Article 31 of the Guidelines for Articles of Association
- Article 50 Any person who objects to the register of shareholders and requests to have his/her name included in or removed from the register of shareholders may apply to a court of competent jurisdiction to rectify the register of shareholders. Article 40 of the Mandatory Provisions

Any shareholder who is registered in, or any person who Article 41 of requests to have his/her name entered into, the register of the Mandatory shareholders has lost his/her share certificate (the “Original Provisions Share Certificate”), such shareholders may apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).

Where a holder of domestic shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

Where a holder of overseas listed shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of shareholders of overseas listed shares is maintained.

The issue of a replacement share certificate to a holder of overseas listed shares of the Company who has lost his/her share certificate and applies for the replacement shall be subject to the following requirements:

- (1) The applicant shall submit an application in a standard form prescribed by the Company together with a notarial certificate or statutory declaration containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate as well as a declaration that no other person is entitled to request to be registered as the shareholder in respect of the Relevant Shares.
- (2) Before the Company decides to issue a replacement share certificate to the applicant, no declaration made by any person other than the applicant declaring that his/her name shall be entered in the register of shareholders in respect of the Relevant Shares has been received.



- (3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its decision to issue the replacement share certificate in such newspapers as prescribed by the Board. The announcement shall be made at least once every 30 days for a period of 90 days.
- (4) Before publishing the announcement on issuing a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where its shares are listed. The announcement may be published upon receiving confirmation from such stock exchange confirming that the said announcement has been displayed in such stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days.

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

- (5) If, upon expiration of the 90-day period of announcement referred to in subparagraphs (3) and (4) of this Article, the Company has not received from any person any objection to the issuance of replacement share certificate, the Company may issue a replacement share certificate to the applicant accordingly.

- (6) Where the Company issues a new share certificate pursuant to this Article, it shall forthwith cancel the Original Share Certificate and record the cancellation and issuance in the register of shareholders accordingly.
- (7) All expenses arising from the cancellation of the Original Share Certificate and the issuance of new share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 52                      After the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he/she is a bona fide purchaser) shall not be removed from the register of shareholders.                      Article 42 of the Mandatory Provisions

Article 53                      The Company shall have no obligation to indemnify any person for any damages arising out of the cancellation of the Original Share Certificate or the issuance of a replacement share certificate, unless the claimant can prove that the Company has acted fraudulently.                      Article 43 of the Mandatory Provisions

## Chapter 7 Rights and Obligations of Shareholders

Article 54

A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name recorded in the register of shareholders.

Article 44 of the Mandatory Provisions

Each shareholder of the Company shall meet the conditions for becoming a shareholder as stipulated by the CBIRC and other relevant regulatory authorities.

Article 30 of the Guidelines for Articles of Association

A shareholder shall enjoy the relevant rights and assume the relevant obligations according to the class and number of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Section 9 of Appendix 3 to the Main Board Listing Rules

For a corporate shareholder, its legal representative or a proxy appointed thereby shall exercise its rights on its behalf.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attached to any shares of the Company by reason only that a person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Section 12 of Appendix 3 to the Main Board Listing Rules

Holders of ordinary shares of the Company shall have the following rights:

Article 45 of  
the Mandatory  
Provisions

(1) to receive dividends and other distributions in proportion to the number of shares held;

Article 32 of  
the Guidelines  
for Articles of

(2) the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting rights;

Association

(3) the right to supervise and manage the Company's business activities and to put forward proposals or enquiries;

(4) the right to transfer, donate or pledge the shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;

(5) the right to obtain relevant information in accordance with the laws, administrative regulations, departmental rules, normative documents, the relevant provisions of the stock exchange on which the Company's shares are listed and securities regulatory authority in the place of listing as well as the provisions of the Articles of Association, including:

1. the right to obtain a copy of the Articles of Association after paying for the cost thereof;
2. the right to inspect for free and, copy upon payment of a reasonable charge:

(1) all of the register of shareholders;

- (2) personal particulars of each of the directors, supervisors, general manager and other senior management officers of the Company, including:
  - (a) present and former names and aliases;
  - (b) principal address (domicile);
  - (c) nationality;
  - (d) full-time and all other part-time occupations and positions;
  - (e) identification document and its number.
- (3) report on the capital structure of the Company;
- (4) the latest audited financial statements and reports of the Board, auditors and the Board of Supervisors;
- (5) special resolutions of the Company;
- (6) reports showing the aggregate nominal value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year, and the aggregate amount of cost incurred by the Company for such repurchases;
- (7) a copy of the latest annual inspection report that has been submitted to the State Administration for Industry and Commerce of the PRC or other competent authorities for the record;
- (8) minutes of general meetings;
- (9) resolutions of the Board of Supervisors.

Rule 19A.50 of the  
Main Board Listing  
Rules

Documents set out in subparagraphs (1) to (7) above and any other applicable documents shall be made available by the Company at the Company's address in Hong Kong according to the requirements of the Main Board Listing Rules for free inspection by the public and holders of overseas listed foreign shares.

Where a shareholder requests to inspect or obtain the relevant information mentioned above, he/she shall provide written proof stating the class and number of the shares of the Company held by him/her to the Company. Upon the verification of the identity of the shareholder, the Company shall provide the shareholder with the relevant information as requested.

Where a shareholder requests a copy of relevant minutes from the Company, the Company shall send a copy of such minutes to him/her within seven days after receiving a reasonable fee. If the information to be inspected and copied involves the Company's trade secrets and price sensitive information, the Company may refuse to provide it.

- (6) the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held in the event of the termination or liquidation of the Company;
- (7) the right to demand the Company to acquire the shares held by them if they disagree with the resolution adopted at general meeting on merger or division of the Company;

- (8) other rights conferred by the laws, administrative regulations, relevant regulatory authorities and the Articles of Association.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attached to any shares of the Company by reason only that a person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 56

Shareholders have the right to request a court to invalidate any resolution of a general meeting or board meeting whose content is in violation of any law or administrative regulation. Article 34 of the Guidelines for Articles of Association

If the convening procedures or voting method of a general meeting or board meeting violates the laws and regulations or the Articles of Association or if the content of any resolution breaches the Articles of Association, the shareholders shall have the right to request the court to revoke the resolution within 60 days from the date on which the resolution is adopted.

If a shareholder brings a lawsuit in accordance with the preceding paragraph, the Company may apply to the People's Court concerned for requiring such shareholder to provide corresponding guarantee.

If a resolution of a general meeting or board meeting pursuant to which the Company has completed the procedures for change of business registration is declared invalid or revoked by the People's Court, the Company shall apply to the company registration authority for revocation of the change of business registration.

Article 57

If any director or senior management officer violates relevant laws and regulations or the Articles of Association in performing his/her duties, thereby causing any loss to the Company, a shareholder individually or jointly holding at least 1% of the Company's shares for 180 consecutive days or more shall have the right to request the Board of Supervisors in writing to institute legal proceedings in a court; if the Board of Supervisors violates relevant laws and regulations or the Articles of Association in performing its duties, thereby causing any loss to the Company, such a shareholder may request the Board in writing to institute legal proceedings in a court.

If the Board of Supervisors or the Board refuses to institute legal proceedings after receipt of the aforesaid written request or fails to institute legal proceedings within 30 days after receipt of such request, or in the case of urgent situation where any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, any shareholders as specified in the preceding paragraph shall have the right to directly institute legal proceedings in the court in their own names for the interests of the Company.

If any other person infringes the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholders as specified in the first paragraph of this Article may institute legal proceedings in the court pursuant to provisions of the preceding two paragraphs.

Article 58

Where any director or senior management officer violates relevant laws and regulations or the Articles of Association, thereby incurring any loss to the shareholders, the shareholders may institute legal proceedings in a court.



Article 59

Each holder of ordinary shares of the Company shall assume the following obligations:

- (1) comply with the laws, administrative regulations and the Articles of Association;
- (2) make the payment in respect of shares subscribed for and the method of subscription;
- (3) take responsibility for the Company to the extent of the shares subscribed for;
- (4) not to withdraw the shares unless required by laws or regulations;
- (5) report to the Board in a timely, complete and truthful manner the information on its affiliated companies, related party relationships with other shareholders, and particulars of other auto finance companies invested by it (if any);
- (6) not seek improper benefits, interfere with the decision-making and management rights enjoyed by the Board and senior management in accordance with the Articles of Association, or bypass the Board and senior management to directly interfere with the Company's operations and management;

Article 46 of the Mandatory Provisions

Article 37 of the Guidelines for Articles of Association

- (7) not to abuse shareholder rights to damage the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of any creditor of the Company. Shareholders of the Company who abuse their rights as shareholders and thereby cause losses to the Company or other shareholders shall be liable for indemnification according to law. Shareholders of the Company who abuse the independent legal person status of the Company and the limited liability of shareholders to evade repayment of debts, which causes material damage to the interests of the Company's creditors, shall be jointly and severally liable for repayment of the Company's debts;
- (8) safeguard the Company's interests and reputation, and support the Company to operate in compliance with laws and regulations;
- (9) other obligations stipulated by laws, administrative regulations, relevant regulatory authorities and the Articles of Association.

Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers of the relevant shares at the time of subscription.

Any entity or individual (including its related parties and parties acting in concert therewith) holds, individually or in aggregate, more than 1% and less than 5% of the total issued shares of the Company shall report to the CBIRC or any agency delegated by it within 10 business days after obtaining the relevant shares.

Where any entity or individual (including its related parties and parties acting in concert therewith) is to purchase more than 5% of the total issued shares of the Company, such purchase is subject to prior approval from the CBIRC.

If a shareholder (including its related parties and parties acting in concert therewith) holds 5% or more of the total issued shares of the Company (the part exceeding 5% is referred to as “Excess Shares”) without obtaining the prior approval from the CBIRC, before obtaining such approval from the CBIRC, such shareholder’s exercise of shareholder rights over the Excess Shares as stipulated in Article 55 of the Articles of Association shall be subject to necessary restrictions, including but not limited to:

1. the Excess Shares do not carry voting rights during the voting (including voting by class shareholders) at the Company’s general meeting;
2. the Excess Shares do not carry the right to nominate candidates for directors and supervisors as stipulated in the Articles of Association.

If a shareholder holds Excess Shares with the approval of the CBIRC, the shareholder shall hold such Excess Shares in accordance with the approval of the CBIRC; if a shareholder holds Excess Shares without the approval of the CBIRC, the shareholder shall transfer such Excess Shares within the time limit required by the CBIRC.

Notwithstanding the foregoing, shareholders holding Excess Shares shall not be subject to any restrictions when exercising the rights of shareholders stipulated in subparagraphs (1) and (7) of Article 55 of the Articles of Association.

Article 61

Shareholder who propose to provide guarantee(s) for himself/herself or others with the Company's shares shall strictly abide by the laws and regulations and the requirements of competent regulatory authorities, and inform the Board in advance. Where a shareholder with any board seat or supervisory board seat in the Company or who directly or indirectly or jointly holds or controls more than 2% of the shares or voting rights in the Company is to pledge any shares of the Company, such shareholder shall make an application for registration thereof to the Board stating the reasons for pledge, the number of shares involved, the term of pledge and the pledgee. Where the Board considers that the pledge will have a material adverse impact on the stability of the Company's equity structure, its corporate governance, risk control and related party transaction management, it shall reject the registration. The director nominated by a shareholder proposing to pledge the shares shall abstain from voting at the Board meeting at which such proposal is considered.

After completing the registration of share pledge, the shareholder shall provide the Company with relevant information on the pledged shares according to the risk management and information disclosure requirements of the Company.

Where the number of shares pledged by a shareholder reaches 50% or more of the shares in the Company held by him/her/it, the voting rights of the shareholder at general meetings and any director nominated by him/her/it at board meetings shall be restricted.

Any shareholder whose outstanding borrowings from the Company exceed the audited net equity of the Company at the end of last year attributable to him/her/it shall not pledge any shares of the Company.

Article 62 Shareholders, especially substantial shareholders, should support the Board to formulate a reasonable capital plan so that the Company can continuously meet the regulatory requirements on capital adequacy. When the Company fails to meet the regulatory requirements on capital adequacy, a capital replenishment plan shall be formulated to make the Company's capital adequacy ratio meet the regulatory requirements within a specified time limit, and the capital shall be replenished by means of increasing the core capital. Substantial shareholders shall not obstruct other shareholders to replenish the Company's capital or the introduction of new qualified shareholders.

Substantial shareholders shall make a long-term commitment in writing to replenishment of the Company's capital when necessary and serve as part of the Company's capital plan.

Article 63 In addition to the obligations required by laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder (as defined in Article 64 of the Articles of Association) shall not exercise his/her/its voting rights in a manner prejudicial to the interests of all or part of the shareholders in respect of the following issues: Article 47 of the Mandatory Provisions

- (1) waive the responsibility of a director or supervisor to act in good faith in the best interests of the Company;
- (2) approve the director or supervisor to deprive the property of the Company (including but not limited to the opportunities that are favorable to the Company) in any form for their own benefit or for the benefit of others;

- (3) approve the director or supervisor to deprive the individual rights and interests of other shareholders (including but not limited to any distribution rights, voting rights, but excluding the reorganisation of the Company which is submitted to the general meeting for approval in accordance with the Articles of Association) for their own benefit or for the benefit of others.

The controlling shareholder and de facto controller shall not take advantage of their related party relationship with the Company to prejudice the interests of the Company, otherwise they shall be liable for indemnifying the Company against any loss caused to the Company. Article 39 of the Guidelines for Articles of Association

The controlling shareholder and the de facto controller have fiduciary duty to the Company and public shareholders of the Company. The controlling shareholder shall duly exercise its rights as a contributor according to law, and shall not damage the legitimate rights and interests of the Company and public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriation or loan guarantee, nor shall it abuse its controlling status to damage the interests of the Company and public shareholders.

The term “controlling shareholder” referred to in the preceding article means a person who satisfies any one of the following conditions:

- (1) he/she alone or acting in concert with others has the power to elect more than half of the directors;
- (2) he/she 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) he/she alone or acting in concert with others, holds 30% or more of the issued shares of the Company;
- (4) he/she alone or acting in concert with others, can de facto control over the Company in any other manner.

The term “acting in concert” referred to in this Article means two or more persons agreeing (whether orally or in writing) to have one of them acquire the voting rights in the Company in order to achieve or consolidate control over the Company.

Article 48 of  
the Mandatory  
Provisions  
Article 192 of  
the Guidelines  
for Articles of  
Association

## Chapter 8 General Meeting

Article 65	The general meeting is the authorized entity of the Company to exercise its functions and powers according to law.	Article 49 of the Mandatory Provisions
Article 66	<p>The general meeting shall exercise the following functions and powers:</p> <ol style="list-style-type: none"><li>(1) to determine on the Company's operating policies and investment plans;</li><li>(2) to elect and replace directors and decide on matters relating to the remuneration of directors;</li><li>(3) to elect and replace supervisors not being employee representatives and decide on matters relating to the remuneration of supervisors;</li><li>(4) to consider and approve reports of the Board;</li><li>(5) to consider and approve reports of the Board of Supervisors;</li><li>(6) to consider and approve the annual financial budgets and final accounts of the Company;</li><li>(7) to consider and approve the profit distribution plans and loss recovery plans of the Company;</li><li>(8) to resolve on increases or reduction in the Company's registered capital;</li><li>(9) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;</li></ol>	<p>Article 50 of the Mandatory Provisions</p> <p>Article 40 and 53 of the Guidelines for Articles of Association</p> <p>Article 99 of the Company Law</p>



- (10) to resolve on the issuance of bonds or other securities of the Company and the related listing plans;
- (11) to resolve on the engagement, dismissal or discontinuance of engagement of accounting firms for the Company;
- (12) to amend the Articles of Association, and to consider and approve the rules of procedure of the general meeting, the rules of procedure for meeting of the Board, and the rules of procedure for meeting of the Board of Supervisors;
- (13) to consider the acquisition or disposal of material assets or the provision of any guarantee(s) within one year in an amount exceeding 25% of the latest audited total assets of the Company;
- (14) to consider and approve stock incentive plans and employee stock ownership plans;
- (15) to consider the proposals submitted by shareholders holding 3% or more of the voting shares of the Company;
- (16) to decide on the setting up of special committees of the Board;
- (17) to consider related party transactions required to be resolved at a general meeting pursuant to laws, administrative regulations, department rules, normative documents, the requirements of relevant regulatory authorities and the Articles of Association;
- (18) to consider and approve any change in use of proceeds from fund raising;

(19) to consider and approve other matters required to be resolved at a general meeting pursuant to laws, administrative regulations, the Articles of Association and the listing rules of the listing venue.

Matters within the above scope of functions and powers of the general meeting shall be considered and resolved by the general meeting. Nevertheless, where necessary, reasonable and lawful, the general meeting may authorize or entrust the Board to handle the relevant matters, provided that doing so is not in violation of laws and regulations and the listing rules of the listing venue. The content of authorization shall be clear and specific. Where the matters authorized to the Board by the general meeting are those that are required be adopted by ordinary resolution at a general meeting under the Articles of Association, such authorization shall be passed by more than half of the voting rights held by the shareholders (including shareholder proxies) present at the general meeting. Where the matters authorized are those that are required be adopted by special resolution at a general meeting under the Articles of Association, such authorization shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the general meeting.

Article 67

Unless a prior approval is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, supervisors, general manager and other senior management officers pursuant to which such person is put in charge of managing the whole or a substantial part of the Company's business.

Article 51 of  
the Mandatory  
Provisions  
Article 81 of  
the Guidelines  
for Articles of  
Association

General meetings are divided into annual general meetings Article 52 of and extraordinary general meetings. General meetings shall be the Mandatory convened by the Board. Annual general meetings are held once Provisions a year and within 6 months from the end of the preceding fiscal Article 42 of year. Where a general meeting needs to be postponed due to the Guidelines special circumstances, the Company shall timely report to the for Articles of CBIRC explaining the reasons for the postponement and make Association an announcement thereon.

Under any of the following circumstances, the Board shall convene an extraordinary general meeting within two months:

- (1) the number of directors is less than the quorum as specified by the Company Law or two-thirds of the number as stipulated by the Articles of Association;
- (2) the unrecovered losses of the Company reaches one third of the total amount of the Company's share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting (the number of shares held by them shall be calculated at the closing of the date on which the shareholders submit the written request or the previous trading day if such date is a non-trading day);
- (4) the Board deems it necessary to, or the Board of Supervisors proposes to, convene a general meeting;
- (5) other circumstances as provided by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association.

Article 69 The Company shall hold a general meeting at the domicile of the Company or such other place as notified by the convener of the general meeting. Article 44 of the Guidelines for Articles of Association

General meetings shall be held on-site at the designated venue. When technically feasible, the Company may also provide other means to attend a general meeting such as via the Internet in order to facilitate shareholders' participation in the general meeting, provided that doing so does not violate the laws and regulations and the listing rules of the listing venue. Shareholders attending a general meeting by the aforesaid means shall be deemed present at the meeting.

Article 70 When the Company is to convene an annual general meeting, a written notice of the meeting shall be given 20 working days before the date of the meeting to notify all shareholders whose names appear in the register of shareholders of the matters to be considered and the time and place of the meeting. A written notice of extraordinary general meeting shall be given to all shareholders 10 working days or 15 days (whichever is longer) prior to the meeting. For the issuance of bearer share certificates, the time and venue of and matters to be considered at the meeting shall be announced 30 days before the meeting. Article 99 of the Company Law Article 53 of the Mandatory Provisions

When calculating the period for sending out the notice, the date of the meeting and the date of sending the notice shall be excluded.

For the purpose of this Article, the date of sending a notice is the date on which the Company or the share registrar appointed by the Company delivers the notice to the post office to post it.

Holders of bearer share certificates who wish to attend a general meeting shall deposit their share certificates with the Company five days before the meeting and till the conclusion of the meeting.

Article 71

When the Company convenes a general meeting, the Board, Article 99 of the Board of Supervisors and the shareholders individually the Company or jointly holding 3% or more of the Company's shares may Law submit proposals to the Company. Article 54 of the Mandatory

Shareholders individually or jointly holding 3% or more of Provisions the Company's shares may submit temporary proposals to the Article 53 of the Company in writing, and the Company shall notify other the Guidelines for Articles of shareholders within two days upon receipt of the proposal, and Association submit the said temporary proposal to the general meeting for consideration.

Save as provided in the preceding paragraph, the convener shall not amend the proposals stated in or add new proposals to the notice of general meeting after issuing and announcing the notice.

A temporary proposals submitted by shareholders shall meet the following conditions:

- (1) the content of the proposals shall not contravene the laws and regulations, and shall fall within the scope of the Company's operations and the functions and powers of the general meeting;
- (2) the proposal has definite topics to discuss and specific matters to resolve;
- (3) the proposal shall be submitted or served to the convener in writing 10 days prior to the date of holding the general meeting.

Article 72	Matters which are not included in the notices shall not be resolved at the shareholders' general meeting.	Article 99 of the Company Law Article 55 of the Mandatory Provisions
Article 73	<p>A notice of general meeting shall meet the following requirements:</p> <ol style="list-style-type: none"> <li data-bbox="373 510 678 548">(1) in written form;</li> <li data-bbox="373 600 1084 638">(2) specify the place, date and time of the meeting;</li> <li data-bbox="373 690 1193 768">(3) set out the matters and proposals to be considered at the meeting;</li> <li data-bbox="373 821 1193 1035">(4) set out the record date for shareholders who are entitled to attend the general meeting. The interval between the record date and the date of the meeting shall not be more than seven business days. The record date shall not be changed once confirmed;</li> </ol>	Article 56 of the Mandatory Provisions Article 55 of the Guidelines for Articles of Association

- (5) provide shareholders with materials and explanations necessary for them to make sensible decisions on the matters to be considered; principally including (but not limited to) specific terms and agreements (if any) for a proposed transaction, and a detailed explanation of its cause and consequence where the Company proposes a merger, repurchase of shares, restructuring of capital or other form of reorganisation;
- (6) disclose the nature and degree of any material interest of any director, supervisor, general manager or any other senior management officer in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, general manager or other senior management officer as a shareholder is different from that on other holders of the same class of shares, such difference shall be illustrated;
- (7) set out the full text of any special resolution proposed to be passed at the meeting;
- (8) clearly state that any shareholder entitled to attend and vote at the general meeting has the right to appoint one or more proxies, who do not need to be shareholders of the Company, to attend and vote at the meeting on his/her behalf;
- (9) specify the time and place for delivery of proxy forms for the meeting;

- (10) set out the name and telephone number of the contact person for the meeting;
- (11) other requirements as provided by laws, administrative regulations, departmental rules, normative documents, relevant regulatory authorities and the Articles of Association.

The notice of general meeting shall be served together with a template of the proxy form.

Article 74

Except as otherwise provided in relevant laws, regulations and the listing rules of the Company's listing venue and the Articles of Association, a notice of general meeting shall be posted on the Company's website or delivered to shareholders by hand or by pre-paid post. The address of each recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, a notice of general meeting may be given by way of public announcement.

Article 57 of  
the Mandatory  
Provisions

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. Once the announcement is made, the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

Subject to laws, administrative regulations, department rules, normative documents and regulations of relevant regulatory authorities, for the holders of H shares, the Company may also issue a notice of general meeting by making an announcement on the websites of the Company and the Hong Kong Stock Exchange in lieu of delivery of such notice by hand or by pre-paid post to the holders of H shares.

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

Article 58 of  
the Mandatory  
Provisions  
Article 169 of  
the Guidelines  
for Articles of  
Association



Where the general meeting intends to consider the election of directors or supervisors, the notice of the meeting shall, in accordance with laws, administrative regulations, departmental rules, normative documents, and provisions of relevant regulatory authorities and the Articles of Association, fully disclose the detailed information of the candidates for directors or supervisors, including at least the following:

- (1) educational background, work experience, part-time job experience and other personal information;
- (2) whether a candidate has any connection with the Company or its controlling shareholder or de facto controller;
- (3) the number of shares in the Company held by each candidate;
- (4) whether or not a candidate has been subject to any punishment by the securities regulatory authority of the State Council and other competent authorities or the stock exchange;
- (5) information on the prospective directors or supervisors (whether by new appointment or job transfer) as required to be disclosed under the Main Board Listing Rules.

In addition to the adoption of a cumulative voting system for the election of directors and supervisors, each candidate for director or supervisor shall be nominated in a separate proposal.

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy (proxies) to attend and vote on his behalf. Such proxy may exercise the following rights in accordance with the shareholder's authorization:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join with others in demand for a poll; and
- (3) the right to vote on a show of hands or on a poll, unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, provided that for a shareholder who has appointed more than one proxy, such proxies may only vote on a poll.

Where a shareholder is a Recognised Clearing House (or its nominee) as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the shareholder may authorize one or more persons as he thinks fit to act as his representative(s) at any general meeting or any class shareholders' meeting, provided that if more than one person is so authorized, the authorization must specify the number and class of shares in respect of which each such person is so authorized. A person so authorized is entitled to exercise the rights on behalf of the Recognised Clearing House (or its nominee) as if he was an individual shareholder of the Company.

Article 59 of the Mandatory Provisions Article 59 of the Guidelines for Articles of Association

Article 77 Shareholders shall appoint a proxy in writing, to be signed by Article 60 of the appointer or his agent so authorized in writing, or if the the Mandatory appointer is a legal person, either under corporate seal or under Provisions the hand of a director or attorney duly authorized. The proxy Article 61 of form shall set out: the Guidelines for Articles of Association

- (1) name of the proxy;
- (2) whether the proxy has the right to vote;
- (3) instructions to vote in favor of, against or abstain from, as the case may be, each of the items to be considered in the agenda of the general meeting;
- (4) the issuing date and effective period of the proxy form;
- (5) the number of shares represented by the proxy or, where two or more persons are appointed as proxies, the number of shares represented by each proxy.

Article 78 The proxy form shall be deposited at the address of the Article 61 of Company or another place specified in the notice of the the Mandatory meeting 24 hours prior to the time for the holding of the Provisions meeting or 24 hours prior to the time for voting. Where Article 63 of the proxy form is signed by an attorney authorized by the the Guidelines appointer, the power of attorney or other authorization for Articles of instruments shall be notarized. The notarized power of attorney Association and other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

If the appointer is a legal person, its legal representative or any other person authorized by its board of directors or other governing body may attend general meetings of the Company on behalf of such appointer.

A shareholder shall produce his identity certificate and share certificate when attending a general meeting in person. The Company has the right to request a proxy attending a general meeting on behalf of a shareholder to produce his identity certificate and proxy form.

Where a legal person shareholder (save for a Recognised Clearing House or its nominee) appoints a proxy to attend the meeting on its behalf, the Company has the right to request the proxy to produce his identity certificate and a notarized copy of the resolution or power of attorney issued by the board of directors or other governing body of the shareholder.

Article 79 Any instrument issued to a shareholder by the Board for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the proposals according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The proxy form shall contain a statement that in the absence of instructions by the shareholder, the proxy may vote as he thinks fit. Article 62 of the Mandatory Provisions

Article 80 Where the appointer has deceased, lost capacity to act, revoked the proxy or the signed authorization prior to the voting, or the relevant shares have been transferred, a vote given in accordance with the terms of proxy remain valid, provided that no written notice of such issues shall have been received by the Company before the commencement of the meeting. Article 63 of the Mandatory Provisions

Article 81	When a general meeting is convened, all directors, supervisors and the secretary to the Board shall attend the general meeting and the managers and other senior management officers shall also be present, unless with justified reasons.	Article 66 of the Guidelines for Articles of Association
Article 82	Resolutions of the general meeting include ordinary resolutions and special resolutions.  To adopt an ordinary resolution at a general meeting, votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.  To adopt a special resolution at a general meeting, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.	Article 64 of the Mandatory Provisions  Article 75 of the Guidelines for Articles of Association

When voting at the general meeting, shareholders (including their proxies) may exercise their voting rights according to the number of voting shares held by them, with each share having one vote.

Article 65 of  
the Mandatory  
Provisions  
Article 78 of  
the Guidelines  
for Articles of  
Association

The shares held by the Company have no voting rights, and shall not be included into the total number of voting shares held by shareholders present at the general meeting.

The Board, independent non-executive directors and shareholders who meet the relevant conditions may gather the shareholders' voting rights.

In reviewing and considering matters concerning related party transactions at a general meeting, if required by the listing rules of the stock exchange on which the Company's shares are listed, the related shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total effective votes.

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

Section 14 of  
Appendix 3 to the  
Main Board Listing  
Rules

At a general meeting, a resolution shall be decided by a show of hands unless a poll is demanded before or after any vote by a show of hands by: (1) the chairman of the meeting; (2) by at least two shareholders present in person or by proxy for the time being entitled to vote at the meeting; (3) one or more shareholders (including proxies) representing, either calculated separately or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.

Article 66 of  
the Mandatory  
Provisions

Unless a poll is demanded, a declaration by the chairman whether or not the proposal is adopted on a show of hands and the recording of such in the minutes of 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 the resolution.

The demand for a poll may be withdrawn by the proposer.

A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issue shall be taken at such time as the chairman of the meeting directs, and the meeting may proceed to discuss other matters, while the result of the poll shall be deemed to be a resolution of the meeting.

Article 67 of  
the Mandatory  
Provisions

Article 84

Resolutions proposed at a general meeting shall be voted by way of poll.

Rule 13.39(4) of the  
Main Board Listing  
Rules

Article 85

Subject to the applicable laws and regulations, on a poll taken at a meeting, a shareholder (including his proxies) entitled to two or more votes need not cast all his votes in the same way.

Article 68 of  
the Mandatory  
Provisions

Article 86

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

Article 69 of  
the Mandatory  
Provisions

The following matters shall be resolved by an ordinary resolution at a general meeting:

Article 70 of  
the Mandatory  
Provisions  
Article 76 of  
the Guidelines  
for Articles of  
Association

- (1) work reports of the Board and the Board of Supervisors;
- (2) profit distribution plans and loss recovery plans formulated by the Board;
- (3) election and removal of members of the Board and supervisors being shareholder representatives, their remuneration and manner of payment;
- (4) annual financial budgets and final accounts, balance sheets, income statements and other financial statements of the Company;
- (5) matters other than those required to be passed by special resolution under the laws, administrative regulations, departmental rules, regulations of relevant regulatory authorities, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.



The following matters shall be resolved by a special resolution at a general meeting:

Article 71 of the Mandatory Provisions

- (1) increase or reduction of share capital and issue of shares of any class, stock warrants or other similar securities by the Company;
- (2) issue of corporate bonds or other securities and listing by the Company;
- (3) divide, merger, dissolution, liquidation or change of corporate form of the Company;
- (4) amendments to the Articles of Association;
- (5) purchase or disposal of material assets or provision of any guarantee(s) within one year in an amount exceeding 25% of the latest audited total assets of the Company;
- (6) equity incentive plans and employee stock ownership plans;
- (7) any other matters as required by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association, and any matters considered by the general meeting, and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and shall be adopted by special resolutions.

Article 77 of the Guidelines for Articles of Association

Article 89

The Board of Supervisors shall have the right to propose to the Board to convene an extraordinary general meeting, provided that such proposal shall be made in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days after receiving such proposal. If the Board agrees to convene an extraordinary general meeting, a notice of such meeting shall be issued within five days after the adoption of the relevant board resolution, and any changes to the original proposal set out in the notice are subject to prior consent of the Board of Supervisors. If the Board does not agree to convene an extraordinary general meeting or fails to furnish any reply within 10 days after receiving the proposal, the Board shall be deemed as unable or failing to perform its duty for convening a general meeting, in which case the Board of Supervisors may convene and preside over such meeting by itself.

Article 47 of the Guidelines for Articles of Association

Article 90

Shareholders requisitioning an extraordinary general meeting or a class meeting shall abide by the following procedures:

Article 72 of the Mandatory Provisions

Two or more shareholders holding 10% or more of the voting shares at the meeting sought to be held shall sign one or more counterpart requisitions in writing stating the object of the meeting and requiring the Board to convene an extraordinary general meeting or class meeting. The Board, in accordance with laws and regulations and the Articles of Association, give a written reply as to whether or not it agrees to convene an extraordinary general meeting or class meeting within 10 days after receiving the requisition. In the event that the Board agrees to convene an extraordinary general meeting or class meeting, the notice of the meeting shall be issued within five days after the adoption of the relevant board resolution. Any changes to the original requisition set out in the notice are subject to prior consent of the shareholders concerned. The shareholdings referred to above shall be calculated as of the date of the deposit of the requisition by the shareholders.

Article 48 of the Guidelines for Articles of Association

If the Board does not agree to convene an extraordinary general meeting or class meeting or fails to furnish any reply within 10 days after receiving such requisition, shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the meeting sought to be held shall be entitled to propose to the Board of Supervisors to convene an extraordinary general meeting or class meeting, provided that such proposal shall be made in writing. In the event that the Board of Supervisors agrees to convene an extraordinary general meeting or class meeting, the notice of the meeting shall be issued within five days after receipt of the request. Any changes to the original proposal set out in the notice are subject to prior consent of the shareholders concerned. Failure of the Board of Supervisors to issue a notice of meeting within the prescribed time limit shall be deemed as failure of the Board of Supervisors to convene and preside over a general meeting, in which case shareholders individually or jointly holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting.

If the Board fails to issue a notice of convening such a meeting within 30 days from the date of receipt of such requisition in writing, the requisitioning shareholders may themselves convene such a meeting with the procedures as similar as possible to that in which general meetings are to be convened by the Board within four months from the date of receipt of the requisition by the Board. A general meeting convened by shareholders themselves shall be presided over by the representative elected by the convener.

Any reasonable expenses incurred by shareholders or the Board of Supervisors in convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

Article 91	General meeting shall be convened and presided by the Chairman of the Board; If the Chairman is unable to attend a meeting, the Vice Chairman shall act as the chairman of the meeting and preside over it. If the Vice Chairman is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall be the chairman of the meeting and preside over it. If no chairman of the meeting has been designated, shareholders present at the meeting may elect one person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) present in person or by proxy that holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.	Article 73 of the Mandatory Provisions
Article 92	The chairman of the meeting shall be responsible for determining whether a resolution is passed at the meeting. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.	Article 74 of the Mandatory Provisions
Article 93	If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted forthwith.	Article 75 of the Mandatory Provisions Article 90 of the Guidelines for Articles of Association
Article 94	If votes are counted at a general meeting, the counting result shall be recorded in the minutes of the meeting.  The minutes of the meeting together with the attendance register of the attending shareholders and the proxy forms shall be kept at the domicile of the Company.	Article 76 of the Mandatory Provisions
Article 95	Copies of the minutes of general meetings shall be made available for inspection free of charge by shareholders during the business hours of the Company. Where a shareholder requests the Company for a copy of relevant minutes, the Company shall send a copy of such minutes to him within seven days after receipt of a reasonable fee.	Article 77 of the Mandatory Provisions

## Chapter 9 Special Procedures for Voting by Class Shareholders

Article 96	<p>Shareholders holding different classes of shares are referred to as class shareholders.</p> <p>Class shareholders shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association.</p> <p>All classes of shareholders of the Company shall have equal rights in any profit distribution, whether in the form of dividends or in any other form.</p> <p>Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting shares” must appear in the designation of such shares.</p> <p>Where the share capital 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”.</p> <p>Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless respectively approved by special resolution at a general meeting and by holders of shares of that class at a separate meeting conducted in accordance with the Articles of Association, except for where the unlisted shares specified in the Articles of Association are to be listed and traded on an overseas stock exchange.</p>	<p>Article 78 of the Mandatory Provisions</p> <p>Section 9 of Appendix 3 to the Main Board Listing Rules</p> <p>Section 10(1) and (2) of Appendix 3 to the Main Board Listing Rules</p> <p>Article 79 of the Mandatory Provisions</p>
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The following circumstances shall be deemed as a variation or abrogation of the rights of a particular class of shareholders:

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of another class having voting rights, rights to receive distributions or other privileges;
- (2) to convert all or part of the shares of that class into shares of another class, or to convert all or part of the shares of another class into shares of that class, or to grant such conversion right;
- (3) to cancel or reduce rights to receive payable dividends or cumulative dividends attached to shares of that class;
- (4) to reduce or cancel rights attached to shares of that class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (5) to add, cancel or reduce the conversion privileges, options, voting rights, transfer rights, pre-emptive rights, or rights to acquire the Company's securities attached to shares of that class;
- (6) to cancel or reduce the rights to receive payments payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having voting rights or rights to receive distributions or other privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of the shares of that class or to impose additional restrictions thereto;

- (9) to issue rights to subscribe for, or convert into, shares of that class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring; and
- (12) to amend or abrogate provisions of this Chapter.

Article 98

Shareholders of the affected class, whether or not having the Article 81 of right to vote at general meetings originally, shall be entitled the Mandatory to vote at class meetings in respect of matters set out in Provisions subparagraphs (2) to (8), (11) and (12) of Article 97. However, interested shareholders shall have no voting right at such class meetings.

The term “interested shareholders” in the preceding paragraph means:

- (1) in the event that the Company makes a repurchase offer to all shareholders on a pro rata basis or repurchases its own shares through public dealing on a stock exchange pursuant to the Article of Association, “Interested Shareholders” shall refer to the controlling shareholders as defined in Article 64 herein;
- (2) in the event that the Company repurchases its own shares by an off-market agreement pursuant to the Articles of Association, “Interested Shareholders” shall refer to the shareholders related to such agreement;
- (3) in the event of a proposed restructuring of the Company, “Interested Shareholders” shall refer to the shareholders who assume obligations below that of other shareholders of the same class, or those shareholders who enjoy interests different from other shareholders in the same class.

Article 99	Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class at the class meeting who have the right to vote at the meeting pursuant to Article 97.	Article 82 of the Mandatory Provisions
Article 100	<p>For the convening of a class meeting, the period for issuing a written notice thereof shall be the same as the period for issuing a written notice of the non-class meeting to be convened together with such class meeting. Written notice shall be given to notify shareholders who are registered as holders of such class of shares in the register of shareholders of the matters proposed to be considered and the date and place of the meeting.</p> <p>Where there are any special provisions in the listing rules of the place where the Company's shares are listed, such provisions shall prevail.</p> <p>The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class concerned.</p>	Article 99 of the Company Law Article 83 of the Mandatory Provisions
Article 101	<p>A notice of a class meeting shall be served exclusively to the shareholders entitled to vote thereat.</p> <p>Except as otherwise provided in the Articles of Association, the procedures of a class meeting shall be as similar as possible to the procedures for the general meeting. Provisions herein regarding the procedures for holding a general meeting shall be applicable to class meetings.</p>	Section 6(2) of Appendix 3 to the Main Board Listing Rules  Article 84 of the Mandatory Provisions



Apart from holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares shall be deemed as holders of different classes of shares.

Article 85 of the Mandatory Provisions

The special voting procedures for class meetings shall not apply in the following circumstances:

Section 1(f) of Appendix 13D to the Main Board Listing

- (1) with the approval by a special resolution at the general meeting, the Company issues domestic shares and/or overseas listed foreign shares separately or concurrently once every twelve months, and the number of domestic shares and overseas listed foreign shares to be issued is not more than 20% of the issued shares of the respective class;
- (2) the plan to issue domestic shares and overseas listed foreign shares at the time of establishment of the Company is completed within 15 months from the date of approval by the securities regulatory authority of the State Council; or
- (3) with the approval of the securities regulatory authority of the State Council, shareholders of the Company list and trade their unlisted shares on any overseas stock exchange.

Rules

## Chapter 10 Board of Directors

### Section I Directors

Article 103	<p>Directors are natural persons and need not hold any shares in the Company. Directors of the Company include executive directors, non-executive directors and independent non-executive directors. Executive directors are directors who hold management positions within the Company. Non-executive directors are directors who do not hold management positions in the Company and are not considered independent by law. Independent non-executive directors refer to directors who meet the requirements of Section 2 of Chapter 10 herein.</p> <p>Directors of the Company shall have the professional knowledge, work experience and basic qualities necessary to perform their duties, and have good professional ethics.</p> <p>None of the directors may serve concurrently as a director in another financial institution where conflicts of interest may arise.</p> <p>Any person appointed by the Board to fill up a casual vacancy in the Board or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.</p>	<p>Paragraph 3 of Article 87 of the Mandatory Provisions</p> <p>Section 4(2) of Appendix 3 to the Main Board Listing Rules</p>
Article 104	<p>Directors shall be elected at general meetings for a term of three years. A director may be re-elected upon expiration of his term of office, and the qualifications of each director shall be reported to the CBIRC for approval.</p>	<p>Article 87 of the Mandatory Provisions</p>
Article 105	<p>A written notice stating the intention to nominate a candidate for director and the nominee's acceptance of such nomination, together with relevant written materials on the nominee, shall be delivered to the Company no sooner than the date of issuing the notice of general meeting and no later than seven days before holding the meeting. The open period for submitting and accepting nomination shall not be less than seven days.</p>	<p>Section IV of the Letter of Opinions</p> <p>Section 4(4) and (5) of Appendix 3 to the Main Board Listing Rules</p>

A director may resign before his term of office expires. Any director intending to resign shall submit a resignation letter to the Board in writing. The Board shall notify the Board of Supervisors of the resignation within two days and report to the most recent general meeting of shareholders.

Where the term of office of any director expires and re-election is not carried out in time, or where the resignation of any director during his term of office affects the normal operation of the Company or causes the number of members of the Board to fall below the quorum, the original director shall continue to perform his duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association before the newly-elected director takes office.

Save for the circumstances referred to in the preceding paragraph, a director's resignation shall become effective upon his resignation letter being served to the Board. Subject to the relevant laws, regulations and regulatory rules of the place where the Company is listed, any person appointed by the Board (if permitted by applicable laws and regulations) to fill up a casual vacancy in the Board or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

Prior to the expiry of his term of office, a director shall not be removed without cause from his office by the general meeting. The general meeting may by ordinary resolution to remove any director before the expiry of his term of office (but without prejudice to such director's right to claim damages under any contract), subject to compliance with the relevant laws and administrative regulations.

Article 107	Upon the resignation of a director or the expiration of his term of office, the director shall complete all handover procedures with the Board, and his fiduciary obligations to the Company and the shareholders shall not terminate until one year after his term of office. Moreover, his obligation to keep confidential the Company's trade secrets shall survive the end of his term of office until such secrets become public.	Article 101 of the Guidelines for Articles of Association
Article 108	Save as provided in the Articles of Association or duly authorized by the Board, no director shall act on behalf of the Company or the Board in his own name. A director shall, when acting in his own name, make a prior statement of his standpoint and capacity whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board.	Article 102 of the Guidelines for Articles of Association
Article 109	A director who violates any laws, administrative regulations, department rules or any provisions of the Articles of Association in performing his duties shall be liable for indemnifying any loss so caused to the Company.	Article 103 of the Guidelines for Articles of Association
Article 110	The general meeting may, subject to relevant laws, administrative regulations and the Main Board Listing Rules of the Hong Kong Stock Exchange, by ordinary resolution to remove any director before the expiration of his term of office without prejudice to such director's right to claim damages under any contract.	Section IV of the Letter of Opinions Section 4(3) of Appendix 3 to the Main Board Listing Rules
	A director shall be deemed to have failed to perform his duties if he failed to attend board meetings in person twice consecutively and did not authorize any other director to attend the meetings on his behalf. In this case, the Board may recommend the general meeting to have the director replaced.	Article 99 of the Guidelines for Articles of Association

## Section II Independent Non-executive Director

Article 111 The Company shall establish an independent non-executive director system. Independent non-executive directors (“Independent Directors”) are directors holding no posts other than directorship in the Company, and having no relationship with the Company and substantial shareholders of the Company that might hinder his independent and objective judgment.

The term of office of independent non-executive directors is three years, and they may be re-elected for a maximum of six years of consecutive service, except as otherwise provided by relevant laws, regulations and the listing rules of the exchange where the Company’s shares are listed. Section A.4.3 of Appendix 14 to the Main Board Listing Rules

The number of independent non-executive directors of the Company shall be at least three and not less than one-third of the members of the Board. They shall include at least one financial or accounting professional.

Except as otherwise provided in this Section, the provisions of the Articles of Association regarding directors shall be applicable to independent non-executive directors.

Article 112 An independent non-executive director shall meet the following basic qualifications:

- (1) being eligible to serve as a director and Independent Director of the Company pursuant to laws, administrative regulations, departmental rules, normative documents, and relevant provisions of competent regulatory authorities and the Articles of Association;
- (2) performing duties independently and not being affected by any of the substantial shareholders and de facto controller of the Company or any other entity or individual that has an interest in the Company;

- (3) having a bachelor's degree or above or a senior technical title in a relevant profession;
- (4) being knowledgeable about corporate governance and familiar with relevant laws, administrative regulations, departmental rules and normative documents;
- (5) having at least five years of work experience in legal, economic, financial or accounting areas or other work experience conducive for performing the duties of Independent Director;
- (6) being familiar with the operation and management of auto finance companies and relevant laws, administrative regulations, departmental rules and normative documents;
- (7) having the ability to read, comprehend and analyze the credit statistics statements and financial statements of auto finance companies;
- (8) having enough time and energy to perform effectively his duties and undertaking to honor his fiduciary duty to and work conscientiously for the Company.

Article 113

In addition to the functions and powers provided by the Company Law, other relevant laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, independent non-executive directors shall also have the following special functions and powers:

- (1) propose to the Board for the appointment or dismissal of accounting firms;
- (2) propose to the Board to convene extraordinary general meetings;
- (3) propose to hold board meetings;

- (4) material related party transactions (as determined according to the standards promulgated from time to time by the securities regulatory authority of the place where the Company is listed and the criteria stipulated in the Articles of Association) shall be subject to approval of Independent Directors before being submitted to the Board for consideration;
- (5) the Independent Directors may publicly canvass for votes from shareholders prior to shareholders' general meetings;
- (6) with their unanimous consent, independently engage external auditors or consultants to audit or advise on specific matters of the Company at the expense of the Company.

Save for subparagraph ( 6 ), independent non-executive directors shall obtain the consent of more than half of all independent non-executive directors in exercising any of the above functions and powers. If any of the above proposals has not been adopted or if any of the above functions and powers cannot be exercised normally, the Company shall disclose the details thereof.

Article 114

Before expiry of their term of office, independent non-executive directors shall not be dismissed without cause. In case of an independent director being dismissed before expiry of his term of office, the Company shall disclose the dismissal as a special disclosure matter. If the Independent Director being dismissed believes that his dismissal is unjustifiable, he may make a public statement.

In case that an independent non-executive director fails on three consecutive occasions to attend board meetings, the Board may propose to the general meeting to replace him.

Article 115

For matters concerning the independent non-executive director system not covered in this Section, the relevant laws, administrative regulations, departmental rules and the listing rules of the stock exchange on which the Company's shares are listed shall apply.

### Section III Board of Directors

- Article 116 The Company has a board of directors which is responsible to the general meeting and exercises its functions and powers in accordance with laws, administrative regulations and the Articles of Association.
- Article 117 The Board shall have one Chairman and one Vice Chairman. The Board consists of seven directors, of which independent non-executive directors shall account for one third or more of all the members. At least one independent non-executive director shall have appropriate professional qualifications or appropriate accounting or related financial management expertise.
- The Chairman and Vice Chairman shall be elected and removed by more than half of votes of all directors. The term of office of the Chairman is three years, renewable upon re-election.
- Article 118 The Board reports to general meetings and exercises the following duties and powers:
- (1) to convene general meetings and report its work to the general meetings;
  - (2) to implement the resolutions of general meetings;
  - (3) to decide on the Company's business plans and investment plans;
  - (4) to formulate the Company's annual financial budgets and final accounts;
  - (5) to formulate the Company's profit distribution plans and loss recovery plans;
  - (6) to formulate proposals for increases or reductions of the Company's registered capital, and proposals for issuance of corporate bonds or other securities and listing;
- Article 86 of the Mandatory Provisions Rule 3.10 and 3.10A of the Main Board Listing Rules
- Article 111 of the Guidelines for Articles of Association
- Article 88 of the Mandatory Provisions
- Article 105 of the Guidelines for Articles of Association
- Article 107 of the Guidelines for Articles of Association



- (7) to formulate proposals for material acquisition, share repurchase, merger, division, dissolution or change in corporate form of the Company;
- (8) to determine external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted asset management and related party transactions of the Company within the scope of authorization of the general meeting;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to appoint or dismiss the Company's general manager and the secretary to the Board; and pursuant to the general manager's nominations, to appoint or dismiss the Company's deputy general managers, chief financial officer and other senior management officers and to decide on their remuneration, rewards and penalties;
- (11) to formulate the Company's fundamental management system;
- (12) to formulate amendments to the Articles of Association;
- (13) to propose to the general meeting to appoint or replace of the accounting firm conducting auditing for the Company;
- (14) to hear the work reports of the general manager and examine the work of the general manager;
- (15) other functions and powers conferred by laws, administrative regulations, departmental rules or the Articles of Association.

Save and except for the resolutions of the Board in respect of the matters specified in subparagraphs (6), (7) and (12) above which shall be passed by more than two-thirds of all directors, resolutions of the Board in respect of all other matters may be passed by more than half of all directors. The Board shall perform its duties in accordance with the laws and administrative regulations of the PRC, the Articles of Association and shareholders' resolutions.

The Board shall make explanations to the general meeting as to any non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

Article 108 of the Guidelines for Articles of Association

Article 119

The Board of Directors shall set up an Audit Committee, a Remuneration and Evaluation Committee, a Nomination Committee, and a Risk Management Committee. Under the leadership of the Board, these committees assist the Board in performing its functions or provide advice or opinion for the decision-making of the Board. The composition and rules of procedure of these committees shall be separately determined by the Board.

The Audit Committee shall have at least three members, all of whom shall be non-executive directors. One of the members shall be an independent non-executive director who has appropriate professional qualifications or appropriate accounting or related financial management expertise as required by Main Board Listing Rules. Independent non-executive directors shall constitute a majority of the members of the Audit Committee. The chairman of the Audit Committee shall be an independent non-executive director.

Rule 3.21 of the Main Board Listing Rules

The majority of the members of the Remuneration and Evaluation Committee shall be independent non-executive directors, and the chairman of the committee shall be an independent non-executive director.

Rule 3.25 of the Main Board Listing Rules

Article 120 The Board shall determine the scope of authority and establish strict review and approval procedures for external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted asset management and related party transactions. The Board shall organize relevant experts and professionals to review material investment projects and then submit such projects to the general meeting for approval. Article 110 of the Guidelines for Articles of Association

The Board shall not, without prior approval of the general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets in the four months immediately preceding the proposed disposal exceeds 33% of the value of the Company's fixed assets as stated in the latest balance sheet approved by the general meeting. Article 89 of the Mandatory Provisions

A "disposal of fixed assets" as referred to in this Article includes the transfer of interests in certain assets but excludes the usage of fixed assets for provision of guarantee.

The validity of any transaction conducted by the Company in the disposal of fixed assets shall not be affected by a breach of the second paragraph of this Article.

Article 121 The Board shall formulate the rules of procedures of the board to ensure its proper implementation of the resolutions of the general meeting, enhance its work efficiency and ensure its scientific decision-making. Article 109 of the Guidelines for Articles of Association

Article 122	<p>The Chairman of the Board shall perform the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside over general meetings and to convene and preside over board meetings;</li> <li>(2) to supervise and inspect the implementation of resolutions of the Board;</li> <li>(3) to sign the share certificates, corporate bonds and other securities of the Company;</li> <li>(4) to sign important documents of the Board and other documents that should be signed by the legal representative of the Company;</li> <li>(5) in any emergent force majeure events such as severe natural disasters, to exercise the special right of disposal in relation to the Company's affairs in compliance with laws and in the Company's interests, and report to the Board and the general meeting afterwards;</li> <li>(6) to propose the convening of an extraordinary board meeting;</li> <li>(7) to exercise other functions and powers prescribed by laws and regulations and the Articles of Association and conferred by the Board.</li> </ol>	<p>Article 90 of the Mandatory Provisions</p> <p>Article 112 of the Guidelines for Articles of Association</p>
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Article 123	<p>The Vice Chairman shall assist the Chairman in performing his duties. Where the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice Chairman. Where the Vice Chairman is unable or fails to perform his duties, a director shall be elected by more than half of all the directors to perform his duties.</p>	<p>Article 113 of the Guidelines for Articles of Association</p>
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Board meetings include regular meetings and extraordinary meetings of the Board, which shall be convened and presided over by the Chairman.

The Board shall notify the supervisors in advance to attend a board meeting.

The board should convene board meetings at least four times a year at approximately quarterly intervals.

An extraordinary board meeting may be held in any of the following circumstances:

- (1) when jointly proposed by one-third or more of the directors;
- (2) when proposed by the Board of Supervisors;
- (3) when proposed by more than one-half of the independent non-executive directors;
- (4) whenever the Chairman deems necessary;
- (5) when proposed by shareholders representing one-tenth or more of the voting rights;
- (6) when proposed by the general manager;
- (7) other circumstances as stipulated by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association.

Article 91 of the Mandatory Provisions Article 114 and 115 of the Guidelines for Articles of Association Section A.1.1 and A.1.3 of Appendix 14 to the Main Board Listing Rules

Article 125 For a regular board meeting, a notice of the meeting shall be given 14 days prior to the date of the meeting, and the meeting documents shall be served to all directors and supervisors five days prior to the date of the meeting. For an extraordinary board meeting, a notice of the meeting shall be served to all directors and supervisors five days prior to the date of the meeting, and the meeting documents shall be served to all directors three days prior to the date of the meeting.

Article 92 of the Mandatory Provisions Article 116 of the Guidelines for Articles of Association Section A.1.3 of Appendix 14 to the Main Board Listing Rules

In case of urgent situation where an extraordinary board meeting needs to be convened as soon as possible, the delivery of the notice of the meeting and the meeting documents may not be subject to the time limits specified the preceding paragraph, provided that such notice and documents shall be served on the directors and supervisors before the meeting is held. The time and place of a board meeting may be prescribed by the Board in advance and recorded in the minutes. If such minutes have been sent to all directors at least 14 days prior to the convening of the next board meeting, no further notice shall be required to be served to the directors in respect thereof.

Section A.1.3 of Appendix 14 to the Main Board Listing Rules

Article 126 Board meetings shall be held only if more than half of the directors are present.

Article 127	<p>Each director has one vote. Resolutions of the Board shall be passed by more than half of all directors.</p> <p>In the case of equal affirmative and dissenting votes, the Chairman shall be entitled to a casting vote.</p> <p>Where a written resolution is signed and voted by each director and the number of affirmative votes meets the thresholds required by laws, regulations and the Articles of Association, it shall be deemed as valid as a resolution passed at a legally convened board meeting. Such written resolution may consist of documents in counterparts, with each signed by one or more directors. A resolution signed by a director or bearing his signature and served to the Company by mail, facsimile or by hand, for the purpose of this Article, shall be deemed as a document signed by him.</p>	<p>Article 93 of the Mandatory Provisions</p> <p>Article 118 of the Guidelines for Articles of Association</p>
Article 128	<p>Directors should attend board meetings in person. A director who is unable to attend a board meeting for any reason may appoint in writing another director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the submit matter, the scope of authorization and period of validity, and shall be signed or sealed by the appointer.</p> <p>The director acting as a proxy shall exercise the appointer's rights as a director within the scope of authorization. A director failing to attend a board meeting in person and by proxy shall be deemed to have waived his right to vote at the meeting.</p>	<p>Article 94 of the Mandatory Provisions</p> <p>Article 121 of the Guidelines for Articles of Association</p>
Article 129	<p>With exceptions permitted by Note 1 of Appendix 3 to the Main Board Listing Rules or the Hong Kong Stock Exchange, a director shall not vote on any resolution of the Board on any contract or arrangement or any other proposal in which such director or any of his associates (as defined in the Main Board Listing Rules) has a material interest, and shall not be counted in the quorum of the meeting concerned.</p>	<p>Section 4(1) of Appendix 3 to the Main Board Listing Rules</p>

When the Board considers any transaction between the Company or any of its subsidiaries and the controlling shareholder of the Company or any associate of such controlling shareholder (excluding the Company and its subsidiaries), any director who is concurrently serving as a director and/or senior management officer of the controlling shareholder of the Company or any subsidiary of such controlling shareholder (excluding the Company and its subsidiaries) shall abstain from voting, and shall not be counted in the quorum of the board meeting concerned.

If the board meeting fails to meet the quorum requirement due to the aforesaid abstention, the matters to be considered shall be submitted to the general meeting for consideration.

The terms “subsidiary(ies)” and “associate(s)” referred to in this Article shall have the same meaning as defined in the Main Board Listing Rules.

If a substantial shareholder (as defined in the Main Board Listing Rules) or a director has what the Board considers to be a material conflict of interest in any matter to be considered by the Board, the matter shall not be dealt with by way of circulation of documents or by a committee under the Board (other than a committee specifically set up for such matter by a resolution passed at a board meeting), and a board meeting shall be held to consider the matter. Independent non-executive directors who, and whose associates (as defined in the Main Board Listing Rules), have no material interest in the proposed transaction should be present at such board meeting.



The Board shall keep minutes of its decisions on the matters considered at board meetings, including any doubts or opposing opinions raised by the directors on the matters considered through on-site meetings and communications. The opinions expressed by independent non-executive directors shall be stated in the resolutions of the Board. The directors and the secretary to the Board (recorder) attending a meeting shall sign the minutes of the meeting. The minutes shall be kept for a period of 10 years.

Directors shall be liable for the resolutions of the Board. Should a resolution of the Board is in violation of the laws, administrative regulations, the Articles of Associations or any resolution of the general meeting, which causes serious losses the Company, the directors who have participated in voting for the resolution shall be held liable for indemnification of the Company, but any director who has expressly objected to the resolution put to vote, which is evidenced and recorded in the minutes of the meeting, may be exempted from such liability; any director who abstains from voting on the resolution or who neither attends the meeting in person nor authorizes a proxy to attend the meeting shall not be exempted of such liability; and any director who raises clear objections in the relevant discussion but fails to explicitly vote against the resolution shall not be exempted from such liability as well.

The minutes of a board meeting shall contain the following:

- (1) the date and venue of the meeting and name of the convener and the chair;
- (2) the names of the directors present at the meeting and names of the directors (proxies) present at the meeting on behalf of other directors;
- (3) agenda of the meeting;
- (4) key points of speeches made by directors;

Article 95 of  
the Mandatory  
Provisions  
Article 122 and 123  
of the Guidelines  
for Articles of  
Association  
Section III of the  
Opinions  
Section A.1.5 of  
Appendix 14 to the  
Main Board Listing  
Rules

- (5) voting method and result on each resolution (the voting result shall set out the number of affirmative votes, dissenting votes, and abstention votes).

The minutes of meetings of the Board and its committees shall be kept by a duly appointed meeting secretary, and shall be made available for inspection by any director at any reasonable time on reasonable notice.

Section A.1.5 of Appendix 14 to the Main Board Listing Rules

Article 131

For a resolution required to be voted on at an extraordinary board meeting, if the Board has sent the resolution to be voted on in writing (including by fax and email) to all directors and ensured that the directors are able to fully express their opinions, the voting may be carried out by way of communication without convening a board meeting. Nevertheless, in order for the resolution to be passed, the number of directors who sign and approve the resolution shall reach the number of directors as required to make such decision under Article 122 herein.

Article 120 of the Guidelines for Articles of Association

## **Section IV Special Committees under the Board of Directors**

Article 132 The Company has set up special committees under the Board in accordance with Article 119 of the Articles of Association.

All members of the Audit Committee shall be non-executive directors (including Independent Directors) with professional knowledge and work experience in finance, auditing or accounting, and the Audit Committee shall have at least one Independent Director majoring in finance or accounting.

The Board shall formulate the work rules of the special committees under the Board to specify their duties, rules of procedure, working procedures and the matters authorized to them by the Board. The setting, composition, terms of reference and information disclosure of each special committee shall be in compliance with the relevant provisions of laws, administrative regulations, departmental rules, normative documents, relevant regulatory authorities and the Articles of Association. Each special committee shall formulate an annual work plan and meet regularly.

Article 133 The matters to be resolved by the Board shall first be submitted to the relevant special committee for deliberation, and such special committee shall provide its deliberation opinions.

Except as authorized by the Board according to law, the deliberation opinions of the special committee shall not be in lieu of the voting opinions of the Board.

Article 134 A special committee may, when necessary, engage professionals to advise on relevant matters at the expense of the Company, provided that it shall ensure that the Company's trade secrets are not disclosed.

## Chapter 11 Secretary to the Board of the Company

Article 135	The Company shall have a secretary to the Board, who is a senior management officer and reports to the Board.	Article 96 of the Mandatory Provisions
Article 136	<p>The secretary to the Board shall be a natural person who has the necessary professional knowledge and experience and shall be appointed by the Board. The main duties of the secretary to the Board are as follows:</p> <ol style="list-style-type: none"><li>(1) to be responsible for the communication and liaison between the Company and related parties and the stock exchange and other securities regulatory authorities, and to ensure that the Company prepares and submits the reports and documents required by the relevant regulatory authorities according to law;</li><li>(2) to handle the Company's information disclosure affairs, to urge the Company to develop and implement management measures on information disclosure and measures for internal reporting of material information, to procure the Company and related parties to perform their information disclosure obligations according to law, and to disclose regular reports and extraordinary reports to the stock exchange in accordance with relevant regulations;</li><li>(3) to coordinate the relationship between the Company and investors, entertain visiting investors, answer investors' enquiries, and provide investors with information disclosed by the Company;</li><li>(4) to prepare general meetings and board meetings in accordance with legal procedures, and to prepare and submit relevant documents and materials for the meetings;</li><li>(5) to participate in board meetings and make minutes of meeting with signature;</li></ol>	Article 97 of the Mandatory Provisions  Article 2 of the Work Guidelines for the Secretary to the Board of Directors of a Company Listed Overseas

- (6) to be responsible for the confidentiality work related to information disclosure of the Company, to formulate confidentiality measures, to procure the directors, supervisors, general manager and other senior management officers and relevant insiders to keep secret for relevant information before it is disclosed, and to take timely remedial measures in case of leakage of inside information and report to the stock exchange;
- (7) to be responsible for keeping the Company's register of shareholders, register of directors, information on the shareholdings in the Company of substantial shareholders, directors, supervisors, general manager and other senior management officers, and the documents and minutes of general meetings and board meetings, to ensure that the Company has complete organizational documents and records, to ensure that the Company's register of shareholders is properly maintained, and to ensure that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay;
- (8) to assist the directors, supervisors, general manager and other senior management officers to understand the laws, regulations and rules related to information disclosure, the listing rules and other provisions of the stock exchange, and the Articles of Association, as well as content regarding their legal liability in the listing agreement;
- (9) to procure the Board to exercise its functions and powers according to law; to remind the attending directors where any board resolution to be made by the Board are in contravention of the laws, regulations, rules, listing rules and other provisions of the stock exchange and the Articles of Association, and ask the attending supervisors to express their opinions in this regard; to record the opinions of relevant supervisors and his/her own in the minutes of the meeting if the Board insists on making the aforesaid resolution, and report to the stock exchange;

(10) to discharge such other duties as provided by the applicable laws, regulations, rules, the listing rules and other provisions of the stock exchange, and the Articles of Association.

Article 137

Any of the Company's directors and other senior management officers other than the general manager and chief financial officer may serve as the secretary to the Board, provided that he/she shall have sufficient energy and time to assume the duties of the secretary to the Board. None of the accountants of the accounting firm engaged by the Company shall act as the secretary to the Board. Article 98 of the Mandatory Provisions

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

## Chapter 12 General Manager of the Company

Article 138	<p>The Company shall have one general manager and several deputy general managers who assist the general manager in his work. The Company shall also have one chief financial officer and several assistants to general manager. The general manager, deputy general managers, chief financial officer, and assistants to general manager shall be appointed or dismissed by the Board.</p> <p>The term of office of the general manager is three years, renewable upon re-appointment or re-election.</p>	<p>Article 99 of the Mandatory Provisions Article 124 of the Guidelines for Articles of Association</p> <p>Article 127 of the Guidelines for Articles of Association</p>
Article 139	<p>The general manager of the Company reports to the Board and exercises the following functions and powers:</p> <ol style="list-style-type: none"><li>(1) to preside over the Company's production, operation and management, organize the implementation of board resolutions, and report to the Board;</li><li>(2) to organize the implementation of the Company's annual business plans and investment plans;</li><li>(3) to draft plans for the establishment of the Company's internal management structure;</li><li>(4) to formulate the Company's fundamental management system;</li><li>(5) to formulate basic rules and regulations for the Company;</li><li>(6) to propose to the Board the appointment or dismissal of the deputy general managers, chief financial officer and other senior management officers of the Company;</li></ol>	<p>Article 100 of the Mandatory Provisions</p> <p>Article 128 of the Guidelines for Articles of Association</p>

- (7) to appoint and dismiss any management officer other than those required to be appointed or dismissed by the Board;
- (8) other functions and powers stipulated by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association and conferred by the Board.

Article 140	The general manager shall attend the board meetings. The general manager, if not being a director, shall have no right to vote at board meetings.	Article 101 of the Mandatory Provisions
Article 141	The general manager may resign before expiry of his term of office. The procedures and formalities for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.	
Article 142	Senior management officers such as deputy general managers and chief financial officer shall be nominated by the general manager and appointed or dismissed by the Board. Senior management officers such as deputy general managers and chief financial officer shall report to the general manager and work under the leadership of the general manager. Their functions and powers shall be reasonably determined by the general manager at the general manager's office meeting.	
Article 143	The general manager and other senior management officers of the Company shall, in performing their duties and powers, act in good faith and with due diligence in accordance with the laws, administrative regulations and the Articles of Association.	Article 102 of the Mandatory Provisions



## Chapter 13 Board of Supervisors

- Article 144 The Company has a Board of Supervisors consisting of shareholder representatives and staff representatives. Article 103 of the Mandatory Provisions
- The Board of Supervisors consists of three supervisors, with one being a staff representative and two being shareholder representatives. The term of office of supervisors is three years, renewable upon re-election. Article 104 of the Mandatory Provisions  
Article 105 of the Mandatory Provisions
- Article 145 The Board of Supervisors shall have one chairman. The appointment and dismissal of the chairman of the Board of Supervisors shall be passed by votes of two-thirds or more of its members. The chairman of the Board of Supervisors shall act by professional person. The chairman of the Board of Supervisors shall have professional knowledge and work experience in at least one of the following areas: accounting, auditing, finance, law, etc. Section 1(d)(i) of Appendix 13D to the Main Board Listing Rules  
Section V of the Letter of Opinions
- Article 146 Supervisors representing shareholders shall be elected, removed or replaced by the general meeting, while supervisors representing the staff shall be elected, removed or replaced by the Company's staff representative assembly or through other democratic procedures. Prior to the expiry of his term of office, a supervisor shall not be removed without sake from his office by the general meeting or the staff representative assembly. Article 105 of the Mandatory Provisions
- Article 147 A supervisor may resign before his term of office expires. The provisions of the Articles of Association regarding the resignation of directors shall apply to supervisors.

Article 148	The circumstances under which a person is disqualified from being a director of the Company as described herein shall apply mutatis mutandis to supervisors of the Company. Directors, general manager, chief financial officer and other senior management officers of the Company shall not concurrently serve as supervisors.	Article 106 of the Mandatory Provisions Article 135 of the Guidelines for Articles of Association
Article 149	Meetings of the Board of Supervisors shall be held at least twice a year and at least once every six months, and shall be convened and presided over by the chairman of the Board of Supervisors. Supervisors may propose to convene an extraordinary meeting of the Board of Supervisors. Should the chairman of the Board of Supervisors be unable or fail to perform his duties, a supervisor elected by more than half of the supervisors shall convene and preside over the meeting.	Article 107 of the Mandatory Provisions Article 145 of the Guidelines for Articles of Association
Article 150	The Board of Supervisors shall be accountable to the general meeting and perform the following functions and powers according to law:	Article 108 of the Mandatory Provisions
	(1) to inspect the Company’s financial activities;	Article 144 of the Guidelines for Articles of Association
	(2) to supervise the performance of duties by directors, general manager and senior management officers and make proposals to remove directors and senior management officers who have violated laws, administrative regulations, the Articles of Association or resolutions of the general meeting;	Article 144 of the Guidelines for Articles of Association
	(3) to demand rectification from a director, the general manager or any other senior management officer when the acts of such a person are harmful to the Company’s interest;	Article 144 of the Guidelines for Articles of Association

- (4) to verify the financial information including financial reports, business reports and profit distribution plans to be submitted by the Board to the general meeting, and to investigate if in doubt, to engage, in the name of the Company, certified public accountants and practicing auditors to re-examine such information;
- (5) to propose to convene extraordinary general meetings, and to convene and preside over general meetings in the event that the Board fails to perform such duties;
- (6) to make proposals to the general meeting;
- (7) to bring legal actions against any director or senior management officer pursuant to relevant provisions of the Company Law;
- (8) to propose to convene extraordinary board meetings;
- (9) to investigate when finding that the Company is running abnormally, and (if necessary), may engage accounting firms, law firms or other professional firms to provide assistance at the expense of the Company;
- (10) other functions and powers stipulated by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association and authorized by the general meeting.

Article 151	<p>With justifiable reasons, a supervisor has the right to request the chairman of the Board of Supervisors to convene an extraordinary meeting. For each meeting of the Board of Supervisors, a 10 days' notice of the meeting shall be given by telephone or facsimile. The notice of the meeting shall set out: the date and place of the meeting, term and agenda of the meeting, and the date of the notice.</p> <p>Meetings of the Board of Supervisors shall not be held unless two-thirds or more of the supervisors are present. The voting at meetings of the Board of Supervisors shall be conducted by open ballot. Each supervisor has one vote. Supervisors shall attend meetings of the Board of Supervisors in person. Where a supervisor is unable to attend a meeting of the Board of Supervisors for any reason, he may appoint in writing another supervisor to attend the meeting on his behalf. The power of attorney shall specify the scope of authorization.</p> <p>All resolutions passed at the regular and extraordinary meetings of the Board of Supervisors are resolutions of the Board of Supervisors and shall be passed by votes of two-thirds or more of its members.</p>	<p>Article 109 of the Mandatory Provisions Article 148 of the Guidelines for Articles of Association Section VI of the Letter of Opinions Section 1(d)(ii) of Appendix 13D to the Main Board Listing Rules</p>
Article 152	<p>The Board of Supervisors shall make minutes of the decisions on the matters discussed at each meeting, and supervisors present at the meeting shall sign the minutes. Each supervisor is entitled to request the addition to the minutes of some explanatory comments concerning his speeches made at the meeting. The minutes of meeting of the Board of Supervisors shall be kept as archives of the Company for at least 10 years.</p>	<p>Article 147 of the Guidelines for Articles of Association</p>

Article 153 All reasonable expenses incurred from the engagement of professionals such as lawyers, certified public accountants and practicing auditors by the Board of Supervisors in exercising its functions and powers shall be borne by the Company. Article 110 of the Mandatory Provisions

Article 154 The supervisors shall faithfully discharge their supervisory responsibilities in accordance with the laws, administrative regulations and the Articles of Association. Article 111 of the Mandatory Provisions

Article 155 The Board of Supervisors shall formulate its rules of procedures to ensure its effective functioning, enhance its work efficiency and ensure its scientific decision-making.

#### **Chapter 14 Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management Officers of the Company**

Article 156 The qualifications of directors, supervisors and senior management officers of the Company shall conform to the provisions of laws, administrative regulations, departmental rules, normative documents, relevant regulatory authorities and the Articles of Association. Directors and senior management officers shall be subject to qualification examination by the CBIRC in accordance with the above provisions.

Article 157 In addition to the qualification requirements for directors (including independent non-executive directors), supervisors and senior management officers stipulated in the Articles of Association, a person who fits any of the following descriptions shall not serve as a director, supervisor, general manager or any other senior management officer of the Company: Article 112 of the Mandatory Provisions Article 95 of the Guidelines for Articles of Association

- (1) a person who does not have or who has limited capacity for civil conduct;

- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five years have lapsed since the sentence was served, or a person who has been deprived of his political rights and less than five years have lapsed since the sentence was served;
- (3) a person who is a director, factory manager or general manager of a company or enterprise which has been dissolved or put into liquidation and who was personally liable for the winding up 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 was the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of laws and who is personally liable therefor, where less than three years have elapsed since the date of revocation of the business license of such company or enterprise;
- (5) a person who bears a relatively large amount of debts due and outstanding;
- (6) a person who is currently under investigation by the judicial authorities for violation of criminal law, and the case concerned has not been settled;
- (7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
- (8) a person other than a natural person;

- (9) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have lapsed since the date of such conviction;
- (10) a person who has a criminal record involving intentional or gross negligence;
- (11) a person who has violated social morality and thus caused adverse effects;
- (12) a person who has personal liability or direct leadership responsibility for the illegal business activities or major losses of an entity he used to work for, where the case is serious;
- (13) a person who serves or served as a director or senior management officer of an entity that has been taken over, cancelled, declared bankrupt or had its business license revoked, except he can prove that he has no personal liability for such entity being taken over, cancelled, declared bankrupt or revoked of its business license;
- (14) a person who has caused major losses or adverse effects due to his violation of professional ethics and integrity or serious dereliction of duty;
- (15) a person who has instigated or participated in the non-cooperation of an entity he works for with any legal supervision or investigation;

- (16) a person who has been disqualified from holding office as a director or senior management for life, or who has two or more penalties imposed by the regulatory authorities or other financial regulatory bureaus;
- (17) a person who does not have the qualifications stipulated in Measures for the Implementation of Administrative Licensing Matters Concerning Non-bank Financial Institutions but somehow managed to obtain the eligibility approval by improper means;
- (18) a person who, as of his application for eligibility, or whose spouse still bears a large amount of overdue debts, including overdue loans owed to the financial institution that he is applying to serve;
- (19) a person who and his close relatives jointly hold more than 5% of the shares in the financial institution that he proposes to serve and have obtained from such financial institution a credit facility which is obviously worth more than the net equity held by them therein;
- (20) a person who and other corporate shareholder(s) controlled by him jointly hold more than 5% of the shares in the financial institution that he proposes to serve and have obtained from such financial institution a credit facility which is obviously worth more than the net equity held by them therein;
- (21) a person who or his spouse works for a corporate shareholder that holds more than 5% of the shares in the financial institution that he proposes to serve and has obtained from such financial institution a credit facility which is obviously worth more than the net equity held by it therein, unless he can prove that such credit facility has nothing to do with him or his spouse;



- (22) a person who holds a position elsewhere that has a conflict of interest with his proposed or existing position in the financial institution that he proposes to serve, or that will obviously divert his time and energy from serving such financial institution;
- (23) other circumstances prescribed by laws, administrative regulations and departmental rules.

Where a director, supervisor or senior management officer is elected or appointed in contravention of the provisions of this Article, such election or appointment shall be invalid. Where any director, supervisor or other senior management officer falls into any of the circumstances set out in this Article during his term of office, the Company shall dismiss him.

Persons who hold positions other than directors in the controlling shareholder or de facto controller unit of the Company shall not serve as senior management officers of the Company.

Article 158      The validity of an act of a director, general manager or any other senior management officer on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any non-compliance in his office, election or eligibility.      Article 113 of the Mandatory Provisions

Article 159      In addition to the obligations required by laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed, the directors, supervisors, general manager and other senior management officers of the Company shall, in performing their functions and powers conferred by the Company, assume the following obligations towards each shareholder:      Article 114 of the Mandatory Provisions

- (1) not to cause the Company to go beyond the scope of business stipulated in its business license;
- (2) to act honestly in the best interests of the Company;

- (3) not to expropriate in any guise the Company's property, including but not limited to usurpation of opportunities advantageous to the Company; and
- (4) not to expropriate the individual rights of shareholders, including but not limited to rights to distribution and voting rights, save for pursuant to a restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

Article 160	Each of the directors, supervisors, general manager and other senior management officers of the Company owes a duty, in the exercise of his powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.	Article 115 of the Mandatory Provisions Article 98 of the Guidelines for Articles of Association
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Article 161	Each of the directors, supervisors, general manager or other senior management officers of the Company shall exercise his powers or perform his duties in accordance with the fiduciary principle, and shall not put himself in a position where his duty and his interest may conflict. This principle shall include (but not limited to) discharging the following obligations:	Article 116 of the Mandatory Provisions Article 97 of the Guidelines for Articles of Association
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- (1) to act in good faith in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to act ultra vires;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders at a general meeting, not to delegate the exercise of his discretion;

- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise stipulated in the Articles of Association or with the informed consent of shareholders at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders at a general meeting, not to use the Company's property for his own benefit;
- (7) not to exploit his position to accept bribes or other illegal income or misappropriate funds or expropriate property of the Company by any means, including but not limited to opportunities advantageous to the Company;
- (8) without the informed consent of shareholders at a general meeting, not to accept commissions in connection with any of the Company's transactions;
- (9) to abide by the Articles of Association, perform his official duties faithfully and protect the Company's interests, and not to exploit his position and power in the Company to get personal benefits;
- (10) without the informed consent of shareholders at a general meeting, not to compete with the Company in any way; and not to take advantage of his related party relationship to prejudice the interests of the Company;
- (11) not to misappropriate the Company's funds or to lend such funds to any other person, not to open accounts in his own name or in any other name for the deposit of the Company's assets, nor to provide guarantees for the debts of the Company's shareholders or other individuals with the Company's assets; and

(12) without the informed consent of shareholders at a general meeting, not to disclose the confidential information of the Company obtained by him during his term of office; and not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of such information to the court or other competent government authorities is permitted in any of the following circumstances:

1. the laws so require;
2. public interests so require;
3. the interests of the relevant director, supervisor, general manager and other senior management officer so require.

Article 162

A director, supervisor, general manager and any other senior management officer of the Company shall not cause the following persons or institutions (“associates”) to do what he is prohibited from doing:

Article 117 of the Mandatory Provisions

- (1) the spouse or minor children of that director, supervisor, general manager and other senior management officer;
- (2) a person acting in the capacity of a trustee of that director, supervisor, general manager or other senior management officer or any person referred to in subparagraph (1) of this Article;
- (3) a person acting in the capacity of partner of that director, supervisor, general manager or other senior management officer or any person referred to in subparagraphs (1) and (2) of this Article;

- (4) a company in which that director, supervisor, general manager and other senior management officer, individually or jointly with one or more personnel referred to in subparagraphs (1), (2) and (3) of this Article or other directors, supervisors, general manager and other senior management officers of the Company, has a de facto controlling interest; and
- (5) the directors, supervisors, general manager and other senior management officers of the controlled company referred to in subparagraph (4) of this Article.

Article 163	The fiduciary duties of directors, supervisors, general manager and other senior management officers of the Company do not necessarily cease upon the termination of their tenures. The duty of confidentiality in respect of trade secrets of the Company shall survive the termination of their tenures. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions under which their relationships with the Company are terminated.	Article 118 of the Mandatory Provisions
Article 164	Except as provided in Article 63 hereof, a director, supervisor, general manager and any other senior management officer of the Company may be relieved of liability for specific breaches of his duties with the informed consent of shareholders given at a general meeting.	Article 119 of the Mandatory Provisions
Article 165	Where a director, supervisor, general manager or any other senior management officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement with the Company (other than the employment contract of that director, supervisor, general manager or other senior management officer with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the relevant matters are otherwise subject to approval of the Board.	Article 120 of the Mandatory Provisions

Unless the interested director, supervisor, general manager or other senior management officer has disclosed his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement was approved by the Board at a meeting where such interested director, supervisor, general manager or other senior management officer was not counted in the quorum and abstained from voting, such contract, transaction or arrangement is voidable at the instance of the Company, except as against a bona fide party thereto acting without being aware of the breach of duty by the interested director, supervisor, general manager or other senior management officer.

A director, supervisor, general manager or other senior management member of the Company shall be deemed to be interested in a contract, transaction or arrangement in which any of his associates or related parties is interested.

Article 166

Where a director, supervisor, general manager or other senior management officer of the Company gives to the Board a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed for the purpose of the preceding Article of this Chapter to be a sufficient declaration of his 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 121 of  
the Mandatory  
Provisions

Article 167

The Company shall not in any manner pay taxes for its directors, supervisors, general manager and other senior management officers.

Article 122 of  
the Mandatory  
Provisions

Article 168 The Company shall not directly or indirectly make a loan to or provide any loan guarantee for directors, supervisors, general managers and other senior management officers of the Company and its parent company, nor shall it make a loan to or provide any loan guarantee for any of their respective associates. Article 123 of the Mandatory Provisions

The provisions of the preceding paragraph do not apply to the following circumstances:

- (1) provision by the Company of a loan or a loan guarantee to a subsidiary of the Company;
- (2) provision by the Company of a loan or a loan guarantee or any other funds to a director, supervisor, general manager and other senior management officer of the Company to meet expenditures incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties, in accordance with the terms of an employment contract approved by shareholders at a general meeting; and
- (3) provision by the Company of a loan or a loan guarantee to any of the relevant directors, supervisors, general manager and other senior management officers or their respective associates in the ordinary course of its business and on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the provision of guarantees.

Article 169 A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan. Article 124 of the Mandatory Provisions

Article 170	<p>A loan guarantee provided by the Company in breach of the first paragraph of Article 168 shall not be enforceable against the Company, unless:</p> <p>(1) the lender was not aware of the relevant circumstances when he provided a loan to an associate of any of the directors, supervisors, general managers and other senior management officers of the Company and its parent company; or</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>	Article 125 of the Mandatory Provisions
Article 171	<p>For the purposes of the foregoing Articles of this Chapter, a “guarantee” includes an undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.</p>	Article 126 of the Mandatory Provisions
Article 172	<p>In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager or any other senior management officer of the Company is in breach of his duties to the Company, the Company shall have a right to:</p> <p>(1) claim damages from such director, supervisor, general manager or other senior management officer in compensation for losses sustained by the Company as a result of such breach;</p> <p>(2) rescind any contract or transaction entered into by the Company with such director, supervisor, general manager or other senior management officer or with a third party (where such third party is or should be aware that there is such a breach of duties by such director, supervisor, general manager or other senior management officer who acts on behalf of the Company);</p>	Article 127 of the Mandatory Provisions



- (3) demand an account of the profits made by such director, supervisor, general manager or other senior management officer in breach of his obligations;
- (4) recover any monies received by such director, supervisor, general manager or other senior management officer which should otherwise have been received by the Company, including but not limited to commissions;
- (5) require such director, supervisor, general manager or other senior management officer to return the interests accrued or potentially accrued on the monies which otherwise should have been paid to the Company; and
- (6) take legal procedures to claim the property obtained by such director, supervisor, general manager or other senior management officer in breach of his obligations.

Article 173

The Company shall enter into a written contract with each of the directors, supervisors and senior management officers, which shall contain at least the following provisions:

Rule 19A.54 and  
19A.55 of the Main  
Board Listing Rules

- (1) The directors, supervisors and senior management officers warrant to the Company that they will comply with the Company Law, the Special Regulations, the Articles of Association, and other provisions of the Stock Exchange, and agree that the Company is entitled to the remedies as provided in the Articles of Association. The contract and the position concerned may not be assigned;
- (2) The directors, supervisors and senior management officers warrant to the Company that they will honor and perform their duties to the shareholders according to the Articles of Association; and
- (3) The arbitration provisions stipulated in Article 219 of the Articles of Association.

Article 174 The Company shall, with prior approval of shareholders at Article 128 of a general meeting, enter into a written contract with each the Mandatory director and supervisor wherein his emoluments are stipulated. Provisions The aforesaid emoluments include:

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

Except pursuant to a contract mentioned in the foregoing paragraph, no proceedings may be brought by a director or supervisor against the Company for any benefits due to him in respect of the matters mentioned above.

Article 175 The contracts concerning the emoluments between the Article 129 of Company and its directors and supervisors shall provide that the Mandatory in the event of a takeover of the Company, the Company's Provisions directors and supervisors shall, subject to the prior approval of shareholders at a general meeting, have the right to receive compensation or other payment in respect of their loss of office or retirement.

A takeover of the Company referred to in the preceding paragraph includes any of the following:

- (1) a tender offer made by any person to all shareholder; or
- (2) an offer made by any person with a view to making the offeror to be the controlling shareholder. The term “controlling shareholder” has the same meaning as defined in Article 64 hereof.

Where the relevant director or supervisor is in breach of this Article, any sum so received by him shall belong to those who sell their shares by accepting the said offer. The expenses incurred in distributing such sum shall be borne by the relevant director or supervisor on pro rata basis and shall not be deductible from the sum.

## **Chapter 15 Financial and Accounting System and Profit Distribution**

Article 176	The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the PRC accounting standards promulgated by the competent financial authority of the State Council.	Article 130 of the Mandatory Provisions Article 149 of the Guidelines for Articles of Association
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Article 177	The Company shall, within four months after the end of each fiscal year, prepare an annual financial report and submit it to the relevant regulatory authorities according to law.	Article 131 of the Mandatory Provisions
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The aforementioned financial reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental rules.

The fiscal year of the Company shall coincide with the calendar year, financial year from January 1 to December 31.

Article 178 The Company shall publish two financial reports for each fiscal year, i.e. an interim financial report that shall be published within 60 days after the end of the first six months of the fiscal year and an annual financial report that shall be published within 120 days after the end of the fiscal year.

Where the above matters are otherwise stipulated by the stock exchange where the Company's shares are listed and the securities regulatory authority in the place of listing, the relevant provisions shall apply.

Article 179 The Board shall, at each annual general meeting, submit to shareholders the financial reports prepared by the Company as required by relevant laws, administrative regulations and normative documents promulgated by local government and regulatory authorities. Article 132 of the Mandatory Provisions Rule 13.46(2)(b) of the Main Board Listing Rules

The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of each annual general meeting. Each shareholder shall be entitled to access the financial reports referred to in this Chapter. Article 133 and 136 of the Mandatory Provisions

A financial report mentioned in the preceding paragraph shall include a report of the Board, together with a balance sheet (including the documents required by the laws and administrative regulations of the PRC or other jurisdiction to be attached thereto) and an income statement or statement of income and expenditure, or a summary financial report approved by the Hong Kong Stock Exchange (without violating relevant PRC laws).

The Company shall deliver the aforesaid annual financial report or the report of the Board together with the Company's financial statements to each holder of H shares at least 21 days prior to the annual general meeting (in any case not more than four months after the end of the relevant fiscal year) in the manner prescribed in the Articles of Association or by pre-paid post at the address recorded in the register of shareholders. Subject to the laws and regulations of the place where the Company is listed and the Main Board Listing Rules, the Company may also provide the aforesaid financial report to shareholders by way of public announcement on the websites of the stock exchange and the Company or in one or more newspapers or by electronic means in lieu of the aforesaid manners of delivering the same. Once such announcement is made and the procedures required by the listing rules of the Company's listing venue are completed, all shareholders shall be deemed to have received the said financial report.

Section VII of the Letter of Opinions Section 5 of Appendix 3 to the Main Board Listing Rules Rule 13.46(2)(a) and 13.48(1) of the Main Board Listing Rules

The Company shall also deliver an interim financial report to each holder of H shares for the first six months of each fiscal year not later than three months after the end of the six-month period.

Article 180

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either the international accounting standards or those of the overseas jurisdiction where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two sets of accounting standards, such difference shall be stated in the financial statements. When the Company is to distribute its after-tax profit for the relevant fiscal year, the lower of the after-tax profit as shown in the two financial statements shall be adopted.

Article 134 of the Mandatory Provisions

Article 181	Any interim results or financial information published or disclosed by the Company shall be prepared and presented in accordance with the PRC accounting standards and regulations, and also in accordance with either the international accounting standards or those of the overseas jurisdiction where the Company's shares are listed.	Article 135 of the Mandatory Provisions
Article 182	The Company shall publish two results announcements for each fiscal year, i.e. an interim results announcement that shall be published within 60 days after the end of the first six months of the fiscal year and an annual results announcement that shall be published within 90 days after the end of the fiscal year.	Article 136 of the Mandatory Provisions Rule 13.49(1)(ii) and 13.49(6)(b) of the Main Board Listing Rules
Article 183	The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any individual's account.	Article 137 of the Mandatory Provisions Article 151 of the Guidelines for Articles of Association
Article 184	<p>Capital reserve fund includes the following:</p> <p>(1) premium obtained that exceeds the proceeds from issuance of shares as nominal value;</p> <p>(2) other income required to be included in the capital reserve fund by the competent financial authority of the State Council.</p>	Article 138 of the Mandatory Provisions
Article 185	When distributing its after-tax profit for the current year, the Company shall allocate 10% of the profit to the Company's statutory surplus reserve. Such allocation may cease when the Company's accumulated statutory surplus reserve reaches 50% or more of its registered capital.	Article 152 of the Guidelines for Articles of Association

If the statutory surplus reserve is insufficient to recover the losses of the previous years, the profit for the current year shall first be used to recover such losses before any allocation is made to statutory surplus reserve in accordance with the preceding paragraph.

After the allocation is made to statutory surplus reserve out of the after-tax profit, subject to a resolution of the general meeting, the Company may also allocate any amount from the after-tax profit to discretionary surplus reserve.

The remaining after-tax profit after recovering losses and allocation to reserves shall be distributed to the shareholders in proportion to their shareholdings, except as otherwise specified in the Articles of Association.

If the general meeting, in violation of the provision in the preceding paragraph, distributes profit to shareholders before recovering losses and allocation to statutory surplus reserve, the profit thus distributed shall be returned to the Company.

Shares of the Company held itself shall not participate in any distribution of profits.

Article 186

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

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

Article 139 of  
the Mandatory  
Provisions

Dividends and other amounts payable by the Company to holders of domestic shares shall be denominated and declared in RMB, and payable in RMB within three months from the date of declaration of dividends. Dividends and other amounts payable by the Company to holders of foreign shares shall be denominated and declared in RMB and payable in foreign currency within three months from the date of declaration of dividends. The exchange rate shall be the average closing exchange rate of relevant foreign currency against RMB as quoted by the People's Bank of China for the five business days prior to the date of declaration of dividends or other distributions, and the Company shall arrange the foreign currency for payment to holders of foreign shares in accordance with relevant regulations on foreign exchange control of the PRC. The general meeting shall, by ordinary resolution, authorize the Board to implement the distribution of dividends of the Company.

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| Article 187 | Any amount paid up in advance of calls on any share shall carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.  | Section 3(1) of Appendix 3 to the Main Board Listing Rules                          |
| Article 188 | The receiving agent appointed by the Company for holders of overseas listed foreign shares shall be a trust company registered under the Trustee Ordinance of Hong Kong. The receiving agent shall receive and keep the dividends and other amounts payable by the Company to holders of overseas listed foreign shares on behalf of such holders for subsequent payment thereto. | Article 140 of the Mandatory Provisions Rule 19A.51 of the Main Board Listing Rules |



The receiving agent appointed by the Company shall satisfy the requirements under the laws of the jurisdiction where the Company's shares are listed or the relevant rules of the stock exchange.

Section VIII of the Letter of Opinions, Section 1(c) of Appendix 13D Section 3(2) of

The receiving agent appointed by the Company for holders of H shares shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Appendix 3 to the Main Board Listing Rules/Rule 19A.47 of the Main Board

Subject to the relevant laws and regulations of the PRC and the provisions of the Hong Kong Stock Exchange, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right cannot be exercised prior to the expiration of the applicable statute of limitation, i.e. six years after the date of declaration of such dividends.

Listing Rules

The Company has the right to terminate the dispatch of dividend warrants to holders of overseas listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where such a dividend warrant is undelivered to the addressee and returned, the Company may also exercise such right.

Section 13(1) of Appendix 3 to the Main Board Listing Rules

In case of exercising power to issue share warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the physical loss of the original warrants.

Section 13(2) of Appendix 3 to the Main Board Listing Rules

The Company has the right to sell, in such manner as the Board thinks fit, any shares of an overseas listed foreign shareholder who is untraceable, subject to and conditional upon:

Section 13(2) of Appendix 3 to the Main Board Listing Rules

- (1) the Company has distributed dividends for at least three times in respect of such shares within 12 years, but none of such dividends was claimed; and
- (2) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers at the place of listing and notifies the stock exchange of such intention.

## **Chapter 16 Appointment of Accounting Firm**

Article 189

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

Article 141 of the Mandatory Provisions

Article 158 of the Guidelines

The first accounting firm of the Company may be appointed at the inaugural meeting before the first annual general meeting, and the term of the said accounting firm shall end at conclusion of the first annual general meeting.

for Articles of Association

If the inaugural meeting fails to exercise its powers under the preceding paragraph, such powers shall be exercised by the Board.

Article 190	The accounting firm appointed by the Company shall hold office from the conclusion of the current annual general meeting until the conclusion of the next annual general meeting.	Article 142 of the Mandatory Provisions
Article 191	<p>The accounting firm appointed by the Company shall have the following rights:</p> <ol style="list-style-type: none"> <li data-bbox="375 447 1195 657">(1) to access the account books, records and vouchers of the Company at any time, and to ask directors, the general manager or other senior management officers of the Company to provide relevant information and explanations;</li> <li data-bbox="375 720 1195 877">(2) to request the Company to take all reasonable actions to obtain from its subsidiaries such information and explanations as are necessary for the accounting firm to perform its duties;</li> <li data-bbox="375 940 1195 1192">(3) to attend general meetings as non-voting attendees, to receive all notices of, and other information relating to, general meetings which any shareholder is entitled to receive, and to speak at any general meeting as to matters concerning its role as the accounting firm of the Company.</li> </ol>	Article 143 of the Mandatory Provisions
Article 192	Where there is a casual vacancy in the office of the accounting firm of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting. Such accounting firm may continue to act during the vacancy period if the Company has other incumbent accounting firms.	Article 144 of the Mandatory Provisions

Article 193	Notwithstanding the stipulations in the contract between the Company and an accounting firm, shareholders at a general meeting may, by ordinary resolution, remove the accounting firm before the expiration of its term of office, but without prejudice to the accounting firm's right to claim, if any, for damages in respect of such removal.	Article 145 of the Mandatory Provisions Article 159 of the Guidelines for Articles of Association
Article 194	The Company shall undertake to provide the accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not deny, conceal or misstate any information.	
Article 195	The audit results of the accounting firm engaged by the Company on its financial reports shall be reported to the Board and the Board of Supervisors at the same time. The Company shall promptly submit a copy of the auditor's report and management proposal issued by the accounting firm to the CBIRC.	
Article 196	The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by shareholders at a general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.	Article 146 of the Mandatory Provisions Article 161 of the Guidelines for Articles of Association
Article 197	The Company's appointment, dismissal and discontinuance of appointment of an accounting firm shall be resolved upon by shareholders in general meeting. Such resolution shall be filed with the securities regulatory authority of the State Council.	Article 147 of the Mandatory Provisions

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of a non-incumbent accounting firm to fill a casual vacancy in the office of the accounting firm, re-appointment of a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply:

Section IX of the Letter of Opinions Section 1(e)(i) of Appendix 13D to the Main Board Listing Rules

- (1) The proposal in relation to the appointment or dismissal shall be sent before the issue of notice of general meeting to the accounting firm to be appointed, the accounting firm leaving office, or the accounting firm which has left office in the relevant fiscal year.

“Leaving office” includes dismissal, resignation and retirement.

- (2) If the accounting firm leaving office makes a written representations and requests the Company to notify its shareholders of such representations, the Company shall adopt the following measures (unless the written representations are received too late):

1. state in the notice which is issued for the purpose of adopting a resolution that the accounting firm which is leaving office has made a representation; and
2. deliver a copy of the representations to each shareholder who is entitled to receive the notice of general meeting.

- (3) If the accounting firm's representations are not sent in accordance with subparagraph (2) of this Article, the relevant accounting firm may require that the representations be read out at the meeting and may lodge further complaints.
  
- (4) An accounting firm which is leaving office shall be entitled to attend:
  1. the shareholders' general meeting at which its term of office would otherwise have expired;
  2. the shareholders' general meeting held to fill the vacancy as a result of its dismissal; and
  3. the shareholders' general meeting held as a result of its voluntary resignation.

An accounting firm leaving office shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to express its views at any such meetings as to the matters concerning its previous appointment as the accounting firm of the Company.

The Company shall notify the accounting firm in advance before the dismissal or discontinuance of appointment of such accounting firm. The accounting firm shall be entitled to make representation at the general meeting. Where the accounting firm resigns its office, it shall make clear to the general meeting whether there has been any impropriety of the Company.

Article 148 of the Mandatory Provisions Article 162 of the Guidelines for Articles of Association

(1) The accounting firm may resign its office by depositing at the Company's registered office a written notice of resignation which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following information:

Section X of the Letter of Opinions Section 1(e)(ii) of Appendix 13D to the Main Board Listing Rules

1. a statement to the effect that there are no circumstances in relation to its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;
2. a statement of any such circumstances that should be accounted for.

- (2) Within 14 days after receiving the written notice referred to in subparagraph (1) of this Article, the Company shall send a copy of the notice to the relevant competent authorities. If the notice contains a statement referred to in sub-clause (2) of subparagraph (1) of this Article, a copy of such statement shall be placed at the domicile of the Company for the inspection of shareholders. The Company shall also send a copy of such statement by pre-paid post to each shareholder who is entitled to receive the Company's financial reports at the address registered in the register of shareholders. Within the aforesaid time limit, the said statement may also be given by way of public announcement on the website of the stock exchange where the Company's shares are listed or in one or more newspapers designated by the stock exchange and specified in the Articles of Association. Section 1(e)(iii) of Appendix 13D to the Main Board Listing Rules
- (3) If the accounting firm's notice of resignation contains any statement of circumstances that should be brought to attention, the accounting firm may request the Board to convene an extraordinary general meeting to listen its explanation on the circumstances in relation to its resignation. Section 1(e)(iv) of Appendix 13D to the Main Board Listing Rules



## Chapter 17 Merger and Division of the Company

Article 199

In the event of a merger or division of the Company, the Board shall formulate a plan and, after it is approved in accordance with the procedures stipulated in the Articles of Association, go through relevant examination and approval formalities according to law. Shareholders who object to the plan for merger or division of the Company shall be entitled to require the Company or the shareholders consenting to such plan to purchase their shares at a fair price. The content of the resolution on merger or division of the Company shall be made into special documents for inspection by shareholders.

Article 149 of  
the Mandatory  
Provisions

Unless otherwise stipulated by the stock exchange where the Company's shares are listed and the securities regulatory authority in the place where the Company is listed, the aforesaid documents shall be dispatched to each holder of overseas listed foreign shares by mail or by other means as stipulated in the Articles of Association.

Article 200	<p>The merger of the Company may take the form of absorption or the establishment of a new company.</p> <p>In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days, and publish an announcement in newspaper within 30 days, after the date of the Company’s resolution on merger. The creditors may request the Company to repay debts or provide guarantees in respect thereof within 30 days after receipt of the notice or within 45 days after the date of the announcement if such notice is not received.</p> <p>After the merger of the Company, the rights and obligations of the debts of the parties to the merger shall be assumed by the surviving company or the newly established company after the merger.</p>	<p>Article 150 of the Mandatory Provisions</p> <p>Article 171 of the Guidelines for Articles of Association</p> <p>Article 172 of the Guidelines for Articles of Association</p> <p>Article 173 of the Company Law</p> <p>Article 173 of the Guidelines for Articles of Association</p> <p>Article 174 of the Company Law</p>
Article 201	<p>In the event of a division of the Company, its assets shall be divided accordingly.</p> <p>In the event of a division of the Company, the parties to the division shall execute a division agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days after the date on which the resolution on division is passed and shall publish an announcement on newspapers recognized by the stock exchange on which the Company’s shares are listed within 30 days.</p> <p>The entity established after the division shall assume joint and several liabilities for the debts incurred by the Company before the division, unless otherwise stipulated in a written agreement on settlement of debts entered into between the Company and its creditors prior to the division.</p>	<p>Article 151 of the Mandatory Provisions</p> <p>Article 172 of the Guidelines for Articles of Association</p> <p>Article 175 and 176 of the Company Law</p> <p>Article 175 of the Guidelines for Articles of Association</p>

Article 202	Where there is any change of its business registration information as a result of a merger or division, the Company shall apply to the company registration authority for change of business registration according to law. In the case of a dissolution, the Company shall apply for cancellation of its registration; in the case of establishment of a new company, the Company shall apply for establishment registration according to law.	Article 152 of the Mandatory Provisions of Article 177 of the Guidelines for Articles of Association
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## **Chapter 18 Dissolution and Liquidation of the Company**

Article 203	Subject to approval by the CBIRC, the Company shall be dissolved and liquidated according to law in any of the following circumstances:	Article 153 of the Mandatory Provisions of Article 178 of the Guidelines for Articles of Association
	(1) the duration of its business operation has expired;	
	(2) the general meeting resolves to dissolve the Company;	
	(3) it is dissolved as a result of the merger or division of the Company;	
	(4) the Company is declared bankrupt according to law because it is unable to repay debts due;	
	(5) the Company's business license is suspended, or it is ordered to be closed down or revoked according to law;	
	(6) the Company has experienced material difficulties in operation and management, and its continuous operation would seriously harm the interests of its shareholders. In the event that this cannot be solved through other means, shareholders representing 10% or more of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.	
	(7) other circumstances in which the Company is required be dissolved under relevant laws and administrative regulations.	

Article 204 Where the Company is dissolved pursuant to subparagraphs (1) or (2) of the preceding Article, a liquidation committee shall be set up within 15 days. Members of such liquidation committee shall be determined by an ordinary resolution at a general meeting.

Article 154 of the Mandatory Provisions Article 180 of the Guidelines for Articles of Association

Where the Company is dissolved pursuant to subparagraphs (4) or (6) of the preceding Article, the People's Court shall, within 15 days from the date of occurrence of the cause of dissolution, form a liquidation committee according to law from amongst the shareholders, relevant authorities and professionals to carry out the liquidation of the Company.

Where the Company is dissolved pursuant to subparagraph (5) of the preceding Article, the relevant competent authorities shall establish a liquidation committee comprising the shareholders and relevant authorities and professionals to carry out the liquidation.

Article 205 If the Board decides the Company shall carry out liquidation (except for liquidation resulting from the Company's declaration of bankruptcy), it shall state in the notice of the shareholders' general meeting convened for this purpose that the Board has conducted comprehensive investigation of the Company's condition and believes that the Company is able to pay off all its debts within 12 months after starting the liquidation.

Article 155 of the Mandatory Provisions

The powers and functions of the Board shall terminate immediately upon the resolution on liquidation passed by shareholders' general meeting.

The liquidation committee shall follow the directions of the shareholders' general meeting to report on its income and expenditures, the Company's business and progress of liquidation at least once a year to the shareholders' general meeting and make a final report to shareholders' general meeting at the end of liquidation.

Article 206 The liquidation committee shall give notice of its establishment to the creditors within 10 days of its establishment and publish an announcement of the establishment in the media designated by the Company within 60 days of its establishment. The creditors shall declare their claims to the liquidation committee within 30 days of the date of receiving the notice or within 45 days of the date of the announcement in the case of not receiving the notice. The creditors shall explain the matters related to their claims and provide supporting materials when declaring their claims. The liquidation committee shall register the claims. The liquidation committee shall not settle any debt with the creditors during the period of claim declaration. Article 156 of the Mandatory Provisions

Article 207 During the liquidation period, the liquidation team shall exercise the following functions and powers: Article 157 of the Mandatory Provisions Article 181 of the Guidelines for Articles of Association

- (1) to sort out the Company's assets and prepare a balance sheet and a list of assets;
- (2) to notify creditors by sending a notice or by making an announcement;
- (3) to deal with and liquidate any unsettled businesses of the Company;
- (4) to pay off any overdue taxes and taxes arising from the liquidation;
- (5) to settle the Company's claims and liabilities;
- (6) to deal with the remaining assets of the Company after settlement of debts;
- (7) to represent the Company in any civil proceedings.

Article 208 After sorting out the Company's assets and preparing a balance sheet and a list of assets, the liquidation committee shall formulate a liquidation plan and present it to the general meeting or the relevant competent authorities for confirmation. Article 158 of the Mandatory Provisions Article 183 of the Guidelines for Articles of Association Article 186 of the Company Law

After the general meeting resolves to dissolve the Company or the Company is legally declared bankruptcy or enforced to close down, no one may dispose of the Company's assets without the permission of the liquidation committee.

The assets of the Company shall be distributed in the following order of priority: payment of liquidation costs; staff salaries, social insurance premiums and statutory compensation; outstanding taxes; and debts of the Company.

Any remaining assets of the Company following the settlement carried out in accordance with the preceding paragraph shall be distributed to its shareholders according to the class of shares held by them and in proportion to their respective shareholdings. The Company's assets shall not be distributed to the shareholders before the settlement is completed in accordance with the preceding paragraph.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities irrelevant to the liquidation.

Article 209 In an event of liquidation due to dissolution, the liquidation committee shall immediately apply to the People's Court for a declaration of bankruptcy if it becomes aware, after sorting out the Company's assets and preparing a balance sheet and a list of assets, that the Company's assets are insufficient to repay its debts in full. Article 159 of the Mandatory Provisions Article 184 of the Guidelines for Articles of Association

After the Company is declared bankrupt by the People's Court, the liquidation committee shall hand over the liquidation affairs to the People's Court.

- Article 210      Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses and financial accounts for the liquidation, which shall be verified by certified public accountants in the PRC and submitted to the general meeting or the relevant competent authorities for confirmation. The liquidation committee shall, within 30 days from the date of such confirmation, submit the aforesaid documents to the company registration authority and apply for cancellation of the Company's registration, and issue an announcement on the termination of the Company.      Article 160 of the Mandatory Provisions Article 185 of the Guidelines for Articles of Association
- Article 211      Members of the liquidation committee shall honor their duties and perform their liquidation obligations according to law.
- Members of the liquidation committee shall not abuse their powers to accept bribes or other illegal income or expropriate the Company's property.
- Any member of the liquidation committee causing any loss to the Company or its creditors due to willful misconduct or gross negligence shall be liable for indemnification.
- Article 212      In the event that the Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with the laws on enterprise bankruptcy.
- Article 213      In addition to the provisions of the Company Law, the matters concerning merger, division, dissolution, liquidation, bankruptcy and termination of the Company are also subject to the Measures for the Administration of Auto Finance Companies and the provisions of relevant regulatory authorities.

## Chapter 19 Procedures for Amending the Articles of Association

Article 214	<p>The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.</p> <p>The Company shall amend the Articles of Association in any of the following circumstances:</p> <ol style="list-style-type: none"><li>(1) the Company Law, the Measures for the Administration of Auto Finance Companies, or other relevant laws and administrative regulations are amended, causing the Articles of Association to be in conflict with such amended laws and administrative regulations;</li><li>(2) there are any changes in the important matters set out in the Articles of Association;</li><li>(3) the general meeting resolves to amend the Articles of Association.</li></ol> <p>The Board shall amend the Articles of Association in accordance with the resolution on the amendment thereof passed at the general meeting and the opinions of the relevant regulatory authorities.</p>	Article 161 of the Mandatory Provisions Article 188 of the Guidelines for Articles of Association
Article 215	<p>Any amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company approval authority authorised by the State Council and the securities regulatory authority of the State Council. Any amendments subject to approval by the relevant regulatory authority shall be submitted to such authority for approval before becoming effective; where there is any change relating to the registered particulars of the Company, application shall be made for alteration of registration according to law.</p> <p>Any amendments to the Articles of Association required to be disclosed by the relevant regulatory authorities shall be announced in accordance with relevant regulations.</p>	Article 162 of the Mandatory Provisions



## Chapter 20 Notices

Article 216 Unless otherwise provided in the Articles of Association, Section 7(1) and (3) where any notice to holders of overseas listed foreign shares of Appendix 3 to the is given by public announcement, the Company shall on the Main Board Listing same day submit a ready-to-publish electronic version of such Rules announcement to the Hong Kong Stock Exchange through its electronic publication system for publication on the website of the Hong Kong Stock Exchange in accordance with the local listing rules. The announcement shall also be posted on the Company's website. In addition, such a notice shall be served to each holder of overseas listed foreign shares by hand or by pre-paid post at the address shown in the register of shareholders, so that such shareholders are adequately notified and have sufficient time to exercise their rights or act in accordance with the terms of the notice.

Holders of overseas listed foreign shares may in writing choose to receive the Company's communications that shall be dispatched to them by the Company by electronic means or by mail, and may choose to only receive the Chinese version or English version, or both versions of such communications. They may also give the Company a written notice in advance within a reasonable time to change the way of receiving the abovementioned information and the language version(s) they wish to receive in accordance with appropriate procedures.

Article 217 Where a notice is delivered by post, it is only necessary to write down the address, prepay the postage and put the notice into the envelope. The notice is deemed to be delivered when it is put into the mailbox and be served in 48 hours afterwards.

A notice to the holders of domestic shares shall be given by public announcement on one or more newspapers designated by the securities regulatory authority of the State Council. Once the announcement is published, the notice shall be deemed to have been served on all holders of domestic shares.

Article 218 Notwithstanding the foregoing provisions which specify the provision and/or dispatch of written corporate communications to shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communications to shareholders according to the requirements under the listing rules of Hong Kong, if the Company has obtained shareholders' prior written consent or implicit consent according to the relevant laws and regulations and the listing rules of Hong Kong as amended from time to time, the Company may dispatch or provide corporate communications to its shareholders by electronic means or by way of announcement on its website. Corporate communications include but are not limited to circulars, annual reports, interim reports, quarterly reports, notices of general meetings, and other types of corporate communications as specified in the listing rules of Hong Kong.

## Chapter 21 Settlement of Dispute

Article 219 The Company shall settle disputes according to following principles:

Section XI of the Letter of Opinions Article 163 of the Mandatory Provisions Rule 19A.54 and 19A.55 of the Main Board Listing Rules

(1) Whenever any disputes or claims arise (i) between the Company and its directors or senior management officers, and (ii) between holders of overseas listed foreign shares and the Company, or between holders of overseas listed foreign shares and the Company's directors, supervisors, general manager or other senior management officers, or between holders of overseas listed foreign shares and holders of domestic shares, in respect of any rights or obligations conferred or imposed by the Articles of Association, the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties for arbitration.

The disputes or claims mentioned above which are referred to arbitration shall be the entire dispute and claim; all persons having 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 the disputes or claims, if they are the Company, shareholders of the Company, directors, supervisors, general managers, or other senior management of the Company, shall abide by such arbitration.

Disputes over the definition of a shareholder and over the register of shareholders need not 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 according to its arbitration rules or by the Hong Kong International Arbitration Centre according to its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party shall submit to the arbitral body selected by the party seeking arbitration.

If the party seeking arbitration elects to arbitrate at the Hong Kong International Arbitration Centre, 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) Where any disputes or claims of rights prescribed in subparagraph (1) are settled by arbitration, the laws of the PRC shall apply, save as otherwise provided by the laws and administrative regulations.
- (4) The ruling of the arbitral body shall be final and conclusive and binding on all parties.

- (5) In an arbitration involving any director, supervisor, general manager or other senior management officer as prescribed in subparagraph (1) above, the arbitration agreement is reached between such director, supervisor, general manager or other senior management officer and the Company acting on its own behalf and on behalf of each shareholder.
- (6) Any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing and to publish its ruling.

## **Chapter 22 Supplementary Provisions**

Article 220	In the Articles of Association, the term “above” means including the underlying figure, while the terms “more than”, “below” and “less than” mean excluding the underlying figure.	Article 195 of the Guidelines for Articles of Association
Article 221	“Senior management officers” referred to herein include the general manager, deputy general managers, chief financial officer, secretary to the Board, assistants to general manager and other officers appointed by the Board. The terms “general manager”, “deputy general manager” and “chief financial officer” referred to herein shall have same meaning as the “manager”, “vice manager” and “financial controller” specified in the Company Law, respectively.	Article 11 of the Guidelines for Articles of Association
Article 222	For the purpose of the Articles of Association, the term “accounting firm” shall bear the same meaning as “auditors”.	Article 165 of the Mandatory Provisions

Article 223 The Articles of Association is written in Chinese. In case of any discrepancy between this Chinese version of the Articles of Association and any other language version or any other version, the latest verified Chinese version registered in the company registration authority shall prevail. Should any discrepancy arise between the Chinese version and a version written in another language, the Chinese version shall prevail.

The Articles of Association shall be interpreted by the Board. Any matters not covered in the Articles of Association shall be proposed by the Board at the general meeting for approval.

Article 194 of the Guidelines for Articles of Association  
Article 196 of the Guidelines for Articles of Association

Article 224 After the H shares issued by the Company are listed on the Hong Kong Stock Exchange, the Articles of Association shall be subject to the Main Board Listing Rules as amended from time to time and other relevant laws and regulations. Where the Articles of Association is inconsistent, in contravention of, or in conflict with any applicable laws, regulations or the Main Board Listing Rules, the relevant provisions of such laws, regulations and the Main Board Listing Rules shall prevail, and the Articles of Association shall be amended in a timely manner.

Article 225 After consideration and approval by the shareholders' general meeting and approval by the CBIRC, the Articles of Association shall come into effect from the date on which the H shares publicly issued by the Company are listed and traded on the Hong Kong Stock Exchange.

\* For identification purposes only