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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in China Galaxy Securities Co., Ltd., you should at once hand this circular and the accompanying form of proxy and reply slip of the Annual General Meeting to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**中国银河证券股份有限公司**  
**CHINA GALAXY SECURITIES CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

**REPORT OF THE BOARD OF DIRECTORS FOR 2020**  
**REPORT OF THE SUPERVISORY COMMITTEE FOR 2020**  
**ANNUAL REPORT FOR 2020**  
**FINAL ACCOUNTS PLAN FOR 2020**  
**PROFIT DISTRIBUTION PLAN FOR 2020**  
**CAPITAL EXPENDITURE BUDGET FOR 2021**  
**APPOINTMENT OF THE EXTERNAL AUDITORS**  
**OF THE COMPANY FOR 2021**  
**REMUNERATION PLANS FOR MR. CHEN GONGYAN**  
**AND MS. CHEN JING FOR 2019**  
**AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND**  
**OTHER INTERNAL POLICIES**  
**GENERAL MANDATE TO ISSUE SHARES**  
**ELECTION OF NON-EMPLOYEE REPRESENTATIVE DIRECTORS OF THE**  
**FOURTH SESSION OF THE BOARD**  
**ELECTION OF NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF THE**  
**FOURTH SESSION OF THE SUPERVISORY COMMITTEE**  
**DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR 2020**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING AND**  
**NOTICE OF H SHARE CLASS MEETING**

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The AGM, the A Share Class Meeting and the H Share Class Meeting of China Galaxy Securities Co., Ltd. will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyi Street, Fengtai District, Beijing, the PRC, on Tuesday, 29 June 2021 at 10:00 a.m., at 10:40 a.m. or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later), and at 11:00 a.m. or immediately after the conclusion of the A Share Class Meeting or any adjournment thereof (whichever is the later), respectively. The notices convening the AGM and the H Share Class Meeting are set out on pages 18 to 24 of this circular.

If you intend to appoint a proxy to attend the AGM and/or the H Share Class Meeting, please complete the enclosed forms of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) and the Office of the Board of Directors of the Company (for A Shareholders) not less than 24 hours before the time appointed for holding the meetings or any adjournment thereof in person or by post. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment thereof if you so wish.

If you intend to attend the AGM and/or the H Share Class Meeting in person or by proxy, please complete the enclosed reply slips and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) and the Office of the Board of Directors of the Company (for A Shareholders) on or before Tuesday, 8 June 2021.

14 May 2021

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	18
<b>NOTICE OF H SHARE CLASS MEETING</b> .....	23
<b>APPENDIX I – REPORT OF THE BOARD OF DIRECTORS FOR 2020</b> ...	25
<b>APPENDIX II – REPORT OF THE SUPERVISORY COMMITTEE FOR 2020</b> .....	42
<b>APPENDIX III – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b> .....	51
<b>APPENDIX IV – PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS’ GENERAL MEETINGS</b> .....	135
<b>APPENDIX V – PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS</b> .....	150
<b>APPENDIX VI – PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE</b> .....	158
<b>APPENDIX VII – PROPOSED AMENDMENTS TO THE WORKING RULES FOR INDEPENDENT DIRECTORS</b> .....	168
<b>APPENDIX VIII – PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS</b> .....	171
<b>APPENDIX IX – PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR EXTERNAL INVESTMENT</b> .....	172
<b>APPENDIX X – PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR PROVISION OF GUARANTEES TO THIRD PARTIES</b> .....	173
<b>APPENDIX XI – BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS</b> .....	174
<b>APPENDIX XII – BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE SUPERVISORS</b> .....	180
<b>APPENDIX XIII – DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR 2020</b> .....	182

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“A Share(s)”	domestic share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange and traded in RMB
“A Share Class Meeting”	the first A Share class meeting for 2021 of the Company to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Tuesday, 29 June 2021 at 10:40 a.m. or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later)
“A Shareholder(s)”	holder(s) of A Shares
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Tuesday, 29 June 2021 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“CIC”	China Investment Corporation Limited (中國投資有限責任公司), a company incorporated in the PRC with limited liability, the parent company of Huijin
“Company”	China Galaxy Securities Co., Ltd., a joint stock company with limited liability incorporated in the PRC on 26 January 2007, whose H Shares are listed on the Stock Exchange (Stock Code: 6881) and A Shares are listed on the SSE (Stock Code: 601881)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Galaxy Capital”	Galaxy Capital Management Company Limited (銀河創新資本管理有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Galaxy Financial Holdings”	China Galaxy Financial Holdings Company Limited (中國銀河金融控股有限責任公司), a company incorporated in the PRC with limited liability, the controlling Shareholder of the Company
“Galaxy Futures”	Galaxy Futures Company Limited (銀河期貨有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company
“Galaxy International Holdings”	China Galaxy International Financial Holdings Company Limited (中國銀河國際金融控股有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Galaxy Jinhui”	Galaxy Jinhui Securities Assets Management Co., Ltd. (銀河金匯證券資產管理有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company
“Galaxy Yuanhui”	Galaxy Yuanhui Investment Co., Ltd. (銀河源匯投資有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in HK dollars
“H Shareholder(s)”	holder(s) of H Shares
“H Share Class Meeting”	the first H Share class meeting for 2021 of the Company to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Tuesday, 29 June 2021 at 11:00 a.m. or immediately after the conclusion of the A Share Class Meeting or any adjournment thereof (whichever is the later)
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Huijin”	Central Huijin Investment Ltd. (中央匯金投資有限責任公司), a company incorporated in the PRC with limited liability, which holds an equity interest of 69.07% of Galaxy Financial Holdings
“Independent Director(s)” or “Independent Non-executive Director(s)”	independent non-executive director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“MOF”	the Ministry of Finance of the PRC
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

*In case of any discrepancy between the English and Chinese versions of this circular, the Chinese version shall prevail.*

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## LETTER FROM THE BOARD

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**中国银河证券股份有限公司**  
**CHINA GALAXY SECURITIES CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

**The Board of Directors:**

*Executive Directors:*

Mr. CHEN Gongyan (*Chairman*)

Mr. CHEN Liang (*Vice Chairman and President*)

*Non-executive Directors:*

Mr. LIU Dingping

Ms. XIAO Lihong

*Independent Non-executive Directors:*

Mr. LIU Ruizhong

Mr. WANG Zhenjun

Ms. LIU Chun

Mr. LAW Cheuk Kin Stephen

*Registered Office and*

*Head Office in the PRC:*

2-6/F, Tower C, Corporate Square

35 Finance Street

Xicheng District, Beijing, the PRC

*Principal Place of Business in*

*Hong Kong:*

20th Floor, Wing On Centre

111 Connaught Road Central

Sheung Wan, Hong Kong

14 May 2021

*To the Shareholders*

Dear Sir or Madam,

**INTRODUCTION**

On behalf of the Board of Directors, I invite you to attend the AGM, the A Share Class Meeting and the H Share Class Meeting to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC on Tuesday, 29 June 2021 at 10:00 a.m., at 10:40 a.m. or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later), and at 11:00 a.m. or immediately after the conclusion of the A Share Class Meeting or any adjournment thereof (whichever is the later), respectively.

The purpose of this circular is to provide you with the notices of the AGM and the H Share Class Meeting and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the meetings.

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## LETTER FROM THE BOARD

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### **BUSINESSES TO BE CONSIDERED AT THE AGM, THE A SHARE CLASS MEETING AND THE H SHARE CLASS MEETING**

#### *The AGM*

Ordinary resolutions (non-cumulative voting) will be proposed at the AGM to approve: (1) the report of the Board of Directors for 2020; (2) the report of the Supervisory Committee for 2020; (3) the annual report for 2020; (4) the final accounts report for 2020; (5) the profit distribution plan for 2020; (6) the capital expenditure budget for 2021; (7) the appointment of the external auditors of the Company for 2021; (8) the remuneration plan for Mr. CHEN Gongyan for 2019; (9) the remuneration plan for Ms. CHEN Jing for 2019; (10) the amendments to the Procedural Rules of the Shareholders' General Meetings; (11) the amendments to the Procedural Rules of the Board of Directors; (12) the amendments to the Procedural Rules of the Supervisory Committee; (13) the amendments to the Working Rules for Independent Directors; (14) the amendments to the Administrative Measures for Connected Transactions; (15) the amendments to the Administrative Measures for External Investment; and (16) the amendments to the Administrative Measures for Provision of Guarantees to Third Parties.

Special resolutions will be proposed at the AGM to approve: (17) the amendments to the Articles of Association; and (18) the general mandate to issue Shares.

Ordinary resolutions (cumulative voting) will be proposed at the AGM to approve: (19) the election of executive Directors and non-executive Directors of the fourth session of the Board; (20) the election of the Independent Non-executive Directors of the fourth session of the Board; and (21) the election of non-employee representative Supervisors of the fourth session of the Supervisory Committee. Pursuant to the Articles of Association, the cumulative voting system shall be adopted at the general meeting for the election of two or more Directors (including Independent Non-executive Directors) and Supervisors. When conducting cumulative voting, the number of votes to which a Shareholder is entitled shall be equal to the total number of Shares he/she holds times the number of Director or Supervisor candidates. A Shareholder may cast all his/her votes to one Director or Supervisor candidate or to various Director or Supervisor candidates. When conducting cumulative voting, the election of Independent Non-executive Directors shall be conducted separately from the election of other Directors to ensure the proportion of Independent Non-executive Directors in the Board. Accordingly, the cumulative voting system will be adopted with respect to Resolutions No. 19.1 to No. 19.6 on the election of executive Directors and non-executive Directors of the fourth session of the Board, Resolutions No. 20.1 to No. 20.4 on the election of Independent Non-executive Directors of the fourth session of the Board, and Resolutions No. 21.1 to No. 21.2 on the election of non-employee representative Supervisors of the fourth session of the Supervisory Committee as contained in the notice of the AGM.

The matter to be proposed at the AGM for Shareholders' review is: (22) the duty report of the Independent Directors for 2020.

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## LETTER FROM THE BOARD

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### *The A Share Class Meeting and the H Share Class Meeting*

An ordinary resolution will be proposed at the A Share Class Meeting and the H Share Class Meeting to approve: (1) the amendments to Article 79 and Article 81 of the Procedural Rules of the Shareholders' General Meetings.

A special resolution will be proposed at the A Share Class Meeting and the H Share Class Meeting to approve: (2) the amendments to the original Article 135 (Article 139 after revision) and the original Article 137 (Article 141 after revision) of the Articles of Association.

### **Ordinary Resolutions (non-cumulative voting):**

#### **1. Report of the Board of Directors for 2020**

The report of the Board of Directors for 2020 was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix I to this circular.

#### **2. Report of the Supervisory Committee for 2020**

The report of the Supervisory Committee for 2020 was considered and approved by the Supervisory Committee on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

#### **3. Annual Report for 2020**

The annual report for 2020 was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval. The annual report has been published on the HKExnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.chinastock.com.cn](http://www.chinastock.com.cn)), and has been despatched to the Shareholders.

#### **4. Final Accounts Plan for 2020**

The final accounts plan for 2020 was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval. For details of the final accounts plan, please refer to the financial statements in the Company's annual report for 2020.

#### **5. Profit Distribution Plan for 2020**

- (1) Based on the undistributed profits of the Company of RMB17,364,632,501.73 at the end of 2019, plus net profit of RMB6,608,647,061.22 achieved by the Company in 2020, less cash dividends of RMB1,621,961,401.12 in the 2019 profit distribution plan implemented by the Company in 2020, plus other comprehensive income carried over to retained earnings of RMB809,175.15, the distributable



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## LETTER FROM THE BOARD

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profit of the Company for 2020 amounted to RMB22,352,127,336.98. According to the requirements of the Company Law, the Financial Rules for Financial Enterprises and the Articles of Association, after making 10% allocations, being a total amount of RMB1,982,594,118.36, to the statutory surplus reserve, the general risk reserve and the transaction risk reserve, the accumulated undistributed profit of the Company at the end of 2020 amounted to RMB20,369,533,218.62.

(2) Taking into account its long-term development and the interests of its Shareholders, as well as the continuity and stability of dividend ratio, the Company proposed the profit distribution plan for 2020 as follows:

- (a) The Company proposed to distribute a cash dividend of RMB2,230,196,926.54 (tax inclusive) for 2020 (the “**2020 Final Dividend**”), representing 30.79% of the net profit attributable to owners of the Company for 2020 of RMB7,243,654,385.20. Based on the Company’s total number of issued Shares of 10,137,258,757 Shares as at 31 December 2020, a cash dividend of RMB2.20 (tax inclusive and the actual amount distributed may be slightly different due to rounding) for every 10 Shares is proposed to be distributed. In case of any changes in the total number of issued Shares of the Company on the record date (namely 14 July 2021) as a result of placing or repurchase, the amount of cash dividend per Share will be adjusted accordingly based on the total amount of RMB2,230,196,926.54 (tax inclusive).
- (b) The 2020 Final Dividend will be denominated and declared in RMB, and paid in RMB and in HK dollar to A Shareholders and H Shareholders, respectively. The actual amount distributed in HK dollar will be calculated based on the average benchmark exchange rate for conversion between RMB and HK dollar announced by the People’s Bank of China for the five working days prior to the date of the AGM.

The above profit distribution plan for 2020 was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders’ consideration and approval.

For the purpose of determining the entitlement of H Shareholders to the 2020 Final Dividend, the H Share register of members of the Company will be closed from Friday, 9 July 2021 to Wednesday, 14 July 2021 (both days inclusive), during which period no transfer of H Shares will be registered. H Shareholders whose names appear on the H Share register of members of the Company on Wednesday, 14 July 2021 are entitled to the 2020 Final Dividend. In order to be entitled to receive the 2020 Final Dividend, all Share certificates, together with the instruments of transfer, must be lodged for registration with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 8 July 2021. The last trading day for H Shares of the Company before ex-dividend will be Tuesday, 6 July 2021, and trading of ex-dividend H Shares shall commence on Wednesday, 7 July 2021.

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## LETTER FROM THE BOARD

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The 2020 Final Dividend (if approved by Shareholders of the Company at the AGM) is expected to be distributed on Friday, 27 August 2021 to H Shareholders whose names appear on the H Share register of members of the Company on Wednesday, 14 July 2021.

As for the distribution of the 2020 Final Dividend to the A Shareholders, the record date is Wednesday, 14 July 2021, the ex-dividend date and the dividend distribution date are Thursday, 15 July 2021. The Company will announce separately on the Shanghai Stock Exchange details of the arrangements regarding the distribution of the 2020 Final Dividend to its A Shareholders.

For Hong Kong investors (including enterprises and individuals) investing in the Company's A Shares via the Shanghai Stock Connect Program, the 2020 Final Dividend will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such A Shares. The record date, the dividend distribution date and other arrangements for investors via the Shanghai Stock Connect Program will be the same as those for the Company's A Shareholders.

For Mainland investors (including enterprises and individuals) investing in the Company's H Shares via the Hong Kong Stock Connect Program, the Shanghai Branch and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the investors via the Hong Kong Stock Connect Program, will receive the 2020 Final Dividend distributed by the Company and distribute such 2020 Final Dividend in RMB to the relevant investors of H Shares through its depository and clearing system. The record date, the dividend distribution date and other arrangements for investors via the Hong Kong Stock Connect Program will be the same as those for the Company's H Shareholders.

### **6. Capital Expenditure Budget for 2021**

Taking into account the requirements of strategic planning of the Company, and according to its plans for information technology development and construction of branches as well as its needs for operation and management, the Company intends to make capital expenditure amounting to RMB530 million for 2021, of which information system emergency protection budget will amount to RMB10 million. The capital expenditure will be primarily used for procurement of electronic equipment, purchase of software, and expenses for decoration, renovation and relocation of new business premises, while the information system emergency protection budget will be specifically used for timely procurement of emergency equipment and supplies during emergency disposal.

The above capital expenditure budget for 2021 was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval.

### **7. Appointment of the External Auditors of the Company for 2021**

The Board proposed to engage Ernst & Young Hua Ming LLP and Ernst & Young as the external auditors of the Company for 2021, which shall be responsible for the provision of related audit services and review services in accordance with the China Accounting

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## LETTER FROM THE BOARD

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Standards for Business Enterprises and the International Financial Reporting Standards, respectively. The external audit fee for 2021 will be RMB5.34 million, including the interim review fee of RMB1.44 million, the annual audit fee of RMB2.88 million, the annual internal control audit fee of RMB0.34 million, the agreed procedure fee for the first and third quarters of RMB0.58 million and the assurance service fee relating to the environmental, social and governance report of RMB0.10 million.

The above resolution was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval.

### **8. Remuneration Plan for Mr. CHEN Gongyan for 2019**

According to the Articles of Association, the remuneration of Mr. CHEN Gongyan, the Chairman of the Board, shall be submitted to the Shareholders' general meeting for consideration and approval. Pursuant to the remuneration administrative measures of the Company and based on the performance appraisal results of Mr. CHEN Gongyan, the total remuneration of Mr. CHEN Gongyan for 2019 was RMB3,346,900.89 (before tax). The remuneration plan is hereby proposed to the AGM for consideration and approval.

### **9. Remuneration Plan for Ms. CHEN Jing for 2019**

According to the Articles of Association, the remuneration of Ms. CHEN Jing, the Chairperson of the Supervisory Committee, shall be submitted to the Shareholders' general meeting for consideration and approval. Pursuant to the remuneration administrative measures of the Company and based on the performance appraisal results of Ms. CHEN Jing, the total remuneration of Ms. CHEN Jing for 2019 was RMB2,945,272.78 (before tax). The remuneration plan is hereby proposed to the AGM for consideration and approval.

### **10. Amendments to the Procedural Rules of the Shareholders' General Meetings**

Pursuant to the regulations and requirements of the recently revised laws, regulations and normative documents, including the Company Law, the Securities Law, the Guidelines for the Articles of Association of Listed Companies and the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period for Convening Shareholders' General Meetings for Overseas Listed Companies and Other Matters, and after taking into account the proposed amendments to the Articles of Association (please refer to Resolution No. 17 for details) and the needs of the Company for operation and management, the Company proposed to amend certain articles in the Procedural Rules of the Shareholders' General Meetings.

The proposed amendments to the Procedural Rules of the Shareholders' General Meetings were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Procedural Rules of the Shareholders' General Meetings according to the requirements and suggestions of relevant regulatory authorities. In addition,

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## LETTER FROM THE BOARD

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the Company will also submit the proposed amendments to Article 79 and Article 81 of the Procedural Rules of the Shareholders' General Meetings to the A Share Class Meeting and the H Share Class Meeting for consideration and approval.

The details of the proposed amendments to the Procedural Rules of the Shareholders' General Meetings are set out in Appendix IV to this circular.

### **11. Amendments to the Procedural Rules of the Board of Directors**

Pursuant to the regulations and requirements of the recently revised laws, regulations and normative documents, including the Company Law, the Securities Law and the Guidelines for the Articles of Association of Listed Companies, and after taking into account the proposed amendments to the Articles of Association (please refer to Resolution No. 17 for details) and the needs of the Company for operation and management, the Company proposed to amend certain articles in the Procedural Rules of the Board of Directors.

The proposed amendments to the Procedural Rules of the Board of Directors were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Procedural Rules of the Board of Directors according to the requirements and suggestions of relevant regulatory authorities.

The details of the proposed amendments to the Procedural Rules of the Board of Directors are set out in Appendix V to this circular.

### **12. Amendments to the Procedural Rules of the Supervisory Committee**

Pursuant to the regulations and requirements of the recently revised laws, regulations and normative documents, including the Company Law, the Securities Law and the Code of Corporate Governance for Listed Companies, and after taking into account the proposed amendments to the Articles of Association (please refer to Resolution No. 17 for details) and the needs of the Company for operation and management, the Company proposed to amend certain articles in the Procedural Rules of the Supervisory Committee.

The proposed amendments to the Procedural Rules of the Supervisory Committee were considered and passed by the Supervisory Committee on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Procedural Rules of the Supervisory Committee according to the requirements and suggestions of relevant regulatory authorities.

The details of the proposed amendments to the Procedural Rules of the Supervisory Committee are set out in Appendix VI to this circular.

### **13. Amendments to the Working Rules for Independent Directors**

Pursuant to the regulations and requirements of the recently revised laws, regulations and normative documents, including the Company Law and the Securities Law, and after taking into account the proposed amendments to the Articles of Association (please refer to

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## LETTER FROM THE BOARD

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Resolution No. 17 for details) and the needs of the Company for operation and management, the Company proposed to amend certain articles in the Working Rules for Independent Directors.

The proposed amendments to the Working Rules for Independent Directors were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Working Rules for Independent Directors according to the requirements and suggestions of relevant regulatory authorities.

The details of the proposed amendments to the Working Rules for Independent Directors are set out in Appendix VII to this circular.

### **14. Amendments to the Administrative Measures for Connected Transactions**

Based on the needs of the Company for operation and management, the Company proposed to amend certain articles in the Administrative Measures for Connected Transactions.

The proposed amendments to the Administrative Measures for Connected Transactions were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Administrative Measures for Connected Transactions according to the requirements and suggestions of relevant regulatory authorities.

The details of the proposed amendments to the Administrative Measures for the Connected Transactions are set out in Appendix VIII to this circular.

### **15. Amendments to the Administrative Measures for External Investment**

Based on the proposed amendments to the Articles of Association (please refer to Resolution No. 17 for details) and the needs of the Company for operation and management, the Company proposed to amend certain articles in the Administrative Measures for External Investment.

The proposed amendments to the Administrative Measures for External Investment were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Administrative Measures for External Investment according to the requirements and suggestions of relevant regulatory authorities.

The details of the proposed amendments to the Administrative Measures for External Investment are set out in Appendix IX to this circular.

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## LETTER FROM THE BOARD

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### **16. Amendments to the Administrative Measures for Provision of Guarantees to Third Parties**

Pursuant to the regulations and requirements of the Company Law and the Securities Law, and after taking into account the proposed amendments to the Articles of Association (please refer to Resolution No. 17 for details) and the needs of the Company for operation and management, the Company proposed to amend certain articles in the Administrative Measures for Provision of Guarantees to Third Parties.

The proposed amendments to the Administrative Measures for Provision of Guarantees to Third Parties were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to make corresponding changes to the Administrative Measures for Provision of Guarantees to Third Parties according to the requirements and suggestions of relevant regulatory authorities.

The details of the proposed amendments to the Administrative Measures for Provision of Guarantees to Third Parties are set out in Appendix X to this circular.

### **Special Resolutions:**

### **17. Amendments to the Articles of Association**

In order to further improve its corporate governance structure, the Company proposed to amend certain articles in the Articles of Association pursuant to the regulations and requirements of the recently revised laws, regulations and normative documents, including the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Guidelines for the Articles of Association of Listed Companies, the Provisions on the Administration of Equities of Securities Companies, and the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period for Convening Shareholders' General Meetings for Overseas Listed Companies and Other Matters, and after taking into account the needs of the Company for operation and management. The amendments mainly involve the following:

- (1) The revised Code of Corporate Governance for Listed Companies (CSRC Announcement [2018] No. 29) was issued by the CSRC on 30 September 2018. The Company proposed to amend relevant articles in the Articles of Association accordingly to further improve the governance structure and operating mechanism of the Company.
- (2) The Decision on the Amendments to the Company Law was considered and passed at the sixth meeting of the Standing Committee of the 13th National People's Congress on 26 October 2018, in which related articles in relation to share repurchase in Article 142 of the Company Law were amended. The Company proposed to amend relevant articles in the Articles of Association accordingly pursuant to the amended Company Law.



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## LETTER FROM THE BOARD

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- (3) The Decision on the Amendments to the Guidelines for the Articles of Association of Listed Companies (CSRC Announcement [2019] No. 10) was issued by the CSRC on 17 April 2019, which mainly related to the implementation of new requirements of the Company Law regarding the share repurchase of listed companies and further improvement of the corporate governance of listed companies. The Company proposed to amend relevant articles in the Articles of Association accordingly.
- (4) Pursuant to the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period for Convening Shareholders' General Meetings for Overseas Listed Companies and Other Matters (Guo Han [2019] No. 97), Article 20 to Article 22 of the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Companies Limited by Shares are no longer applicable. The Company proposed to revise the requirements in the Articles of Association regarding notice period of Shareholders' general meeting and class meetings accordingly.
- (5) Pursuant to the Securities Law (effective from 1 March 2020) amended and passed at the fifteenth meeting of the Standing Committee of the 13th National People's Congress on 28 December 2019 and the Announcement on Canceling or Adjusting Certain Administrative Approval Items in relation to Securities Companies and Other Matters (CSRC Announcement [2020] No. 18) issued by the CSRC on 3 March 2020, the Company proposed to amend relevant articles in the Articles of Association accordingly.
- (6) The Decision on the Amendments to the Provisions on the Administration of Equities of Securities Companies (CSRC Order No. 183) was issued by the CSRC on 18 March 2021, requiring securities companies to include regulatory requirements and other relevant content regarding administration of equities in the articles of association. The Company proposed to amend and make supplements to relevant articles in the Articles of Association accordingly.
- (7) Based on the actual operation of the Company, the Company proposed to amend relevant articles in the Articles of Association, simplify articles of unnecessary contents and integrate articles with overlapping or duplicate content.

The proposed amendments to the Articles of Association were considered and passed by the Board on 10 May 2021 and is hereby proposed to the AGM for consideration and approval. It is also proposed to the AGM to authorize the Board and agree to transfer the authorization to the business management of the Company to complete the procedures in relation to the amendments to the Articles of Association, such as application to or filing with regulatory departments and change of registration with the authority in charge of industrial and commercial administration, and make corresponding changes to the Articles of Association according to the requirements and suggestions of relevant regulatory authorities. In addition, the Company will also submit the proposed amendments to the original Article 135 (Article 139 after revision) and the original Article 137 (Article 141 after revision) of the Articles of Association to the A Share Class Meeting and the H Share Class Meeting for consideration and approval.

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## LETTER FROM THE BOARD

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The details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular.

### **18. General Mandate to Issue Shares**

To improve the efficiency in decision-making, simplify the internal approval procedures and seize market opportunities, it is proposed to the AGM to grant the Board of Directors an unconditional and general mandate to issue Shares of the Company.

#### **(1) Scope of authorization**

The scope of authorization includes but is not limited to: the grant to the Board of Directors of an unconditional and general mandate during the Relevant Period (defined as below) to, by reference to market conditions and in accordance with needs of the Company, allot, issue and deal with, either separately or concurrently, additional A Shares and/or H Shares not exceeding 20% of each of the number of A Shares and the number of H Shares in issue as of the date of passing this resolution at the AGM (including but not limited to ordinary shares, preference shares, securities convertible into Shares), and to decide to make or grant offers for sale, offers, agreements, power to exchange for or convert into Shares or other powers as required or may be required to allot Shares.

#### **(2) Term of authorization**

Except that the Board of Directors may make or grant offers for sale, offers, agreements, powers to exchange for or convert into Shares or other powers during the relevant period, which require or may require further implementation or exercise at or after the end of the relevant period, the exercise of the above authorization shall be within the relevant period (the “**Relevant Period**”).

The Relevant Period means the period from the date when this resolution is passed by way of a special resolution at the AGM until the earliest of the following three dates:

- (a) the conclusion of the 2021 annual general meeting of the Company;
- (b) the expiration of a period of twelve months following the passing of this resolution by way of a special resolution at the AGM; or
- (c) the date on which the authorization conferred by this resolution is revoked or varied by a special resolution of the Shareholders at a Shareholders’ general meeting.



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## LETTER FROM THE BOARD

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- (3) The above authorization may only be exercised by the Board of Directors in accordance with applicable PRC laws and regulations, the listing rules of the jurisdictions on which the securities of the Company are listed and the Articles of Association, and subject to the obtaining of all necessary approvals from the relevant government agencies and regulatory authorities within or outside China.

The above resolution was considered and approved by the Board on 29 March 2021 and is hereby proposed at the AGM for Shareholders' consideration and approval.

### **Ordinary Resolutions (cumulative voting):**

#### **19-20. Election of non-employee representative Directors of the fourth session of the Board**

In view of the expiry of the term of the third session of the Board, at a meeting held on 10 February 2021, the Board considered and approved the proposals in relation to the nomination of Mr. CHEN Gongyan and Mr. CHEN Liang as candidates for executive Directors of the fourth session of the Board, Mr. LIU Dingping, Mr. YANG Tijun, Ms. LIU Chang and Mr. LIU Zhihong as candidates for non-executive Directors of the fourth session of the Board, as well as Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen as candidates for Independent Non-executive Directors of the fourth session of the Board.

Biographical details of each of the candidates for Directors are set out in Appendix XI to this circular.

#### *Nomination policy and process for the Independent Non-executive Directors*

In reviewing the structure of the Board, the Nomination and Remuneration Committee will consider the Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against criteria including talents, skills and experience as may be necessary for the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

The Nomination and Remuneration Committee is of the view that (i) the election of Mr. LIU Ruizhong as an Independent Non-executive Director can replenish the Board with extensive and diverse financial industry background and professional knowledge, promote the diversity of the Board in age, and enrich decision-making insights; (ii) Mr. WANG Zhenjun has management experience serving as the person in charge of large financial institutions, as well as work experience in the financial industry, especially the banking industry, and the election of Mr. WANG Zhenjun as an Independent Non-executive Director can replenish the management experience of the Board; (iii) Ms. LIU Chun has nearly 30 years of working experience in financial management, and the election of Ms. LIU Chun as an Independent Non-executive Director may replenish the professional knowledge of the Board in financial management, and promote the diversity of the Board in gender; and (iv) Mr. LAW Cheuk Kin Stephen has professional qualifications for accountants in the UK and Hong Kong, and has accumulated extensive experience in corporate management through its directorships or senior management positions in various listed companies, as such, the election of Mr. LAW Cheuk Kin Stephen as an Independent Non-executive Director may

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## LETTER FROM THE BOARD

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further replenish the experience of the Board in financial management and corporate governance. None of the candidates for Independent Non-executive Directors hold position as a director in seven or more listed companies, and each of them is able to devote sufficient time and attention to the Company. As such, on 9 February 2021, the Nomination and Remuneration Committee nominated each of the candidates as an Independent Non-executive Director to the Board for it to recommend to the Shareholders for election at the AGM.

The Board considers that each of the candidates for Independent Non-executive Directors possesses the basic knowledge of operations of listed companies, is familiar with the relevant laws, administrative regulations, departmental rules and other regulatory documents and has the relevant working experiences in law, economics, finance, management or other experiences necessary for serving as an Independent Non-executive Director. Moreover, each of the candidates for Independent Non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules. The Board also considers that each of the candidates for Independent Non-executive Directors meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

### **21. Election of non-employee representative Supervisors of the fourth session of the Supervisory Committee**

In view of the expiry of the term of the third session of the Supervisory Committee, at a meeting held on 10 May 2021, the Supervisory Committee considered and approved the proposals in relation to the nomination of Ms. CHEN Jing and Mr. TAO Libin as candidates for non-employee representative Supervisors of the fourth session of the Supervisory Committee.

Biographical details of each of the candidates for Supervisors are set out in Appendix XII to this circular.

### **To Receive the Relevant Report:**

### **22. Duty Report of the Independent Directors for 2020**

The duty report of the Independent Directors for 2020 will be submitted to the AGM for Shareholders' review but no Shareholders' approval is required. Details of the report are set out in Appendix XIII to this circular for Shareholders' information.

### **THE AGM AND THE H SHARE CLASS MEETING**

The forms of proxy and the reply slips of the AGM and the H Share Class Meeting are enclosed herewith.

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## LETTER FROM THE BOARD

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If you intend to appoint a proxy to attend the AGM and/or the H Share Class Meeting, please complete the enclosed forms of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) and the Office of the Board of Directors of the Company (for A Shareholders) not less than 24 hours before the time appointed for holding the meetings or any adjournment thereof in person or by post. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment thereof if you so wish.

If you intend to attend the AGM and/or the H Share Class Meeting in person or by proxy, please complete the enclosed reply slips and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) and the Office of the Board of Directors of the Company (for A Shareholders) on or before Tuesday, 8 June 2021.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the chairman of the meetings will exercise his power under the Articles of Association to demand a poll for all resolutions proposed at the AGM, the A Share Class Meeting and the H Share Class Meeting.

### **RECOMMENDATION**

The Board considers that all resolutions proposed at the AGM, the A Share Class Meeting and the H Share Class Meeting are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends you to vote in favour of all resolutions proposed at the AGM, the A Share Class Meeting and the H Share Class Meeting.

Yours faithfully,  
By Order of the Board  
**China Galaxy Securities Co., Ltd.**  
**Chen Gongyan**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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**中国银河证券股份有限公司**  
**CHINA GALAXY SECURITIES CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of China Galaxy Securities Co., Ltd. (the “**Company**”) will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Tuesday, 29 June 2021 at 10:00 a.m. for the following purposes:

### **ORDINARY RESOLUTIONS (NON-CUMULATIVE VOTING)**

1. To consider and approve the report of the board of directors of the Company for 2020;
2. To consider and approve the report of the supervisory committee of the Company for 2020;
3. To consider and approve the annual report of the Company for 2020;
4. To consider and approve the final accounts plan of the Company for 2020;
5. To consider and approve the profit distribution plan of the Company for 2020;
6. To consider and approve the capital expenditure budget of the Company for 2021;
7. To consider and approve the appointment of the external auditors of the Company for 2021;
8. To consider and approve the remuneration plan for Mr. CHEN Gongyan for 2019;
9. To consider and approve the remuneration plan for Ms. CHEN Jing for 2019;
10. To consider and approve the amendments to the Procedural Rules of the Shareholders' General Meetings;
11. To consider and approve the amendments to the Procedural Rules of the Board of Directors;
12. To consider and approve the amendments to the Procedural Rules of the Supervisory Committee;
13. To consider and approve the amendments to the Working Rules for Independent Directors;

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## NOTICE OF ANNUAL GENERAL MEETING

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14. To consider and approve the amendments to the Administrative Measures for Connected Transactions;
15. To consider and approve the amendments to the Administrative Measures for External Investment;
16. To consider and approve the amendments to the Administrative Measures for Provision of Guarantees to Third Parties;

### SPECIAL RESOLUTIONS

17. To consider and approve the amendments to the articles of association of the Company;
18. To consider and approve the general mandate to issue shares of the Company;

### ORDINARY RESOLUTIONS (CUMULATIVE VOTING)

19. To consider and approve the election of executive directors and non-executive directors of the fourth session of the board of directors of the Company:
  - 19.1 To consider and approve the election of Mr. CHEN Gongyan as an executive director of the fourth session of the board of directors of the Company;
  - 19.2 To consider and approve the election of Mr. CHEN Liang as an executive director of the fourth session of the board of directors of the Company;
  - 19.3 To consider and approve the election of Mr. LIU Dingping as a non-executive director of the fourth session of the board of directors of the Company;
  - 19.4 To consider and approve the election of Mr. YANG Tijun as a non-executive director of the fourth session of the board of directors of the Company;
  - 19.5 To consider and approve the election of Ms. LIU Chang as a non-executive director of the fourth session of the board of directors of the Company;
  - 19.6 To consider and approve the election of Mr. LIU Zhihong as a non-executive director of the fourth session of the board of directors of the Company;
20. To consider and approve the election of independent non-executive directors of the fourth session of the board of directors of the Company:
  - 20.1 To consider and approve the election of Mr. LIU Ruizhong as an independent non-executive director of the fourth session of the board of directors of the Company;
  - 20.2 To consider and approve the election of Mr. WANG Zhenjun as an independent non-executive director of the fourth session of the board of directors of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- 20.3 To consider and approve the election of Ms. LIU Chun as an independent non-executive director of the fourth session of the board of directors of the Company;
- 20.4 To consider and approve the election of Mr. LAW Cheuk Kin Stephen as an independent non-executive director of the fourth session of the board of directors of the Company;
21. To consider and approve the election of non-employee representative supervisors of the fourth session of the supervisory committee of the Company:
- 21.1 To consider and approve the election of Ms. CHEN Jing as a supervisor of the fourth session of the supervisory committee of the Company;
- 21.2 To consider and approve the election of Mr. TAO Libin as a supervisor of the fourth session of the supervisory committee of the Company; and

### TO RECEIVE THE RELEVANT REPORT

22. To receive the duty report of the independent directors for 2020.

By Order of the Board  
**China Galaxy Securities Co., Ltd.**  
**Chen Gongyan**  
*Chairman*

Beijing, the PRC, 14 May 2021

*Notes:*

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, each of the resolutions set out in the notice of AGM will be voted by poll. Results of the poll voting will be published on the Company's website at [www.chinastock.com.cn](http://www.chinastock.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the meetings.
2. Any shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy needs not to be a shareholder of the Company.
3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the Office of the Board of Directors of the Company (for A Shareholders) or the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof should he/she so wish.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of H Shareholders to attend the AGM, from Saturday, 29 May 2021 to Tuesday, 29 June 2021 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the AGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 28 May 2021.

The Company will announce separately on the Shanghai Stock Exchange details of A Shareholders' eligibility for attending the AGM.

5. The Company proposed to distribute a cash dividend of RMB2,230,196,926.54 (tax inclusive) for 2020 (the **"2020 Final Dividend"**). Based on the Company's total number of issued shares of 10,137,258,757 shares as at 31 December 2020, a cash dividend of RMB2.20 (tax inclusive and the actual amount distributed may be slightly different due to rounding) for every 10 shares is proposed to be distributed. In case of any changes in the total number of issued shares of the Company on the record date (namely 14 July 2021) as a result of placing or repurchase, the amount of cash dividend per share will be adjusted accordingly based on the total amount of RMB2,230,196,926.54 (tax inclusive).

The 2020 Final Dividend will be denominated and declared in RMB, and paid in RMB and in HK dollar to A Shareholders and H Shareholders, respectively. The actual amount distributed in HK dollar will be calculated based on the average benchmark exchange rate for conversion between RMB and HK dollar announced by the People's Bank of China for the five working days prior to the date of the AGM.

For the purpose of determining the entitlement of H Shareholders to the 2020 Final Dividend, the H Share register of members of the Company will be closed from Friday, 9 July 2021 to Wednesday, 14 July 2021 (both days inclusive), during which period no transfer of H Shares will be registered. H Shareholders whose names appear on the H Share register of members of the Company on Wednesday, 14 July 2021 are entitled to the 2020 Final Dividend. In order to be entitled to receive the 2020 Final Dividend, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 8 July 2021. The last trading day for H Shares of the Company before ex-dividend will be Tuesday, 6 July 2021, and trading of ex-dividend H Shares shall commence on Wednesday, 7 July 2021.

The 2020 Final Dividend (if approved by shareholders of the Company at the AGM) is expected to be distributed on Friday, 27 August 2021 to H Shareholders whose names appear on the H Share register of members of the Company on Wednesday, 14 July 2021.

As for the distribution of the 2020 Final Dividend to the A Shareholders, the record date is Wednesday, 14 July 2021, the ex-dividend date and the dividend distribution date are Thursday, 15 July 2021. The Company will announce separately on the Shanghai Stock Exchange details of the arrangements regarding the distribution of the 2020 Final Dividend to its A Shareholders.

For Hong Kong investors (including enterprises and individuals) investing in the Company's A Shares via the Shanghai Stock Connect Program, the 2020 Final Dividend will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such A Shares. The record date, the dividend distribution date and other arrangements for investors via the Shanghai Stock Connect Program will be the same as those for the Company's A Shareholders.

For Mainland investors (including enterprises and individuals) investing in the Company's H Shares via the Hong Kong Stock Connect Program, the Shanghai Branch and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the investors via the Hong Kong Stock Connect Program, will receive the 2020 Final Dividend distributed by the Company and distribute such 2020 Final Dividend in RMB to the relevant investors of H Shares through its depository and clearing system. The record date, the dividend distribution date and other arrangements for investors via the Hong Kong Stock Connect Program will be the same as those for the Company's H Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. Where there are joint holders of any shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the AGM in respect of such shares.
7. Shareholders intending to attend the AGM in person or by their proxies should return the reply slip for attending the AGM in person or by post to the Office of the Board of Directors of the Company (for A Shareholders) or the Company's H Share registrar, Computershare Hong Kong Investors Services Limited (for H Shareholders) on or before Tuesday, 8 June 2021. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
8. Shareholder or his/her proxy shall produce proof of identity when attending the AGM:
  - (1) Legal representatives of legal person shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the board of directors or other governing body of the legal person shareholders according to laws; and
  - (2) Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce effective proof of identity and form of proxy.
9. The AGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
10. The Office of the Board of Directors of the Company is located at Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC.

Tel: 86 (10) 8635 9022

Fax: 86 (10) 6656 8640

*As at the date of this notice, the executive directors of the Company are Mr. CHEN Gongyan (Chairman) and Mr. CHEN Liang (Vice Chairman and President); the non-executive directors are Mr. LIU Dingping and Ms. XIAO Lihong; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.*



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## NOTICE OF H SHARE CLASS MEETING

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**中国银河证券股份有限公司**  
**CHINA GALAXY SECURITIES CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

## NOTICE OF H SHARE CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the H Share Class Meeting (the “**H Share Class Meeting**”) of China Galaxy Securities Co., Ltd. (the “**Company**”) will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC on Tuesday, 29 June 2021 at 11:00 a.m. or immediately after the conclusion of the A Share Class Meeting or any adjournment thereof (whichever is the later) for the following purposes:

### ORDINARY RESOLUTION

1. To consider and approve the amendments to Article 79 and Article 81 of the Procedural Rules of the Shareholders' General Meetings; and

### SPECIAL RESOLUTION

2. To consider and approve the amendments to the original Article 135 (Article 139 after revision) and the original Article 137 (Article 141 after revision) of the articles of association of the Company.

By Order of the Board  
**China Galaxy Securities Co., Ltd.**  
**Chen Gongyan**  
*Chairman*

Beijing, the PRC, 14 May 2021

#### *Notes:*

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, each of the resolutions set out in the notice of H Share Class Meeting will be voted by poll. Results of the poll voting will be published on the Company's website at [www.chinastock.com.cn](http://www.chinastock.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the H Share Class Meeting.
2. Any shareholder entitled to attend and vote at the H Share Class Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy needs not to be a shareholder of the Company.
3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, not less than 24 hours before the time appointed for

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## NOTICE OF H SHARE CLASS MEETING

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holding the H Share Class Meeting or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the H Share Class Meeting or any adjournment thereof should he/she so wish.

4. The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of H Shareholders to attend the H Share Class Meeting, from Saturday, 29 May 2021 to Tuesday, 29 June 2021 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the H Share Class Meeting, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 28 May 2021.
5. Where there are joint holders of any shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the H Share Class Meeting in respect of such shares.
6. Shareholders intending to attend the H Share Class Meeting in person or by their proxies should return the reply slip for attending the H Share Class Meeting in person or by post to the Company's H Share registrar, Computershare Hong Kong Investors Services Limited on or before Tuesday, 8 June 2021. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
7. Shareholder or his/her proxy shall produce proof of identity when attending the H Share Class Meeting:
  - (1) Legal representatives of legal person shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the board of directors or other governing body of the legal person shareholders according to laws; and
  - (2) Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce effective proof of identity and form of proxy.
8. The H Share Class Meeting is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

*As at the date of this notice, the executive directors of the Company are Mr. CHEN Gongyan (Chairman) and Mr. CHEN Liang (Vice Chairman and President); the non-executive directors are Mr. LIU Dingping and Ms. XIAO Lihong; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.*

**REPORT OF THE BOARD OF DIRECTORS FOR 2020**

Dear Shareholders,

The year 2020 is the year when the goal of building a moderately prosperous society in all aspects is achieved and the “13th Five-Year Plan” concludes successfully, and is also the 30th anniversary of the establishment of capital markets in China. This year marks the beginning of the “three-year consolidation period” of the Company for transformation and development, and is an unusual year for the pandemic prevention and control and business transformation. In light of the unprecedented challenges brought by the Covid-19 pandemic and the complicated and ever-changing market environment over the past year, the Board followed Xi Jinping’s guidance for new era of socialism with Chinese characteristics, and deeply studied and implement the annual work plan of CIC and Huijin, as well as the regulatory requirements of “Four Aves and One Force” in the securities industry. The Board earnestly carried out the work requirements of “Three Major Tasks” and “ensuring stability on six fronts (“Six Stability”) and maintaining security in six areas (“Six Security)” on financial work to take full advantage of the changes in macro-economic situation and market environment, actively promoted the implementation of the five-year strategic development plan and various arrangements for the “three-year consolidation period” to diligently discharge its duties, make decision in a scientific manner, strictly control risks, and perform concrete work. Since the outbreak of the pandemic at the beginning of the year, the Board has firmly developed the bottom line thinking, carefully implemented various decisions and arrangements of the central government, CIC, and Beijing and other regulatory authorities in relation to pandemic prevention and control, and resumption of work and production, and always regarded the pandemic prevention and control as the top priority. On top of putting forward and implementing various prevention and control measures, the Board continued to pay attention to the business operations of the Company during the pandemic, put more efforts on market analysis and judgement, urged the business management to properly prepare the contingency plan on risk management and targeted response measures, thus achieving the “win-win situation” in both the pandemic prevention and control and the transformation and development.

**1. MAJOR WORK IN 2020**

In 2020, the Board seriously performed its responsibilities stipulated by laws, regulations and the Articles of Association. It convened one annual general meeting, one A Shares class meeting and one H Shares class meeting, submitted 26 proposals to the general meetings for review and consideration, and 26 resolutions were considered and adopted. It convened nine Board meetings, at which 54 resolutions were reviewed and adopted, and 14 reports were received. The Strategy and Development Committee convened six meetings, and preliminarily reviewed and discussed 41 matters. The Compliance and Risk management Committee convened six meetings, preliminarily reviewed and discussed 12 matters, and received eight reports. The Nomination and Remuneration Committee convened six meetings, and preliminarily reviewed and discussed eight matters. The Audit Committee convened six meetings, preliminarily reviewed and discussed 22 matters, and received three reports.

On the basis of pushing forward the key tasks under the annual work plan and implementing various arrangements with high quality during the reporting period, the Board focused on the following tasks:

**(1) Focusing on organizing and implementing the pandemic prevention and control as well as the strategic planning, and facilitating a successful start of the “three-year consolidation period”.**

In light of the unprecedented challenges brought by the Covid-19 pandemic and the complicated and ever-changing market environment since early 2020, the Board has firmly developed the bottom line thinking, carefully implemented various decisions and arrangements of the central government, CIC, and Beijing and other regulatory authorities in relation to pandemic prevention and control, and resumption of work and production, always regarded the pandemic prevention and control as the top priority, and adhered to two-pronged approach – focusing on the pandemic prevention to guard against risks while relying on strategy to promote transformation. On top of putting forward and implementing various prevention and control measures, the Board continued to pay attention to the business operations of the Company during the pandemic, put more efforts on market analysis and judgement, organized and conducted special tests on stress, assessed the impact of the pandemic on the business operations and risk control of the Company, urged the business management to properly prepare the contingency plan on risk management and targeted response measures. During the process of work and production resumption, the Board concentrated on strategic thinking and strengthened strategic management, which further facilitated the implementation of the five-year development strategic plan of the Company. Based on the comprehensive evaluation on the experience and lesson learned from the “three-year transformation”, the Board formulated a total of 12 sub-plans under the development strategy that covered 3 major areas, 4 major businesses and 5 subsidiaries to further define the path of business development, and set out the details for the implementation of the overall plan of five-year development strategy of the Company.

**(2) Focusing on the full implementation of the work of “Six Stability” and “Six Security” with an aim to consistently enhance the comprehensive capability of the Company in financial services**

Completing the work of “Six Stability” in a practical manner and fully implementing the mission of “Six Security” are the major decision and arrangement put forward by the Central Committee of the Communist Party of China (the “CPC”) (with Comrade Xi Jinping at its core) in response to the current new development. The Board strived to implement the decisions and arrangements of the State Council of the Central Committee of the CPC and CIC and the requirements of regulatory authorities, and aimed at leveraging the professional advantages of securities companies and the intermediary functions of capital markets, accelerating the enhancement the capability of the Company in comprehensive financial services through the adoption of the “Six Stability”, “Six Security” and “Three-in-one” business system. By focusing on the “enterprise-centered” investment and financing business, the Company promoted the continuous development in both investment and financing. The Company fully played the important role of supply-side structural reforms of multi-level capital market services, pushed forward the transformation of traditional sponsorship and underwriting business to an investment banking business with comprehensive services covering equity business underwriting, bond underwriting, bond investment, equity investment, etc. for a number of companies in the manufacturing, construction, transportation and other industries that are closely related to the real economy, which consistently enhanced the capability of the Company in investment and financing comprehensive services with the characteristics of multiple markets, full cycle, multiple levels, one-stop service, and demonstrated the effectiveness of direct financing to serve the real economy. By focusing on the “customer-oriented” wealth management business, the Company made efforts in satisfying the diversified requirements of investors. The Company vigorously enriched the supply of self-developed products and took an initiative to launch private placement products in the industry for the agency sales business, which effectively supported the financing of entities and enterprises. The Company also made innovation in inclusive financial services, with the size of sale of inclusive fixed-income wealth management products increasing consistently. During the pandemic, the Company immediately launched Hubei Special Series income certificate products to effectively serve the general investors and to support the fight against the pandemic in Huibei area, thereby fully ensuring the stable operation of market transactions.

**(3) Focusing on capital replenishment to accelerate the enhancement of capital strength and core competitiveness of the Company**

Pursuant to the key work arrangements of 2020, the Board concentrated on the development strategy of the Company, continued to study and determine the condition of the capital markets and the development trend of the industry, and actively supported the Company to take advantage of domestic and overseas capital markets in a timely manner for the expansion of financing channels. Through the deliberation of the necessity, feasibility and compliance of the issuance of perpetual bonds in great depth, the pre-assessment on market risk, issuance risk, and regulatory requirements, and the examination of the issuance procedures, scale and plan carefully, the Company completed the corporate governance procedures and regulatory approval in connection with the public offering of RMB15 billion perpetual subordinated bonds in an orderly manner and also the issuance of the first tranche of RMB5 billion perpetual subordinated bonds on 20 November 2020, which further enhanced its capital strength and offered a strong support to the development of various businesses.

**(4) Focusing on investment in financial technology, with the determination to facilitate the integration of financial technology and business development**

The Board leveraged the development trend of “+ Internet” and “smart financing”, and highly valued the strategic role of financial technologies on innovative service capability and empowerment of transformation and development, which pushed forward the acceleration of digital transformation of the Company after the pandemic. Through technology empowerment, the online transactions of the Company reached over 99% during the pandemic. This ensured that no substandard service was provided due to the pandemic, and no service was unavailable because of long distance from the Company, which therefore maintained the safe and stable operation of the securities market with practical actions. The Board received the Report on Evaluation of the Implementation Results of IT three-year (2017-2019) Development Plan and the Special Report of Management of Information Technology in 2019 of the Company. Based on the full assessment of the current status of the Company’s intelligent development, its investment at the preliminary stage, future needs, technological capabilities and major weaknesses, and having regard to the development positioning of “Smart Galaxy” (智能銀河), its strategic measures, implementation steps, capital investment and team building, the Board examined and reviewed the “Information Technology Development Plan (2020-2022)” on 28 August 2020, and emphasized on further increase in the investment of capital, technology and human resources from two dimensions of achieving the goals of “Smart Galaxy” and analysing on “Leading Securities Firms”, so as to accelerate the establishment of a financial technology system that is in line with the strategic development of the Company.

**(5) Focusing on cultural construction, with a view to establishing a corporate culture system that is in line with strategic goals**

Since the convening of the meeting for cultural construction of the securities and fund industry, the Board has actively responded to the call from the industry for accelerating the cultural construction, upheld the core values of “being responsible, united, professional, and aggressive” of CIC and the cultural philosophy of “being compliant, honest, professional, and prudent” of the securities industry, promoted the establishment of corporate cultural construction organizations, adhered to the principle of “following the general rules and reflecting the characteristics of Galaxy Securities”, and formulated the “Cultural Construction Development Strategic Plan (2019-2022)” to lead the direction, facilitate development and enhance the image of the Company with the power of culture. Having taken into account the experience of transformation and development and the actual development of the current stage, the Company summarized and created a corporate culture system with “innovation, compliance, service, and synergy” as its core values. By clearly defining the goals and work measures for the stages of “promotion and advocacy period”, “pilot implementation period” and “full reinforcement period”, the Company actively improved the cultural construction supporting system and the improvement plan, so as to accelerate the construction of a corporate culture system that is in line with the strategic goal of “building a carrier securities broker and a modern investment bank” and to create a sound ecosystem for the development of the Company.

**(6) Focusing on the improvement of competitiveness of domestic and overseas subsidiaries, in a bid to accelerate the establishment of important revenue and profit centers**

The Board followed the principle of “one company one policy, classified guidance, hierarchical management, and precise support”, and consistently increased its support to domestic and overseas subsidiaries. In 2020, its five subsidiaries realized operating income of RMB9.86 billion, and net profit of RMB900 million, representing a year-on-year increase of 89%. Income from subsidiaries accounted for 41.5%, representing an increase of 9 percentage points from last year; net profit accounted for 12.3%, representing an increase of 3 percentage points from last year. The construction of revenue and profit centers was further accelerated. Subsequent to its support to the capital increase in Galaxy Yuanhui and Galaxy Capital in 2019, the Board conducted an in-depth analysis on the development of the futures industry through various means such as carrying out the investigation and research on Galaxy Futures and offering guidance to it, and receiving reports on special topics, assessed the weaknesses limiting further expansion of net capital of the Company, and facilitated the completion of a capital increase of RMB1.1 billion in 2020, thus building a capital scale that is in line with its market position and business volume, and cultivating its development advantages. At the same time, the Board further promoted the business synergy and resource sharing between the parent company and its subsidiaries, continued to improve the authorization system of subsidiaries, and fully implemented the “same horizontal line” assessment and overseas personnel deployment. As a result, the risks of subsidiaries and the compliance vertical management and control were effectively strengthened.



**(7) Focusing on comprehensive risk prevention and control to ensure that the overall risk was measurable, controllable and could be effectively addressed**

The Board and the Compliance and Risk Management Committee were committed to taking risk prevention as its top priority, upheld the “three nevers and one pursue principle”, i.e. “never touching the red line, never stepping on the gray zone, never playing edge ball and pursuing liabilities for violation of disciplines and regulations”, and held on to the bottom line of zero material risks. Based on the principle of “one company one policy”, the Board offered guidance and developed differentiated risk management programs compatible with five domestic and overseas subsidiaries to further strengthen the risk control system with full coverage and penetration management. The Board promoted the establishment of a case prevention and control mechanism, and achieved a win-win situation for the Company, customers, trading counterparties and interested parties under the premise of ensuring legal compliance and the safety of state-owned assets, thereby protecting the interests of Shareholders to the largest extent. From the outbreak of the pandemic at the beginning of the year to the change in monetary policy environment in mid-year, the Board and the Compliance and Risk Management Committee consistently studied and determined market risks, received the reports on risk management in several occasions, gave specific advices and recommendations in respect thereof, which played an important guiding role for the early identification, warning, prevention and disposal of risks. In 2020, no major risk events occurred throughout the year, and the overall risk was measurable and controllable.

**(8) Focusing on the development of refined management capabilities, and stimulating internal development vitality to consolidate the foundation for long-term development**

The Company seriously implemented various requirements of CIC with respect to the strengthening of management of directly-controlled enterprises in order to consistently improve the refined internal management standard. By adhering to the idea of “strengthening the front office, enlarging the middle office and clearing the back office”, the Company actively promoted the establishment of an organizational structure commensurate with modern investment banks, with an aim of enhancing the profitability of the front office based on the “income- and profit-generating” principle, improving the comprehensive service capability of the middle office based on the “professional collaboration” principle, and increasing the support and guarantee capabilities of the back office based on the “streamlining and high efficiency” principle. In the meanwhile, building upon the experience gained from the comprehensive assessment of human resources reform for the first stage, the Company steadily proceeded with the reform for the second stage, and continuously strengthened the market-oriented concept of “emphasis on actual performance, promotion and demotion, and new employment and termination” and the employee selection and employment criteria to stimulate the momentum of internal development within the Company.



**(9) Focusing on poverty alleviation in order to enhance the good brand image of the Company**

The Company deeply participated in the national strategy on targeted poverty alleviation, and created a strong awareness of “preparing an overall planning” for poverty alleviation. The Board reviewed and approved a special fund of RMB50 million for use in the poverty alleviation in 2020 and continued to increase its assistance for poverty alleviation under the pandemic. The Company provided an assistance fund of RMB38 million to Jingning County, a fixed-point poverty alleviation county, selected and assigned five temporary cadres, injected an assistance fund of RMB14.45 million, offered training courses to nearly 11,000 cadres and technicians at the basic level, made the poverty alleviation effort through consumption totaling RMB15.06 million, assisted with the sale of agricultural products worth of RMB7.21 million, completed eleven assistance projects and dealt with all matters in relation to the execution of the “Letter of Responsibility for Poverty Alleviation of the Central Units”. The experience and practices of the Company on poverty alleviation were widely reported by over 30 media, and a special report was published and promoted by the State Council Leading Group Office of Poverty Alleviation. With a focus on establishing a powerful assistance system, strengthening industrial poverty alleviation, consolidating the poverty alleviation through financial services, and taking practical actions to prevent the return to poverty, the Company enhanced the internal development capabilities of assistance areas. In March 2020, Jingning County announced that it got rid of poverty. The Company promptly shifted the focus of assistance to establishing anti-poverty mechanism and promoting rural revitalization, and established the Jingning Industrial Fund to enhance industrial development capabilities.

**(10) Focusing on information disclosure and connected transaction management to protect the rights and interests of investors in a practical manner**

With the information disclosure as its core, the new “Securities Law” helps improve the quality of listed companies and further protect the rights and interests of investors. The Board actively adapted to the new regulatory requirements for information disclosure, and seriously implemented the “Opinions of the State Council on Further Improving the Quality of Listed Companies”. By taking advantage of the opportunity offered by the “special campaign to improve the governance of listed companies” of the regulatory authorities, the Board continuously enhanced the “authenticity, accuracy, completeness, timeliness and fairness” of information disclosure to ensure the legal compliance of information disclosure. The Board strictly implemented the system requirements such as the provision of independent opinions from independent directors in respect of material connected transactions and the abstention of connected directors, made greater effort on the confirmation of connected parties, compliance review of connected transactions, and organization and decision making of material connected transactions, with a view to safeguarding the legitimate rights and interests of all Shareholders. At the same time, the Board placed emphasis on further communication and liaison with Shareholders, potential investors, analysts, fund managers, etc., timely responded to the concerns of investors to increase the transparency of the Company, and protected the rights and interests of investors to enhance the confidence of investors. In 2020, the Company disclosed 151 and 171 announcements of A Shares and H Shares in total, and was awarded A grade in the “2019-2020 Information Disclosure Work Evaluation” of the SSE.

**(11) Focusing on the self-development of the Board in order to constantly enhance the governance standard of the Company as a listed company**

The Board strictly implemented various regulatory requirements, and continuously strengthened its self-development. First, by implementing the strategic plan in great depth and achieving its goals in all aspects, the Board formulated and implemented the arrangements for an annual work plan, so as to enable the work of the Board to be systematic, predictive and scientific. Second, by making full use of the dual advantages of party leadership and corporate governance and putting into practice the integration of party leadership and corporate governance, and pursuant to the opinions of Shareholders and regulatory requirements, the Board completed the change and addition of the Board members in a stable and orderly manner, which continuously enhanced the Board diversity and professionalism and further strengthened the quality and efficiency of corporate governance. Third, the Board seriously examined and studied the spirit of the fourth and fifth plenary sessions of the 19th Central Committee of the CPC and the major arrangement of the Central Economic Work Conference with respect to the strengthening of the construction of capital market infrastructure, and continued to pay attention to and studied any change of and adjustments to laws, regulations and regulatory requirements. Based on its prudent deliberation, the Board timely organized and commenced the study and modification of the governance system to facilitate the continuous improvement of corporate governance rules and systems. Fourth, the Board conducted investigation and research on branches, business departments and subsidiaries in great depth, and received reports on special topics from the relevant business departments in order to understand the business operations of the Company and to obtain the first-hand information for decision making. Fifth, the Board actively organized the Directors' training courses on the "Revised Contents of the New 'Securities Law'" and the "Governance Rules in A and H Shares", studied the specific chapters under the new "Securities Law" with respect to information disclosure and investor protection in great depth, in a bid to constantly increase the initiative to perform the obligation and responsibility of "critical minority" and the compliance therewith.

## APPENDIX I REPORT OF THE BOARD OF DIRECTORS FOR 2020

### 2. DIRECTORS' PERFORMANCE OF DUTIES IN 2020

During the reporting period, all Directors of the Company strictly abided by laws and regulations and the Articles of Association, and performed their statutory duties diligently, responsibly, in good faith and in compliance with laws and regulations. The Directors completed a substantial amount of work in the aspects such as the implementation of strategic plan, establishment of governance system, capital replenishment, financial technology, compliance risk control, performance assessment, information disclosure and corporate culture. The professional advantages of the special committees and Independent Directors were fully exerted. All these showed that the Board made sound decisions in a scientific and prospective manner.

#### (1) Attendance of Directors at Board meetings in 2020

Name of Directors	Required attendance at Board meetings	Attendance in person	Attendance by proxy	Absence	Number of resolutions Required for voting	Number of resolutions actually voted
Chen Gongyan	9	9	0	0	53	53
Chen Liang	8	8	0	0	53	53
Liu Dingping	8	8	0	0	53	53
Xiao Lihong	8	8	0	0	53	53
Zhang Tianli <sup>1</sup> (resigned)	6	6	0	0	47	47
Liu Ruizhong	9	9	0	0	54	54
Wang Zhenjun	9	9	0	0	54	54
Liu Chun	9	9	0	0	54	54
Law Cheuk Kin Stephen <sup>2</sup>	6	6	0	0	17	17
Wang Zelan <sup>3</sup> (resigned)	7	7	0	0	49	49

- Notes:* 1. On 22 September 2020, the Board received a written application for resignation from Mr. Zhang Tianli, a non-executive Director. Mr. Zhang Tianli tendered his resignation as a non-executive Director, member of the Strategy and Development Committee, member of the Compliance and Risk Management Committee and member of the Audit Committee of the Company due to other work arrangements. Mr. Zhang Tianli's resignation took effect when his resignation application was delivered to the Board.
2. On 29 June 2020, the "Proposal on Requesting the General Meeting of Shareholders to Elect Mr. Law Cheuk Kin Stephen as an Independent Director of the Third Session of the Board of Directors" was considered and approved at the 2019 annual general meeting, and Mr. Law Cheuk Kin Stephen was elected as an independent Director of the third session of the Board.
3. On 24 December 2020, the Board received a written application for resignation from Ms. Wang Zelan, an employee Director. Ms. Wang Zelan tendered her resignation as an employee Director and member of the Compliance and Risk Management Committee of the Company as she has reached the statutory retirement age. Ms. Wang Zelan's resignation took effect when her resignation application was delivered to the Board.

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## APPENDIX I      REPORT OF THE BOARD OF DIRECTORS FOR 2020

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### (2) Participation by Directors of training courses in 2020

No.	Date of training	Main contents	Participating Directors
1	6 March 2020	Interpretation of the revised contents of the new “Securities Law” and relevant regulatory requirements of the SSE	Chen Gongyan, Chen Liang, Liu Dingping, Xiao Lihong, Zhang Tianli, Liu Ruizhong, Wang Zhenjun, Liu Chun, Wang Zelan
2	22 to 24 April 2020	“The 70th Qualification Training of Independent Directors” held by the SSE	Law Cheuk Kin Stephen
3	19 May 2020	“The First Session of Special Training Courses for Directors and Supervisors in 2020 for Listed Company in Beijing” held by the CSRC Beijing Bureau	Xiao Lihong
4	27 May 2020	Special training on “Governance Rules and Recent Changes in A and H Shares”	Chen Gongyan, Chen Liang, Liu Dingping, Xiao Lihong, Zhang Tianli, Liu Ruizhong, Wang Zhenjun, Liu Chun, Wang Zelan
5	2 June 2020	“The Second Session of Special Training Courses for Directors and Supervisors in 2020 for Listed Company in Beijing” held by the CSRC Beijing Bureau	Xiao Lihong

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**APPENDIX I      REPORT OF THE BOARD OF DIRECTORS FOR 2020**


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<b>No.</b>	<b>Date of training</b>	<b>Main contents</b>	<b>Participating Directors</b>
6	1 July 2020	“The Third Session of Special Training Courses for Directors and Supervisors in 2020 for Listed Company in Beijing” held by the CSRC Beijing Bureau	Chen Liang
7	22 July 2020	“Special Training on Securities Law for Listed Companies in Beijing” held by the CSRC Beijing Bureau	Chen Liang
8	18 to 19 August 2020	“The 2nd Follow-up Training Program for Independent Directors of Listed Companies for 2020” organized by the SSE	Liu Ruizhong, Wang Zhenjun, Liu Chun
9	16 to 18 September 2020	“Advanced Seminar for Directors and Supervisors of Companies Listed Inside and Outside China” organized by the HKICS	Liu Dingping
10	30 December 2020	Special training of “Updates on HKEx ESG Reporting Guide”	Chen Gongyan, Chen Liang, Liu Dingping, Xiao Lihong, Liu Ruizhong, Wang Zhenjun, Liu Chun, Law Cheuk Kin Stephen

**(3) MAJOR WORK IN 2021**

In 2021, with adherence to Xi Jinping’s guidance for new era of socialism with Chinese characteristics, the Board will study and understand the spirit of the fifth plenary session of the 19th Central Committee of the CPC and the guiding thought for the “14th Five-Year Plan” period, the principles required for compliance, the major tasks in 12 areas and the long-term goals for 2035, and will seriously implement the annual work arrangement of CIC and Huijin. In accordance with the requirements of the “theme of promoting high-quality development”, the Board will enhance the awareness of opportunities and risks, develop the bottom line thinking, maintain strategic focus, actively “develop strategies, discuss major issues, and control risks”, push forward the implementation of the five-year strategic plan in great depth with firm determination, continuously strengthen the results of transformation and development for the “three-year consolidation period” and lead the Company to achieve high-quality development.

**(1) Implementing the strategic development plan with firm determination**

Under the landscape of accelerating the development of dual circulation, the Company will maintain the strategic and development focuses of the “consolidation period”, continuously strengthen tracking analysis and study on macro-economic and capital market development, and push forward the implementation of the five-year strategic development plan and 12 sub-plans in great depth with firm determination. The Company will also procure the business management and all business lines, departments and subsidiaries to insert various planned objectives and missions as well as strategic measures into the annual work plan, promptly conduct plan evaluation, and strengthen the supervision over the implementation of strategic plan in order to push forward the high-quality development of the Company in all aspects.

**(2) Practically fulfilling the role and social responsibility of state-owned financial enterprises**

For the purpose of promoting the reform and innovation of investment and financial business, the Company will focus on the implementation of major strategies such as the “Regional Major Strategy”, “Regional Collaborative Development Strategy”, and “Main Function Zone Strategy” of the planned layout in the “14th Five-Year Plan”, consistently implement all relevant work arrangements for the “Six Stability” and the “Six Security”, and fully utilize the functions of capital market to give full play to the core role of securities companies and to better serve the development of real economy. By leveraging the capital market resources and professional advantages, the Company will further increase its efforts on financial and industrial assistances so as to make contributions to the implementation of national strategy for rural revitalization.

**(3) Focusing on the enhancement of core competitiveness of principal business**

With a deeper understanding of the theme of “promoting high-quality development” for the “14th Five-Year Plan” period and the strategic initiative of the “dual circulation”, the Company will actively and consistently put the new development concepts into practice. Through “leveraging strengths and tackling weaknesses”, the Company will enhance its professional capability and core competitiveness in the principal business. The Company will promote wealth management business to consolidate its advantageous position, and vigorously expand institutional business and “+ Internet” to ensure its leading position in securities brokerage business. To better serve the development of real economy, the Company will put forward the transformation of investment banking business to comprehensive financial services and to integration of investment and financing business. The Company will also accelerate the transformation of asset management business to active management, with results performance as a driving force for scale-up development to boost its market ranking. Support from the higher level management will be sought for the acquisition of public fund companies, with an aim of making up the weaknesses of the Company’s businesses.

**(4) Accelerating the market-driven development of subsidiaries**

With the concentration on the fundamental positioning of “synergy and revenue generation”, under the principle of “one company one policy, classified guidance, hierarchical management, and precise support”, and after taking into account the business characteristics and development stage of various subsidiaries, the Company will offer specific and personalized supports. Moreover, the Company will fully implement the “same horizontal line” market-oriented management concept of subsidiaries, optimize the market-oriented remuneration assessment system that is closely linked with performance, and commensurate with incentives and restrains, and support the business expansion based on the market-oriented principle. The Company will improve the capital strength of subsidiaries to offer support to its business development and to speed up its efforts in developing subsidiaries into important revenue and profit centers. In addition, the Company will support the establishment of investment banking subsidiaries in Hainan.

**(5) Prudently facilitating the transformation of international business in vertical direction**

Based on the overall approach of “taking overseas and domestic businesses as the foundation and expanding the cross-border business as the core” and with the adaptation to the ever-changing international and domestic development, the Company will deepen its cooperation and collaboration with Galaxy International and CGS-CIMB Securities, a joint venture, in cross-border business so as to expand the scale of cross border business. Meanwhile, based on the acquisition of exercise rights at the second stage, the Company will strength the management of CGS-CIMB Securities to support business development in all aspects for the purpose of increasing its profitability. The Company will constantly promote the vertical risk management of overseas business in order to make the risks of overseas business become “clear, easy to understand and manageable”.



**(6) Further developing the regional comprehensive financial service platform for branches**

Under the management system of “centralized coordination + line supervision + hierarchical management”, the Company will strengthen the positioning of the comprehensive financial service platform for branches, and promote the transformation and development of branches by concentrating on the “dual wheels” of wealth management and investment and financing. The Company will evaluate the pilot operation of authorization of type 1 branches to identify any problems involved for improvement of the pilot operation, and focus on facilitating the transformation and development as well as the business expansion of the type 1 branches, with a view to playing the principal role of regional comprehensive operation and management.

**(7) Constantly reinforcing the capital and liability management**

The Company will strengthen the management of capital plan and optimize capital structure to satisfy its needs for continuous business development and to further increase the returns for Shareholders. By concentrating on its development strategy, the Company will make use of various means and favourable timing offered by domestic and overseas capital markets to replenish its capital requirement, and will explore outward development to achieve expeditious breakthroughs in key areas and businesses.

**(8) Comprehensively reinforcing the internal control construction and the risk prevention and control**

By adhering to the “three nevers and one pursue principle”, i.e. “never touching the red line, never stepping on the gray zone, never playing edge ball and pursuing liabilities for violation of disciplines and regulations”, and upholding the management and control objective of “strengthening internal control, guarding against risks and promoting compliance”, the Company will push forward the establishment of a sound internal control system with the characteristics of “one comprehensive, one penetration, two cultures, three collaborations”, cultivate the internal control culture among all employees, exert the synergies of the three lines of defence, being “interconnected and complementary to each other”, so as to enhance the effectiveness of internal control system in a practical manner. The Company will firmly develop the bottom line thinking, consistently promote the improvement and optimization of risk management system, and strive to fight the battle for the prevention and mitigation of major risks. The Company will fully implement the opinions of CIC on the risk management of its directly-controlled enterprises, establish a well-developed “negative list” management mechanism covering various business lines and subsidiaries to improve risk monitoring in a scientific manner, strengthen the same customer management, accelerate the construction of risk management system, and actively seek for the qualification for pilot consolidated management.

**(9) Conducting connected transactions and annual audit in compliance with laws and regulations**

The Company will conduct the management of connected transactions in compliance with laws and regulations, make greater effort on the analysis and confirmation of connected parties, compliance review of connected transactions, and organization and decision making of material connected transactions, with a view to safeguarding the legitimate rights and interests of all Shareholders. The Company will maintain communication and coordination with external audit institutions and strengthen supervision and evaluation, so as to ensure that the annual audit work will be carried out in an orderly manner.

**(10) Actively optimizing investor relation management**

The Company will actively adapt to the new regulatory requirements for information disclosure, and adhere to the principle of “openness, fairness, timeliness, accuracy, and completeness” to optimize work processes for strict compliance with the rules of “three markets in two jurisdictions” and for simultaneous disclosure, with an aim to consistently enhance the quality of information disclosure. Through active, interactive, professional and efficient communication with investors, the Company will establish effective interaction with the capital market, enhance its transparency, and safeguard investors’ rights to information.

**(11) Continuously improving corporate governance system**

The Company will seriously study the “Opinions of the State Council on Further Improving the Quality of Listed Companies”. By taking advantage of the opportunity offered by the “special campaign to improve the governance of listed companies” of the regulatory authorities, the Company will strengthen its communication and interaction with Shareholders to exercise the joint efforts of all parties. The Company will further improve its corporate governance system in accordance with relevant procedures, enhance the bottom line requirements of corporate governance, and optimize the long-term mechanism for corporate governance, for the purpose of enhancing the level of corporate governance. Pursuant to the regulatory requirements of the two jurisdictions, the Company will consistently strengthen the development of the Board, conduct investigation and research as well as training courses based on the strategic plan, offer practical support to Directors for their performance of duties and protection of their rights to information, so as to further enhance the leadership of the Board on the transformation and development the Company.

**(12) Continuously deepening the reform of human resources system**

In accordance with the “same horizontal line” market-oriented principle, the Company will evaluate its organizational structure and the necessity, scientificity, and rationale of staffing of various departments in a systematical manner, carry out the stringent requirements for recruitment of employees, consistently optimize the market-oriented remuneration assessment system that is closely linked with performance and commensurate with incentives and restrains, transform the bonus distribution from “internal comparison” to “market comparison”, strengthen the distinction of performance and step up the efforts on rewards and punishments of employees, establish the clear approach of “promotion and demotion, higher and lower remuneration, and new employment and termination”, so as to further release the vitality of the institutions and personnel and to stimulate internal motivation.

*If there are any discrepancies between the English and Chinese versions of this Appendix, the Chinese version shall prevail.*

**REPORT OF THE SUPERVISORY COMMITTEE FOR 2020**

Dear Shareholders,

With the vigorous support from the Shareholders throughout the year, the Board, the Supervisory Committee and the business management earnestly performed their respective duties to further facilitate the transformation and development of the Company. The operations of the Company set a trend of “steady development with sound and upward improvement” and recorded consolidated operating income of RMB23.7 billion and net profit of RMB7.3 billion, representing increases of 39% year-on-year. In 2020, the operating income of the Group ranked 8th in the industry, up one place from last year, and its net profit ranked 9th in the industry, remaining flat compared to last year.

In accordance with the Company Law, the Securities Law, the relevant provisions of the CSRC, the SSE and the Stock Exchange, and in line with the decisions and arrangements made by the higher authority and the Party Committee of the Company, the Supervisory Committee fully implemented the requirements regarding the strengthening and improvement of the corporate governance of state-owned financial enterprises and the supervisory work of supervisory committees. According to the Articles of Association and the “Rules of Procedure of the Supervisory Committee”, and by concentrating on the core business of the Company, the Supervisory Committee established “one performance, two services”, which means upholding the work philosophy of “effectively performing the independent supervisory functions according to law, and serving the overall development of the Company and the implementation of strategies”. With the “furtherance of business operations of the Company in compliance with laws and regulations, and improvement of its risk prevention and management” as its objectives, the Supervisory Committee exercised its supervisory duties strictly according to law and in a scientific and effective manner, actively pushed forward various tasks pursuant to its annual work plan, which therefore protected the legitimate rights and interests of Shareholders, the Company and employees, and effectively promoted the regulated and steady operation and high-quality development of the Company. The work report of the Supervisory Committee for 2020 is hereby mainly presented as follows:

**1. MEETINGS OF THE SUPERVISORY COMMITTEE AND ATTENDANCE OF SUPERVISORS DURING THE REPORTING PERIOD**

The Supervisory Committee convened a total of four meetings, at which 17 proposals were considered and approved. Details are as follows:

1. The 2020 first regular meeting of the third session of the Supervisory Committee was convened on 27 March 2020, at which 11 proposals were considered and approved, including the “Work Report of the Supervisory Committee for 2019”, the “Measures for Auditing the Economic Liabilities (Outgoing) of Senior Management”, the “Proposal on Adjusting the Composition of the Performance Monitoring Committee and the Financial Monitoring Committee of the Supervisory Committee”, the “Annual Report for 2019”, the “Final Accounts Plan for 2019”, the “Profit Distribution Plan for 2019”, the “Proposal for Reviewing the Amendments to the Major Accounting Policies and Accounting Estimates”, the “Compliance Report for 2019”, the “Risk Management Report for 2019”, the “Internal Control Assessment Report for 2019”, and the “Social Responsibility & Environmental, Society and Governance Report for 2019”.
2. The 2020 first extraordinary meeting of the third session of the Supervisory Committee was convened on 27 April 2020, at which three proposals were reviewed and approved, including the “Proposal on Revising the Articles of Association”, the “Proposal on Revising the Rules of Procedure of the Supervisory Committee”, and the “Proposal for Reviewing the First Quarterly Report for 2020”.
3. The 2020 second regular meeting of the third session of the Supervisory Committee was convened on 28 August 2020, at which two proposals were reviewed and approved, including the “Proposal for Reviewing the Interim Report for 2020” and the “Proposal on the Review Opinions of Connected Transactions in Relation to the Business Premises Lease Agreement between the Company and Galaxy Investment”.
4. The 2020 second extraordinary meeting of the third session of the Supervisory Committee was convened on 30 October 2020, at which the “Proposal for Reviewing the Third Quarterly Report for 2020” was considered and approved.

During the reporting period, the attendance of Supervisors at meetings of the Supervisory Committee was as follows:

## APPENDIX II      REPORT OF THE SUPERVISORY COMMITTEE FOR 2020

Name of Supervisors	Position	Required attendance during the year	Actual attendance	Of which		
				On-site attendance	Attendance by telephone	Attendance by proxy
Chen Jing	Chairman of the Supervisory Committee	4	4	4	0	0
Tao Libin	External Supervisor	4	4	3	1	0
Fang Yan	External Supervisor	4	4	1	2	1
Chen Jijiang	Employee Supervisor	4	4	4	0	0
Fan Minfei	Employee Supervisor	4	4	4	0	0
Number of Supervisory Committee meetings convened during the year				4		
Of which	On-site attendance meetings held			2		
	On-site and telephone attendance meetings held			2		

The secretary to the Board attended the above meetings of the Supervisory Committee as a non-voting participant, and the Chief Compliance Officer attended part of the meetings of the Supervisory Committee as a non-voting participant.

During the year, the Supervisory Committee submitted two proposals to general meetings: the “Work Report of the Supervisory Committee for 2019” and the “Proposal on Revising the Rules of Procedure of the Supervisory Committee”.

During the year, the Supervisors attended all three general meetings, including the 2019 annual general meeting, the 2020 first A Share class meeting, and the 2020 first H Share class meeting.

**2. MAJOR WORK OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD**

Based on the duties conferred by laws and regulations such as the Company Law, and pursuant to the guiding opinions from the higher authority and the relevant requirements of the “Supervision Measures of the Supervisory Committee” of the Company, the Supervisory Committee performed its supervisory duties in compliance with laws and regulations, strengthened supervision in four aspects, applied investigation and research results, urged the Company to enhance its operation and management standard, and reinforced risk prevention capabilities, thus achieving the sustainable development of the Company.

- (1) Oversight of the Performance of Duties.** Supervisors attended the meetings of the Board and its special committees as well as relevant meetings of the business management as non-voting participants, maintained written records of the attendances of and any speeches made by the members of the Board and business management at such meetings, supervised the legal compliance of the convening of meetings, review and approval of proposals, and decision-making process, and kept abreast of the operation and management of the Company and the progress of implementing major decisions and arrangements, thereby exercising the oversight of the performance of duties by the Board, the business management and their respective members in an objective and fair manner.

- 1. Oversight of the performance of duties by the Board and its members.** During the year, the Board convened a total of nine meetings and the special committee convened a total of 24 meetings. Supervisors attended all on-site and telephone meetings, reviewed the materials of the Board meetings convened and voted through communication, and issued the “Annual Performance Evaluation Opinion” in accordance with the requirements of the higher authority and after taking into account the daily performance of Directors delegated by Shareholders. The Supervisory Committee was of the view that in 2020, the Board performed its duties pursuant to the requirements of the Company Law, the Articles of Association and the Rules of Procedure of the Board of Directors, observed the market supervision policies of the Mainland China and Hong Kong, and maintained regulated operation in the aspects such as corporate governance, information disclosure and investor relations. Directors were able to perform their duties diligently and fully utilized their professional expertise to actively offer constructive advices and comments. No Director of the Company was found in any violation of laws and regulations and the Articles of Association, or causing harm to the legitimate rights and interests of Shareholders, the Company, and employees, etc. while performing their duties.



- 2. Oversight of the performance of duties by the business management and its members.** During the year, the business management convened 37 President Office meetings and 7 Executive Committee meetings, and Supervisors attended all the meetings as non-voting participants. The Supervisory Committee organized the submission of an half year performance report by the senior management of the Company in the middle of the year and convened a meeting of the Performance Monitoring Committee to review such report, understood the overall situation of senior management officers in the aspects such as the compliance with laws and regulations, due diligence, and their ability to perform duties, and issued a comprehensive evaluation report in respect thereof. The Supervisory Committee was of the view that in 2020, the business management organized major tasks such as the pandemic prevention and control and business development as required under the arrangement of the higher authority, implemented the decisions of the Party Committee and the Board of the Company with firm determination, and actively promoted the implementation of various decisions. The Company did not have any material risk events throughout the year and was granted AA ranking under Class A in the classification evaluation. The senior management officers were able to perform duties in compliance with laws and regulations. No senior management officer of the Company was found in any violations of laws and regulations and the Articles of Association, or causing harm to the legitimate rights and interests of Shareholders, the Company and employees, etc. while performing their duties.
- 3. Resignation audit on a senior management officer.** Pursuant to the relevant requirements of the “Regulatory Measures for Professional Qualifications of Directors, Supervisors and Senior Management of Securities Companies” (《證券公司董事、監事和高級管理人員任職資格監管辦法》) issued by the CSRC and the Articles of Association, the Supervisory Committee appointed a qualified third-party audit institution to complete a resignation audit on a senior management officer independently and submitted an audit report in accordance with the regulatory requirements.

- (2) Financial Oversight.** The Supervisory Committee inspected the financial information of the Company, and carefully reviewed and provided written review opinions on the quarterly, half-year, and annual reports prepared by the Board during the reporting period: the contents and format of the reports were compliant with the requirements of regulatory authorities, which could reflect the actual situation of the operation and management as well as the financial position of the Company in a true, accurate and complete manner. The preparation and review procedures of the reports were compliant with relevant laws and regulations, the Articles of Association, and the requirements of the internal management rules of the Company. No personnel involving in the preparation and review of the reports was found in any violation of the provisions of confidentiality.

Under the work arrangements, the Supervisory Committee organized and undertook a special inspection of the Company's capital management and usage, with a focus on financing management, capital allocation and usage, in respect of the circumstances such as the expansion of the scale of debts and an increase in the capital leverage ratio of the Company, and a special inspection report was issued and submitted to the business management for study, so as to improve the capability of the Company in asset-liability management.

Ernst & Young Hua Ming LLP audited the 2019 financial report of the Company and issued a standard auditor's report with unqualified opinions, which gave a true and objective view of the Company's financial position and operating results.

- (3) **Oversight of Risk Compliance and Internal Control.** The Supervisory Committee reviewed the annual compliance report, the annual risk management report and the annual internal control evaluation report of the Company during the reporting period, and had no objections to the contents contained therein. The Supervisory Committee also received the report from the Chief Compliance Officer on the Company's compliance management, anti-money laundering and integrity management, and expressed supervision opinions based on his comprehensive understanding of the overall operation of the Company and the current situation of compliance management, risk management and internal control management of the Company. The Supervisory Committee collaborated with other supervisory departments of the Company to jointly focus on major risk issues, and interacted with them to form a joint force in exercising supervisory functions, thus promoting the consistent improvement of the internal control management of the Company.
- (4) **Information Disclosure and Supervision.** The Company disclosed information, including regular reports, provisional announcements and corporate governance documents, in a true and accurate manner pursuant to the requirements of the Mainland China and Hong Kong for information disclosure of listed companies and in compliance with the Articles of Association and the requirements of the "Administrative System for Information Disclosure" and the "Work Rules for Information Disclosure" of the Company. The Company issued a total number of 151 and 171 announcements on A Shares and H Shares, respectively, throughout the year. During the reporting period, the Supervisory Committee did not discover any violation of laws and regulations in the information disclosure of the Company.

- (5) **Investigation and Research.** At the beginning of the year, the Supervisory Committee set the key focus for investigation and research based on the work objectives of the Company, and conducted a systematic and comprehensive investigation and research on domestic subsidiaries. The Supervisory Committee formed four research teams to understand the situation of the frontline in great depth by way of seminar on special topics and interview, and to listen to the opinions from employees at the basic level on the transformation and development of the Company, income generation through collaboration, and risk prevention, etc. Meanwhile, inquiries and guidance were given to the supervision work delegated by the parent company to facilitate the effective extension of supervision coverage. Based on the investigation and research, the Supervisory Committee put forward the management recommendations associated with the use of capital by subsidiaries, employees' remuneration, innovative business, implementation of strategic sub-plans, and the penetration management by the parent company of the compliance and risk control of subsidiaries, and prepared a research report for study by the business management, thus facilitating subsidiaries to make further contributions to the operating results of the Company and achieving the purposes of both supervision and facilitation.
- (6) **Evaluation of the Performance of Duties by Supervisors.** During the reporting period, all Supervisors complied with laws and regulations, regulatory rules and the Articles of Association, faithfully and diligently performed their duties as supervisors according to law, served the overall development of the Company, attended relevant meetings either as a voting or non-voting participants, seriously participated in the review and voting of proposals, listened to and reviewed relevant reports, provided supervisory opinions and recommendations, effectively exercised the functions as employee Supervisors and earnestly safeguarded the rights and interests of Shareholders and employees. The Supervisory Committee completed the change of members of the same session as scheduled, convened six regular work meetings periodically, participated in training courses with a total of 24 person-times and 27 hours, and completed the tasks for annual training as required.

**3.    OPINIONS GIVEN BY THE SUPERVISORY COMMITTEE WITH RESPECT TO THE RELEVANT ISSUES OF THE COMPANY**

During the reporting period, the Supervisory Committee supervised the material issues including the changes in the accounting policies and accounting estimates and connected transactions management, seriously performed the duties of supervision and inspection, and expressed its opinions on that basis as follows:

- (1) In relation to the “Proposal for Reviewing the Amendments to the Major Accounting Policies and Accounting Estimates”, the Supervisory Committee was of the view that the changes in the accounting policies and accounting estimates were in compliance with the relevant provisions of the Ministry of Finance and the “Accounting Standards for Business Enterprises” and were in the interests of the Company and its Shareholders. The review procedures for the changes in accounting policies and accounting estimates were in compliance with the relevant laws and regulations and the Articles of Association.
- (2) The Supervisory Committee gave the review opinions on the “Proposal on the Review Opinions of Connected Transactions in Relation to the Business Premises Lease Agreement between the Company and Galaxy Investment” as follows: The Company’s review and voting procedures of the connected transaction were in compliance with the relevant laws and regulations and the Articles of Association, and the voting results were legitimate and valid.
- (3) During the reporting period, the Supervisory Committee issued the declaration and the letter of undertaking of all Supervisors of the issuer in respect of an application by the Company for the public offering and issuance of corporate bonds in a total amount of not exceeding RMB30 billion to professional investors (the first to third tranche), an application by the Company for the public offering and issuance of short term corporate bonds in a total amount of not exceeding RMB30 billion to professional investors (the first tranche), the non-public offering of 2020 corporate bonds (the third and fourth tranches) and the public offering of 2020 perpetual subordinated bonds of RMB5 billion (the first tranche).

**4. MAJOR TASKS OF THE SUPERVISORY COMMITTEE IN 2021**

Based on the duties conferred by the Company Law and the Articles of Association, the Supervisory Committee will further introduce targeted supervision work and enhance the effectiveness thereof for the purposes of better improving the quality and efficiency of the Company and achieving high-quality development.

- (1) The Supervisory Committee will supervise the due performance of duties by Directors and senior management, the implementation by the management of the relevant resolutions adopted by the Party Committee, general meetings, the Board and relevant meetings, and the improvement by the Board of a corporate governance system.
- (2) The Supervisory Committee will supervise the authenticity of financial reports by strengthening the review of financial information such as periodic report, profit distribution plan and final accounts plan, and inspecting the legal compliance of preparation and review procedures of financial reports according to law, with an aim to improve the financial management standard of the Company.
- (3) The Supervisory Committee will supervise the implementation of regulatory requirements by the Company, focus on the risk prevention, control and mitigation, and pay attention to the implementation of rectification of prominent issues and the improved results brought by the management recommendations.
- (4) The Supervisory Committee will supervise the performance by the Board, business management and related personnel of the Company of their duty of information disclosure pursuant to relevant requirements, the implementation of the administrative system for information disclosure and the information disclosure.
- (5) The Supervisory Committee will conduct investigation and research on the frontline based on the business focus of the Company and according to its annual investigation and research plan, and provide supervisory recommendations or investigation and research reports in respect thereof.
- (6) The Supervisory Committee will strengthen its capability of duty performance and complete the tasks for annual training according to the annual training plan.
- (7) The Supervisory Committee will cooperate with Shareholders to complete the re-election of new session of the Supervisory Committee and any work in connection therewith.

*If there are any discrepancies between the English and Chinese versions of this Appendix, the Chinese version shall prevail.*

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposed amendments to the Articles of Association are set out below:

Articles Before Revision	Articles After Revision
Chapter 1 General Provisions	Chapter 1 General Provisions
<p>Article 1 These Articles of Association (these “Articles” or 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 Guidelines for the Articles of Association of Listed Companies <b>(as amended in 2016)</b> (《上市公司章程指引(2016年修訂)》), the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Companies Limited by Shares (the “Special Regulations”), the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (the “Mandatory Provisions”), the Circular Regarding Comments on the Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and other applicable regulations to safeguard the legal interests of China Galaxy Securities Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organisation and conduct of the Company.</p>	<p>Article 1 These Articles of Association (these “Articles” or 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 Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), <b>the Code of Corporate Governance for Listed Companies, the Code of Corporate Governance for Securities Companies, the Provisions on the Administration of Equities of Securities Companies</b>, the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Companies Limited by Shares (the “Special Regulations”), the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (the “Mandatory Provisions”), the Circular Regarding Comments on the Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and other applicable regulations to safeguard the legal interests of China Galaxy Securities Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organisation and conduct of the Company.</p>
<p>Article 2 The Company shall establish an organization of the Communist Party of China in accordance with the Constitution of the Communist Party of China and the Company Law. The Party Committee shall play the <b>core</b> leadership role, providing direction, managing the overall situation and ensuring implementation. The Company shall also establish the working organs of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</p>	<p>Article 2 The Company shall establish an organization of the Communist Party of China in accordance with the Constitution of the Communist Party of China and the Company Law. The Party Committee shall play the leadership role, providing direction, managing the overall situation and ensuring implementation. The Company shall also establish the working organs of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</p>
<p>Article 3 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law and other applicable regulations.</p> <p>The Company was established by China Galaxy Financial Holdings Company Limited, Beijing Tsinghua Venture Capital Co., Ltd. (北京清華科技創業投資有限公司), Chongqing Water Holdings (Group) Co., Ltd. (重慶市水務控股(集團)有限公司), China General Technology (Group) Holding, Limited (中國通用技術(集團)控股有限責任公司) and China National Building Material Company Limited (中國建材股份有限公司) by means of sponsorship upon approval of the China Securities Regulatory Commission (the “CSRC”) (Zheng Jian Ji Gou Zi [2005] No.163) and subsequently commenced operation upon the CSRC’s approval (Zheng Jian Ji Gou Zi [2006] No. 322). It registered with and was issued a business license by the State Administration for Industry and Commerce of the People’s Republic of China on January 26, 2007. The Company’s <b>business license number is 100000000040694.</b></p>	<p>Article 3 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law and other applicable regulations.</p> <p>The Company was established by China Galaxy Financial Holdings Company Limited, Beijing Tsinghua Venture Capital Co., Ltd. (北京清華科技創業投資有限公司), Chongqing Water Holdings (Group) Co., Ltd. (重慶市水務控股(集團)有限公司), China General Technology (Group) Holding, Limited (中國通用技術(集團)控股有限責任公司) and China National Building Material Company Limited (中國建材股份有限公司) by means of sponsorship upon approval of the China Securities Regulatory Commission (the “CSRC”) (Zheng Jian Ji Gou Zi [2005] No.163) and subsequently commenced operation upon the CSRC’s approval (Zheng Jian Ji Gou Zi [2006] No. 322). It registered with and was issued a business license by the State Administration for Industry and Commerce of the People’s Republic of China on January 26, 2007. The Company’s <b>unified social credit code is 91110000710934537G.</b></p>
<p>Article 5 Address of the Company: <b><u>2-6/F, 35 Finance Street, Xicheng District, Beijing, the PRC</u></b></p> <p>Postal code: <b>100033</b> Tel No.: 4008-888-888 Fax No.: <b><u>010-66568532</u></b></p>	<p>Article 5 Address of the Company: <b><u>7-18/F, Building No. 1, No. 8 Xiyi Street, Fengtai District, Beijing, the PRC</u></b></p> <p>Postal code: <b>100073</b> Tel No.: 4008-888-888 Fax No.: <b><u>010-66568640</u></b></p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article 11 The <b>other</b> senior management referred to in these Articles include members of the Executive Committee, deputy general managers (vice presidents), the chief financial officer, the chief compliance officer and the secretary to the board of directors of the Company and such other personnel that hold key posts <b>in the Company</b> as identified by regulators or acknowledged by any board resolution of the Company.</p>	<p>Article 11 The senior management referred to in these Articles include <b><u>the General Manager (President)</u></b>, members of the Executive Committee, deputy general managers (vice presidents), the chief financial officer, the chief compliance officer and the secretary to the board of directors of the Company and such other personnel that hold key posts as identified by regulators or acknowledged by any board resolution of the Company.</p>
Chapter 2 Scope and Objectives of Business	Chapter 2 Scope and Objectives of Business
<p>Article 12 The objective of the Company: the Company is committed to developing the securities business in accordance with the laws, regulations and policies of the PRC as well as international practice, adhering to the corporate <b><u>spirit</u></b> of “loyalty, tolerance, innovation and excellence” and the “customer oriented, people foremost” business philosophy, and <b><u>upholding the corporate mission of “creating value and increasing wealth”</u></b>, aiming to build “the best investment bank with excellent services”, to <b><u>maximize the shareholders’ long-term interests and the value of the Company, and to promote the development of the national economy and securities market.</u></b></p>	<p>Article 12 The objective of the Company: the Company is committed to developing the securities business in accordance with the laws, regulations and policies of the PRC as well as international practice, adhering to the corporate <b><u>value</u></b> of “innovation, compliance, service and synergy” and the “customer oriented, people foremost” business philosophy, and <b><u>focusing on the implementation of national strategies, supporting the development of the real economy, providing services to residents for wealth management and fulfilling corporate social responsibility</u></b>, aiming to build “a mega securities broker and a modern investment bank”, to <b><u>achieve the integration of the value of the Company, shareholders’ return, employees’ interests and social responsibility.</u></b></p>
<p>Article 13 Subject to the approval by <b><u>the CSRC</u></b> and registration with the company registration authority, the business scope of the Company shall include: securities brokerage, securities investment advisory, financial consultations in relation to securities trading and securities investment, securities underwriting and sponsorship, proprietary securities trading, margin financing and securities lending, agency sale of <b><u>open-ended</u></b> securities investment funds, intermediary services to <b><u>Galaxy Futures</u></b>, agency sale of financial products, concurrent insurance agency business, custody business of securities investment funds, sale of precious metal products and other businesses approved by <b><u>the CSRC</u></b>.</p> <p><b><u>The Company shall operate within the approved scope of business. The Company may change its scope of business by amending these Articles accordingly through statutory procedures and registering such changes with the company registration authority, subject to the approval by the CSRC.</u></b></p>	<p>Article 13 Subject to the approval by <b><u>relevant regulatory authorities</u></b> and registration with the company registration authority, the business scope of the Company shall include:</p> <ol style="list-style-type: none"> <li>(1) securities brokerage;</li> <li>(2) securities investment advisory;</li> <li>(3) financial consultations in relation to securities trading and securities investment;</li> <li>(4) securities underwriting and sponsorship;</li> <li>(5) proprietary securities trading;</li> <li>(6) margin financing and securities lending <b><u>business</u></b>;</li> <li>(7) agency sale of securities investment funds;</li> <li>(8) intermediary services to <b><u>futures companies</u></b>;</li> <li>(9) agency sale of financial products;</li> <li>(10) concurrent insurance agency business;</li> <li>(11) custody business of securities investment funds;</li> <li>(12) sale of precious metal products;</li> <li>(13) other businesses approved by <b><u>relevant regulatory authorities</u></b>.</li> </ol>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Chapter 3 Shares Section 1 Issue of shares	Chapter 3 Shares Section 1 Issue of shares
<p>Article 14 The share of the Company is in the form of stock.</p> <p>The Company shall have ordinary shares <b><u>at any time</u></b>; and it may have other varieties of shares including preferred shares as required in accordance with law.</p> <p>Each share of the Company in the same class shall enjoy equal rights in any distribution made through dividends or in any other forms.</p>	<p>Article 14 The share of the Company is in the form of stock.</p> <p>The Company shall have ordinary shares; and it may have other varieties of shares including preferred shares as required in accordance with law.</p> <p>Each share of the Company in the same class shall enjoy equal rights in any distribution made through dividends or in any other forms.</p>
<p>Article 17 Subject to the <b><u>approval</u></b> of the CSRC and other relevant regulatory authorities, the Company may issue shares to domestic investors and foreign investors.</p> <p>“Foreign investors” referred to in the previous paragraph shall mean those investors in foreign countries, Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. “Domestic investors” shall mean those investors in the PRC other than those investors from the aforesaid regions who subscribe for shares issued by the Company.</p>	<p>Article 17 Subject to the <b><u>registration with or fulfilment of relevant procedures</u></b> of the <b><u>securities regulatory authorities</u></b> and other relevant regulatory authorities, the Company may issue shares to domestic investors and foreign investors.</p> <p>“Foreign investors” referred to in the previous paragraph shall mean those investors in foreign countries, Hong Kong <b><u>Special Administrative Region of the PRC (“Hong Kong”)</u></b>, Macau <b><u>Special Administrative Region</u></b> and Taiwan who subscribe for shares issued by the Company. “Domestic investors” shall mean those investors in the PRC other than those investors from the aforesaid regions who subscribe for shares issued by the Company.</p>
<p>Article 20 Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Domestically listed domestic shares shall be referred to as “A shares”. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas listed foreign shares”.</p> <p>Upon <b><u>obtaining the approval from the State Council’s securities regulator</u></b>, shareholders may list and trade their unlisted shares on an overseas stock exchange. The listing and trading of such shares shall comply with the procedures, regulations and requirements prescribed by the relevant overseas stock market. No class shareholder voting is required for such listing and trading of shares on an overseas stock exchange.</p>	<p>Article 20 Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Domestically listed domestic shares shall be referred to as “A shares”. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas listed foreign shares”.</p> <p>Upon <b><u>registration with or fulfilment of relevant procedures of the securities regulatory authorities</u></b>, shareholders may list and trade their unlisted shares on an overseas stock exchange. The listing and trading of such shares shall comply with the procedures, regulations and requirements prescribed by the relevant overseas stock market. No class shareholder voting is required for such listing and trading of shares on an overseas stock exchange.</p>
<p>Article 21 The board of directors of the Company may issue overseas listed foreign shares and domestic shares separately, subject to the <b><u>approval</u></b> of the Company’s plan of issuance of overseas listed foreign shares and domestic shares <b><u>by the CSRC</u></b>.</p> <p>Pursuant to such approved plan, the Company may conduct the issuance of both classes of shares separately within 15 months from the date of <b><u>approval by the CSRC</u></b>.</p>	<p>Article 21 The board of directors of the Company may issue overseas listed foreign shares and domestic shares separately, subject to the <b><u>registration</u></b> of the Company’s plan of issuance of overseas listed foreign shares and domestic shares <b><u>with or fulfilment of relevant procedures of the securities regulatory authorities</u></b>.</p> <p>Pursuant to such approved plan, the Company may conduct the issuance of both classes of shares separately within 15 months from the date of <b><u>registration with or fulfilment of relevant procedures of the securities regulatory authorities</u></b>.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article 22 The proposed issuance of overseas listed foreign shares and domestic shares in such number as determined by the Company in its issuance plan shall be fully subscribed for at their respective offerings. If the shares are not fully subscribed for at the offerings for any special reason, the shares may, subject to the <u>approval by the CSRC</u>, be issued in a number of offerings.</p>	<p>Article 22 The proposed issuance of overseas listed foreign shares and domestic shares in such number as determined by the Company in its issuance plan shall be fully subscribed for at their respective offerings. If the shares are not fully subscribed for at the offerings for any special reason, the shares may, subject to the <u>registration with or fulfilment of relevant procedures of the securities regulatory authorities</u>, be issued in a number of offerings.</p>
<p><u>Article 23 The Company or its subsidiaries (including associated entities of the Company) shall not, by way of gift, advance, guarantee, compensation, loan or otherwise, provide any financial assistance to any person who acquires or proposes to acquire any shares in the Company.</u></p>	–
<p>Article 24 The Company shall establish a long-term incentive scheme for directors, supervisors, the senior management and employees. The Company shall prepare a draft long-term incentive scheme, subject to the review by the board of directors and the shareholders' general meeting and approval by the relevant competent departments. The scheme shall become effective upon approval by or filing with the CSRC or its local office.</p>	<p>Article 23 The Company shall implement incentive schemes including share incentives and employee stock ownership schemes in accordance with relevant laws, regulations and the Articles of Association.</p> <p>The incentive schemes of the Company shall be conducive to the enhancement of the Company's innovative development ability and the promotion of its sustainable development, without prejudicing the legal interest of the Company and its shareholders.</p>
Section 2 Addition, Reduction and Repurchase of Shares	Section 2 Addition, Reduction and Repurchase of Shares
<p>Article 25 Subject to resolution by the shareholders at shareholders' general meeting, the Company may, based on its requirements for operation and development and in accordance with applicable laws and regulations, increase its capital by way of:</p> <p>(1) <u>an open offer of new shares to non-specified investors;</u></p> <p>(2) a private placement of shares;</p> <p>(3) rights issue of new shares to existing shareholders;</p> <p>(4) bonus issue of new shares to existing shareholders;</p> <p>(5) capitalization of surplus reserve; and</p> <p>(6) any other form permitted by laws, regulations and the relevant regulatory authorities.</p> <p>Issues of new shares by the Company for capital increase shall be subject to <u>approval</u> as specified in these Articles and shall follow the procedures as required by laws and regulations.</p>	<p>Article 24 Subject to resolution by the shareholders at shareholders' general meeting, the Company may, based on its requirements for operation and development and in accordance with applicable laws and regulations, increase its capital by way of:</p> <p>(1) <u>a public offering of shares;</u></p> <p>(2) a private placement of shares;</p> <p>(3) rights issue of new shares to existing shareholders;</p> <p>(4) bonus issue of new shares to existing shareholders;</p> <p>(5) capitalization of surplus reserve; and</p> <p>(6) any other form permitted by laws, regulations and the relevant regulatory authorities.</p> <p>Issues of new shares by the Company for capital increase shall be subject to <u>fulfilment of relevant procedures</u> as specified in these Articles and shall follow the procedures as required by laws and regulations.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>Article 27 If the Company reduces its registered capital, it shall prepare a balance sheet and a checklist of its assets.</u></p> <p><u>The Company shall notify its creditors within 10 days and publish an announcement in a newspaper within 30 days following its resolution approving the reduction of registered capital. The creditors shall be entitled to require the Company to settle its debts or provide guarantees in favour of such creditors for the debt settlement within 30 days after receipt of such notice or within 45 days after the first publication of the announcement in cases where the notice is not received.</u></p> <p><u>The registered capital of the Company, upon such reduction, shall not fall below the minimum statutory requirement.</u></p>	<p style="text-align: center;">–</p>
<p>Article <b>28</b> The Company may, pursuant to applicable laws, regulations and these Articles, repurchase its shares under the following circumstances:</p> <p>(1) to reduce the registered capital of the Company;</p> <p>(2) to merge with another company holding shares in the Company;</p> <p>(3) to <u>grant</u> shares <u>to employees of the Company as incentives</u>;</p> <p>(4) to acquire shares held by dissident shareholders (if so requested) who vote against resolution proposed in shareholders' general meeting on the merger or division of the Company; <u>and</u></p> <p><u>(5) other circumstances as permitted by laws and regulations.</u></p> <p>The Company shall not otherwise engage in dealings of its shares, save for the circumstances specified above.</p>	<p>Article <b>26</b> The Company may, pursuant to applicable laws, regulations and these Articles, repurchase its shares under the following circumstances:</p> <p>(1) to reduce the registered capital of the Company;</p> <p>(2) to merge with another company holding shares in the Company;</p> <p>(3) to <u>use</u> shares <u>for employee stock ownership scheme or share incentive</u>;</p> <p>(4) to acquire shares held by dissident shareholders (if so requested) who vote against resolution proposed in shareholders' general meeting on the merger or division of the Company;</p> <p><u>(5) to use shares for conversion of corporate bonds which are convertible into shares issued by the Company; and</u></p> <p><u>(6) where it is necessary to safeguard the value of the Company and the interests of its shareholders.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
	<p>The Company shall not otherwise engage in dealings of its shares, save for the circumstances specified above.</p> <p><u>Any acquisition of the Company's shares under the circumstances as required in items (1) and (2) of the preceding paragraph shall be resolved at a shareholders' general meeting; any acquisition of the Company's shares under the circumstances as required in items (3), (5) and (6) of the preceding paragraph shall, after obtaining the authorisation of the shareholders' general meeting, be approved by a resolution of the board meeting where two-thirds or more of the directors are present.</u></p> <p><u>If the Company acquires its own shares, it shall fulfil its information disclosure obligation as required under laws and regulations and by the securities regulatory authorities as well as the stock exchange(s) in the place(s) where the shares of the Company are listed.</u></p> <p><u>After the Company has acquired its shares according to the provision of the first paragraph of this article, in the event of item (1), the same shall be cancelled within 10 days from the date of acquisition; in the event of item (2) or (4) above, the same shall be transferred or cancelled within 6 months; in the event of items (3), (5) and (6), the aggregate number of the Company's shares held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years after the acquisition.</u></p> <p><u>The Company shall not accept its own shares as the subject of pledge.</u></p> <p><u>Where relevant laws and regulations, the securities regulatory authorities and the stock exchange(s) in the place(s) where the shares of the Company are listed, as well as the relevant requirements of the finance department provide otherwise in relation to the above share acquisition, cancellation and usage, such provisions shall prevail.</u></p>
<p>Article <b>29</b> The Company may repurchase its shares in one of the following manners:</p> <p>(1) to offer to repurchase shares from all shareholders in equal proportions;</p> <p>(2) to repurchase through open transaction in stock exchanges;</p> <p>(3) to repurchase through over-the-counter agreement; and</p> <p>(4) other means as permitted by laws, regulations <u>and the relevant competent department.</u></p>	<p>Article <b>27</b> The Company may repurchase its shares in one of the following manners:</p> <p>(1) to offer to repurchase shares from all shareholders in equal proportions;</p> <p>(2) to repurchase through open transaction in stock exchanges;</p> <p>(3) to repurchase through over-the-counter agreement; and</p> <p>(4) other means as permitted by laws, regulations, <u>the relevant regulatory authorities as well as the securities regulatory authorities and the stock exchange(s) in the place(s) where the Company's shares are listed.</u></p> <p><u>If the Company acquires its own shares under the circumstances as required in items (3), (5) and (6) of the first paragraph of Article 26, it shall be carried out through centralized public transaction.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>32</b> Unless the Company is in the course of liquidation, the Company must comply with the following provisions in relation to the repurchase of its outstanding shares:</p> <p>(1) where the Company repurchases shares at par value, the payment shall be made out of the balance of the distributable profits of the Company or the proceeds from issue of new shares for the purpose of repurchase of shares;</p> <p>(2) where the Company repurchases shares at a premium, the payment of the par value shall be made out of the balance of the distributable profits of the Company or the proceeds from issue of new shares for the purpose of repurchase of shares, and the payment of the premium in excess of the par value shall be made as follows:</p> <p>(i) out of the balance of the distributable profits of the Company, if such shares being repurchased were issued at par value;</p> <p>(ii) out of the balance of the distributable profits of the Company or the proceeds from issue of new shares for the purpose of repurchase of shares, if such shares being repurchased were issued at a premium; provided that the amount paid out of the proceeds from issue of new shares shall not exceed the premiums received by the Company in aggregate on the issue of the shares being repurchased, nor the amount in the capital reserve account of the Company (including the premiums on the issue of new shares) at the time of the repurchase;</p> <p>(3) Expenses incurred by the Company for the following purposes shall be paid out of the distributable profits of the Company:</p> <ol style="list-style-type: none"> <li>1. acquisition of the right to repurchase its shares;</li> <li>2. modification of any contract for repurchase of its shares;</li> <li>3. release of its obligations under any contract for repurchase of its shares;</li> </ol> <p>(4) The registered capital of the Company shall be reduced by the aggregate par value of the cancelled shares in accordance with relevant regulations. Upon such reduction, the amount deducted from the distributable profits of the Company for the payment of par value for repurchase of the shares shall be charged to the capital reserve account of the Company.</p> <p>Where any law, regulation or relevant requirements of the <u>securities regulators</u> in the place where the Company's shares are listed require otherwise in respect of the foregoing financial arrangement relating to share repurchase, such law, regulation or requirements shall prevail.</p>	<p>Article <b>30</b> Unless the Company is in the course of liquidation, the Company must comply with the following provisions in relation to the repurchase of its outstanding shares:</p> <p>(1) where the Company repurchases shares at par value, the payment shall be made out of the balance of the distributable profits of the Company or the proceeds from issue of new shares for the purpose of repurchase of shares;</p> <p>(2) where the Company repurchases shares at a premium, the payment of the par value shall be made out of the balance of the distributable profits of the Company or the proceeds from issue of new shares for the purpose of repurchase of shares, and the payment of the premium in excess of the par value shall be made as follows:</p> <p>(i) out of the balance of the distributable profits of the Company, if such shares being repurchased were issued at par value;</p> <p>(ii) out of the balance of the distributable profits of the Company or the proceeds from issue of new shares for the purpose of repurchase of shares, if such shares being repurchased were issued at a premium; provided that the amount paid out of the proceeds from issue of new shares shall not exceed the premiums received by the Company in aggregate on the issue of the shares being repurchased, nor the amount in the capital reserve account of the Company (including the premiums on the issue of new shares) at the time of the repurchase;</p> <p>(3) Expenses incurred by the Company for the following purposes shall be paid out of the distributable profits of the Company:</p> <ol style="list-style-type: none"> <li>1. acquisition of the right to repurchase its shares;</li> <li>2. modification of any contract for repurchase of its shares;</li> <li>3. release of its obligations under any contract for repurchase of its shares;</li> </ol> <p>(4) The registered capital of the Company shall be reduced by the aggregate par value of the cancelled shares in accordance with relevant regulations. Upon such reduction, the amount deducted from the distributable profits of the Company for the payment of par value for repurchase of the shares shall be charged to the capital reserve account of the Company.</p> <p>Where any law, regulation or relevant requirements of the <u>securities regulatory authorities and the stock exchange(s)</u> in the place where the Company's shares are listed require otherwise in respect of the foregoing financial arrangement relating to share repurchase, such law, regulation or requirements shall prevail.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section 3 Transfer of Shares	Section 3 Transfer of Shares
<p>Article <b>33</b> Unless otherwise required by applicable laws, regulations and the <u>securities regulators</u> in the place where the Company's shares are listed, the shares of the Company are transferrable free of any form of lien. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the share registrar in Hong Kong engaged by the Company.</p>	<p>Article <b>31</b> Unless otherwise required by applicable laws, regulations and the <u>securities regulatory authorities and the stock exchange(s)</u> in the place where the Company's shares are listed, the shares of the Company are transferrable free of any form of lien. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the share registrar in Hong Kong engaged by the Company.</p>
<p><b><u>Article 34 The Company shall not accept its own shares as the subject of pledge.</u></b></p>	<p>–</p>
<p>Article <b>36</b> Where any director, supervisor, member of the senior management of the Company or any shareholder that holds 5% or more of the Company's shares may sell his/her shares within six months following his/her purchase of shares, or repurchase shares of the Company within six months following his/her disposal of shares, the board of directors shall confiscate any such gains so earned for the benefit of the Company; provided, however, <u>that the six-month restriction shall not apply to the circumstance where any securities company holds 5% or more of the Company's shares as a result of its underwriting of the remaining unsold shares under an offering as purchased by it and then disposes of such shares.</u></p> <p>If the board of directors fails to comply with the provisions of the preceding paragraph, any shareholder may require the board of directors to implement relevant provisions within 30 days. If the board of directors fails to implement the requirements within such specified time, such shareholder may file a lawsuit with the people's court directly in his/her own name for the benefit of the Company.</p> <p>If the board of directors fails to comply with the provisions of the first paragraph, the responsible directors shall assume joint and several liabilities in accordance with law.</p>	<p>Article <b>33</b> Where any director, supervisor, member of senior management of the Company or any shareholder that holds 5% or more of the Company's shares may sell his/her shares <u>or other securities of the equity nature</u> within six months following his/her purchase of shares <u>or securities</u>, or repurchase shares <u>or securities</u> of the Company within six months following his/her disposal of shares <u>or securities</u>, the board of directors shall confiscate any such gains so earned for the benefit of the Company; <u>except for the circumstance where any securities company holds 5% or more of the Company's shares as a result of its purchase of the remaining unsold shares under an offering as underwritten by it, and any other circumstances specified by the securities regulatory authorities.</u></p> <p><b><u>The shares or other securities of the equity nature held by a director, supervisor, member of the senior management or a natural person shareholder as mentioned in the preceding paragraph shall include the shares or other securities of the equity nature held by his/her spouse, parents or children and through any other person's account.</u></b></p> <p>If the board of directors fails to comply with the provisions of the preceding paragraph, any shareholder may require the board of directors to implement relevant provisions within 30 days. If the board of directors fails to implement the requirements within such specified time, such shareholder may file a lawsuit with the people's court directly in his/her own name for the benefit of the Company.</p> <p>If the board of directors fails to comply with the provisions of the first paragraph, the responsible directors shall assume joint and several liabilities in accordance with law.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p style="text-align: center;"><b>Section 4 Financial Assistance for the Purchase of the Company's Shares</b></p> <p>Article <b>39</b> The Company or its subsidiaries shall not at any time provide any financial assistance in any form to any purchaser or prospective purchaser for the purchase or proposed purchase of shares of the Company. The said purchasers of shares of the Company shall include such person that directly or indirectly assumes the obligations for the purpose of purchasing shares of the Company.</p> <p>The Company or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligated persons in order to reduce or discharge their obligations for the purpose of the purchase or proposed purchase of shares of the Company.</p> <p>This article shall not apply to the circumstances described in Article <b>41</b>.</p>	<p style="text-align: center;"><b>Section 4 Financial Assistance for the Purchase of the Company's Shares</b></p> <p>Article <b>36</b> The Company or its subsidiaries shall not at any time provide any financial assistance in any form <b><u>(including but not limited to gift, advance, guarantee, compensation or loan, etc.)</u></b> to any purchaser or prospective purchaser for the purchase or proposed purchase of shares of the Company. The said purchasers of shares of the Company shall include such person that directly or indirectly assumes the obligations for the purpose of purchasing shares of the Company.</p> <p>The Company or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligated persons in order to reduce or discharge their obligations for the purpose of the purchase or proposed purchase of shares of the Company.</p> <p>This article shall not apply to the circumstances described in Article <b>38</b>.</p>
<p style="text-align: center;"><b>Section 5 Share Certificates and Register of Shareholders</b></p> <p>Article <b>42</b> The share certificates of the Company shall be in registered form and contain the following particulars:</p> <ol style="list-style-type: none"> <li>(1) the name of the Company;</li> <li>(2) the date of incorporation of the Company;</li> <li>(3) the class and par value of the shares and the number of shares represented by the certificate;</li> <li>(4) the serial number of the share certificate;</li> <li>(5) any other particulars required by the Company Law and the <b><u>securities regulators</u></b> in the place where the Company's shares are listed.</li> </ol> <p>The Company may issue certificates of overseas listed foreign shares in the form of foreign depository receipts or other derivatives in accordance with the laws and the practice of registration and deposit of securities in the place of its listing.</p>	<p style="text-align: center;"><b>Section 5 Share Certificates and Register of Shareholders</b></p> <p>Article <b>39</b> The share certificates of the Company shall be in registered form and contain the following particulars:</p> <ol style="list-style-type: none"> <li>(1) the name of the Company;</li> <li>(2) the date of incorporation of the Company;</li> <li>(3) the class and par value of the shares and the number of shares represented by the certificate;</li> <li>(4) the serial number of the share certificate;</li> <li>(5) any other particulars required by the Company Law and the <b><u>securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed.</li> </ol> <p>The Company may issue certificates of overseas listed foreign shares in the form of foreign depository receipts or other derivatives in accordance with the laws and the practice of registration and deposit of securities in the place of its listing.</p>
<p>Article <b>43</b> Share certificates of the Company shall be signed by the chairman of the board of directors. The share certificates shall also be signed by the General Manager (President) or other senior management of the Company if so required by the <b><u>securities regulators</u></b> and the stock exchange(s) in the place where the shares of the Company are listed. The share certificates shall take effect after being affixed or imprinted with the seal of the Company. The affixing of the seal of the Company shall be authorized by the board of directors. The signatures of the chairman of the board of directors, the General Manager (President) or other senior management of the Company on the certificates may also be in printed form.</p> <p>Relevant requirements of the <b><u>securities regulators</u></b> and stock exchange(s) in the place where the shares of the Company are listed shall otherwise apply, in case of a paperless issue and transaction.</p>	<p>Article <b>40</b> Share certificates of the Company shall be signed by the chairman of the board of directors. The share certificates shall also be signed by the General Manager (President) or other senior management of the Company if so required by the <b><u>securities regulatory authorities</u></b> and the stock exchange(s) in the place where the shares of the Company are listed. The share certificates shall take effect after being affixed or imprinted with the seal of the Company. The affixing of the seal of the Company shall be authorized by the board of directors. The signatures of the chairman of the board of directors, the General Manager (President) or other senior management of the Company on the certificates may also be in printed form.</p> <p>Relevant requirements of the <b><u>securities regulatory authorities</u></b> and stock exchange(s) in the place where the shares of the Company are listed shall otherwise apply, in case of a paperless issue and transaction.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>44</b> The Company shall maintain a register of shareholders to record the names and following particulars of its shareholders:</p> <p>(1) the name, address, occupation or nature of each shareholder;</p> <p>(2) the class and number of the shares held by each shareholder;</p> <p>(3) the amount paid or payable on the shares held by each shareholder;</p> <p>(4) serial numbers of the share certificates held by each shareholder;</p> <p>(5) the date of registration as shareholder;</p> <p>(6) the date of deregistration as shareholder.</p> <p>The register of shareholders shall be sufficient evidence of the shareholders' shareholding of the Company, unless there is evidence to the contrary.</p> <p><b><u>Any and all overseas listing or transfer of overseas listed foreign shares shall be registered in the register of shareholders of overseas listed foreign shares of the Company which shall be maintained at the jurisdiction where the shares of the Company are listed as required by these Articles.</u></b></p>	<p>Article <b>41</b> The Company shall maintain a register of shareholders to record the names and following particulars of its shareholders:</p> <p>(1) the name, address, occupation or nature of each shareholder;</p> <p>(2) the class and number of the shares held by each shareholder;</p> <p>(3) the amount paid or payable on the shares held by each shareholder;</p> <p>(4) serial numbers of the share certificates held by each shareholder;</p> <p>(5) the date of registration as shareholder;</p> <p>(6) the date of deregistration as shareholder.</p> <p>The register of shareholders shall be sufficient evidence of the shareholders' shareholding of the Company, unless there is evidence to the contrary.</p>
<p>Article <b>45</b> The Company may, pursuant to the understanding or agreement between the <b>CSRC</b> and overseas <b>securities regulators</b>, maintain the register of shareholders of overseas listed foreign shares in any place outside China and engage an agency overseas to exercise its administration on its behalf. The original of the register of shareholders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be maintained in Hong Kong.</p> <p>The Company shall maintain a duplicate of the register of shareholders of overseas listed foreign shares at the domicile of the Company. The overseas agent engaged by the Company shall ensure that the original and duplicate of the register of shareholders of overseas listed foreign shares are consistent from time to time and at all times.</p> <p>Where there is any inconsistency between the original and duplicate of the register of shareholders of overseas listed foreign shares, the original shall prevail.</p>	<p>Article <b>42</b> The Company may, pursuant to the understanding or agreement between the <b>securities regulatory authority of the State Council</b> and overseas <b>securities regulatory authorities</b>, maintain the register of shareholders of overseas listed foreign shares in any place outside China and engage an agency overseas to exercise its administration on its behalf. The original of the register of shareholders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be maintained in Hong Kong.</p> <p>The Company shall maintain a duplicate of the register of shareholders of overseas listed foreign shares at the domicile of the Company. The overseas agent engaged by the Company shall ensure that the original and duplicate of the register of shareholders of overseas listed foreign shares are consistent from time to time and at all times.</p> <p>Where there is any inconsistency between the original and duplicate of the register of shareholders of overseas listed foreign shares, the original shall prevail.</p>
<p>Article <b>48</b> <b><u>No changes shall be made to the register of shareholders in respect of any transfer of shares within thirty days prior to the convening of the shareholders' general meeting or five days prior to the date of decision by the Company on distribution of dividend.</u></b></p> <p>If there are any requirements <b><u>of the securities regulators</u></b> in the place where the Company's shares are listed, such requirements shall apply.</p>	<p>Article <b>45</b> If there are any requirements <b><u>on the period for closure of register of shareholders prior to the convening of the shareholders' general meeting or prior to the date of decision by the Company on distribution of dividend in the laws, administrative regulations, department rules, normative documents and of the relevant securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed, such requirements shall apply.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Chapter 4 Party Committee	Chapter 4 Party Organization
<p>Article <b>55</b> The Party Committee shall perform its duties in accordance with the internal laws and regulations of the Party including the Constitution of the Communist Party of China and the Working Rules of the Communist Party Committee of China (<b>Trial</b>).</p> <p>(1) To ensure and supervise the Company's implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations of higher levels.</p> <p>(2) To strengthen its leadership and gate keeping role in the process of selection and appointment of personnel, focus on standards, procedure, evaluation and supervision, and adhere to the principle of the Party supervising the performance of officials while ensuring the lawful selection by the board of directors of the senior management and the lawful exercise of the power of the senior management in the employment of personnel.</p> <p>(3) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions; to support the shareholders' general meeting, the board of directors, the supervisory committee and the senior management in performing their duties in accordance with law, and support the employee representatives' meeting in carrying out its work.</p> <p>(4) To undertake the main responsibility of comprehensive and strict Party management; to lead the Company's ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of groups such as the labor union and the Communist Youth League; to lead the construction of the Party's working style and its clean and honest administration, and support the discipline inspection committee in earnestly performing its supervisory responsibilities.</p> <p>(5) To strengthen the Company's grassroots Party organizations and their team building, give full play to the role of the Party branches as strongholds and to the role of the Party members as pioneers and fine examples, and unite and lead officials and employees to devote themselves into the reform and development of the Company.</p> <p>(6) To handle other important matters within the scope of duties of the Party Committee.</p>	<p>Article <b>52</b> The Party Committee shall perform its duties in accordance with the internal laws and regulations of the Party including the Constitution of the Communist Party of China and the Working Rules of the Communist Party Committee of China.</p> <p>(1) To ensure and supervise the Company's implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations of higher levels.</p> <p>(2) To strengthen its leadership and gate keeping role in the process of selection and appointment of personnel, focus on standards, procedure, evaluation and supervision, and adhere to the principle of the Party supervising the performance of officials while ensuring the lawful selection by the board of directors of the senior management and the lawful exercise of the power of the senior management in the employment of personnel.</p> <p>(3) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions; to support the shareholders' general meeting, the board of directors, the supervisory committee and the senior management in performing their duties in accordance with law, and support the employee representatives' meeting in carrying out its work.</p> <p>(4) To undertake the main responsibility of comprehensive and strict Party management; to lead the Company's ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of groups such as the labor union and the Communist Youth League; to lead the construction of the Party's working style and its clean and honest administration, and support the discipline inspection committee in earnestly performing its supervisory responsibilities.</p> <p>(5) To strengthen the Company's grassroots Party organizations and their team building, give full play to the role of the Party branches as strongholds and to the role of the Party members as pioneers and fine examples, and unite and lead officials and employees to devote themselves into the reform and development of the Company.</p> <p>(6) To handle other important matters within the scope of duties of the Party Committee.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<b>Chapter 5 Shareholders and Shareholders' General Meetings</b> <b>Section 1 Shareholders</b>	<b>Chapter 5 Shareholders and Shareholders' General Meetings</b> <b>Section 1 Shareholders</b>
<p>Article <b>56</b> Any shareholder of the Company and its de facto controller shall meet the qualification conditions required by laws, administrative regulations and the <u>CSRC</u>.</p> <p>In case of any share transfer by any shareholder, such shareholder shall ensure that the transferee and its de facto controller satisfy the qualification conditions required by laws, administrative regulations and the <u>CSRC</u>.</p> <p><b><u>A shareholder of the Company is a person who holds shares of the Company according to law and whose name is entered into the register of shareholders.</u></b></p> <p>A shareholder shall have the rights and assume the obligations in respect of the class and number of shares held. Shareholders who hold shares of the same class shall have the same rights and assume the same obligations.</p> <p>Where there are two or more persons registered as the joint shareholders of any shares, they shall be regarded as co-owners of relevant shares, subject to the following provisions:</p> <p>(1) the Company shall not register more than four persons as joint shareholders of any shares;</p> <p>(2) all joint shareholders of any shares shall be jointly and severally liable for all relevant costs payable;</p> <p>(3) if one of the joint shareholders deceased, only the other existing shareholder(s) shall be deemed as the owner of relevant shares, provided that the board of directors may require a certificate of death of relevant shareholder which it thinks appropriate for the purpose of updating the register of shareholders;</p> <p>(4) in respect of the joint shareholders of any shares, only the joint shareholder whose name stands first on the register of shareholders have the right to receive the certificate of relevant shares and notices of shareholders' general meetings of the Company, and to attend or exercise all voting rights in respect of relevant shares at shareholders' general meetings of the Company. Any notice delivered to the aforesaid shareholder shall be deemed delivered to all the joint shareholders of relevant shares.</p>	<p>Article <b>53</b> <b><u>A shareholder of the Company is a person who holds shares of the Company according to law and whose name is entered into the register of shareholders.</u></b></p> <p>Any shareholder of the Company and its de facto controller shall meet the qualification conditions required by laws, administrative regulations and the <u>securities regulatory authorities</u>.</p> <p>In case of any share transfer by any shareholder, such shareholder shall ensure that the transferee and its de facto controller satisfy the qualification conditions required by laws, administrative regulations and the <u>securities regulatory authorities</u>.</p> <p>A shareholder shall have the rights and assume the obligations in respect of the class and number of shares held. Shareholders who hold shares of the same class shall have the same rights and assume the same obligations. Where there are two or more persons registered as the joint shareholders of any shares, they shall be regarded as co-owners of relevant shares, subject to the following provisions:</p> <p>(1) the Company shall not register more than four persons as joint shareholders of any shares;</p> <p>(2) all joint shareholders of any shares shall be jointly and severally liable for all relevant costs payable;</p> <p>(3) if one of the joint shareholders deceased, only the other existing shareholder(s) shall be deemed as the owner of relevant shares, provided that the board of directors may require a certificate of death of relevant shareholder which it thinks appropriate for the purpose of updating the register of shareholders;</p> <p>(4) in respect of the joint shareholders of any shares, only the joint shareholder whose name stands first on the register of shareholders have the right to receive the certificate of relevant shares and notices of shareholders' general meetings of the Company, and to attend or exercise all voting rights in respect of relevant shares at shareholders' general meetings of the Company. Any notice delivered to the aforesaid shareholder shall be deemed delivered to all the joint shareholders of relevant shares.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>57</b> The holders of the ordinary shares of the Company shall have the following rights:</p> <p>(1) the right to receive dividends and other distributions on a pro rata basis in respect of the number of shares held;</p> <p>(2) the right to attend and vote at shareholders' general meetings in person or by proxy;</p> <p>(3) the right to supervise and manage the operations of the Company and to raise proposals or queries;</p> <p>(4) the right to transfer shares in accordance with laws, regulations and the provisions of these Articles;</p> <p>(5) the right to obtain relevant information in accordance with these Articles, including:</p> <ol style="list-style-type: none"> <li>1. the right to obtain a copy of these Articles, subject to payment of costs;</li> <li>2. the right to access and copy the following, subject to payment of a reasonable fee: <ol style="list-style-type: none"> <li>(i) the entire register of shareholders made of all parts;</li> <li>(ii) personal particulars of the directors, supervisors, General Manager (President) and other senior management of the Company;</li> <li>(iii) the status of the share capital of the Company;</li> <li>(iv) the latest audited financial statements and the reports of the board of directors, the auditors and the supervisory committee of the Company;</li> <li>(v) special resolutions of the shareholders' general meetings and/or the board meetings of the Company;</li> <li>(vi) the aggregate par value, the number, the highest and the lowest prices paid, in respect of each class of shares repurchased by the Company since the previous financial year and the total amount paid by the Company for this purpose, categorized as domestic shares and foreign shares, respectively;</li> <li>(vii) minutes of shareholders' general meetings;</li> <li>(viii) a copy of the latest annual inspection report filed with the State Administration for Industry and Commerce or other competent authorities;</li> <li>(ix) counterfoils of the bonds of the Company;</li> <li>(x) resolutions of board meetings;</li> <li>(xi) resolutions of meetings of the supervisory committee;</li> <li>(xii) financial statements.</li> </ol> </li> </ol>	<p>Article <b>54</b> The holders of the ordinary shares of the Company shall have the following rights:</p> <p>(1) the right to receive dividends and other distributions on a pro rata basis in respect of the number of shares held;</p> <p>(2) the right to attend and vote at shareholders' general meetings in person or by proxy;</p> <p>(3) the right to supervise and manage the operations of the Company and to raise proposals or queries;</p> <p>(4) the right to transfer shares in accordance with laws, regulations and the provisions of these Articles;</p> <p>(5) the right to obtain relevant information in accordance with these Articles, including:</p> <ol style="list-style-type: none"> <li>1. the right to obtain a copy of these Articles, subject to payment of costs;</li> <li>2. the right to access and copy the following, subject to payment of a reasonable fee: <ol style="list-style-type: none"> <li>(i) the entire register of shareholders made of all parts;</li> <li>(ii) personal particulars of the directors, supervisors, General Manager (President) and other senior management of the Company;</li> <li>(iii) the status of the share capital of the Company;</li> <li>(iv) the latest audited financial statements and the reports of the board of directors, the auditors and the supervisory committee of the Company;</li> <li>(v) special resolutions of the shareholders' general meetings and/or the board meetings of the Company;</li> <li>(vi) the aggregate par value, the number, the highest and the lowest prices paid, in respect of each class of shares repurchased by the Company since the previous financial year and the total amount paid by the Company for this purpose, categorized as domestic shares and foreign shares, respectively;</li> <li>(vii) minutes of shareholders' general meetings;</li> <li>(viii) a copy of the latest annual inspection report filed with the State Administration for Industry and Commerce or other competent authorities;</li> <li>(ix) counterfoils of the bonds of the Company;</li> <li>(x) resolutions of board meetings;</li> <li>(xi) resolutions of meetings of the supervisory committee;</li> <li>(xii) financial statements.</li> </ol> </li> </ol>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Items (i) to (viii) above (except item (ii)) shall be placed at the office of the Company in Hong Kong in accordance with the Hong Kong Listing Rules for inspection by the public and holders of its overseas listed foreign shares free of charge. Item (vii) shall be available for inspection by shareholders only.</p> <p>(6) the right to request the Company to repurchase its shares so long as the shareholder dissents the resolutions of the shareholders' general meeting approving a merger or division of the Company;</p> <p>(7) in the event of the dissolution or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in respect of the number of shares then held;</p> <p>(8) other rights conferred by laws, regulations and these Articles.</p> <p>No power shall be exercised to freeze or otherwise impair any of the rights attached to relevant share as a result of the failure of any directly or indirectly interested person to disclose his/her interest to the Company.</p> <p>Any shareholder (or its de facto controller) who holds 5% or more of the shares of the Company shall notify the Company within five business days of any of the following:</p> <p>(1) its shares of the Company are subject to any property preservation or other mandatory measures;</p> <p>(2) any of its shares of the Company are pledged;</p> <p>(3) the de facto controller of any shareholder who holds 5% or more of the shares of the Company is changed;</p> <p>(4) its name is changed;</p> <p>(5) a merger or division is effected;</p> <p>(6) it is ordered to suspend operation, or is appointed a receiver, or is taken over, subject to revocation or other regulatory measures or in the process of dissolution, bankruptcy or liquidation;</p> <p>(7) it is imposed upon administrative penalties or criminal punishment due to serious violation of laws or regulations;</p>	<p>Items (i) to (viii) above (except item (ii)) shall be placed at the office of the Company in Hong Kong in accordance with the Hong Kong Listing Rules for inspection by the public and holders of its overseas listed foreign shares free of charge. Item (vii) shall be available for inspection by shareholders only.</p> <p>(6) the right to request the Company to repurchase its shares so long as the shareholder dissents the resolutions of the shareholders' general meeting approving a merger or division of the Company;</p> <p>(7) in the event of the dissolution or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in respect of the number of shares then held;</p> <p>(8) other rights conferred by laws, regulations and these Articles.</p> <p>No power shall be exercised to freeze or otherwise impair any of the rights attached to relevant share as a result of the failure of any directly or indirectly interested person to disclose his/her interest to the Company.</p> <p><b><u>Shareholders who shall obtain but have not obtained the approval from or have not made due filing with the regulatory department, or have not completed the rectification process, shall not exercise the rights of requesting a general meeting, voting, nomination, making a proposal, and disposing of shares, etc.</u></b></p> <p><b><u>Shareholders who make false statements, abuse shareholders' rights or do other acts that prejudice the interests of the Company shall not exercise the rights of requesting a general meeting, voting, nomination, making a proposal, and disposing of shares, etc.</u></b></p> <p>Any shareholder (or its de facto controller) who holds 5% or more of the shares of the Company shall notify the Company within five business days of any of the following:</p> <p>(1) its shares of the Company are subject to any property preservation or other mandatory measures;</p> <p>(2) any of its shares of the Company are pledged;</p> <p>(3) the de facto controller of any shareholder who holds 5% or more of the shares of the Company is changed;</p> <p>(4) its name is changed;</p> <p>(5) a merger or division is effected;</p> <p>(6) it is ordered to suspend operation, or is appointed a receiver, or is taken over, subject to revocation or other regulatory measures or in the process of dissolution, bankruptcy or liquidation;</p> <p>(7) it is imposed upon administrative penalties or criminal punishment due to serious violation of laws or regulations;</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>(8) other circumstances that may result in the transfer of the shares of the Company that it holds or controls or otherwise affect the operation of the Company.</p> <p>The Company shall report to the <u>local office of the CSRC</u> in the place where it is domiciled within five business days upon its being aware of any circumstances specified in the preceding paragraph.</p> <p>Any shareholder shall notify the Company in advance in the event that such shareholder will hold 5% or more of the registered capital of the Company through subscription for or acquisition of the Company's shares or the equity in any other shareholder of the Company or otherwise, and shall formally hold a corresponding proportion of shares after completing the approval procedures <u>with the CSRC</u>. No entities or individuals are allowed to <u>directly or indirectly hold 5% or more of the Company's shares</u> without the approval from the <u>CSRC</u>. Otherwise, it shall be rectified within a prescribed period of time, and any voting right in respect of such shares shall not be exercised prior to such rectification.</p>	<p>(8) other circumstances that may result in the transfer of the shares of the Company that it holds or controls or otherwise affect the operation of the Company.</p> <p>The Company shall report to the <u>relevant regulatory authorities</u> in the place where it is domiciled within five business days upon its being aware of any circumstances specified in the preceding paragraph. Any shareholder shall notify the Company in advance in the event that such shareholder will hold 5% or more of the registered capital of the Company through subscription for or acquisition of the Company's shares or the equity in any other shareholder of the Company or otherwise. <u>Shareholders</u> shall formally hold a corresponding proportion of shares after completing the approval procedures <u>with the relevant regulatory authorities where the transaction involved the change of substantial shareholders or de factor controller of the Company</u>. No entities or individuals are allowed to <u>be a substantial shareholder or de factor controller of the Company</u> without the approval from the <u>relevant regulatory authorities</u>. Otherwise, it shall be rectified within a prescribed period of time, and any voting right in respect of such shares may not be exercised prior to such rectification.</p>
<p>Article <b>58</b> Where any shareholder proposes to inspect relevant information described in the preceding article or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder status.</p> <p>The Company shall promptly inform all shareholders by way of a written notice or an announcement, and report to the <u>local office of the CSRC</u> in the place where the Company is domiciled in the event of any of the following:</p> <p>(1) the Company or any of its directors, supervisors or senior management is suspected of being involved in a material violation of laws and regulations;</p> <p>(2) the financial position of the Company continues to deteriorate to the extent that the risk control indicators fall below the standards required by the <u>CSRC</u>;</p> <p>(3) the Company records material losses;</p> <p>(4) the Company proposes to change any of its legal representative, the chairman of the board of directors, the chairman of the supervisory committee or the General Manager (President);</p> <p>(5) an extraordinary event that may cause material adverse effect to the interests of the Company and its customers;</p> <p>(6) other events that may affect the sustainable operation of the Company.</p>	<p>Article <b>55</b> Where any shareholder proposes to inspect relevant information described in the preceding article or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder status.</p> <p>Article <b>56</b> <u>The Company shall establish an effective mechanism to communicate with its shareholders so as to protect the shareholders' right to information according to law.</u> The Company shall promptly inform all shareholders by way of a written notice or an announcement, and report to the <u>relevant regulatory authorities</u> in the place where the Company is domiciled in the event of any of the following:</p> <p>(1) the Company or any of its directors, supervisors or senior management is suspected of being involved in a material violation of laws and regulations;</p> <p>(2) the financial position of the Company continues to deteriorate to the extent that the risk control indicators fall below the standards required by the <u>relevant regulatory authorities</u>;</p> <p>(3) the Company records material losses;</p> <p>(4) the Company proposes to change any of its legal representative, the chairman of the board of directors, the chairman of the supervisory committee or the General Manager (President);</p> <p>(5) an extraordinary event that may cause material adverse effect to the interests of the Company and its customers;</p> <p>(6) other events that may affect the sustainable operation of the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>62</b> The holders of ordinary shares of the Company shall have the following obligations:</p> <p>(1) that each holder shall comply with laws, regulations and these Articles;</p> <p><b><u>(2) that each holder shall make the payment in respect of the shares subscribed for and the method of subscription;</u></b></p> <p>(3) that each holder may not claim the share capital in respect of its shares, unless otherwise specified by laws or regulations;</p> <p>(4) that each holder shall not abuse rights of shareholder to the detriment of the interest of the Company or other shareholders, nor abuse the Company's independent legal person status or the limited liability of shareholders to the detriment of the interest of the creditors of the Company;</p> <p>In the event of any loss caused to the Company or other shareholders arising from any abuse of the shareholder's right, such shareholder shall be liable for compensation in accordance with law.</p> <p>In the event of any material damage caused to the interest of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.</p> <p>(5) that each holder shall assume other obligations imposed by laws, regulations and these Articles.</p> <p>Each of the shareholders is not obligated to undertake the obligations of any additional share capital, except for the conditions agreed upon while subscribing for the shares.</p>	<p>Article <b>60</b> The holders of ordinary shares of the Company shall have the following obligations:</p> <p>(1) that each holder shall comply with laws, regulations and these Articles;</p> <p><b><u>(2) that each holder shall fulfill their capital contribution obligations in strict compliance with laws, regulations, and the requirements of the CSRC, and use their self-owned funds to acquire shares of the Company, the source of which shall be legal, while funds other than self-owned funds such as entrusted funds are prohibited for such shares acquisition, except for the circumstances recognized by laws and regulations and the CSRC;</u></b></p> <p><b><u>(3) that the shareholders holding 5% or more equity interest in the Company or the controlling shareholder shall replenish capital to the Company when necessary;</u></b></p> <p>(4) that each holder may not claim the share capital in respect of its shares, unless otherwise specified by laws or regulations;</p> <p>(5) that each holder shall not abuse rights of shareholder to the detriment of the interest of the Company or other shareholders, nor abuse the Company's independent legal person status or the limited liability of shareholders to the detriment of the interest of the creditors of the Company;</p> <p>In the event of any loss caused to the Company or other shareholders arising from any abuse of the shareholder's right, such shareholder shall be liable for compensation in accordance with law.</p> <p>In the event of any material damage caused to the interest of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.</p> <p>(6) that each holder shall assume other obligations imposed by laws, regulations and these Articles.</p> <p>Each of the shareholders is not obligated to undertake the obligations of any additional share capital, except for the conditions agreed upon while subscribing for the shares.</p>
<p><b><u>Article 63 Any shareholder holding 5% or more of the voting shares of the Company, who pledges its shares, shall report to the Company in writing of the same on the date which such pledge occurs.</u></b></p>	-



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
-	<p><u>Article 61 The shareholding period of the Company's shareholders shall be in conformity with laws, administrative regulations and the relevant provisions of the CSRC. Where shareholders of the Company acquire equity in other securities firms by way of share conversion, the shareholding period may be counted continuously.</u></p> <p><u>Where the major assets of shareholders of the Company are equity in securities firms, the controlling shareholder and the de facto controller of the shareholders shall abide by the same lock-up period for the equity of the Company under its control as the shareholders of the Company, except for the circumstances recognized by the CSRC according to law.</u></p>
-	<p><u>Article 62 The shareholders of the Company shall not pledge their equity in the Company during the equity lock-up period. Upon expiry of the equity lock-up period, the proportion of the Company's equity held by the shareholders that is pledged shall not exceed 50% of the proportion of the Company's equity held by the shareholders.</u></p> <p><u>Shareholders who have pledged the equity in the Company shall not prejudice the interests of other shareholders and the Company, or agree that the pledgee or other third parties shall exercise the voting rights and other shareholders' rights, nor shall they transfer the control over the equity of the Company in any disguised form.</u></p> <p><u>The requirement in the first paragraph of this Article shall not apply to shareholders who hold less than 5% of the equity in the Company.</u></p>
=	<p><u>Article 63 The Company shall reinforce the management of connected transactions, accurately identify connected parties, strictly implement the approval system and the information disclosure system for connected transactions, avoid causing harms to the legal rights and interests of the Company and its customers, and report any information on connected transactions to the CSRC and its local offices in a timely manner.</u></p> <p><u>The Company shall manage its shareholders and their controlling shareholders, de facto controllers, connected parties, persons acting in concert and ultimate beneficial owners as its own connected parties in accordance with the principle of transparency.</u></p> <p><u>The shareholders specified in the requirement under the second paragraph of this Article shall not include shareholders who hold less than 5% of the equity in the Company.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
—	<p><u>Article 64 The board office of the Company shall, as the office for the administration of equities of the Company, organize and implement the work concerning the administration of equities.</u></p> <p><u>The chairman of the board of directors of the Company shall be the first responsible person for the administration of equities of the Company. The board secretary of the Company who assists the chairman of the board of directors in his work shall be the direct responsible person for the administration of equities of the Company.</u></p> <p><u>In the event of any illegal or improper conduct involving the violation of laws, administrative regulations and regulatory requirements that are relevant to the administration of equities, the Company, its shareholders, the responsible person for the administration of equities and related personnel shall undertake the corresponding responsibilities in accordance with the relevant provisions of applicable laws.</u></p>
—	<p><u>Article 65 The Company shall make arrangements for risk prevention during the period in which its registered capital or equity is changed, to ensure the normal operation of the Company and no harm caused to the interests of its customers.</u></p> <p><u>For matters subject to the approval of the CSRC according to law, the shareholders of the Company shall continue to exercise their voting rights independently based on the respective proportion of shares held by them prior to such approval, and equity transferors shall not recommend any person associated with equity transferees to act as a director, supervisor and senior management of the Company, nor transfer their voting rights in any disguised form.</u></p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>65</b> The controlling shareholder and the de factor controller of the Company shall bear the fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholder shall exercise the investor's rights strictly according to law and shall not infringe the legitimate rights of the Company and the public shareholders by way of profit distribution, asset reorganization, external investment, capital occupation and guarantee for borrowings, nor exploit his/her controlling position to cause harm to the interest of the Company and the public shareholders.</p> <p>In addition to the obligations required by laws and regulations or the <b>securities regulators</b> in the place where the shares of the Company are listed, the controlling shareholder of the Company shall not exercise its voting rights in respect of the following matters to the detriment of the interest of all or any of the shareholders of the Company while exercising its shareholder's rights:</p> <p>(1) to remove a director or supervisor, unless acting honestly in the best interest of the Company;</p> <p>(2) to approve any director or supervisor to deprive the Company of any of its properties, including (but not limited to) any opportunity in favour of the Company, for the benefit of such director or supervisor or of any other person;</p> <p>(3) to approve any director or supervisor to deprive any other shareholder of any of his/her/its personal right and interest, including (but not limited to) the right to distributions and voting right but excluding the corporate restructuring submitted to a shareholders' general meeting for approval in accordance with these Articles, for the benefit of such director or supervisor or of any other person.</p>	<p>Article <b>67</b> The controlling shareholder and the de factor controller of the Company shall bear the fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholder shall exercise the investor's rights strictly according to law and shall not infringe the legitimate rights of the Company and the public shareholders by way of profit distribution, asset reorganization, external investment, capital occupation and guarantee for borrowings, nor exploit his/her controlling position to cause harm to the interest of the Company and the public shareholders.</p> <p>In addition to the obligations required by laws and regulations or the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the shares of the Company are listed, the controlling shareholder of the Company shall not exercise its voting rights in respect of the following matters to the detriment of the interest of all or any of the shareholders of the Company while exercising its shareholder's rights:</p> <p>(1) to remove a director or supervisor, unless acting honestly in the best interest of the Company;</p> <p>(2) to approve any director or supervisor to deprive the Company of any of its properties, including (but not limited to) any opportunity in favour of the Company, for the benefit of such director or supervisor or of any other person;</p> <p>(3) to approve any director or supervisor to deprive any other shareholder of any of his/her/its personal right and interest, including (but not limited to) the right to distributions and voting right but excluding the corporate restructuring submitted to a shareholders' general meeting for approval in accordance with these Articles, for the benefit of such director or supervisor or of any other person.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section 2 General Rules of Shareholders' General Meeting	Section 2 General Rules of Shareholders' General Meeting
<p>Article <b>66</b> The shareholders' general meeting is the authority of the Company and shall exercise the following functions and powers in accordance with law:</p> <p>(1) to determine the operating policies and investment plans of the Company;</p> <p>(2) to elect and replace any of the directors and supervisors other than those held by employee representatives, and to determine the remuneration of directors and supervisors;</p> <p>(3) to consider and approve the reports of the board of directors;</p> <p>(4) to consider and approve the reports of the supervisory committee;</p> <p>(5) to consider and approve the annual financial budget and final account of the Company;</p> <p>(6) to consider and approve the profit distribution plans and the loss recovery plans of the Company;</p> <p>(7) to approve resolutions on increase or reduction of registered capital of the Company;</p> <p>(8) to resolve on the issuance of bonds of the Company;</p> <p>(9) to resolve on matters such as the merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(10) to amend these Articles;</p> <p>(11) to resolve on the appointment, removal or non-reappointment of any accounting firm;</p> <p>(12) to consider and approve any guarantee issue set forth in Article <b>67</b> of these Articles;</p> <p>(13) to consider any purchase or disposal of material assets by the Company of an aggregate value exceeding 30% of the Company's latest audited total assets in a year;</p> <p>(14) to consider and approve any change of the use of proceeds raised;</p> <p>(15) to consider and approve major investments, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months reaches 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first;</p>	<p>Article <b>68</b> The shareholders' general meeting is the authority of the Company and shall exercise the following functions and powers in accordance with law:</p> <p>(1) to determine the operating policies and investment plans of the Company;</p> <p>(2) to elect and replace any of the directors and supervisors other than those held by employee representatives, and to determine the remuneration of directors and supervisors;</p> <p>(3) to consider and approve the reports of the board of directors;</p> <p>(4) to consider and approve the reports of the supervisory committee;</p> <p>(5) to consider and approve the annual financial budget and final account of the Company;</p> <p>(6) to consider and approve the profit distribution plans and the loss recovery plans of the Company;</p> <p>(7) to approve resolutions on increase or reduction of registered capital of the Company;</p> <p>(8) to resolve on the issuance of bonds of the Company;</p> <p>(9) to resolve on matters such as the merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(10) to amend these Articles;</p> <p>(11) to resolve on the appointment, removal or non-reappointment of any accounting firm;</p> <p>(12) to consider and approve any <b>external</b> guarantee issue set forth in Article <b>69</b> of these Articles;</p> <p>(13) to consider any purchase or disposal of material assets by the Company of an aggregate value exceeding 30% of the Company's latest audited total assets in a year;</p> <p>(14) to consider and approve any change of the use of proceeds raised;</p> <p>(15) to consider and approve major investments, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months reaches 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first, <b><u>or other transactions to be considered by the shareholders' general meeting as required by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or the Hong Kong Listing Rules;</u></b></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>(16) to consider and approve connected transactions to be considered by the shareholders' general meeting as required by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or the Hong Kong Listing Rules;</p> <p>(17) to consider the <b>implementation plan of a long-term incentive mechanism</b>;</p> <p>(18) to consider and approve the proposal submitted by any shareholder(s) jointly or individually holding 3% or more of the Company's shares; and</p> <p>(19) to consider other matters to be resolved at shareholders' general meeting as required by laws, regulations, the <b>securities regulators</b> in the place where the Company's shares are listed or these Articles.</p> <p>Matters to be resolved at shareholder's general meeting as required by laws, regulations, the <b>securities regulators</b> in the place where the Company's shares are listed and these Articles shall be considered and approved at shareholders' general meeting so as to safeguard the shareholders' decision-making power in respect of such matters.</p>	<p>(16) to consider and approve connected transactions to be approved by the shareholders' general meeting as required by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or the Hong Kong Listing Rules;</p> <p>(17) to consider the <b>equity-based incentive scheme</b>;</p> <p>(18) to consider and approve the proposal submitted by any shareholder(s) jointly or individually holding 3% or more of the Company's shares; and</p> <p>(19) to consider other matters to be resolved at shareholders' general meeting as required by laws, regulations, <b>the securities regulatory authorities and the stock exchange(s)</b> in the place where the Company's shares are listed or these Articles.</p> <p>Matters to be resolved at shareholder's general meeting as required by laws, regulations, the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the Company's shares are listed and these Articles shall be considered and approved at shareholders' general meeting so as to safeguard the shareholders' decision-making power in respect of such matters.</p>
<p>Article <b>67</b> The Company shall not directly or indirectly provide financing or guarantee for any of its shareholders or their connected parties. The provision of any of the following guarantees for any external party by the Company shall be considered and approved by shareholders' general meeting:</p> <p>(1) any guarantee provided by the Company and its subsidiaries after the total amount of guarantee provided for external parties by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guarantee provided by the Company after the total amount of guarantee provided for external parties by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) any guarantee provided for any entity with a gearing ratio of more than 70%; and</p> <p>(4) any single guarantee the value of which exceeds 10% of the latest audited net assets of the Company.</p> <p><b><u>The Company shall not provide financing or guarantee for any of its subsidiaries that invests in any financial product other than those set forth in the List of Investment Products of Proprietary Trading of Securities Companies</u></b> (《證券公司證券自營投資品種清單》).</p>	<p>Article <b>69</b> <b><u>Except for the provision of margin financing and securities leading to customers as required,</u></b> the Company shall not directly or indirectly provide financing or guarantee for any of its shareholders or their connected parties. The provision of any of the following guarantees for any external party by the Company shall be considered and approved by shareholders' general meeting:</p> <p>(1) any guarantee provided by the Company and its subsidiaries after the total amount of guarantee provided for external parties by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guarantee provided by the Company after the total amount of guarantee provided for external parties by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) any guarantee provided for any entity with a gearing ratio of more than 70%; and</p> <p>(4) any single guarantee the value of which exceeds 10% of the latest audited net assets of the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>69</b> The Company shall hold an extraordinary general meeting within two months subsequent to the occurrence of any of the following events:</p> <p>(1) that the number of incumbent directors is less than the number required by the Company Law, or is less than two-thirds (2/3) of the number specified by these Articles, i.e. eight (8) directors;</p> <p>(2) that the uncovered loss amount to one-third (1/3) of the Company's total paid-up share capital;</p> <p>(3) that any of the shareholders individually or jointly holding 10% or more of the Company's voting shares make(s) any request in writing;</p> <p>(4) that the board of directors or one-third (1/3) or more of the directors consider it necessary;</p> <p>(5) that the supervisory committee proposes to convene such meeting; and</p> <p>(6) such other circumstances as specified by laws and regulations or these Articles.</p> <p>The number of shares held by the shareholders as mentioned in item (3) above shall be such number of the shares as of the date on which the written request is submitted.</p> <p>In the event that the Company fails to convene the shareholders' general meeting within the aforesaid period, it shall report and explain the reasons to the <b>local office of the CSRC</b> in the place where the Company is domiciled and the stock exchange(s) on which the shares of the Company are listed, and shall issue an announcement accordingly.</p>	<p>Article <b>71</b> The Company shall hold an extraordinary general meeting within two months subsequent to the occurrence of any of the following events:</p> <p>(1) that the number of incumbent directors is less than the number required by the Company Law, or is less than two-thirds (2/3) of the number specified by these Articles, i.e. eight (8) directors;</p> <p>(2) that the uncovered loss amount to one-third (1/3) of the Company's total paid-up share capital;</p> <p>(3) that any of the shareholders individually or jointly holding 10% or more of the Company's voting shares make(s) any request in writing;</p> <p>(4) that the board of directors or one-third (1/3) or more of the directors consider it necessary;</p> <p>(5) that the supervisory committee proposes to convene such meeting; and</p> <p>(6) such other circumstances as specified by laws and regulations or these Articles.</p> <p>The number of shares held by the shareholders as mentioned in item (3) above shall be such number of the shares as of the date on which the written request is submitted.</p> <p>In the event that the Company fails to convene the shareholders' general meeting within the aforesaid period, it shall report and explain the reasons to the <b>securities regulatory authorities</b> in the place where the Company is domiciled and the stock exchange(s) on which the shares of the Company are listed, and shall issue an announcement accordingly.</p>
<p>Article <b>70</b> The venue for the shareholders' general meeting shall be <b>the place where the Company is located or</b> such place <b>as specified by the board of directors</b>.</p> <p>A venue shall be arranged for the shareholders' general meeting by way of physical meeting. The Company will also facilitate the shareholders to participate in the meeting through internet <b>or other means, depending on the situation</b>. Any shareholder who participates in the meeting by such means shall be deemed present at the meeting.</p>	<p>Article <b>72</b> The venue for the shareholders' general meeting shall be <b>the place where the Company is domiciled or</b> such <b>other</b> place <b>as specified in the notice of the shareholders' general meeting</b>.</p> <p>A venue shall be arranged for the shareholders' general meeting by way of physical meeting. The Company will also facilitate the shareholders to participate in the meeting through <b>the provision of online voting as required by the securities regulatory authorities or the stock exchange(s)</b>. Any shareholder who participates in the meeting by such means shall be deemed present at the meeting.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<b>Section 3 The Convening of Shareholders' General Meeting</b>	<b>Section 3 The Convening of Shareholders' General Meeting</b>
<p>Article <u>75</u> If the supervisory committee or any shareholder convenes a shareholders' general meeting on his/her/its own, he/she/it shall notify the board of directors of the same in writing, and filing shall be made with the <b>local office of the CSRC</b> and the stock exchange(s) in the place in which the Company is domiciled.</p> <p>Such shareholder convening the shareholders' general meeting shall hold no less than 10% of shares of the Company prior to the announcement of any resolution approved at the shareholders' general meeting.</p> <p>Such convening shareholder shall submit relevant evidence to the <b>local office of the CSRC</b> and the stock exchange(s) in the place where the Company is domiciled at the time of issuing the notice of shareholder's general meeting and the announcement of any resolution approved at the shareholders' general meeting.</p>	<p>Article <u>77</u> If the supervisory committee or any shareholder convenes a shareholders' general meeting on his/her/its own, he/she/it shall notify the board of directors of the same in writing, and filing shall be made with the <b>securities regulatory authorities</b> and the stock exchange(s) in the place where the Company is domiciled.</p> <p>Such shareholder convening the shareholders' general meeting shall hold no less than 10% of shares of the Company prior to the announcement of any resolution approved at the shareholders' general meeting.</p> <p>Such convening shareholder shall submit relevant evidence to the <b>securities regulatory authorities</b> and the stock exchange(s) in the place where the Company is domiciled at the time of issuing the notice of shareholder's general meeting and the announcement of any resolution approved at the shareholders' general meeting.</p>
<b>Section 4 Proposal and Notice of Shareholders' General Meeting</b>	<b>Section 4 Proposal and Notice of Shareholders' General Meeting</b>
<p>Article <u>80</u> When the Company convenes <b>a shareholders' general meeting</b>, written notice of the meeting shall be given <u>45</u> days before the date of the meeting <u>to notify all shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver his/her written reply to the Company 20 days before the date of the meeting.</u></p> <p><u>The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting has reached one-half or more of the Company's total voting shares, the Company may convene the meeting. Otherwise, the Company shall within five days notify the shareholders again in writing by way of announcement of the matters to be considered, the place, date and time of the meeting. The Company may convene the meeting after the publication of such notice.</u></p>	<p>Article <u>82</u> When the Company convenes <b>an annual</b> general meeting, written notice of the meeting shall be given <u>20</u> days before the date of the meeting; <b>when the Company convenes an extraordinary general meeting, written notice of the meeting shall be given 15 days before the date of the meeting.</b></p> <p><b>When calculating the abovementioned period, the date of the meeting shall not be included.</b></p> <p><b>Laws, administrative regulations or provisions formulated by the securities regulatory authorities and the stock exchange(s) in the place where the Company's shares are listed shall prevail if otherwise provided.</b></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>81</b> The notice of shareholders' general meeting shall be in writing and include the following information:</p> <p>(1) the time, place and duration of the meeting;</p> <p>(2) matters and resolutions to be submitted to the meeting for consideration. The notice and supplementary notice of general meeting shall fully and completely disclose all the contents of all resolutions. In the event that the matters to be discussed require the advices from independent directors, the independent directors' advices and reasons therefor shall also be disclosed in the notice or supplementary notice of the meeting;</p> <p>(3) materials and explanations required for the shareholders to make decision on matters to be considered, including (but not limited to) the conditions and contracts of the proposed transaction in details (if any) and the explanation of the reasons and consequences of the matter in relation to the merger, repurchase of shares, capital reorganization or other restructuring proposals of the Company;</p> <p>(4) a disclosure of the nature and extent, if any, of the material interest of any director, supervisor, the General Manager (President) and other senior management in the matters to be considered and the difference of the effects of the proposed matters on them in their capacity as shareholders from the effects on other shareholders of the same class, if any;</p> <p>(5) full text of any special resolution to be proposed at the meeting;</p> <p>(6) delivery time and place for lodging proxy forms for the meeting;</p> <p>(7) a conspicuous statement that a shareholder entitled to attend and vote may appoint a proxy in writing to attend and vote on behalf of him/her and such proxy need not to be a shareholder of the Company;</p> <p>(8) the shareholding record date of the shareholders entitled to attend the shareholders' general meeting;</p> <p>(9) name and telephone number of the contact person for the meeting; and</p> <p>(10) the time and procedures for voting by online voting or other methods shall be explicitly stated in the notice of shareholders' general meeting if the online voting or other methods of voting are adopted.</p>	<p>Article <b>83</b> The notice of shareholders' general meeting shall be in writing and include the following information:</p> <p>(1) the time, place and duration of the meeting;</p> <p>(2) matters and resolutions to be submitted to the meeting for consideration. The notice and supplementary notice of general meeting shall fully and completely disclose all the contents of all resolutions. In the event that the matters to be discussed require the advices from independent directors, the independent directors' advices and reasons therefor shall also be disclosed in the notice or supplementary notice of the meeting;</p> <p>(3) materials and explanations required for the shareholders to make decision on matters to be considered, including (but not limited to) the conditions and contracts of the proposed transaction in details (if any) and the explanation of the reasons and consequences of the matter in relation to the merger, repurchase of shares, capital reorganization or other restructuring proposals of the Company;</p> <p>(4) a disclosure of the nature and extent, if any, of the material interest of any director, supervisor, the General Manager (President) and other senior management in the matters to be considered and the difference of the effects of the proposed matters on them in their capacity as shareholders from the effects on other shareholders of the same class, if any;</p> <p>(5) full text of any special resolution to be proposed at the meeting;</p> <p>(6) delivery time and place for lodging proxy forms for the meeting;</p> <p>(7) a conspicuous statement that a shareholder entitled to attend and vote may appoint a proxy in writing to attend and vote on behalf of him/her and such proxy need not to be a shareholder of the Company;</p> <p>(8) the shareholding record date of the shareholders entitled to attend the shareholders' general meeting;</p> <p>(9) name and telephone number of the contact person for the meeting; and</p> <p>(10) the time and procedures for voting by online voting or other methods shall be explicitly stated in the notice of shareholders' general meeting if the online voting or other methods of voting are adopted.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall <b>not be more than 7 business days</b>. Once determined, the shareholding record date shall not be changed.</p> <p>Online voting or other voting methods shall commence no earlier than 3:00 p.m. of the day prior to the date of the on-site shareholders' general meeting but no later than 9:30 a.m. on the date of the on-site shareholders' general meeting and it shall not terminate earlier than 3:00 p.m. on the date of conclusion of the on-site shareholders' general meeting.</p>	<p>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall <b><u>comply with the requirements of the securities regulatory authorities and the stock exchange(s) in the place where the Company's shares are listed</u></b>. Once determined, the shareholding record date shall not be changed.</p> <p>Online voting or other voting methods shall commence no earlier than 3:00 p.m. of the day prior to the date of the on-site shareholders' general meeting but no later than 9:30 a.m. on the date of the on-site shareholders' general meeting and it shall not terminate earlier than 3:00 p.m. on the date of conclusion of the on-site shareholders' general meeting.</p>
<p>Article <b>82</b> Unless otherwise provided in these Articles, the notice of a shareholders' general meeting shall be <b><u>served to shareholders (whether or not entitled to vote at the meeting) by hand or prepaid mail at their addresses as shown in the register of shareholders. For holders of domestic shares, the notice of meeting may be served by way of announcement.</u></b></p> <p>The announcement mentioned in the preceding paragraph shall be published in one or more newspapers designated by the <b><u>CSRC during the period between 45 and 50 days before the date of the meeting</u></b>. Upon publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>	<p>Article <b>84</b> Unless otherwise provided in these Articles, the notice of a shareholders' general meeting shall be <b><u>notified and announced to shareholders in accordance with the relevant provisions of Chapter 12 of these Articles.</u></b></p> <p>The announcement mentioned in the preceding paragraph shall be published in one or more newspapers designated by the <b><u>securities regulatory authorities</u></b>. Upon publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>
<p>Article <b>83</b> Subject to applicable laws, regulations and the relevant requirements of the <b><u>securities regulators</u></b> in the place where the Company's shares are listed, the notice of a shareholders' general meeting may be published on the website of the Hong Kong Stock Exchange <b><u>during the period between 45 and 50 days before the date of the meeting</u></b>, instead of delivery by hand or prepaid mail to the holders of overseas listed foreign shares.</p>	<p>Article <b>85</b> Subject to applicable laws, regulations and the relevant requirements of the <b><u>securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed, the notice of a shareholders' general meeting may be published on the website of the Hong Kong Stock Exchange, instead of delivery by hand or prepaid mail to the holders of overseas listed foreign shares.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>84</b> Where the election of directors and supervisors will be discussed at a shareholder's general meeting, the notice of the shareholders' general meeting shall, in compliance with laws, regulations and the relevant requirements of the <b>securities regulators</b> in the place where the Company's shares are listed, contain the details of the proposed directors and supervisors, including at least the following particulars:</p> <p>(1) personal particulars such as education background, working experience and concurrent positions;</p> <p>(2) whether there is any connected relationship with the Company or the controlling shareholder and de facto controller of the Company;</p> <p>(3) shareholding in the Company; and</p> <p>(4) whether they have been subject to any penalties by the <b>CSRC</b> and other relevant departments and any punishments by stock exchange(s).</p> <p>The election of each director and supervisor shall be proposed by separate resolutions except that the election is carried out by cumulative voting.</p>	<p>Article <b>86</b> Where the election of directors and supervisors will be discussed at shareholder's general meeting, the notice of the shareholders' general meeting shall, in compliance with laws, regulations and the relevant requirements of the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the Company's shares are listed, contain the details of the proposed directors and supervisors, including at least the following particulars:</p> <p>(1) personal particulars such as education background, working experience and concurrent positions;</p> <p>(2) whether there is any connected relationship with the Company or the controlling shareholder and de facto controller of the Company;</p> <p>(3) shareholding in the Company; and</p> <p>(4) whether they have been subject to any penalties by the <b>securities regulatory authorities</b> and other relevant departments and any punishments by stock exchange(s).</p> <p>The election of each director and supervisor shall be proposed by separate resolutions except that the election is carried out by cumulative voting.</p>
Section 5 The Convening of Shareholders' General Meetings	Section 5 The Convening of Shareholders' General Meetings
<p>Article <b>89</b> The proxy form that a shareholder issues to appoint another person to attend a shareholders' general meeting on his/her behalf shall contain the following particulars:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has voting right;</p> <p>(3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the shareholders' general meeting;</p> <p>(4) the issuing date and valid period of the proxy form;</p> <p>(5) the signature (or seal) of the appointer. If the appointer is a corporate shareholder, the proxy form shall be affixed with a corporate seal.</p>	<p>Article <b>91</b> The proxy form that a shareholder issues to appoint another person to attend a shareholders' general meeting on his/her behalf shall contain the following particulars:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has voting right;</p> <p>(3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the shareholders' general meeting;</p> <p>(4) the issuing date and valid period of the proxy form;</p> <p>(5) the signature (or seal) of the appointer. If the appointer is a corporate shareholder, the proxy form shall be affixed with a corporate seal;</p> <p><b>(6) the number of shares of the appointer represented by the proxy.</b></p>
<p>Article <b>104</b> The convener shall ensure that a shareholders' general meeting is held without adjournment until the final resolution is reached. If the shareholders' general meeting is suspended or no resolution can be reached due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to terminate the shareholders' general meeting directly, and an announcement shall be published in a timely manner. The convener shall also report to the <b>local office of the CSRC</b> and the stock exchange(s) in the place where the Company is domiciled.</p>	<p>Article <b>106</b> The convener shall ensure that a shareholders' general meeting is held without adjournment until the final resolution is reached. If the shareholders' general meeting is suspended or no resolution can be reached due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to terminate the shareholders' general meeting directly, and an announcement shall be published in a timely manner. The convener shall also report to the <b>securities regulatory authorities</b> and the stock exchange(s) in the place where the Company is domiciled.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section 6 Voting and Resolutions at Shareholders' General Meetings	Section 6 Voting and Resolutions at Shareholders' General Meetings
<p>Article <b>106</b> The following matters require the passing of an ordinary resolution at a shareholders' general meeting:</p> <p>(1) the work reports of the board of directors and the supervisory committee;</p> <p>(2) the profit distribution plans and the loss recovery plans proposed by the board of directors;</p> <p>(3) the appointment and removal of members of the board of directors and the supervisory committee, their remuneration and method of payment;</p> <p>(4) the Company's annual budgets, final accounts, balance sheets, income statements and other financial statements;</p> <p>(5) the annual reports of the Company;</p> <p>(6) any matters other than those which are required by laws and regulations, the requirements of the <b>securities regulators</b> in the place where the shares of the Company are listed or these Articles to be passed by way of special resolution.</p>	<p>Article <b>108</b> The following matters require the passing of an ordinary resolution at a shareholders' general meeting:</p> <p>(1) the work reports of the board of directors and the supervisory committee;</p> <p>(2) the profit distribution plans and the loss recovery plans proposed by the board of directors;</p> <p>(3) the appointment and removal of members of the board of directors and the supervisory committee, their remuneration and method of payment;</p> <p>(4) the Company's annual budgets, final accounts, balance sheets, income statements and other financial statements;</p> <p>(5) the annual reports of the Company;</p> <p>(6) any matters other than those which are required by laws and regulations, the requirements of the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the shares of the Company are listed or these Articles to be passed by way of special resolution.</p>
<p>Article <b>107</b> The following matters require the passing of a special resolution at a shareholders' general meeting:</p> <p>(1) the increase or reduction of registered capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of bonds of the Company;</p> <p>(3) the <b>division, merger</b>, dissolution and liquidation of the Company;</p> <p>(4) the amendment to these Articles;</p> <p>(5) purchase or disposal of material assets or provision of guarantee by the Company within 1 year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(6) repurchase of the Company's shares;</p> <p>(7) adoption of <b>the implementation plan for a long-term incentives mechanism</b>; and</p> <p>(8) other matters specified by laws, regulations, the requirements of the <b>securities regulators</b> in the place where the Company's shares are listed or these Articles and that would have a material impact on the Company and shall be approved by special resolutions as determined by ordinary resolutions of shareholders' general meeting.</p>	<p>Article <b>109</b> The following matters require the passing of a special resolution at a shareholders' general meeting:</p> <p>(1) the increase or reduction of registered capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of bonds of the Company;</p> <p>(3) the <b>merger, division, dissolution and liquidation or change of the form</b> of the Company;</p> <p>(4) the amendment to these Articles;</p> <p>(5) purchase or disposal of material assets or provision of guarantee by the Company within 1 year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(6) repurchase of the Company's shares;</p> <p>(7) adoption of <b>an equity-based incentive scheme</b>; and</p> <p>(8) other matters specified by laws, regulations, the requirements of the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the Company's shares are listed or these Articles and that would have a material impact on the Company and shall be approved by special resolutions as determined by ordinary resolutions of shareholders' general meeting.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>108</b> Shareholders (including their proxies) shall exercise their voting rights in respect of the number of voting shares they represent. Each share shall have one vote.</p> <p>Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>The board of directors, independent directors, and shareholders who meet relevant requirements and conditions may solicit the voting rights of other shareholders.</p>	<p>Article <b>110</b> Shareholders (including their proxies) shall exercise their voting rights in respect of the number of voting shares they represent. Each share shall have one vote.</p> <p>Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>The board of directors, independent directors, and shareholders who meet relevant requirements and conditions may <b>openly</b> solicit the voting rights of other shareholders. <b>Information including the specific voting preference shall be fully disclosed to the shareholders for whom voting rights are being solicited. Consideration or consideration in any disguised form for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding percentage limitation for soliciting voting rights.</b></p>
<p>Article <b>109</b> <u>If, under the Hong Kong Listing Rules, any shareholder is required to abstain from voting on any particular resolution or is restricted to vote only for or 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.</u></p>	<p>Article <b>111</b> <u>If any shareholder is required to abstain from voting on any individual resolution or is restricted to vote only in the affirmative or in the negative pursuant to applicable laws, administrative regulations, departmental rules, normative documents and listing rules of the place where the Company's shares are listed, any vote by such shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted in the voting results.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <u>111</u> <u>Unless a poll is particularly required by the relevant requirements of the securities regulators in the place where the shares of the Company are listed, or a poll is (before or after any voting by show of hands) demanded by the following persons, voting at a shareholders' general meeting shall be conducted by a show of hands:</u></p> <p style="padding-left: 40px;">(1) <u>the chairman of the meeting;</u></p> <p style="padding-left: 40px;">(2) <u>at least two shareholders present in person or by proxy entitled to vote thereat;</u></p> <p style="padding-left: 40px;">(3) <u>shareholders (including proxies) individually or jointly holding 10% or more of the shares carrying voting rights.</u></p> <p><u>Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.</u></p> <p><u>The demand for a poll may be withdrawn by the person who demands the same.</u></p> <p><u>If a poll is required pursuant to the relevant requirements of the securities regulators in the place where the shares of the Company are listed, the chairman of the meeting shall, subject to the relevant requirements, make a decision based on the principle of good faith to allow a proposal solely in relation to a procedural or administrative matter to be voted by a show of hands.</u></p>	<p>Article <u>113</u> <u>Vote cast at the shareholders' general meeting shall be made by open ballot unless the chairman of the meeting makes a decision based on the principle of good faith to allow a proposal solely in relation to a procedural or administrative matter to be voted on by a show of hands.</u></p>
<p>Article <u>114</u> <u>The chairman of the meeting shall decide whether the resolutions have been passed according to the voting results and his decision shall be conclusive. He shall also announce the voting results at the meeting. The voting results on the resolutions shall be recorded in the minutes.</u></p> <p><u>Where the shareholders' general meeting is ensured to be legal and valid, the Company shall facilitate its shareholders to participate in the shareholders' general meeting by various ways and means, including using modern information technology such as an online voting platform.</u></p>	<p>Article <u>116</u> <u>The chairman of the meeting shall decide whether the resolutions have been passed according to the voting results and his decision shall be conclusive. He shall also announce the voting results at the meeting. The voting results on the resolutions shall be recorded in the minutes.</u></p>

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## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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Articles Before Revision	Articles After Revision
<p>Article <b>121</b> Other than the matters to be decided by the cumulative voting system, the shareholders' general meeting shall vote on all proposals on an individual basis. For different proposals on the same matter, voting shall be proceeded according to the order in which the proposals are submitted. <u><b>Once the preceding proposal is passed, the subsequent proposal on the same matter shall not be voted on.</b></u> The shareholders' general meeting shall not set any proposals aside or fail to put any proposal to a vote unless the shareholders' general meeting is suspended or no resolutions can be made due to special reasons such as force majeure.</p>	<p>Article <b>123</b> Other than the matters to be decided by the cumulative voting system, the shareholders' general meeting shall vote on all proposals on an individual basis. For different proposals on the same matter, voting shall be proceeded according to the order in which the proposals are submitted. The shareholders' general meeting shall not set any proposals aside or fail to put any proposal to a vote unless the shareholders' general meeting is suspended or no resolutions can be made due to special reasons such as force majeure.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>127</b> Shareholders present at the shareholders' general meeting shall cast their votes in favor of or against or abstain from voting any proposals submitted for voting.</p> <p>In respect of any vote forms that are uncompleted, wrongly completed, completed with illegible writing or not cast, the voter shall be deemed to abstain from voting. The voting result in respect of shares held by such voter shall be deemed as an "abstention".</p> <p>If the chairman of the meeting has any doubt as to the voting result of any resolution put to vote, he may arrange for the votes cast to be recounted. If the chairman of the meeting has not counted the votes, any shareholder or proxy present at the meeting who objects to the result announced by the chairman of the meeting may require that the votes be recounted immediately after the announcement of the voting result, in which case the chairman of the meeting shall immediately arrange for the votes to be recounted.</p> <p>If votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.</p> <p>The minutes, shareholders' attendance records and proxy forms shall be kept at the domicile of the Company.</p> <p>Copies of the minutes of any shareholders' general meeting shall, during business hours of the Company, be open for inspection by shareholders without charge. If a shareholder requests for a copy of the minutes from the Company, the Company shall send the copy of the minutes to him/her within 7 days upon receipt of reasonable fees.</p> <p>The resolution of the shareholders' general meeting shall be announced promptly. The announcement shall set out the number of shareholders and proxies attending the meeting, the total number of voting shares held by them, the percentage of such voting shares in relation to all the voting shares of the Company, the total number of shares represented by them who are required to abstain from voting in favour of any particular resolution as required by the securities regulatory authorities in the place where the shares of the Company are listed and/or the total number of shares represented by them who are required to abstain from voting (if any), the voting method, the voting result of each proposal, the detailed content of each of the resolutions passed and the identity of the scrutineer.</p> <p>If a proposal is not passed, or if the resolution passed by the preceding shareholders' general meeting is changed by the current shareholders' general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.</p>	<p>Article <b>129</b> Shareholders present at the shareholders' general meeting shall cast their votes in favor of or against or abstain from voting any proposals submitted for voting.</p> <p><b><u>The securities registration and clearing institution shall be the nominee holder of shares under the interconnection mechanism for transaction in the mainland and Hong Kong stock markets, except where declaration is made in accordance with the actual holders' intention.</u></b></p> <p>In respect of vote forms that are uncompleted, wrongly completed, completed with illegible writing or not cast, the voter shall be deemed to abstain from voting. The voting result in respect of shares held by such voter shall be deemed as an "abstention".</p> <p>Article <b>130</b> If the chairman of the meeting has any doubt as to the voting result of any resolution put to vote, he may arrange for the votes cast to be recounted. If the chairman of the meeting has not counted the votes, any shareholder or proxy present at the meeting who objects to the result announced by the chairman of the meeting may require that the votes be recounted immediately after the announcement of the voting result, in which case the chairman of the meeting shall immediately arrange for the votes to be recounted.</p> <p>If votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.</p> <p>The minutes, shareholders' attendance records and proxy forms shall be kept at the domicile of the Company.</p> <p>Copies of the minutes of any shareholders' general meeting shall, during business hours of the Company, be open for inspection by shareholders without charge. If a shareholder requests for a copy of the minutes, the Company shall send the copy of the minutes to him/her within 7 days upon receipt of reasonable fees.</p> <p>Article <b>131</b> The resolution of the shareholders' general meeting shall be announced promptly. The announcement shall set out the number of shareholders and proxies attending the meeting, the total number of voting shares held by them, the percentage of such voting shares in relation to all the voting shares of the Company, the total number of shares represented by them who are required to abstain from voting in favour of any particular resolution as required by the securities regulatory authorities in the place where the shares of the Company are listed and/or the total number of shares represented by them who are required to abstain from voting (if any), the voting method, the voting result of each proposal, the detailed content of each of the resolutions passed and the identity of the scrutineer.</p> <p>If a proposal is not passed, or if the resolution passed by the preceding shareholders' general meeting is changed by the current shareholders' general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p style="text-align: center;"><b>Section 7 Special Procedures for Voting by Class Shareholders</b></p>	<p style="text-align: center;"><b>Section 7 Special Procedures for Voting by Class Shareholders</b></p>
<p>Article <b>135</b> Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b>45 days before the date of the class meeting</b>. Such notice shall include the matters to be considered, the place, date and time of the class meeting. <b><u>A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting. When the Company calculates the commencement of the above period, the date of the meeting shall be excluded. In the event that the number of shares (carrying voting rights at the meeting) represented by shareholders who intend to attend the meeting represents one-half or more of the total number of shares of that class which have the right to vote at such meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then hold the class meeting after such announcement has been made.</u></b></p> <p><b><u>If there are any special requirements under the listing rules of the place where the shares of the Company are listed, such requirements shall apply.</u></b></p>	<p>Article <b>139</b> <b><u>The period of issuing a written notice of a class meeting shall be the same as the period of issuing a written notice of the non-class meeting to be convened together with such class meeting. The written notice</u></b> shall be given to all shareholders who are registered as holders of that class in the register of shareholders. Such notice shall include the matters to be considered, the place, date and time of the class meeting.</p>
<p>Article <b>137</b> The special procedures for voting by class shareholders shall not apply in the following circumstances:</p> <p>(1) where the Company issues, upon approval by special resolution of its shareholder in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas listed foreign shares;</p> <p>(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is carried out within 15 months from the date of <b>approval of the CSRC</b>; and</p> <p>(3) where the Company converts, upon <b>approval by the securities regulator under the State Council</b>, its unlisted shares into foreign shares, and such shares are listed and traded in an overseas stock exchange.</p>	<p>Article <b>141</b> The special procedures for voting by class shareholders shall not apply in the following circumstances:</p> <p>(1) where the Company issues, upon approval by special resolution of its shareholder in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas listed foreign shares;</p> <p>(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is carried out within 15 months from the date of <b>registration with the securities regulatory authorities or the fulfillment of the relevant procedures</b>; and</p> <p>(3) where the Company converts, upon <b>registration with the securities regulatory authorities or fulfillment of the relevant procedures</b>, its unlisted shares into foreign shares, and such shares are listed and traded in an overseas stock exchange.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p style="text-align: center;"><b>Chapter 6 Directors and the Board of Directors</b> <b>Section 1 Directors</b></p>	<p style="text-align: center;"><b>Chapter 6 Directors and the Board of Directors</b> <b>Section 1 Directors</b></p>
<p>Article <b>138</b> <u>Directors of the Company shall have their qualifications recognized by the CSRC before assuming office. The Company shall not appoint any personnel who has not obtained the qualification of director nor violate the provision by authorizing unqualified personnel to actually perform duties as director.</u></p> <p>The General Manager (President) or other senior management may concurrently serve as a director (other than independent directors), provided that the aggregate number of internal directors who concurrently hold other positions in the Company shall not be more than one-half of all directors of the Company.</p>	<p>Article <b>142</b> <u>The appointment and removal of any director by the Company shall be reported to the securities regulatory authorities for filing.</u></p> <p>The General Manager (President) or other senior management may concurrently serve as a director (other than independent directors), provided that the aggregate number of internal directors who concurrently hold other positions in the Company shall not be more than one-half of all directors of the Company.</p>
<p>Article <b>139</b> The directors of the Company shall:</p> <p>(1) be faithful and honest;</p> <p>(2) be familiar with securities laws and regulations, and have the necessary operation and management capacity to perform their duties;</p> <p>(3) have sufficient years of experience in the fields of securities, finance, economics, laws and accounting as required by the <u>CSRC</u>;</p> <p>(4) have the academic qualification required by the <u>CSRC</u>;</p> <p>(5) fulfill other conditions required by laws, regulations and these Articles.</p> <p><u>At least one independent director of the Company shall be an accounting professional (accounting professionals refer to those who hold senior titles or qualifications as a certified public accountant) who possesses five years or more of accounting experience. Independent directors shall carry out their duties honestly and faithfully, safeguard the Company's interest and in particular prevent encroachment of the legitimate rights and interests of public shareholders. Independent directors shall ensure the sufficient representation of the interests of all shareholders.</u></p>	<p>Article <b>143</b> The directors of the Company shall:</p> <p>(1) be faithful and honest;</p> <p>(2) be familiar with securities laws and regulations, and have the necessary operation and management capacity to perform their duties;</p> <p>(3) have sufficient years of experience in the fields of securities, finance, economics, laws and accounting as required by the <u>relevant regulatory authorities</u>;</p> <p>(4) have the academic qualification required by the <u>relevant regulatory authorities</u>;</p> <p>(5) fulfill other conditions required by laws, regulations and these Articles.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>140</b> Non-employee representative directors shall be elected or replaced by shareholders' general meetings. Employee representative directors shall be elected or replaced by the Company's employees through the employee representatives meeting, employees meeting or by other democratic means. The term of office of a director shall be three years and is eligible for re-election upon the expiration of the term. <b><u>A director shall not be removed without reason from his/her office by shareholders' general meeting or employee representatives meeting (including employees meeting or otherwise) before the expiration of his/her term.</u></b> If a director is removed by shareholders' general meeting or employee representatives meeting (including employees meeting or otherwise) of the Company, relevant explanation shall be provided. The director being removed shall be entitled to make representations at the shareholders' general meeting or the employee representatives meeting (including employees meeting or otherwise), or to the <b>CSRC or its local offices</b>. Subject to compliance with the relevant laws and regulations, the shareholders' general meeting may by ordinary resolution remove any director before the expiry of his/her term of office <b><u>(but without prejudice to the</u></b> director's right to make claims based on any contract).</p> <p>Written notice of intention to nominate a candidate for the post of director and the candidate's agreement to be nominated as director shall be given to the Company seven days prior to the convening of the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and no later than seven days prior to the shareholders' general meeting). The period given by the Company for nomination and acceptance of the nomination shall be no less than seven days.</p> <p>The employees' representatives in the board of directors shall be elected by the Company's employees through employee representatives meeting, employees meeting or otherwise by democratic election and shall assume office directly.</p> <p>The directors shall not be required to hold shares of the Company.</p>	<p>Article <b>144</b> Non-employee representative directors shall be elected or replaced by shareholders' general meetings. Employee representative directors shall be elected or replaced by the Company's employees through the employee representatives meeting, employees meeting or by other democratic means, <b><u>and may be removed by shareholders' general meetings or employee representatives meeting (including employees meeting or otherwise) before the expiration of their term.</u></b> The term of office of a director shall be three years and is eligible for re-election upon the expiration of the term.</p> <p>If a director is removed by shareholders' general meeting or employee representatives meeting (including employees meeting or otherwise) of the Company, relevant explanation shall be provided. The director being removed shall be entitled to make representations at the shareholders' general meeting or the employee representatives meeting (including employees meeting or otherwise), or to the <b><u>relevant regulatory authorities.</u></b></p> <p>Subject to compliance with the relevant laws and regulations, the shareholders' general meeting may by ordinary resolution remove any director before the expiry of his/her term of office, <b><u>The removal of a director shall not prejudice such</u></b> director's right to make claims based on any contract.</p> <p>Written notice of intention to nominate a candidate for the post of director and the candidate's agreement to be nominated as director shall be given to the Company seven days prior to the convening of the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and no later than seven days prior to the shareholders' general meeting). The period given by the Company for nomination and acceptance of the nomination shall be no less than seven days.</p> <p>The employees' representatives in the board of directors shall be elected by the Company's employees through employee representatives meeting, employees meeting or otherwise by democratic election and shall assume office directly.</p> <p>The directors shall not be required to hold shares of the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>143</b> Where no re-election is made upon expiry of the term of a director or the resignation of a director results in the number of members of the board of directors falling below the minimum number required by these Articles, the retiring director shall, before a new director is elected and assumes office, continue to perform his/her duties as a director in accordance with laws, regulations and these Articles.</p> <p>A director may resign before the expiry of his/her tenure. The resigning director shall submit to the board of directors a written resignation. The board of directors shall disclose the relevant information within two days.</p> <p>Except for the circumstance specified in this article that the resignation of a director results in the number of members of the board of directors falling below the statutory number, the resignation of a director shall be effective when the written resignation is delivered to the board of directors.</p> <p>Subject to the relevant laws, regulations and the regulatory rules of the jurisdiction in which the Company is listed, if <u>the board of directors appoints</u> a new director to fill a vacancy or as an additional director, the tenure of the <u>appointed</u> director shall expire at the <u>next</u> shareholders' general meeting <u>of the Company</u>. Upon expiry of tenure, the director shall be eligible for re-election.</p>	<p>Article <b>147</b> Where no re-election is made upon expiry of the term of a director or the resignation of a director results in the number of members of the board of directors falling below the minimum number required by these Articles, the retiring director shall, before a new director is elected and assumes office, continue to perform his/her duties as a director in accordance with laws, regulations and these Articles.</p> <p>A director may resign before the expiry of his/her tenure. The resigning director shall submit to the board of directors a written resignation. The board of directors shall disclose the relevant information within two days.</p> <p>Except for the circumstance specified in this article that the resignation of a director results in the number of members of the board of directors falling below the statutory number, the resignation of a director shall be effective when the written resignation is delivered to the board of directors.</p> <p>Subject to the relevant laws, regulations and the regulatory rules of the jurisdiction in which the Company is listed, if a new director <u>is elected at the shareholders' general meeting</u> to fill a vacancy or as an additional director, the tenure of the <u>elected</u> director shall expire at the <u>date on which the resolution concerning the election of a new session of the board of directors is passed at the shareholders' general meeting</u>. Upon expiry of tenure, the director shall be eligible for reelection.</p>
Section 2 Independent Directors	Section 2 Independent Directors
<p>Article <b>152</b> The board of directors of the Company shall have independent directors. No less than one-third of all members of the board of directors shall be independent directors.</p> <p>The board of directors, the supervisory committee or shareholders individually or jointly holding 1% or more of the issued shares of the Company may nominate the candidates for independent directors for election by the shareholders' general meeting.</p>	<p>Article <b>156</b> The board of directors of the Company shall have independent directors. No less than one-third of all members of the board of directors shall be independent directors. <u>At least one independent director of the Company shall be an accounting professional (accounting professionals refer to those who hold senior titles or qualifications as a certified public accountant) who possesses five years or more of accounting experience. Independent directors shall carry out their duties honestly and faithfully, safeguard the Company's interest and in particular prevent encroachment of the legitimate rights and interests of public shareholders. Independent directors shall ensure the sufficient representation of the interests of all shareholders.</u></p> <p>The board of directors, the supervisory committee or shareholders individually or jointly holding 1% or more of the issued shares of the Company may nominate the candidates for independent directors for election by the shareholders' general meeting.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>153</b> Subject to the qualification requirement for directors in these Articles, an independent director shall have the following qualifications:</p> <p>(1) he/she shall have five years or more of experience in the areas of securities, finance, law or accounting;</p> <p>(2) he/she shall have the basic knowledge of the operation of a financial institution and be well-acquainted with the relevant laws, rules and regulations, and shall have good reputation;</p> <p>(3) he/she shall have the necessary time and effort to perform his/her duties as an independent director;</p> <p>(4) he/she shall be at least a university graduate and possess at least a bachelor's degree; and</p> <p>(5) he/she shall have the independence required by the <b>CSRC</b>.</p>	<p>Article <b>157</b> Subject to the qualification requirement for directors in these Articles, an independent director shall have the following qualifications:</p> <p>(1) he/she shall have five years or more of experience in the areas of securities, finance, law or accounting;</p> <p>(2) he/she shall have the basic knowledge of the operation of a <b>listed</b> financial institution and be well-acquainted with the relevant laws, rules and regulations, and shall have good reputation;</p> <p>(3) he/she shall have the necessary time and effort to perform his/her duties as an independent director;</p> <p>(4) he/she shall be at least a university graduate and possess at least a bachelor's degree; and</p> <p>(5) he/she shall have the independence required by the <b>securities regulatory authorities and the securities regulatory rules of the place where the shares of the Company are listed</b>.</p>
<p>Article <b>154</b> The following persons shall not act as independent directors:</p> <p>(1) persons who are specified in Article <b>131</b> of the Securities Law;</p> <p>(2) persons who are employed by the Company or its subsidiaries and their lineal relatives and affiliates with close social relationship (lineal relatives refer to, among others, spouses, parents and children, while affiliates with close social relationship refer to, among others, brothers and sisters, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law);</p> <p>(3) persons who are employed by corporate shareholder(s) directly or indirectly holding 5% or more of the Company's shares or other companies which have business or interest relationship with the Company or the top five corporate shareholders of the Company and their lineal relatives and affiliates with close social relationship;</p> <p>(4) natural person shareholders who directly or indirectly hold 1% or more of the Company's shares and the top 10 natural person shareholders of the Company and their lineal relatives;</p> <p>(5) persons who provide financial, legal or consultation services to the Company or any of its subsidiaries and their lineal relatives;</p> <p>(6) persons who had been the persons under items (2) to (5) in the past one year;</p> <p>(7) persons who are employed by other securities companies in a capacity other than independent directors;</p> <p>(8) other persons specified by laws, regulations, the listing rules of the place where the Company's shares are listed and these Articles; and</p> <p>(9) other persons considered unfit by the <b>securities regulators</b> in the place where the Company's shares are listed or by the shareholders' general meeting of the Company.</p>	<p>Article <b>158</b> The following persons shall not act as independent directors:</p> <p>(1) persons who are specified in Article <b>124</b> of the Securities Law;</p> <p>(2) persons who are employed by the Company or its subsidiaries and their lineal relatives and affiliates with close social relationship (lineal relatives refer to, among others, spouses, parents and children, while affiliates with close social relationship refer to, among others, brothers and sisters, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law);</p> <p>(3) persons who are employed by corporate shareholder(s) directly or indirectly holding 5% or more of the Company's shares or other companies which have business or interest relationship with the Company or the top five corporate shareholders of the Company and their lineal relatives and affiliates with close social relationship;</p> <p>(4) natural person shareholders who directly or indirectly hold 1% or more of the Company's shares and the top 10 natural person shareholders of the Company and their lineal relatives;</p> <p>(5) persons who provide financial, legal or consultation services to the Company or any of its subsidiaries and their lineal relatives;</p> <p>(6) persons who had been the persons under items (2) to (5) in the past one year;</p> <p>(7) persons who are employed by other securities companies in a capacity other than independent directors;</p> <p>(8) other persons specified by laws, regulations, the listing rules of the place where the Company's shares are listed and these Articles; and</p> <p>(9) other persons considered unfit by the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the Company's shares are listed or by the shareholders' general meeting of the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>155</b> The tenure of the independent directors is the same as those of other directors of the Company but shall not serve for more than six years. <b><u>The Company shall file the relevant information of the independent directors with the securities regulatory departments.</u></b></p>	<p>Article <b>159</b> The tenure of the independent directors is the same as those of other directors of the Company. <b><u>Independent directors are eligible for re-election after the expiration of their tenure,</u></b> but shall not serve for more than six years.</p>
<p>Article <b>157</b> Where an independent director resigns or is dismissed or removed during his tenure, the independent director himself/herself and the Company shall report the same to the <b><u>local office of the CSRC</u></b> in the place where the Company is domiciled and the shareholders' general meeting, respectively, and provide them with a written explanation.</p>	<p>Article <b>161</b> Where an independent director resigns or is dismissed or removed during his tenure, the independent director himself/herself and the Company shall report the same to the <b><u>securities regulatory authorities</u></b> in the place where the Company is domiciled and the shareholders' general meeting, respectively, and provide them with a written explanation.</p>
<p>Article <b>158</b> In addition to the functions and powers conferred by the Company Law and other relevant laws and regulations, the independent directors shall have the following special functions and powers:</p> <p>(1) to give independent opinions on major connected transactions of the Company; to approve major connected transactions before submission to the board of directors for discussion; to retain an intermediary to prepare an independent financial advisor's report as the basis of their judgment before any judgment is made;</p> <p>(2) to propose the appointment or dismissal of accounting firms to the board of directors;</p> <p>(3) to propose the convening of extraordinary shareholders' general meetings to the board of directors;</p> <p>(4) to propose the convening of board meetings;</p> <p>(5) to engage external auditing firms or consultancy firms independently;</p> <p>(6) to publicly solicit proxies from shareholders before the convening of shareholders' general meetings; and</p> <p>(7) to perform other functions and powers stipulated by laws, regulations, the listing rules of the place where the Company's shares are listed and these Articles.</p> <p>The consent of one-half or more of all independent directors shall be obtained for the exercise of any of the above special functions and powers by an independent director.</p> <p>Where the above proposals are not accepted or the above functions and powers cannot be duly exercised, the Company shall disclose the relevant situations accordingly.</p> <p>Independent directors shall perform the duties of directors independently in accordance with laws, administrative regulations and the requirements of the <b><u>CSRC</u></b>, and submit their work report at an annual general meeting.</p> <p>Any independent director who fails to perform his duties shall undertake the corresponding responsibilities.</p>	<p>Article <b>162</b> In addition to the functions and powers conferred by the Company Law and other relevant laws and regulations, the independent directors shall have the following special functions and powers:</p> <p>(1) to give independent opinions on major connected transactions of the Company; to approve major connected transactions before submission to the board of directors for discussion; to retain an intermediary to prepare an independent financial advisor's report as the basis of their judgment before any judgment is made;</p> <p>(2) to propose the appointment or dismissal of accounting firms to the board of directors;</p> <p>(3) to propose the convening of extraordinary shareholders' general meetings to the board of directors;</p> <p>(4) to propose the convening of board meetings;</p> <p>(5) to engage external auditing firms or consultancy firms independently;</p> <p>(6) to publicly solicit proxies from shareholders before the convening of shareholders' general meetings; and</p> <p>(7) to perform other functions and powers stipulated by laws, regulations, the listing rules of the place where the Company's shares are listed and these Articles.</p> <p>The consent of one-half or more of all independent directors shall be obtained for the exercise of any of the above special functions and powers by an independent director.</p> <p>Where the above proposals are not accepted or the above functions and powers cannot be duly exercised, the Company shall disclose the relevant situations accordingly.</p> <p>Independent directors shall perform the duties of directors independently in accordance with laws, administrative regulations and the requirements of the <b><u>securities regulatory authorities and the stock exchange(s)</u></b>, and submit their work report at an annual general meeting of shareholders.</p> <p>Any independent director who fails to perform his duties shall undertake the corresponding responsibilities.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section 3 The Board of Directors	Section 3 The Board of Directors
<p>Article <b>162</b> The board of directors shall perform the following functions and powers:</p> <p>(1) to convene shareholders' general meetings and to report on its work to shareholders' general meetings;</p> <p>(2) to implement the resolutions passed at shareholders' general meetings;</p> <p>(3) to determine the business operation plans and investment plans of the Company;</p> <p>(4) to formulate the annual preliminary and final financial budgets of the Company;</p> <p>(5) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(6) to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;</p> <p>(7) to formulate plans for any substantial acquisition by the Company, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company;</p> <p>(8) to decide on matters relating to the Company's external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions within the scope of authorization given by shareholders' general meetings;</p> <p>(9) to formulate the <b><u>implementation plan for a long-term incentive mechanism for the Company's directors, supervisors, senior management and employees;</u></b></p> <p>(10) to decide on the establishment of the Company's internal management structure;</p> <p>(11) to appoint or dismiss the General Manager (President), the secretary to the board of directors and the chief compliance officer of the Company and, based on the nomination of the General Manager (President), to appoint or dismiss deputy general managers (vice presidents), the chief financial officer and <b><u>other</u></b> senior management <b><u>and</u></b> to determine their remunerations, awards and punishments;</p> <p>(12) to formulate the basic management system of the Company;</p> <p>(13) to formulate proposals for any amendments to the Articles of Association;</p> <p>(14) to manage the disclosure of information of the Company;</p> <p>(15) to propose to shareholders' general meetings the appointment or replacement of the accounting firm that conducts an audit for the Company;</p>	<p>Article <b>166</b> The board of directors shall perform the following functions and powers:</p> <p>(1) to convene shareholders' general meetings and to report on its work to shareholders' general meetings;</p> <p>(2) to implement the resolutions passed at shareholders' general meetings;</p> <p>(3) to determine the business operation plans and investment plans of the Company;</p> <p>(4) to formulate the annual preliminary and final financial budgets of the Company;</p> <p>(5) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(6) to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;</p> <p>(7) to formulate plans for any substantial acquisition by the Company, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company;</p> <p>(8) to decide on matters relating to the Company's external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions within the scope of authorization given by shareholders' general meetings;</p> <p>(9) to formulate <b><u>an equity-based incentive scheme of the Company;</u></b></p> <p>(10) to decide on the establishment of the Company's internal management structure;</p> <p>(11) <b><u>based on the nomination of the chairman</u></b>, to appoint or dismiss the General Manager (President), the secretary to the board of directors and the chief compliance officer of the Company; based on the nomination of <b><u>the chairman or</u></b> General Manager (President), to appoint or dismiss <b><u>members of the Executive Committee</u></b>, deputy general managers (vice presidents), the chief financial officer and senior management; to determine their remunerations, awards and punishments;</p> <p>(12) to formulate the basic management system of the Company;</p> <p>(13) to formulate proposals for any amendments to the Articles of Association;</p> <p>(14) to manage the disclosure of information of the Company;</p> <p>(15) to propose to shareholders' general meetings the appointment or replacement of the accounting firm that conducts an audit for the Company;</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>(16) to report at an annual general meeting and to disclose in an annual report the duty performance of directors, including the number of board meetings attended by them and their voting thereat during the reporting period;</p> <p>(17) to hear the work report of the Company's General Manager (President) and to inspect the work of the Company's General Manager (President);</p> <p>(18) to monitor, review and evaluate the establishment and implementation of the Company's internal control system;</p> <p>(19) to review and approve the basic systems of the Company on risk management and compliance management, as well as the risk evaluation reports and compliance reports of the Company, to hear the report of the chief compliance officer, and to monitor the implementation of risk management and compliance policies;</p> <p>(20) to prepare the proposal on the amount and payment method of the emoluments of directors and to submit it to the shareholders' general meeting for decision; and</p> <p>(21) any other functions and powers conferred by laws and regulations or these Articles.</p> <p>The board resolutions regarding the above items (4), (5), (6), (7), (8), (11), (13) and (15) shall be passed by two-thirds or more of the directors.</p>	<p>(16) to report at an annual general meeting and to disclose in an annual report the duty performance of directors, including the number of board meetings attended by them and their voting thereat during the reporting period;</p> <p><b><u>(17) to hear the work report of the executive committee and to inspect the work of the executive committee;</u></b></p> <p>(18) to hear the work report of the Company's General Manager (President) and to inspect the work of the Company's General Manager (President);</p> <p><b><u>(19) to perform duties related to compliance management, risk management and internal control, to monitor, review and evaluate the establishment and implementation of the Company's internal control system, and to undertake responsibilities for the effectiveness of the risk management and internal control systems, as well as compliance management of the Company;</u></b></p> <p>(20) to review and approve the basic systems of the Company on risk management and compliance management, as well as the risk evaluation reports and compliance reports of the Company, to hear the report of the chief compliance officer, and to monitor the implementation of risk management and compliance policies;</p> <p>(21) to prepare the proposal on the amount and distribution method of the emoluments of directors and to submit it the shareholders' general meeting for decision; and</p> <p>(22) any other functions and powers conferred by laws and regulations or these Articles.</p> <p>The board resolutions regarding the above items (4), (5), (6), (7), (8), (11), (13) and (15) shall be passed by two-thirds or more of the directors.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>167</b> The board of directors shall determine the scope of authority for external investment, acquisition and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions, and establish strict procedures for examination and decision-making. For major investment projects, the board of directors shall arrange for relevant experts and professionals to carry out assessments and submit reports to the shareholders' general meeting for approval.</p> <p>According to laws and regulations, as well as the relevant requirements of the <b>CSRC</b>, the Company may establish subsidiaries for external investments to engage in (including but not limited to) private investment fund business and alternative investment business.</p> <p>Subject to compliance with laws and regulations and the requirements of the listing rules of the place where the Company is listed, the board of directors of the Company shall have the right to make decision on the following matters:</p> <p>(1) the disposal of assets not required to be approved by shareholders' general meeting in accordance with Article <b>66</b> of these Articles;</p> <p>(2) the provision of guarantee not required to be approved by shareholders' general meeting in accordance with Article <b>67</b> of these Articles;</p> <p>(3) the approval of any external investment, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months does not exceed 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first;</p> <p>(4) the connected transactions to be resolved by the board of directors according to the disclosure requirements under the listing rules of the place where the Company is listed.</p> <p><b><u>The board of directors shall perform duties in relation to compliance management, risk management and internal control pursuant to laws and regulations and these Articles, and shall undertake the ultimate responsibilities for the effectiveness of the risk management and internal control systems of the Company, as well as the responsibilities for the effectiveness of its compliance management.</u></b></p>	<p>Article <b>170</b> The board of directors shall determine the scope of authority for external investment, acquisition and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions, and establish strict procedures for examination and decision-making. For major investment projects, the board of directors shall arrange for relevant experts and professionals to carry out assessments and submit reports to the shareholders' general meeting for approval.</p> <p>According to laws and regulations as well as the relevant requirements of the <b>relevant regulatory authorities</b>, the Company may establish subsidiaries for external investments to engage in (including but not limited to) private investment fund business and alternative investment business.</p> <p>Subject to compliance with laws and regulations and the requirements of the listing rules of the place where the Company is listed, the board of directors of the Company shall have the right to make decision on the following matters:</p> <p>(1) the disposal of assets not required to be approved by shareholders' general meeting in accordance with Article <b>68</b> of these Articles;</p> <p>(2) the provision of guarantee not required to be approved by shareholders' general meeting in accordance with Article <b>69</b> of these Articles;</p> <p>(3) the approval of any external investment, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months does not exceed 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first;</p> <p>(4) the connected transactions to be resolved by the board of directors according to the disclosure requirements under the listing rules of the place where the Company is listed.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>169</b> The chairman and the vice chairman shall be elected and removed by more than half of all members of the board of directors. The chairman and vice chairman may be re-elected upon expiry of their terms of office.</p> <p>In addition to the basic qualifications of directors, the chairman shall also have the following qualifications:</p> <p>(1) he/she shall have three years or more of experience in securities, or five years or more of experience in areas of financial, legal or accounting activities, or 10 years or more of experience in economic activities;</p> <p>(2) he/she shall be at least a university graduate or possess at least a bachelor's degree; and</p> <p>(3) he/she shall have passed the qualification test recognised by the <b>CSRC</b>.</p>	<p>Article <b>172</b> The chairman and the vice chairman shall be elected and removed by more than half of all members of the board of directors. The chairman and vice chairman may be re-elected upon expiry of their terms of office.</p> <p>In addition to the basic qualifications of directors, the chairman shall have the following qualifications:</p> <p>(1) he/she shall have three years or more of experience in securities, or five years or more of experience in areas of financial, legal or accounting activities, or 10 years or more of experience in economic activities;</p> <p>(2) he/she shall be at least a university graduate or possess at least a bachelor's degree; and</p> <p>(3) he/she shall have passed the qualification test recognised by the <b>relevant regulatory authorities</b>.</p>
<p>Article <b>172</b> Board meetings shall be held at least four times a year at approximately quarterly intervals. A fourteen <b>business days</b>' written notice of meeting shall be given to all directors and supervisors.</p>	<p>Article <b>175</b> Board meetings shall be held at least four times a year at approximately quarterly intervals. A fourteen <b>days</b>' written notice of meeting shall be given to all directors and supervisors.</p>
<p>Article <b>173</b> The chairman of the board of directors shall convene an extraordinary board meeting within 10 <b>business days</b> in one of the following circumstances:</p> <p>(1) considered necessary by the chairman;</p> <p>(2) jointly proposed by one-third or more of the directors;</p> <p>(3) proposed by the supervisory committee;</p> <p>(4) proposed by shareholders holding one-tenth or more of the voting rights;</p> <p>(5) proposed by one-half or more of the independent directors;</p> <p>(6) proposed by the General Manager (President);</p> <p>(7) proposed by special committees; and</p> <p>(8) the circumstances specified by laws, regulations and the listing rules of the place where the Company is listed or convened at the request by the securities regulatory <b>departments</b>.</p>	<p>Article <b>176</b> The chairman of the board of directors shall convene an extraordinary board meeting within 10 <b>days</b> in one of the following circumstances:</p> <p>(1) considered necessary by the chairman;</p> <p>(2) jointly proposed by one-third or more of the directors;</p> <p>(3) proposed by the supervisory committee;</p> <p>(4) proposed by shareholders holding one-tenth or more of the voting rights;</p> <p>(5) proposed by one-half or more of the independent directors;</p> <p>(6) <b>proposed by the executive committee;</b></p> <p>(7) proposed by the General Manager (President);</p> <p>(8) proposed by special committees <b>under the board of directors;</b> and</p> <p>(9) the circumstances specified by laws, regulations and the listing rules of the place where the Company is listed or convened at the request by the securities regulatory <b>authorities</b>.</p>
<p>Article <b>174</b> <b>A notice of extraordinary board meeting shall be given to all directors, supervisors and the General Manager (President) in writing two business days before the meeting.</b> In case of emergency where an extraordinary board meeting is required to be convened as soon as possible, the board of directors may at any time give notice of extraordinary board meeting by telephone, facsimile or email, and the convener shall give explanation on the meeting. Any major matters that shall be decided by the shareholders' general meeting shall generally not be submitted to the extraordinary board meeting for consideration.</p>	<p>Article <b>177</b> <b>Any extraordinary board meeting convened by the board of directors shall generally be notified in writing five days before the meeting.</b> In case of emergency where an extraordinary board meeting is required to be convened as soon as possible, the board of directors may at any time give notice of extraordinary board meeting by telephone, facsimile or email, and the convener shall give explanation on the meeting. Any material matters that shall be decided by the shareholders' general meeting shall generally not submit to the extraordinary board meeting for consideration.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>176</b> A meeting of the board shall be held only when over half of the directors attend the meeting. Unless otherwise provided by these Articles, resolutions of the board shall be passed by more than half of all directors.</p> <p>Any resolution made by the board of directors on the provision of guarantee within its scope of authority shall be approved by two-thirds or more of the directors attending the meeting, in addition to the approval of more than half of all directors of the Company.</p> <p>A director shall have one vote when voting on the resolution of the board.</p>	<p>Article <b>179</b> A meeting of the board shall be held only when over half of the directors attend the meeting. Unless otherwise provided by these Articles, resolutions of the board shall be passed by more than half of all directors.</p> <p>Any resolution made by the board of directors on the provision of <u>external</u> guarantee within its scope of authority shall be approved by two-thirds or more of the directors attending the meeting, in addition to the approval of more than half of all directors of the Company.</p> <p>A director shall have one vote when voting on the resolution of the board.</p>
<p>Article <b>178</b> Board meetings shall be convened physically in principle. Where necessary, as long as the directors can express their opinions, an extraordinary board meeting may be convened through video conference, phone conference and fax <u>upon the approval from the convener (chairman of the meeting) and proposer</u>. On-site meeting together with other means of method can be used to convene such meeting.</p> <p><u>For non on-site meeting, the number of directors attending the meeting shall be calculated based on the following: directors showing up in video conference, directors expressing their opinions in phone conference, fax received within the specified period with effective votes, or the confirmation letters submitted by directors after the meeting confirming their attendance at such meeting.</u></p> <p>For board meeting held in form of video conference and phone conference, it shall ensure that the attending directors can receive opinions of other directors clearly and shall guarantee normal communication among them.</p> <p>Voting on board resolutions shall be made by poll <u>or</u> show of hands <u>or</u> fax. Each director has one vote. <u>For on-site meeting, voting shall be made by poll or show of hands. For board meeting by way of video conference or phone conference, voting shall be made by poll and the directors attending the meeting shall submit the original copy of signed vote to the board of directors within the valid period of the notice of meeting. For board meeting by way of fax communication, voting shall be made by fax and directors participating in voting afterward shall also submit the original copy of signed vote to the board of directors within the period of the notice of the meeting.</u></p>	<p>Article <b>181</b> Board meetings shall be convened physically in principal. Where necessary, as long as the directors can express their opinions, an extraordinary board meeting may be convened through video conference, phone conference and fax <u>or other communication equipment</u>. On-site meeting together with other means of method can be used to convene such meeting.</p> <p>For board meeting held in form of video conference and phone conference, it shall ensure that the attending directors can receive opinions of other directors clearly and shall guarantee normal communication. Voting in board meeting shall be made by poll, show of hands, fax <u>or other voting methods as approved by the securities regulatory authorities</u>. Each director has one vote. <u>For board meeting convened through video conference, phone conference and fax or other communication equipment and any resolution made in the board meetings, the voting directors shall sign on written documents.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>180</b> The board shall keep minutes of the matters discussed at meetings. The attending directors, the secretary to the board and the recorder of the meeting shall sign on the minutes of the meeting and take the responsibility for the resolutions passed by the board of directors. Where a resolution of the board violates laws, regulations, the resolution of the shareholders' general meetings or these Articles and causes losses to the Company, the directors who take part in the resolution shall be liable to make compensations to the Company. However, if it is proved that a director has expressed his opposition to such resolution when it was put to vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.</p> <p>Where a resolution of the board violates laws, administrative regulations and the requirements of the <b>CSRC</b>, the supervisory committee shall request the board of directors to make rectifications and the <b>management</b> shall refuse to implement the resolution.</p> <p>The minutes of board meeting shall be kept by the secretary of the board as records of the Company. The minutes of board meeting <b>shall be filed by the Company after one year and</b> shall be kept for 20 years.</p>	<p>Article <b>183</b> The board shall keep minutes of the matters discussed at meetings. The attending directors, the secretary to the board and the recorder of the meeting shall sign on the minutes of the meeting and take the responsibility for the resolutions passed by the board of directors. Where a resolution of the board violates laws, regulations, the resolution of the shareholders' general meetings or these Articles and causes losses to the Company, the directors who take part in the resolution shall be liable to compensations to the Company. However, if it is proved that a director has expressed his opposition to such resolution when it was put to vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.</p> <p>Where a resolution of the board violates laws, administrative regulations and the requirements of the <b>securities regulatory authorities</b>, the supervisory committee shall request the board of directors to make rectifications and the <b>business management</b> shall refuse to implement the resolution.</p> <p>The minutes of board meeting shall be kept by the secretary of the board as records of the Company. The minutes of board meeting shall be kept for 20 years.</p>
<p>Article <b>181</b> The minutes of board meeting shall include the following:</p> <ol style="list-style-type: none"> <li>(1) the <b>session</b>, date, place <b>and form</b> of the meeting;</li> <li><b>(2) the issue of the notice of the meeting;</b></li> <li><b>(3) the convener and chairman of the meeting;</b></li> <li><b>(4) the attendance of the directors in person or by proxy;</b></li> <li><b>(5) the explanation on the procedures and convening of the meeting;</b></li> <li><b>(6) the proposals considered at the meeting, the key points of the speeches and main opinions of each director (including objections and doubts raised by the directors) in respect of relevant matters, and his/her vote intention of the proposals;</b></li> <li><b>(7) the voting methods and results of each proposal (including the numbers of affirmative votes, dissenting votes and abstention votes);</b></li> <li>(8) other matters determined by the attending directors to be recorded in the minutes.</li> </ol>	<p>Article <b>184</b> The minutes of board meeting shall include the following:</p> <ol style="list-style-type: none"> <li>(1) the date <b>and</b> place of the meeting <b>and the name of the convener;</b></li> <li><b>(2) the names of the directors attending the meeting and the names of the directors (proxies) appointed by other directors to attend the meeting;</b></li> <li><b>(3) the agenda of the meeting;</b></li> <li><b>(4) the main points of the speeches of the directors;</b></li> <li><b>(5) the voting methods and results of each matters for resolution (the voting results shall state the number of numbers of affirmative votes, dissenting votes and abstention votes);</b></li> <li>(6) other matters determined by the attending directors to be recorded in the minutes.</li> </ol>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
–	<b>Section 4 Special committees under the board of directors</b>
<p>Article <b>165</b> The board of directors shall have a strategy and development committee, a compliance and risk management committee, a nomination and remuneration committee and an audit committee. <u>All special committees are composed of directors, and are accountable to the board of directors and shall submit their respective work reports to the board.</u> The members of the special committees shall possess professional knowledge and experience relevant to their duties under the special committees. <u>The composition of all the committees, their duties and authority and the exercise thereof are set out as below:</u></p> <p><u>(I) The strategy and development committee shall consist of at least three directors with a chairman served by the chairman of the board of directors. The members of the committee shall be nominated by the nomination and remuneration committee under the board of directors and approved by the board of directors. The primary duties and authority of the committee are:</u></p> <ol style="list-style-type: none"> <li><u>1. to review the strategic development plans and to make recommendations to the board of directors;</u></li> <li><u>2. to carry out information exchange and research within the industry, to understand and keep abreast of the development and trend of macro economy and securities industry, and to prepare specific strategic reports;</u></li> <li><u>3. to conduct a preliminary review of the Company's annual operation plans and financial budget and to make recommendations to the board of directors;</u></li> <li><u>4. to review the Company's strategic capital allocation plans and to make recommendations to the board of directors;</u></li> <li><u>5. to evaluate the balanced development of various business lines and to make recommendations to the board of directors;</u></li> <li><u>6. to review the major organizational restructuring and organizational structure plans and to make recommendations to the board of directors;</u></li> <li><u>7. to conduct a preliminary review of the Company's major investment, assets disposal and financing plans and to make recommendations to the board of directors;</u></li> <li><u>8. to study other major issues affecting the development of the Company and to make recommendations to the board of directors; and</u></li> <li><u>9. any other matters authorized by the board of directors.</u></li> </ol> <p><u>The committee may make proposals to the board of directors on matters within the above scope of duties and authority.</u></p>	<p>Article <b>185</b> The board of directors shall have a strategy and development committee, a compliance and risk management committee, a nomination and remuneration committee and an audit committee. <u>The members of each of the special committees under the board of directors shall consist of at least three directors.</u></p> <p>The members of the special committees shall possess professional knowledge and experience relevant to their duties under the special committees. <u>Independent directors shall account for the majority of members of the nomination and remuneration committee and the audit committee and be the responsible person (convener), and the responsible person (convener) of the audit committee shall be an accounting professional.</u></p> <p><u>Each of the special committees shall be accountable to the board of directors, perform duties according to these Articles and the authorisation of the board of directors. Any proposals shall be submitted to the board of directors for consideration and approval. The board of directors shall seek advice of the special committees before making any decision on matters related to the duties of the special committees. Each of the special committees shall submit its annual work report to the board of directors.</u></p> <p><u>The special committees may engage external professionals to provide services and the reasonable cost arising therefrom shall be borne by the Company.</u></p> <p>Article <b>186</b> The strategy and development committee is mainly responsible for conducting researches and making suggestions regarding the long-term development strategies and major investment decisions of the Company.</p> <p><u>The compliance and risk management committee is mainly responsible for supervising and managing compliance and overall risk of the Company, as well as controlling such risks within a reasonable range, in order to ensure that the Company can implement effective risk management measures with respect to various risks in the business related activities of the Company.</u></p> <p><u>The nomination and remuneration committee is mainly responsible for conducting research on the selection criteria of directors and the senior management, making suggestions on the candidates, as well as formulating and examining the assessment and remuneration policies and plans for the directors and the senior management.</u></p> <p><u>The audit committee is mainly responsible for reviewing and approving the financial information of the Company, monitoring and assessing the external auditing and the internal control of the Company, as well as the coordination of the internal audit and external audit, etc.</u></p> <p><u>Each of the special committees shall formulate relevant procedural rules to regulate the operation of the special committees and perform their duties accordingly. The procedural rules shall be effective upon approval by the board of directors.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>(II) The compliance and risk management committee shall consist of at least three directors with a chairman. The members of the committee shall be nominated by the nomination and remuneration committee under the board of directors. Any director who concurrently serves as the General Manager (President) of the Company can be a member of the committee but shall not serve as the chairman. The candidate of the chairman shall be nominated by the chairman of the board of directors and approved by more than half of all the committee members. The appointment of the chairman and members of the committee shall be subject to the approval of the board of directors. The primary duties and authority of the committee are:</u></p> <p><u>1. to review the Company's risk management policies and risk standards, as well as the fundamental concepts and scope of compliance management;</u></p> <p><u>2. to review and provide comments on the overall target and basic policy of the compliance and risk management;</u></p> <p><u>3. to supervise and monitor the development of risk and compliance management systems of the Company;</u></p> <p><u>4. to formulate the Company's corporate governance policies, to monitor its implementation and to make recommendations to the board of directors;</u></p> <p><u>5. to review and provide comments on the organizational structure and responsibilities of the Company's compliance and risk management;</u></p> <p><u>6. to review the Company's compliance reports and risk assessment reports that need to be reviewed by the board of directors, and to provide comments on the improvement of the Company's compliance and risk management;</u></p> <p><u>7. to review and monitor the training and continuing professional development of the directors and senior management;</u></p> <p><u>8. to review and monitor the Company's policies regarding compliance with laws and regulatory requirements as well as the implementation thereof;</u></p> <p><u>9. to formulate, review and monitor the Professional Practice Code and Compliance Manual (if available) of the employees and directors;</u></p> <p><u>10. to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 of the Hong Kong Listing Rules, and the information disclosure made pursuant to the Corporate Governance Report;</u></p> <p><u>11. to monitor the effective implementation of the risk and compliance management by the business management of the Company and to evaluate the work of the senior management in charge of risk and compliance management;</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>12. to be responsible for organizing the drafting and preliminary review of the plan for the authorization by shareholders' general meeting to the board of directors, the plan for the authorization by the board of directors to the chairman, and the system of authorization by the board of directors to the General Manager (President), and to assess the delegation by the General Manager (President) and its effectiveness;</u></p> <p><u>13. to evaluate and comment on the risk of major decision making and solutions to the major risks of the Company that need to be reviewed by the board of directors;</u></p> <p><u>14. to evaluate any matters, in respect of which the business management of the Company does not adopt the compliance advice from the chief compliance officer, and to give comments on how to handle them; and</u></p> <p><u>15. any other matters authorized by the board of directors.</u></p> <p><u>The committee may make proposals to the board of directors on matters within the above scope of duties and authority.</u></p> <p><u>(III) The nomination and remuneration committee shall consist of at least three directors with a majority of independent directors. It shall has a chairman served by an independent director. The members of the committee shall be nominated by the chairman of the board of directors, one-half or more of the independent directors or one-third or more of the directors. The chairman of the committee shall be nominated by the chairman of the board of directors and approved by more than half of all the committee members. The appointment of the chairman and members of the committee shall be subject to the approval of the board of directors. The primary duties and authority of the committee are:</u></p> <p><u>1. to make recommendations to the board of directors on the size and composition of the board of directors and all special committees based on the operation, total amount of assets and shareholding structure of the Company;</u></p> <p><u>2. to make recommendations to the board of directors on the number and composition of the senior management based on the Company's requirements of business operation, as well as the requirements of the regulatory departments;</u></p> <p><u>3. to review the selection criteria and procedures for the directors and senior management and to make recommendations to the board of directors; to conduct an evaluation on the structure, size and composition (including skills, knowledge and experience) of the board of directors at least once a year and to make recommendations on any proposed changes to the board of directors for the purpose of implementing the corporate strategy;</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>4. to study and formulate the selection criteria and procedures for the members of all special committees under the board of directors, and to make recommendations to the board on the appointment, re-appointment and succession plans of directors (especially for the chairman and the General Manager (President));</u></p> <p><u>5. to search broadly for qualified individuals as candidates for directors and senior management;</u></p> <p><u>6. to conduct a review of the qualifications and conditions (including the independence of the independent directors) of the candidates for directors (including independent directors) based on the selection criteria and procedures and to make recommendations to the board of directors;</u></p> <p><u>7. to review the qualifications and conditions of the candidates for the General Manager (President), the chief compliance officer and the secretary to the board of directors nominated by the chairman, as well as the deputy general manager (vice president), the chief financial officer and other senior management as nominated by the General Manager (President) based on the selection criteria and procedures, and to make recommendations to the board of directors;</u></p> <p><u>8. to make recommendations to the board of directors on the candidates for the members of other special committees under the board of directors;</u></p> <p><u>9. to formulate the development plans of the senior management and the training plans of key reserve talents and to make recommendations to the board of directors;</u></p> <p><u>10. to review and provide opinion on the assessment and remuneration management system for directors and senior management;</u></p> <p><u>11. to organize and formulate the criteria and procedures for the review of the performance of directors and senior management, to carry out and provide opinion on the performance review of directors and senior management;</u></p> <p><u>12. according to the Company's policies and objectives set by the board of directors, to organize and formulate compensation incentive policies and plans for the directors (including non-executive directors) and senior management on the basis of the formal and transparent procedures and after taking into consideration the salaries paid by comparable companies, responsibilities, time commitment, as well as the terms of employment of other positions of the Company (including holding subsidiaries) and to make recommendations to the board of directors;</u></p>	



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>13. to make recommendations to the board of directors on the special remuneration packages (including non-monetary benefits, pension as well as compensation for any loss or termination of office or appointment) of executive directors, supervisors and senior management;</u></p> <p><u>14. to review and approve the compensation to be paid to executive directors or senior management for any loss or termination of office or appointment and to ensure that it is consistent with contractual terms; if inconsistent, such compensation shall also be reasonable and appropriate;</u></p> <p><u>15. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct and to ensure that they are consistent with contractual terms; if inconsistent, such compensation shall also be reasonable and appropriate;</u></p> <p><u>16. to ensure that directors or any of their associates are not involved in the determination of their own remuneration;</u></p> <p><u>17. to provide opinions on the directors service agreements to be approved by the shareholders. The above-mentioned agreements include agreements with a service term of more than three years, agreements that require a notice period of more than one year or compensation in the amount of more than one year's remuneration or other payments in case of termination of the agreement by the Company, or agreements as required by the securities regulators in the place where the shares of the Company are listed;</u></p> <p><u>18. to review the Company's fundamental remuneration management system and policies and to evaluate its effectiveness; and</u></p> <p><u>19. an other matters authorized by the board of directors.</u></p> <p><u>The committee may make proposals to the board of directors on matters within the above scope of duties and authority.</u></p> <p><u>(IV) The audit committee shall consist of three or more non-executive directors with a majority of independent directors. It shall have a chairman served by an independent director. At least one of the committee members who is an independent director shall be an accounting professional (accounting professional refers to person with senior title or qualification of certified public accountant) and have five years or more of accounting experience. The members of the committee shall be nominated by the nomination and remuneration committee under the board of directors. The candidate for the chairman of the committee shall be proposed by the chairman of the board of directors and approved by more than half of all the committee members. The appointment of the chairman and members of the committee shall be subject to the approval of the board of directors.</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>A former partner of the external accounting firm retained for audit of the accounts of the Company shall not act as a member of the audit committee within one year from the following dates (whichever is later):</u></p> <ol style="list-style-type: none"> <li><u>1. his ceasing to be a partner of the external accounting firm; or</u></li> <li><u>2. his ceasing to have any financial interest in the external accounting firm.</u></li> </ol> <p><u>The primary duties and authority of the committee are:</u></p> <ol style="list-style-type: none"> <li><u>1. to review the disclosure of the Company's accounting information and its major issues, to review the major accounting policies of the Company and their implementation, to monitor the implementation of the Company's major financial decisions and annual budget, to monitor the truthfulness, accuracy and integrity of the Company's financial reports, as well as the effectiveness of the procedures for the management to implement the financial reports; to monitor the integrity of the Company's financial statements, annual reports, accounts, half yearly reports and quarterly reports and to review the significant opinions regarding financial reporting contained in the statements and reports;</u></li> </ol> <p><u>Before submitting the relevant statements and reports to the board of directors, the committee shall particularly review the following matters:</u></p> <ol style="list-style-type: none"> <li><u>(1) any changes in accounting policies and practices;</u></li> <li><u>(2) matters related to material judgement;</u></li> <li><u>(3) material adjustments resulting from audit matters;</u></li> <li><u>(4) the going concern assumption of the enterprise and any qualified opinions;</u></li> <li><u>(5) whether it is in compliance with accounting standards;</u></li> <li><u>(6) whether it is in compliance with the Hong Kong Listing Rules and legal requirements regarding financial reporting;</u></li> </ol> <p><u>The committee shall liaise with the board of directors and senior management in regard to the above matters and meet, at least twice a year, with the external auditing firm. The committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have been raised by the financial personnel of the Company and the person in charge of internal audit function or external auditing firm;</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>2. to monitor the annual audit and make judgment on the truthfulness, accuracy and integrity of the audited information contained in the financial reports, and to submit it to the board of directors for review;</u></p> <p><u>3. to commence the control over and the daily management of connected transactions under the leadership of the board of directors, and to be mainly responsible for the analysis and identification of connected parties, as well as the organization of compliance review of connected transactions and the decision-making for major connected transactions;</u></p> <p><u>4. to review and evaluate the Company's internal control;</u></p> <p><u>(1) to review and evaluate the soundness and effectiveness of the financial control, internal control and risk management systems of the Company;</u></p> <p><u>(2) to review and evaluate the implementation of internal control rules and regulations by the departments and branches of the Company. The evaluation results will be important reference and basis for annual performance assessment;</u></p> <p><u>(3) to discuss with the business management to ensure that an effective internal control system is in place. The discussion shall include the adequacy of resources, qualification and experience of employees, training of employees and the relevant budget in accounting and financial reporting;</u></p> <p><u>(4) to study the important investigation results of internal supervisory and control issues and feedback of the management on the investigation results voluntarily or under the instructions of the board of directors;</u></p> <p><u>(5) if the Company has an internal audit department, to coordinate internal audit and external auditing firm to ensure the internal audit department has adequate resources and appropriate status, and to inspect and supervise the effect of internal audit;</u></p> <p><u>(6) to review the financial and accounting policies and practices of the Company (including its holding subsidiaries);</u></p> <p><u>(7) to review the Explanatory Statement on Audit by external auditing firm to the management, any material enquiry raised by the auditor to the management on accounting records, financial accounts or monitoring system and feedback of the management;</u></p> <p><u>(8) to ensure the prompt reply by the board of directors to the issues raised in the Explanatory Statement on Audit of the external auditing firm to the management;</u></p> <p><u>(9) to report to the board of directors on matters stipulated in the Hong Kong Listing Rules;</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>(10) to review the system and arrangement for employees to anonymously report any irregularities in financial reporting, internal control and other aspects of the Company. The committee shall ensure appropriate arrangements are in place to allow the Company to carry out fair and independent investigations and appropriate actions on such matters;</u></p> <p><u>(11) to coordinate the relationship between the Company and external auditing firms.</u></p> <p><u>5. to formulate the Company's internal audit development plans, to approve the annual audit plans and to file such plans with the board of directors;</u></p> <p><u>6. to review, monitor and evaluate the Company's internal audit, to monitor the Company's internal audit system and the implementation of audit plans, and to review and evaluate the procedures and effectiveness of the work of internal audit departments;</u></p> <p><u>7. to review the internal audit and management system, the annual budget, the internal organizational structure plans of the audit department and the composition of the full-time audit team as proposed by the business management;</u></p> <p><u>8. to nominate the general manager and deputy general manager of the internal audit department and to report to the board of directors for appointment according to the procedures specified in the administrative measures of the Company for the appointment of personnel;</u></p> <p><u>9. to conduct an annual review on the performance of the responsible persons of the internal audit department according to the relevant requirements;</u></p> <p><u>10. to review the Company's internal audit reports, the Audit Brief, the Audit Bulletin, as well as the Management Proposal;</u></p> <p><u>11. to approve the audit department to adopt interim seizure measures with respect to the relevant materials and assets of the entities audited;</u></p> <p><u>12. to make recommendations to the board of directors on the appointment, re-appointment and removal of the external auditing firms, to approve the remuneration and the terms of appointment of the external auditing firms and to deal with any relevant issues regarding the resignation or removal of external auditing firms;</u></p> <p><u>13. to supervise the performance of the external auditing firms, and review and monitor the independence and objectivity of the external auditing firms and the effectiveness of the audit procedures in accordance with applicable standards. The committee shall discuss the nature and scope of the audit and the related reporting responsibilities with the auditors before the commencement of audit;</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>14. to develop and implement the policy on engaging external auditing firms to provide non-audit services. The external auditing firms include any entity that is under the same control, ownership or management with the accounting firm responsible for an audit, or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the national or international business of the accounting firm responsible for an audit. The committee shall report and make recommendations to the board of directors in respect of any matters where action or improvement is needed;</u></p> <p><u>15. to prompt the Company to ensure that the internal audit departments have sufficient resources, and to coordinate the communication between the internal audit departments and the external auditing firms;</u></p> <p><u>16. to oversee the implementation of the rectifying measures by the business management in response to the audit opinion and to monitor the implementation of the audit opinions by the business management;</u></p> <p><u>17. to lead the internal audit departments in collecting, summarizing and looking into the materials relating to the responsibility of material mistakes in the information disclosure of the annual reports and to investigate and provide solutions for implementation after the board of directors' review and approval; and</u></p> <p><u>18. any other matters authorized by the board of directors.</u></p> <p><u>The committee may make proposals to the board of directors on matters within the above scope of duties and authority.</u></p> <p><u>The special committees shall formulate relevant procedural rules and perform their duties accordingly. The procedural rules will be effective upon approval by the board of directors.</u></p> <p><u>The special committees may engage external professionals to provide services at reasonable cost to be borne by the Company.</u></p> <p><u>The responsible person (convener) of the nomination and remuneration committee and the audit committee shall be served by independent directors.</u></p> <p><u>The board of directors shall seek advice of the special committees before making any decision on matters related to the duties of the special committees.</u></p> <p><u>The board of directors shall have a board office that is accountable to the board of directors, and shall handle work assigned by the board of directors and assist the secretary to the board.</u></p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section <u>4</u> Secretary to the Board of Directors	Section <u>5</u> Secretary to the Board of Directors
<p>Article <b>182</b> The Company shall have a secretary to the board of directors and concurrently act as the spokesperson for the Company. The secretary to the board of directors is a senior management officer of the Company and shall be accountable to the Company and the board of directors.</p> <p>The secretary to the board of directors shall have the requisite professional knowledge and experience and shall be <u>appointed by the board of directors</u>. The circumstances specified in <u>Article 219</u> of these Articles to prohibit a person from being a director of the Company shall also apply to the secretary to the board of directors. <b><u>The board of directors shall separately formulate the working rules with respect to the qualification and procedures for appointment and removal of the secretary to the board of directors.</u></b></p>	<p>Article <b>187</b> The Company shall have a secretary to the board of directors and concurrently act as the spokesperson for the Company. The secretary to the board of directors is a senior management officer of the Company and shall report to the Company and the board of directors.</p> <p>The secretary to the board of directors shall have the requisite professional knowledge and experience and shall be <b><u>nominated by the chairman, and appointed or dismissed by the board of directors, with a term of three years and is eligible for re-appointment.</u></b> The circumstances specified in <u>these Articles</u> to prohibit a person from being a director of the Company shall also apply to the secretary to the board of directors.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>183</b> The secretary to the board of directors shall mainly perform the following duties:</p> <p>(1) to maintain communication and contact between the Company and investors, securities trading departments, securities registration departments, securities services entities, the media and securities regulatory authorities and to coordinate the relationship between the Company and investors;</p> <p>(2) to prepare and submit any reports and documents issued by the board of directors and shareholders' general meeting as required by the relevant national departments and to provide and submit information required by law;</p> <p>(3) to organize and prepare shareholders' general meetings and board meetings in accordance with the legal procedures, and to take minutes of the meetings and maintain the documents and records of the meetings;</p> <p>(4) to take charge of the information disclosure and publication of the Company and to procure the Company to establish and implement information disclosure system and internal report system for significant information and enable the Company and the relevant persons to discharge the obligation of information disclosure in accordance with law;</p> <p>(5) to ensure that constitutional documents and records of the Company are complete;</p> <p>(6) to ensure that reports and documents of the Company required by competent authorities are prepared and delivered in accordance with law;</p> <p>(7) to ensure that the Company's registers of shareholders are properly maintained and to be responsible for the management of shareholders information;</p> <p>(8) to provide relevant information as required by regulations or relevant entities or individuals, such as the <b>CSRC and its local offices</b> and shareholders, in accordance with law and to ensure that persons entitled to access the Company's records and documents are promptly furnished with such records and documents;</p> <p>(9) to ensure the effective communication between directors and the compliance with the policies and procedures of the board of directors;</p> <p>(10) to provide opinions regarding corporate governance to the board of directors through the chairman and/or the General Manager (President);</p> <p>(11) to arrange orientation training and professional development for directors;</p> <p>(12) to perform other duties entrusted by the board of directors.</p>	<p>Article <b>188</b> The secretary to the board of directors shall mainly perform the following duties:</p> <p>(1) to maintain communication and contact between the Company and investors, securities trading departments, securities registration departments, securities services entities, the media and securities regulatory authorities and to coordinate relationship between the Company and investors;</p> <p>(2) to prepare and submit any reports and documents issued by the board of directors and shareholders' general meeting as required by the relevant national departments and to provide and submit information required by law;</p> <p>(3) to organize and prepare shareholders' general meetings and board meetings in accordance with the legal procedures, and to take minutes of the meetings and maintain the documents and records of the meetings;</p> <p>(4) to take charge of the information disclosure and publication of the Company and to procure the Company to establish and implement information disclosure system and internal report system for significant information and enable the Company and the relevant persons to discharge the obligation of information disclosure in accordance with law;</p> <p>(5) to ensure that constitutional documents and records of the Company are complete;</p> <p>(6) to ensure that reports and documents of the Company required by competent authorities are prepared and delivered in accordance with law;</p> <p>(7) to ensure that the Company's registers of shareholders are properly maintained and to be responsible for the management of shareholders information;</p> <p>(8) to provide relevant information as required by regulations or relevant entities or individuals, such as the <b>securities regulatory authorities</b> and shareholders, in accordance with law and to ensure that persons entitled to access the Company's records and documents are promptly furnished with such records and documents;</p> <p>(9) to ensure the effective communication between directors and the compliance with the policies and procedures of the board of directors;</p> <p>(10) to provide opinions regarding corporate governance to the board of directors through the chairman and/or the General Manager (President);</p> <p>(11) to arrange orientation training and professional development for directors;</p> <p>(12) to perform other duties entrusted by the board of directors.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>186</b> <u>The secretary to the board of directors shall be nominated by the chairman and appointed or dismissed by the board of directors.</u> Where a director concurrently acts as the secretary to the board of directors and an act is required to be done by a director together with the secretary, such person shall not act in both capacities as a director and a secretary.</p>	<p>Article <b>191</b> Where a director concurrently acts as the secretary to the board of directors and an act is required to be done by a director together with the secretary, such person shall not act in both capacities as a director and a secretary.</p>
<p style="text-align: center;">–</p>	<p><b>Article 192</b> <u>The board of directors shall have a board office that is accountable to the board of directors, and shall handle work assigned by the board of directors and assist the secretary to the board.</u></p>
<p><b>Chapter 7</b> <u>General Manager (President) and Other Senior Management</u></p>	<p><b>Chapter 7</b> <u>Operation and Management Organization</u> <b>Section 1</b> <u>Executive Committee</u></p>
<p>Article <b>195</b> The Company shall establish an executive committee which shall be accountable to the board of directors.</p> <p>The members of the executive committee shall be the senior management of the Company who shall be <u>recommended and</u> nominated by the chairman or the General Manager (President) for appointment and dismissal by the board of directors. <u>The executive committee shall have a chairman.</u></p> <p>The executive committee shall perform the following duties:</p> <ol style="list-style-type: none"> <li>(1) to implement the Company's operational policies confirmed by the board of directors and to decide on the major issues relating to the Company's operation and management;</li> <li>(2) to prepare the Company's financial budget plans;</li> <li>(3) to prepare the Company's final account plans and the plans on profit distribution and recovery of losses;</li> <li>(4) to prepare the proposals of the change of the registered capital of the Company and issuance of bonds;</li> <li>(5) to prepare the proposals of the merger, spin off, reorganisation and dissolution of the Company;</li> <li>(6) to formulate the Company's operational plans and plans of investment, financing and assets disposal for approval by the board of directors subject to the authorization;</li> <li>(7) to propose the internal management structure of the Company;</li> <li>(8) to prepare and approve the proposals on remuneration, reward and punishment of employees; and</li> <li>(9) other duties commissioned by the board of directors.</li> </ol>	<p>Article <b>193</b> The Company shall establish an executive committee <u>as its operation and management organization</u> which shall be accountable to the board of directors.</p> <p><u>The chairman of the executive committee shall be served by the chairman of the board of directors, and the vice chairman of the executive committee shall be served by the General Manager (President).</u></p> <p>The members of the executive committee shall be the senior management of the Company who shall be nominated by the chairman of the board of directors or the General Manager (President) for appointment and dismissal by the board of directors.</p> <p><b>Article 194</b> <u>The executive committee of the Company shall perform the following duties according to the resolutions or relevant requirements of the board of directors:</u></p> <ol style="list-style-type: none"> <li>(1) to <u>organise the operation and management of the Company</u>, to implement the Company's operational policies confirmed by the board of directors, to decide on the major issues relating to the Company's operation and management, <u>and to report its works to the board of directors;</u></li> <li>(2) to prepare the Company's financial budget plans;</li> <li>(3) to prepare the final account plans and the plans on profit distribution and recovery of losses;</li> <li>(4) to prepare the proposals of the change of the registered capital of the Company and issuance of bonds;</li> <li>(5) to prepare the proposals of the merger, spin off, reorganisation and dissolution of the Company;</li> <li>(6) to formulate the Company's operational plans and plans of investment, financing and assets disposal for approval by the board of directors subject to the authorization;</li> </ol>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>The meeting of the executive committee shall be convened and presided over by the chairman of the executive committee. If the chairman of the executive committee is unable to convene and preside over the meeting for special reasons, <u>he/she may assign other member</u> to convene and preside over the meeting.</p> <p>Members of the executive committee shall attend the meetings in person. If a member is unable to attend a meeting for any reason, he/she may entrust other member in writing to attend on his/her behalf.</p> <p>The meeting of the executive committee shall resolve the matters set out in the agenda <u>one by one by voting. Each member shall have one vote on each resolution considered in the meeting.</u></p> <p><u>Resolutions of the executive committee shall be passed by simple majority of all members. Resolutions in respect of material matters shall be passed by two-thirds or above of the votes.</u></p> <p>The meetings of the executive committee shall be recorded by a designated person. The minutes or resolutions of the meetings of the executive committee shall be signed by the person presiding over the meeting. The records, minutes and resolutions of the executive committee shall be kept for 20 years.</p> <p>The executive committee shall formulate the rules of procedure of the meetings of the committee for approval by the board of directors.</p>	<p>(7) to propose the internal management structure of the Company;</p> <p><b><u>(8) to formulate the basic management system of the Company;</u></b></p> <p>(9) to prepare and approve the proposals on remuneration, reward and punishment of employees; and</p> <p>(10) other duties commissioned by the board of directors.</p> <p><b><u>Article 195</u></b> The meeting of the executive committee shall be convened and presided over by the chairman of the executive committee. If the chairman of the executive committee is unable to convene and preside over the meeting for special reasons, <u>he/she may authorize the vice chairman</u> to convene and preside over the meeting.</p> <p>Members of the executive committee shall attend the meetings in person. If a member is unable to attend a meeting for any reason, he/she may entrust other member in writing to attend on his/her behalf.</p> <p>The meeting of the executive committee shall resolve the matters set out in the agenda <u>by adopting the chairman responsibility system.</u></p> <p><b><u>Article 196</u></b> The meetings of the executive committee shall be recorded by a designated person. The minutes or resolutions of the meetings of the executive committee shall be signed by the person presiding over the meeting. The records, minutes and resolutions of the executive committee shall be kept for 20 years.</p> <p><b><u>Article 197</u></b> The executive committee shall formulate the rules of procedure of the meetings of the committee for approval by the board of directors.</p> <p><b><u>Article 198</u></b> <u>According to the operational and management needs of the Company, the executive committee may set up management committee(s), each of which shall be responsible to the executive committee, and the procedural rules shall be determined by the executive committee.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
–	<b><u>Section 2 General Manager (President) and Other Senior Management</u></b>
<p>Article <b>187</b> The Company shall have one General Manager (President) who shall be appointed or dismissed by the board of directors. <b><u>The Company shall have certain vice general managers (vice presidents) to assist the General Manager (President) in his/her work. The appointment or dismissal of vice general managers shall be recommended by the General Manager (President) for approval by the board of directors.</u></b></p> <p><b><u>The members of executive committee, General Manager (President), vice general managers (vice presidents), secretary to the board of directors, chief financial officer, chief compliance officer of the Company and other persons who play significant roles in the Company and are identified by the regulatory authorities or confirmed by the resolution of the board of directors of the Company are the senior management of the Company.</u></b></p> <p><b><u>The senior management shall have the qualifications recognized by the CSRC or the local office of the CSRC. Persons without such qualifications shall not be authorized to perform the duties of the senior management.</u></b></p> <p>Article <b>190</b> The General Manager (President) <b><u>and vice general managers (vice presidents)</u></b> are appointed for a <b><u>tenure of</u></b> three years and may be re-appointed upon expiry of the tenure.</p>	<p>Article <b>199</b> The Company shall have one General Manager (President) who shall be appointed or dismissed by the board of directors. The General Manager (President) is appointed for three years and may be re-appointed upon expiry of the tenure. The General Manager (President) shall be accountable to the board of directors and exercise the following duties:</p> <p>(1) to be in charge of the Company's operation and management, to organize the execution of the resolutions of the board of directors and to report his/her work to the board of directors;</p> <p>(2) to prepare and implement the Company's annual operation plan and investment plan;</p> <p>(3) to formulate rules and regulations for the Company;</p> <p>(4) to recommend the appointment or dismissal of senior management to the board of directors other than those required to be nominated by the chairman of the board of directors;</p> <p>(5) to implement the <b><u>compliance and</u></b> risk control system of the Company and to ensure the Company satisfies the risk control indicators required by <b><u>relevant regulatory authorities</u></b>;</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>191</b> The General Manager (President) shall be accountable to the board of directors and exercise the following duties:</p> <p>(1) to be in charge of the Company's operation and management, to organize the execution of the resolutions of the board of directors and to report his/her work to the board of directors;</p> <p>(2) to prepare and implement the Company's annual operation plan and investment plan;</p> <p><b><u>(3) to implement the financial budget plan of the Company;</u></b></p> <p><b><u>(4) to establish the Company's basic management system;</u></b></p> <p>(5) to formulate rules and regulations for the Company;</p> <p>(6) to recommend the appointment or dismissal of senior management to the board of directors other than those required to be nominated by the chairman of the board of directors;</p> <p><b><u>(7) to appoint or dismiss management members other than those required to be appointed or dismissed by the board of directors;</u></b></p> <p><b><u>(8) to decide on the appointment and dismissal of the employees of the Company;</u></b></p> <p><b><u>(9) to propose the convening of extraordinary board meetings;</u></b></p> <p>(10) to implement the risk control system of the Company and to ensure the Company satisfies the risk control indicators required by <b>the CSRC</b>;</p> <p>(11) to perform other duties commissioned by these Articles or the board of directors.</p> <p>The General Manager (President) may present at the board meetings but shall have no voting right if he/she is not a director.</p>	<p>(6) to perform other duties commissioned by these Articles or the board of directors.</p> <p>The General Manager (President) may present at the board meetings but shall have no voting right if he/she is not a director.</p>
-	<p><b><u>Article 200 The senior management of the Company shall comply with the requirements of securities regulatory authorities with respect to the qualifications of senior management and the relevant policies and regulations.</u></b></p> <p><b><u>The appointment and removal of senior management by the Company shall be reported to securities regulatory authorities for filing purpose.</u></b></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>188</b> <u>The General Manager (President) and other senior management shall have the following qualifications:</u></p> <p><u>(1) they shall not be prohibited by laws and regulations to act as the senior management of securities companies;</u></p> <p><u>(2) they shall have passed the qualification test recognized by the CSRC and shall be qualified to serve as the senior management of securities companies;</u></p> <p><u>(3) they shall be at least university graduates or possess at least bachelor's degrees;</u></p> <p><u>(4) they shall be faithful and have good integrity;</u></p> <p><u>(5) they shall be familiar with the laws and regulations related to the operation and management of securities companies, and have the operation and management capacity necessary to perform the duties of the senior management;</u></p> <p><u>(6) they shall be licensed to practice in the securities business;</u></p> <p><u>(7) they shall have three years or more of experience in securities business or five years or more of experience in the areas of financial, legal or accounting activities;</u></p> <p><u>(8) they shall have not less than two years of experience of taking charge of a department in a securities company or not less than four years of experience of taking charge of a department in financial institutions such as funds management, futures, banking and insurance or of comparable management experience.</u></p> <p><u>The appointment of any General Manager (President) or other senior management in violation of this article shall be invalid.</u></p> <p><u>The provisions under Article 141 in relation to the fiduciary duties of directors and under items (4) to (6) of Article 142 in relation to the diligent obligations shall be applicable to the senior management.</u></p>	<p>Article <b>201</b> The provisions under <u>these Articles</u> in relation to the fiduciary duties of directors and the diligent obligations shall be applicable to the senior management.</p>
<p>Article <b>189</b> A person who holds <u>a position</u> other than that of a director of the Company's controlling shareholder <u>or de facto controller</u> shall not act as a senior management officer of the Company.</p> <p>The senior management of the Company may at most hold the office of director or supervisor concurrently in two companies in which the Company has shareholding but shall not hold an office other than those aforesaid. They shall not engage themselves concurrently in any other profit-making organizations or other operation activities.</p> <p>Senior management members who hold concurrent positions in subsidiaries wholly or partially owned by the Company shall not be subject to the second paragraph of this article but shall comply with relevant requirements of the <u>CSRC</u>.</p>	<p>Article <b>202</b> A person who holds <u>administrative positions</u> other than that of a director <u>or supervisor</u> of the Company's controlling shareholder shall not act as a senior management officer of the Company.</p> <p>The senior management of the Company may at most hold the office of director or supervisor concurrently in two companies in which the Company has shareholding but shall not hold an office other than those aforesaid. They shall not engage themselves concurrently in any other profit-making organizations or other operation activities.</p> <p>Senior management members who hold concurrent positions in subsidiaries wholly or partially owned by the Company shall not be subject to the second paragraph of this article but shall comply with relevant requirements of the <u>relevant regulatory authorities</u>.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>192</b> The General Manager (President) shall report to the board of directors or the supervisory committee on the execution and implementation of material contracts, application of funds and assets as well as profit and loss of the Company as requested by the board of directors or the supervisory committee. The General Manager (President) shall ensure the truthfulness of the report.</p> <p>The General Manager (President) shall consider the opinions of the labour union and employee representatives meeting before <b>making decisions</b> relating to benefits of the employees, such as wages, benefits, occupational safety as well as labour protection, labour insurance and employment contracts.</p>	<p>Article <b>203</b> The General Manager (President) shall report to the board of directors or the supervisory committee on the execution and implementation of material contracts, application of funds and assets as well as profit and loss of the Company as requested by the board of directors or the supervisory committee. The General Manager (President) shall ensure the truthfulness of the report.</p> <p>The General Manager (President) shall consider the opinions of the labour union and employee representatives meeting before <b>formulating systems of the Company</b> relating to benefits of the employees, such as wages, benefits, occupational safety as well as labour protection, labour insurance and employment contracts.</p>
<p>Article <b>193</b> <b>The working rules</b> of the General Manager (President) shall be prepared by the General Manager (President) for approval by the board of directors.</p>	<p>Article <b>204</b> <b>The relevant working system</b> of the General Manager (President) shall be prepared by the General Manager (President) for approval by the board of directors.</p>
<p>Article <b>194</b> <b>The working rules</b> of the General Manager (President) shall include the following:</p> <p>(1) the conditions, procedures and attendees for convening a meeting by the General Manager (President);</p> <p>(2) the respective duties and division of responsibilities between the General Manager (President) and other senior management;</p> <p>(3) the limitation of his/her power in respect of the application of the Company's funds and assets, execution of material contracts and the requirement for reporting to the board of directors and the supervisory committee;</p> <p>(4) other matters as the board of directors may think necessary.</p>	<p>Article <b>205</b> <b>The relevant working system</b> of the General Manager (President) shall include the following:</p> <p>(1) the conditions, procedures and attendees for convening a <b>special</b> meeting by the General Manager (President);</p> <p>(2) the respective duties and division of responsibilities between the General Manager (President) and other senior management;</p> <p>(3) the limitation of his/her power in respect of the application of the Company's funds and assets, execution of material contracts and the requirement for reporting to the board of directors and the supervisory committee;</p> <p>(4) other matters as the board of directors may think necessary.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>198</b> In performing their duties, the senior management of the Company shall abide by laws, regulations and these Articles, and perform the duties faithfully and diligently.</p> <p>The senior management in charge of compliance management, risk management and the audit department shall not concurrently hold the office of other positions, the duties of which are in conflict with compliance management, risk management and audit, and shall not concurrently take charge of the departments, the functions of which are in conflict with compliance management, risk management and audit.</p> <p>The senior management shall give support to the work for compliance management, risk management and audit department.</p> <p>If a senior management officer violates any laws, administrative regulations or these Articles and infringes the lawful rights of the Company or customers, he/she shall be subject to internal punishment by the board of directors and the supervisory committee.</p> <p>If a senior management officer violates any laws, regulations or these Articles in the course of performing his/her duties of the Company and causes losses to the Company, he/she shall be liable for compensation.</p> <p>The <u>management</u> of the Company shall establish an organizational structure with defined responsibilities and clear working procedures. It shall arrange for risk identification and evaluations and shall set up a sound and effective internal control system and mechanism to promptly tackle or rectify any deficiencies and problems arising from the internal control system.</p> <p>The senior management shall be responsible for ineffective internal control and inability in prompt tackling or rectifying deficiencies and problems arising from the internal control system.</p> <p>The senior management shall implement compliance management objectives, be accountable for the compliance operation and perform their duties in respect of compliance management in accordance with laws, regulations and these Articles.</p>	<p>Article <b>207</b> In performing their duties, the senior management of the Company shall abide by laws, regulations and these Articles, and perform the duties faithfully and diligently.</p> <p>The senior management in charge of compliance management, risk management and the audit department shall not concurrently hold the office of other positions, the duties of which are in conflict with compliance management, risk management and audit, and shall not concurrently take charge of the departments, the functions of which are in conflict with compliance management, risk management and audit.</p> <p>The senior management shall give support to the work for compliance management, risk management and audit department.</p> <p>If a senior management officer violates any laws, administrative regulations or these Articles and infringes the lawful rights of the Company or customers, he/she shall be subject to internal punishment by the board of directors and the supervisory committee.</p> <p>If a senior management officer violates any laws, regulations or these Articles in the course of performing his/her duties of the Company and causes losses to the Company, he/she shall be liable for compensation.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
	<p><b>Article 208</b> The <b>business management</b> of the Company shall establish an organizational structure with defined responsibilities and clear working procedures. It shall arrange for risk identification and evaluations and shall set up a sound and effective internal control system and mechanism to promptly tackle or rectify any deficiencies and problems arising from the internal control system.</p> <p>The senior management shall be responsible for ineffective internal control and inability in prompt tackling or rectifying deficiencies and problems arising from the internal control system.</p> <p>The senior management shall implement compliance management objectives, be accountable for the compliance operation and perform their duties in respect of compliance management in accordance with laws, regulations and these Articles.</p>
–	<b>Section 3 Chief Compliance Officer</b>
<p>Article <b>197</b> The Company shall have a chief compliance officer. The chief compliance officer is a member of the senior management, who shall be directly accountable to the board of directors and shall examine, supervise and inspect the compliance of the operation, management and practice of the Company and its employees. If the chief compliance officer discovers that there is any act of the Company in violation of laws and regulations or any hidden compliance risk, he shall promptly report to the board of directors, the supervisory committee and the major person in charge of operation and management, give comments on how to handle it and supervise the rectification.</p> <p>The chief compliance officer shall not concurrently hold a position that is contrary to his compliance management duties, nor take charge of a department whose functions are contrary to the compliance management duties.</p> <p>The chief compliance officer shall be appointed and removed by the board of directors. The chief compliance officer shall have a term of office of three years and may be re-appointed upon expiry of his term of office. For the appointment of the chief compliance officer, the Company shall file his resume and the relevant certification materials with the <b>relevant local office of the CSRC</b>. The chief compliance officer shall have the qualifications required by the <b>regulatory departments, and shall take office only after he has been recognized by the relevant local office of the CSRC</b>.</p> <p>If the chief compliance officer is dismissed by the Company before his term of office expires, the Company shall have the proper reasons for such dismissal and shall file a written report with the reasons for the dismissal to the <b>relevant local office of the CSRC</b> ten business days before the convening of the relevant board meeting.</p>	<p>Article <b>209</b> The Company shall have a chief compliance officer. The chief compliance officer is a member of the senior management, who shall be directly accountable to the board of directors and shall examine, supervise and inspect the compliance of the operation, management and practice of the Company and its employees. If the chief compliance officer discovers that there is any act of the Company in violation of laws and regulations or any hidden compliance risk, he shall promptly report to the board of directors, the supervisory committee and the major person in charge of operation and management, give comments on how to handle it and supervise the rectification.</p> <p>The chief compliance officer shall not concurrently hold a position that is contrary to his compliance management duties, nor take charge of a department whose functions are contrary to the compliance management duties.</p> <p>The chief compliance officer shall be appointed and removed by the board of directors. The chief compliance officer shall have a term of office of three years and may be re-appointed upon expiry of his term of office. For the appointment of the chief compliance officer, the Company shall file his resume and the relevant certification materials with the <b>relevant regulatory authorities</b>. The chief compliance officer shall have the qualifications required by the <b>relevant regulatory authorities</b>.</p> <p>If the chief compliance officer is dismissed by the Company before his term of office expires, the Company shall have the proper reasons for such dismissal and shall file a written report with the reasons for the dismissal to the <b>relevant regulatory authorities</b> ten business days before the convening of the relevant board meeting.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>The proper reasons as referred to in the preceding paragraph shall include the circumstances such as the personal application made by the chief compliance officer, or any change of the chief compliance officer under the order of the <b>CSRC or its local office</b>, or any evidence showing that he is unable to perform his duties normally or fails to be diligent and responsible.</p> <p>In the event that the chief compliance officer is unable to perform his duties or is vacant, a person who meets the regulatory requirements shall perform the duties on behalf of the chief compliance officer. The Company shall, within three business days from the date of such decision, submit a written report to the <b>relevant local office of the CSRC</b>. The period for performing such duties on behalf of the chief compliance officer shall not exceed six months.</p> <p>The chief compliance officer who resigns from his position shall make an application to the board of directors of the Company one month prior to his resignation, and report the same to the <b>relevant local office of the CSRC</b>. The chief compliance officer shall not cease to perform his duties on his own before his resignation application is approved.</p> <p>In the event that the chief compliance officer is vacant, the Company shall engage a person who has the qualifications required by the <b>regulatory department</b> to serve as the chief compliance officer within six months.</p>	<p>The proper reasons as referred to in the preceding paragraph shall include the circumstances such as the personal application made by the chief compliance officer, or any change of the chief compliance officer under the order of the <b>relevant regulatory authorities</b>, or any evidence showing that he is unable to perform his duties normally or fails to be diligent and responsible.</p> <p>In the event that the chief compliance officer is unable to perform his duties or is vacant, a person who meets the regulatory requirements shall perform the duties on behalf of the chief compliance officer. The Company shall, within three business days from the date of such decision, submit a written report to the <b>relevant regulatory authorities</b>. The period for performing such duties on behalf of the chief compliance officer shall not exceed six months.</p> <p>The chief compliance officer who resigns from his position shall make an application to the board of directors of the Company one month prior to his resignation, and report the same to the <b>relevant regulatory authorities</b>. The chief compliance officer shall not cease to perform his duties on his own before his resignation application is approved.</p> <p>In the event that the chief compliance officer is vacant, the Company shall engage a person who has the qualifications required by the <b>relevant regulatory authorities</b> to serve as the chief compliance officer within six months.</p>
Chapter 8 The Supervisory Committee Section 1 Supervisors	Chapter 8 The Supervisory Committee Section 1 Supervisors
<p>Article <b>199</b> Directors, the General Manager (President) and other senior management members, as well as their lineal relatives and affiliates with close social relationship, shall not hold the position of supervisors of the Company.</p> <p><b><u>Prior to their appointment, supervisors of the Company shall have their qualifications approved by the CSRC.</u></b></p> <p><b><u>In addition to the basic qualifications of supervisors, the chairman of the supervisory committee shall also have the following qualifications:</u></b></p> <p><b><u>(1) he/she shall have three years or more of experience in securities, or five years or more of experience in finance, laws, or accountancy, or 10 years or more of experience in economy;</u></b></p> <p><b><u>(2) he/she shall at least be a university graduate or have a bachelor's degree;</u></b></p> <p><b><u>(3) he/she shall have passed the qualification test recognised by the CSRC.</u></b></p>	<p>Article <b>210</b> <b><u>The supervisors of the Company shall comply with the requirements of the securities regulatory authorities in respect of the qualifications of supervisors and the relevant policies and regulations.</u></b></p> <p><b><u>The appointment and removal of a supervisor by the Company shall be reported to the securities regulatory authorities for filing purpose.</u></b></p> <p>Directors, the General Manager (President) and other senior management members, as well as their lineal relatives and affiliates with close social relationship shall not hold the position of supervisors of the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>201</b> A supervisor shall serve for a term of three years. Non-employee representative supervisors shall be elected or removed by the shareholders' general meeting and employee representative supervisors shall be elected or removed by the Company's employees representatives meeting, <b><u>employees meeting or otherwise</u></b> in a democratic manner. <b><u>The term of a supervisor is renewable subject to re-election.</u></b></p> <p>A supervisor shall not be removed without reason by the shareholders' general meeting or the employee representatives meeting <b><u>(including employees meeting or otherwise)</u></b> before the expiration of his/her term. If a supervisor is removed by the shareholders' general meeting before the expiration of his/her term, relevant explanation shall be provided. The supervisor being removed shall be entitled to make his/her representation to the shareholders' general meeting, <b><u>the CSRC or its local office.</u></b></p>	<p>Article <b>211</b> A supervisor shall serve for a term of three years. <b><u>The term of a supervisor is renewable subject to re-election.</u></b></p> <p>Non-employee representative supervisors shall be elected or removed by the shareholders' general meeting and employee representative supervisors shall be elected or removed by the Company's employee representatives meeting in a democratic manner.</p> <p><b><u>Article 212</u></b> A supervisor shall not be removed without reason by the shareholders' general meeting or the employee representatives meeting before the expiration of his/her term. If a supervisor is removed by the shareholders' general meeting before the expiration of his/her term, relevant explanation shall be provided. The supervisor being removed shall be entitled to make his/her representation to the shareholders' general meeting, <b><u>or the relevant regulatory authorities.</u></b></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>202</b> Where no re-election is made upon expiry of the term of a supervisor or the resignation of a supervisor within his/her tenure results in the number of members of the supervisory committee falling below the statutory number, the retiring supervisor shall, before a new supervisor is elected and assumes office, continue to perform his/her duties as a supervisor in accordance with laws, regulations and these Articles.</p> <p>A supervisor may resign before the expiry of his/her tenure. The resigning supervisor shall submit to the supervisory committee a written resignation. The supervisory committee shall disclose the relevant situation within two days.</p> <p>Except for the circumstance specified in this article that the resignation of a supervisor results in the number of members of the supervisory committee falling below the statutory number, the resignation of a supervisor shall be effective when the written resignation is delivered to the supervisory committee.</p> <p>Subject to the relevant laws, regulations, and the regulatory rules of the jurisdiction in which the Company is listed, if the supervisory committee appoints a new supervisor to fill a vacancy or as an additional supervisor, the tenure of the appointed supervisor shall expire at the next shareholders' general meeting of the Company. Upon expiry of tenure, the supervisor shall be eligible for re-election.</p> <p>Within 10 days from the effective date of his/her resignation or the expiry of his/her tenure, the supervisor shall duly complete all formalities in relation to handover with the supervisory committee. Upon resignation or expiry of his/her tenure, the fiduciary obligation <u>owed by such supervisor</u> to the Company and the shareholders shall not necessarily be released. The obligation of confidentiality of such supervisor in relation to any trade secrets of the Company shall remain effective after his/her tenure and shall continue until such trade secrets become public information. The duration of other obligations shall be determined on the principle of fairness and depend on the length of time between the occurrence of the incident and the resignation, as well as the conditions and circumstances under which the supervisor terminates his/her relationship with the Company.</p>	<p>Article <b>213</b> A supervisor may resign prior to the expiry of his/her tenure. A supervisor who resigns <u>within his/her tenure</u> shall submit a written resignation to the supervisory committee, <u>specifying the reason for resignation</u>. The supervisory committee shall disclose the relevant situation within two days.</p> <p>Upon resignation or expiry of his/her tenure <u>without participating in re-election</u>, his/her fiduciary obligation to the Company and the shareholders shall not necessarily be released. The obligation of confidentiality of such supervisor in relation to any trade secrets of the Company shall remain effective after his/her tenure and shall continue until such trade secrets become public information. The duration of other obligations shall be determined on the principle of fairness and depend on the length of time between the occurrence of the incident and the resignation, as well as the conditions and circumstances under which the supervisor terminates his/her relationship with the Company.</p> <p>Article <b>214</b> Where no re-election is made upon expiry of the term of a supervisor or the resignation of a supervisor within his/her tenure results in the number of members of the supervisory committee falling below the statutory number, the retiring supervisor shall, before a new supervisor is elected and assumes office, continue to perform his/her duties as a supervisor in accordance with laws, regulations and these Articles.</p> <p>Except for the circumstance specified in this article that the resignation of a supervisor results in the number of members of the supervisory committee falling below the statutory number, the resignation of a supervisor shall be effective when the written resignation is delivered to the supervisory committee.</p> <p>Subject to the relevant laws, regulations, and the regulatory rules of the jurisdiction in which the Company is listed, if the supervisory committee appoints a new supervisor to fill a vacancy or as an additional supervisor, the tenure of the appointed supervisor shall expire at the next shareholders' general meeting of the Company. Upon expiry of tenure, the supervisor shall be eligible for re-election.</p> <p>Within 10 days from the effective date of his/her resignation or the expiry of his/her tenure, the supervisor shall duly complete all formalities in relation to handover with the supervisory committee.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>204</b> The supervisors may attend board meetings and raise queries or proposals regarding matters discussed at such meetings.</p> <p>Supervisors shall have the right to understand the operation of the Company and shall assume the obligation of confidentiality in respect thereof. <u>The Company shall promptly report to the supervisory committee its internal audit reports, compliance reports, monthly or quarterly financial reports, annual financial reports and other major issues.</u></p>	<p>Article <b>216</b> The supervisors may attend the board meetings and raise queries or proposals regarding matters discussed at such meetings.</p> <p><b>Article 217</b> Supervisors shall have the right to understand the operation of the Company and shall assume the obligation of confidentiality in respect thereof.</p>
<p>Article <b>205</b> Any supervisor who <u>fails to</u> attend supervisory committee meetings in person for <b>three</b> consecutive times shall be deemed to be unable to perform his/her duties <u>and shall be removed and replaced by the shareholders' general meeting or the employee representatives meeting (including employees meeting or otherwise).</u></p>	<p>Article <b>218</b> Any supervisor who <u>fails to</u> attend supervisory committee meetings in person <u>or does not appoint other supervisors to attend the supervisory committee meetings</u> for <b>two</b> consecutive times shall be deemed to be unable to perform his/her duties. <u>The supervisory committee shall give a verbal reminder to such supervisor. If no rectification is made, the supervisory committee may advise the shareholders' general meeting or the employee representatives meeting to remove and replace him/her.</u></p>
<p>Article <b>206</b> <u>Supervisors shall comply with laws, regulations and the requirements of these Articles, perform the fiduciary duty and the obligation of diligence, and faithfully perform their supervisory role.</u> Where a supervisor violates any laws, regulations or the requirements of these Articles in performing the duties of the Company and causes loss to the Company, such supervisor shall be liable for compensation.</p> <p>Any supervisor who fails to duly perform his/her duties when he/she is aware of or shall have been aware of any actions conducted by the directors or senior management that are in violation of laws, administrative regulations or the requirements of these Articles shall assume the relevant liabilities.</p>	<p><b>Article 219</b> <u>Supervisors shall not impair the interest of the Company by taking advantage of their connected relationship, and shall be liable for compensation if any loss is caused to the Company arising therefrom.</u></p> <p>Article <b>220</b> Where a supervisor violates any laws, regulations or the requirements of these Articles in performing the duties of the Company and causes loss to the Company, such supervisor shall be liable for compensation.</p> <p><b>Article 221</b> Any supervisor who fails to duly perform his/her duties when he/she is aware of or shall have been aware of any actions conducted by the directors or senior management that are in violation of laws, administrative regulations or the requirements of these Articles shall assume the relevant liabilities.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section 2 Supervisory Committee	Section 2 Supervisory Committee
<p>Article <b>207</b> The Company shall have a supervisory committee. The supervisory committee shall comprise of 5 supervisors, <u>including shareholder supervisors, employee supervisors and external supervisors.</u> Not less than one-third of members of the supervisory committee shall be employee supervisors. The supervisory committee shall have a chairman. The election and removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two-thirds or more of members of the supervisory committee. Meetings of the supervisory committee shall be convened and presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or does not perform his duties, a supervisor elected by one-half or more of the supervisors shall convene and preside over supervisory committee meetings.</p> <p>The supervisory committee or shareholder(s) who hold(s), individually or jointly, 3% or more of shares of the Company may nominate the candidates for non-employee supervisors and <u>provide the profile and general information of such candidates. When a proposal is made, it shall submit to the shareholders' general meeting for voting.</u></p> <p>If the number of directors nominated by a shareholder of the Company are one-half or more of members of the board of directors, the number of supervisors nominated by such shareholder shall not exceed one-third of the members of the supervisory committee.</p> <p>The employee supervisors in the supervisory committee shall be elected by the Company's employees through employee representatives meeting, <u>employees meeting or other democratic means</u> and shall assume office directly.</p> <p>The supervisory committee <u>may</u> establish a financial supervision and inspection committee and a performance supervision and inspection committee. All special committees of the supervisory committee shall be composed of supervisors. They shall be accountable to the supervisory committee <u>and shall submit their respective work reports to the committee.</u> Members of the special committees of the supervisory committee shall have professional knowledge and working experience related to their duties in the special committees. The supervisory committee shall formulate the respective procedural rules in connection with the composition of each special committee, its duties and authority and the exercise thereof.</p> <p>The supervisory committee shall have an <u>administrative body</u> to <u>organize</u> meetings of the supervisory committee, <u>keep</u> meeting minutes and documents and <u>assist</u> supervisors in performing their duties.</p>	<p>Article <b>222</b> The Company shall have a supervisory committee. The supervisory committee shall comprise of 5 supervisors. Not less than one-third of members of the supervisory committee shall be employee supervisors. The supervisory committee shall have a chairman. The election and removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two-thirds or more of members of the supervisory committee. Meetings of the supervisory committee shall be convened and presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or does not perform his duties, a supervisor elected by one-half or more of the supervisors shall convene and preside over supervisory committee meetings.</p> <p>The supervisory committee or shareholder(s) who hold(s), individually or jointly, 3% or more of shares of the Company may nominate the candidates for non-employee supervisors.</p> <p>If the number of directors nominated by a shareholder of the Company are one-half or more of members of the board of directors, the number of supervisors nominated by such shareholder shall not exceed one-third of the members of the supervisory committee.</p> <p>The employee supervisors in the supervisory committee shall be elected by the Company's employees through employee representatives meeting <u>in a democratic manner</u> and shall assume office directly.</p> <p>The supervisory committee <u>shall have</u> a financial supervision and inspection committee and a performance supervision and inspection committee, <u>and may establish a risk supervision and inspection committee based on its work requirement.</u> All special committees of the supervisory committee shall be composed of supervisors and shall be accountable to the supervisory committee. Members of the special committees of the supervisory committee shall have professional knowledge and working experience related to their duties in the special committees. The supervisory committee shall formulate the respective procedural rules in connection with the composition of each special committee, its duties and authority and the exercise thereof.</p> <p>Article <b>223</b> The supervisory committee shall have an <u>office of the supervisory committee to be responsible for daily operation such as organizing</u> meetings of the supervisory committee, <u>keeping</u> meeting minutes and documents, and <u>to assist</u> supervisors in performing their duties.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>208</b> The supervisory committee shall be accountable to the shareholders' general meeting and perform the following functions and powers:</p> <p>(1) to review the Company's regular reports prepared by the board of directors and to provide comments in writing;</p> <p>(2) to inspect the Company's financial position <b><u>and to request the chief financial officer of the Company to regularly and truthfully report the analysis on the financial statements to the supervisory committee;</u></b></p> <p>(3) <b><u>to monitor the establishment and implementation of internal control by the board of directors;</u></b></p> <p>(4) to supervise the acts of the directors and senior management in performing the duties of the Company and to advise the dismissal of any director or senior management officer who violates laws, regulations, these Articles or resolutions of the shareholders' general meetings;</p> <p><b><u>(5) to make enquiries on the conduct of directors and senior management;</u></b></p> <p>(6) to demand rectification of the directors and senior management within a prescribed period where their conducts are in violation of laws, administrative regulations or these Articles, and are detrimental to the interests of the Company, its shareholders or customers. In the case of material damages or failure of the directors and senior management to make rectifications within the prescribed period, an extraordinary general meeting shall be proposed and special proposals shall be made to the shareholders' general meeting;</p> <p>(7) to report directly to the <b><u>CSRC or its local office</u></b> on any serious breach of laws and regulations by the board of directors or senior management of the Company;</p> <p>(8) to propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meeting if the board of directors fails to do so as required by the Company Law;</p> <p>(9) <b><u>to engage an accounting firm with qualification for securities related business to</u></b> conduct audits on retiring or resigning senior management officers;</p> <p>(10) to make proposals to shareholders' general meetings;</p> <p>(11) to report at an annual general meeting and to disclose in an annual report the duty performance of supervisors, <b><u>including the number of meetings of the supervisory committee attended by them and their voting thereat during the reporting period;</u></b></p>	<p>Article <b>224</b> The supervisory committee shall be accountable to the shareholders' general meeting and perform the following duties:</p> <p>(1) to review the Company's regular reports prepared by the board of directors and to provide comments in writing;</p> <p>(2) to inspect the Company's financial position;</p> <p><b><u>(3) to monitor the comprehensive risk management and internal control of the Company;</u></b></p> <p>(4) to supervise the acts of the directors and senior management in performing the duties of the Company and to advise the dismissal of any director or senior management officer who violates laws, regulations, these Articles or resolutions of the shareholders' general meetings;</p> <p><b><u>(5) to demand rectification of the directors and senior management within a prescribed period where their conducts are in violation of laws, administrative regulations or these Articles, and are detrimental to the interests of the Company, its shareholders or customers. In the case of material damages or failure of the directors and senior management to make rectifications within the prescribed period, an extraordinary general meeting shall be proposed and special proposals shall be made to the shareholders general meeting;</u></b></p> <p><b><u>(6) to report directly to the securities regulatory authorities</u></b> on any serious breach of laws and regulations by the board of directors or senior management of the Company;</p> <p>(7) to propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meeting if the board of directors fails to do so as required by the Company Law;</p> <p>(8) to conduct audits on retiring or resigning senior management officers;</p> <p>(9) to make proposals to shareholders' general meetings;</p> <p><b><u>(10) to report at an annual general meeting and to disclose in an annual report the duty performance of supervisors and their remuneration;</u></b></p> <p><b><u>(11) to take legal actions against directors and senior management in accordance with Article 151 of the Company Law;</u></b></p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>(12) to take legal actions against directors and senior management in accordance with Article <u>152</u> of the Company Law;</p> <p>(13) to <u>examine</u> the financial information such as the <u>financial reports and</u> profit distribution plans to be submitted by the board of directors to the shareholders' general meetings <u>and to investigate any queries or unusual business operations of the Company when they are identified</u>; and, <u>where necessary</u>, to engage professional institutions, such as accounting firms or law firms, to assist their work with reasonable expenses to be borne by the Company;</p> <p>(14) to investigate unusual business operations, financial conditions and compliance of the Company when they are found; and, where necessary, to engage professional institutions, such as accounting firms and law firms, to assist their work with reasonable expenses to be borne by the Company;</p> <p>(15) to prepare the proposal on the amount and payment method of the emoluments of supervisors and to submit it to the shareholders' general meeting for decision;</p> <p>(16) to perform other functions and powers conferred by these Articles or the shareholders' general meetings.</p>	<p>(12) to <u>check</u> the financial information such as the profit distribution plans <u>and final accounts plans</u> to be submitted by the board of directors to the shareholders' general meetings and to engage professional institutions, such as accounting firms or law firms, to assist their work <u>if any queries are identified</u> with reasonable expenses to be borne by the Company;</p> <p>(13) to investigate unusual business operations, financial conditions and compliance of the Company when they are found and, where necessary, to engage professional institutions, such as accounting firms and law firms, to assist their work with reasonable expenses to be borne by the Company;</p> <p>(14) to prepare proposals on the amount and payment method of the emoluments of supervisors and to submit it to the shareholders' general meeting for decision;</p> <p>(15) to perform other functions and powers conferred by <u>laws and regulations</u>, these Articles or the shareholders' general meetings.</p>
<p>Article <u>209</u> The supervisory committee may require the directors, senior management and other relevant personnel of the Company to attend meetings of the supervisory committee to answer questions.</p> <p>When the supervisory committee inspects the performance of duties by the directors or senior management of the Company, it may understand the situation from the directors, senior management and other relevant personnel of the Company and they shall offer cooperation in this regard.</p> <p><u>The supervisory committee shall supervise the performance of compliance management duties by the directors and senior management and propose to dismiss any directors or senior management who assume the primary or leadership responsibility for major compliance risks in accordance with laws, regulations and the requirements of these Articles.</u></p>	<p>Article <u>225</u> The supervisory committee may require the directors, senior management and other relevant personnel of the Company to attend meetings of the supervisory committee to answer questions.</p> <p><u>Article 226 The supervisory committee may make recommendations (whether in writing or orally) and give reminders to, interview and make inquiries with, and request for reply from the board of directors and the business management and their members or other personnel.</u></p> <p><u>Article 227</u> When the supervisory committee inspects the performance of duties by the directors or senior management of the Company, it may understand the situation from the directors, senior management and other relevant personnel of the Company, and they shall offer cooperation in this regard.</p>
<p style="text-align: center;">–</p>	<p><u>Article 228 In performing its duties, the supervisory committee shall have the right to engage professionals, including lawyers, certified public accountants and practising auditors, to provide services and professional advice, with the reasonable costs incurred thereby to be borne by the Company.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
–	<b>Article 229</b> <u>The Company shall report to the supervisory committee its audit reports, compliance reports, monthly or quarterly financial reports, annual financial reports and other major matters in a timely manner.</u>
–	<b>Article 230</b> <u>The supervision records of the supervisory committee and the results of financial inspection shall be taken as an important basis of the performance appraisal of directors and senior management.</u>
<p>Article <b>210</b> The supervisory committee shall hold a meeting at least once every six months. The chairman of the supervisory committee shall convene the meeting and notify all supervisors in writing 10 days before the meeting.</p> <p>The supervisory committee shall regularly convene a meeting within 120 days after the expiration of the last fiscal year to review the annual report, annual financial report and annual compliance report of the Company.</p>	<p>Article <b>231</b> The supervisory committee shall hold a meeting at least once every six months. The chairman of supervisory committee shall convene the meeting, and notify all supervisors in writing 10 days before the meeting.</p> <p>The supervisory committee shall regularly convene a meeting within 120 days after the expiration of the last fiscal year to review the annual report, annual financial report, <b><u>comprehensive risk management report</u></b> and annual compliance report, <b><u>etc.</u></b> of the Company.</p>
<p>Article <b>211</b> An extraordinary meeting of the supervisory committee shall be convened if so proposed by the supervisors. A written notice of the extraordinary meeting shall be served to all supervisors <b>five days</b> before the meeting. If an urgent extraordinary meeting is required, the convener may issue the notice of the meeting by telephone, <b>fax</b> or email together with an explanation of the urgency in the meeting.</p>	<p>Article <b>232</b> An extraordinary meeting of the supervisory committee shall be convened if so proposed by the supervisors. A written notice of the extraordinary meeting shall be served to all supervisors <b>two days</b> before the meeting. If an urgent extraordinary meeting is required, the convener may issue the notice of the meeting by telephone or email together with an explanation of the urgency in the meeting.</p>
<p>Article <b>212</b> The supervisory committee shall <b>formulate</b> the “Procedural Rules of the Supervisory Committee” to clearly define its discussion method and voting procedures so as to ensure the work efficiency and scientific decision making of the supervisory committee. The “Procedural Rules of the Supervisory Committee” <b>formulated by the supervisory committee shall be annexed to these Articles upon approval by the shareholders’ general meeting.</b></p>	<p>Article <b>233</b> The supervisory committee shall <b>prepare</b> the Procedural Rules of the Supervisory Committee to clearly define its discussion method and voting procedures so as to ensure the work efficiency and scientific decision making of the supervisory committee.</p> <p>The Procedural Rules of the Supervisory Committee <b>shall, as an annex to these Articles, be prepared by the supervisory committee and approved by shareholders at a shareholders’ general meeting.</b></p>
<p>Article <b>213</b> A supervisory committee meeting shall be held physically. Under urgent circumstances, voting at <b>an extraordinary</b> meeting of the supervisory committee may be conducted by way of <b>fax</b>, provided that the convener of the supervisory committee (the chairman of the meeting) shall explain to the attending supervisors the urgency in details.</p>	<p>Article <b>234</b> A supervisory committee meeting shall be held physically. Under urgent circumstances, voting at <b>a</b> meeting of the supervisory committee may be conducted by way of <b>communication tools</b>, provided that the convener of the supervisory committee (the chairman of the meeting) shall explain to the attending supervisors the urgency in details.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p><u>Article 214 The voting procedures of the supervisory committee is as follows: voting for resolutions at on-site meetings of the supervisory committee shall be determined by the chairman of the supervisory committee by way of a show of hands or poll. The chairman of the supervisory committee shall announce if the resolution of the supervisory committee is passed at the meeting in accordance with the voting results. The voting results of the resolution shall be recorded in the minutes of the meeting.</u></p> <p><u>When communication voting is adopted, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to an administrative body of the supervisory committee. Supervisors shall not only indicate the voting intention without stating the written opinion or reason for such voting intention. Supervisors participated in communication voting shall send the original of signed votes to the supervisory committee within the period specified in the notice of the meeting.</u></p>	<p><u>Article 235 The supervisory committee shall vote for resolutions by way of a show of hands, open ballot or other means of voting as permitted by laws, regulations, rules or normative documents. Each supervisor shall have one vote.</u></p>
<p><u>Article 215 The discussion method of the supervisory committee shall be as follows: a supervisory committee meeting shall not be conducted unless it is attended by two-thirds or more of the supervisors. The chairman of the supervisory committee shall preside over the meeting of supervisory committee. Each supervisor shall have one vote.</u> Any resolution made by the supervisory committee shall be approved by two-thirds or more of members of the supervisory committee.</p>	<p>Article <b>236</b> A supervisory committee meeting shall not be conducted unless it is attended by two-thirds or more of the supervisors. Any resolution made by the supervisory committee shall be approved by two-thirds or more of members of the supervisory committee.</p>
<p>Article <b>217</b> The supervisory committee shall keep minutes of the matters discussed. <u>The minutes shall record the process of the meeting, content of resolutions, speeches given by supervisors and voting results in a true, accurate and complete manner.</u> The attending supervisors <u>and the recorder</u> shall sign on the minutes of the meeting.</p> <p>Each supervisor shall have the right to request that an explanation of his/her comments made at the meetings be recorded in the minutes. The minutes of supervisory committee meetings shall be kept as the records of the Company <u>by the person in the administrative body designated by the chairman of the supervisory committee for a period of 20 years.</u></p>	<p>Article <b>238</b> The supervisory committee shall keep minutes of the matters discussed. The attending supervisors shall sign on the minutes of the meeting.</p> <p>Each supervisor shall have the right to request that an explanation of his/her comments made at the meetings be recorded in the minutes. The minutes of supervisory committee meetings shall be kept as the records of the Company <b>for at least 10 years.</b></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>218</b> A notice of the meeting of supervisory committee shall contain the following:</p> <ul style="list-style-type: none"> <li>(1) the date, venue and duration of the meeting;</li> <li>(2) the matters for discussion (proposals);</li> <li><u>(3) the convener and chairman of the meeting, the person proposing an extraordinary meeting and his/her written proposal;</u></li> <li><u>(4) meeting materials necessary for the voting by supervisors;</u></li> <li><u>(5) the requirement of personal attendance by supervisors;</u></li> <li><u>(6) contact person for the meeting and his/her contact details;</u></li> <li>(7) issue date of the meeting notice.</li> </ul> <p><u>Verbal notice of the meeting shall at least contain items (1) and (2) above and an explanation of the emergency that requires to convene an extraordinary meeting of the supervisory committee as soon as possible.</u></p>	<p>Article <b>239</b> A <b>written</b> notice of the meeting of supervisory committee shall contain the following:</p> <ul style="list-style-type: none"> <li>(1) the date, venue and duration of the meeting;</li> <li>(2) <b><u>reason for meeting and</u></b> the matters for discussion (proposals);</li> <li>(3) issue date of the meeting notice.</li> </ul>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<b>Chapter 9 Qualifications and Duties of the Directors, Supervisors, General Manager (President) and Other Senior Management of the Company</b>	<b>Chapter 9 Qualifications and Duties of the Directors, Supervisors, General Manager (President) and Other Senior Management of the Company</b>
<p>Article <b>219</b> In addition to the conditions for the appointment of directors (including independent directors), supervisors and senior management as set out in Articles <u>139, 153, 154, 188, 197</u> and <u>199</u>, the following persons shall not serve as directors, supervisors, the General Manager (President) or other senior management of the Company:</p> <p>(1) persons without civil capacity or with limited civil capacity;</p> <p>(2) persons who have committed offences relating to corruption, bribery, embezzlement, misappropriation of property or disruption of social economic order and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offense, where less than five years have elapsed since the date of restoring their political rights;</p> <p>(3) persons who were former directors, factory managers or general managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;</p> <p>(4) persons who were legal representatives of a company or enterprise which had its business licence revoked and operation closed down due to violation of laws and who were personally liable, where less than three years have elapsed since the date of the revocation;</p> <p>(5) persons who have a substantial amount of debts due and outstanding;</p> <p>(6) persons who are prohibited from entering into the securities market by the <u>CSRC</u> for a period which has not yet expired;</p> <p>(7) persons in charge of stock exchange, securities registration and clearing institutions or directors, supervisors, senior management of securities companies who were dismissed due to illegal or improper behaviour where less than five years have elapsed since the date of the removal.</p> <p>(8) persons who have been convicted by the competent authority for violation of securities regulations and acting fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;</p> <p>(9) persons who were lawyers, certified public accountants or professionals of <u>investment advisory institutions, financial consultancy institutions, credit rating institutions, assets evaluation institutions or certification institutions</u> and <u>who were disqualified</u> due to illegal or improper behavior, where less than five years have elapsed since the date of <u>disqualification</u>;</p>	<p>Article <b>240</b> In addition to the conditions for the appointment of directors (including independent directors), supervisors and senior management as set out in Articles <u>142, 156, 157, 208</u> and <u>209</u>, the following persons shall not serve as directors, supervisors, the General Manager (President) or other senior management of the Company:</p> <p>(1) persons without civil capacity or with limited civil capacity;</p> <p>(2) persons who have committed offences relating to corruption, bribery, embezzlement, misappropriation of property or disruption of social economic order and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offense, where less than five years have elapsed since the date of restoring their political rights;</p> <p>(3) persons who were former directors, factory managers or general managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;</p> <p>(4) persons who were legal representatives of a company or enterprise which had its business licence revoked and operation closed down due to violation of laws and who were personally liable, where less than three years have elapsed since the date of the revocation;</p> <p>(5) persons who have a substantial amount of debts due and outstanding;</p> <p>(6) persons who are prohibited from entering into the securities market by the <u>securities regulatory authorities</u> for a period which has not yet expired;</p> <p>(7) persons in charge of stock exchange, securities registration and clearing institutions or directors, supervisors, senior management of securities companies who were dismissed due to illegal or improper behaviour where less than five years have elapsed since the date of the removal.</p> <p>(8) persons who have been convicted by the competent authority for violation of securities regulations and acting fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;</p> <p>(9) persons who were lawyers, certified public accountants or professionals of <u>other securities service institutions</u> and <u>whose practicing license were revoked or who has been disqualified</u> due to illegal or improper behavior, where less than five years have elapsed since the date of <u>revocation of the practicing license or disqualification</u>;</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>(10) government officers and other persons who are prohibited by laws and regulations to concurrently take up posts in a company;</p> <p>(11) persons who were subject to administrative penalties by the financial regulatory authority due to illegal or improper behavior where less than three years have elapsed since the date of completion of the penalties;</p> <p>(12) persons who are disqualified by the <u>CSRC</u> where less than three years have elapsed since the date of disqualification;</p> <p>(13) persons who are declared to be unfit by the <u>CSRC</u> where less than two years have elapsed since the date of declaration;</p> <p>(14) persons who are prohibited from acting as a management member of a company by laws or regulations;</p> <p>(15) persons who are not natural persons;</p> <p>(16) persons who are under investigation due to suspected improper or illegal behaviors, or have been subject to an investigation by judicial authorities for breach of criminal law, and such investigation has not come to an end; and</p> <p>(17) other circumstances specified by laws, regulations or the listing rules of the place where the shares of the Company are listed.</p> <p>Any election or appointment of director and supervisor or appointment of the General Manager (President) and other senior management in contravention of this article shall be invalid. Any director, supervisor, the General Manager (President) or other senior management falling into any of the circumstances set out in this article during his/her term of office shall be dismissed by the Company.</p>	<p>(10) government officers and other persons who are prohibited by laws and regulations to concurrently take up posts in a company;</p> <p>(11) persons who were subject to administrative penalties by the financial regulatory authority due to illegal or improper behavior where less than three years have elapsed since the date of completion of the penalties;</p> <p>(12) persons who are disqualified by the <b><u>relevant regulatory authorities</u></b> where less than three years have elapsed since the date of disqualification;</p> <p>(13) persons who are declared to be unfit by the <b><u>relevant regulatory authorities</u></b> where less than two years have elapsed since the date of declaration;</p> <p>(14) persons who are prohibited from acting as a management member of a company by laws or regulations;</p> <p>(15) persons who are not natural persons;</p> <p>(16) persons who are under investigation due to suspected improper or illegal behaviors, or have been subject to an investigation by judicial authorities for breach of criminal law, and such investigation has not come to an end; and</p> <p>(17) other circumstances specified by laws, regulations or the listing rules of the place where the shares of the Company are listed.</p> <p>Any election or appointment of director and supervisor or appointment of the General Manager (President) and other senior management in contravention of this article shall be invalid. Any director, supervisor, the General Manager (President) or other senior management falling into any of the circumstances set out in this article during his/her term of office shall be dismissed by the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>221</b> In addition to the obligations imposed by laws, regulations and the requirements of the <u>securities regulators</u> in the place where the Company's shares are listed, the directors, supervisors, the General Manager (President) and other senior management of the Company shall also have the following obligations to shareholders when exercising their functions and powers entrusted by the Company:</p> <p>(1) not to cause the Company to exceed the scope of business stipulated in its business license;</p> <p>(2) to act honestly in the best interests of the Company;</p> <p>(3) not to expropriate the Company's properties by any means, including but not limited to opportunities advantageous to the Company; and</p> <p>(4) not to expropriate the personal rights of shareholders, including but not limited to rights of distribution and voting, except for the restructuring of the Company submitted to the shareholders' general meeting for approval in accordance with these Articles.</p> <p>Directors of the Company shall also perform the fiduciary duty and the obligation of diligence to the Company in accordance with Articles <u>141</u> and <u>142</u>.</p>	<p>Article <b>242</b> In addition to the obligations imposed by laws, regulations and the requirements of the <u>securities regulatory authorities and the stock exchange(s)</u> in the place where the Company's shares are listed, the directors, supervisors, the General Manager (President) and other senior management of the Company shall also have the following obligations to shareholders when exercising their functions and powers entrusted by the Company:</p> <p>(1) not to cause the Company to exceed the scope of business stipulated in its business license;</p> <p>(2) to act honestly in the best interests of the Company;</p> <p>(3) not to expropriate the Company's properties by any means, including but not limited to opportunities advantageous to the Company; and</p> <p>(4) not to expropriate the personal rights of shareholders, including but not limited to rights of distribution and voting, except for the restructuring of the Company submitted to the shareholders' general meeting for approval in accordance with these Articles.</p> <p>Directors of the Company shall also perform the fiduciary duty and the obligation of diligence to the Company in accordance with Articles <u>144</u> and <u>145</u>.</p>
<p>Article <b>227</b> Where a director, supervisor, the General Manager (President) and any other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than his/her contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, whether or not the related matters under normal circumstances is subject to the approval of the board of directors.</p> <p>Unless the interested director, supervisor, the General Manager (President) or other senior management of the Company has disclosed his/her interest in accordance with the preceding paragraph of this article to the board of directors and the contract, transaction or arrangement has been approved at a board meeting in which the interested director, supervisor, the General Manager (President) and other senior management was not counted in the quorum and has abstained from voting, such contract, transaction or arrangement may be revoked by the Company except that the counterparty is a bona fide party acting without notice of the breach of duty by the director, supervisor, the General Manager (President) or other senior management concerned.</p> <p>If the related party of the director, supervisor, the General Manager (President) or other senior management of the Company has interests in any contract, transaction or arrangement, such director, supervisor, the General Manager (President) or other senior management will be deemed to be so interested.</p>	<p>Article <b>248</b> Where a director, supervisor, the General Manager (President) and any other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than his/her contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, whether or not the related matters under normal circumstances is subject to the approval of the board of directors.</p> <p>Unless the interested director, supervisor, the General Manager (President) or other senior management of the Company has disclosed his/her interest in accordance with the preceding paragraph of this article to the board of directors and the contract, transaction or arrangement has been approved at a board meeting in which the interested director, supervisor, the General Manager (President) and other senior management was not counted in the quorum and has abstained from voting, such contract, transaction or arrangement may be revoked by the Company except that the counterparty is a bona fide party acting without notice of the breach of duty by the director, supervisor, the General Manager (President) or other senior management concerned.</p> <p>If the related party of the director, supervisor, the General Manager (President) or other senior management of the Company has interests in any contract, transaction or arrangement, such director, supervisor, the General Manager (President) or other senior management will be deemed to be so interested.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>A director shall not vote for any resolution of the board in relation to any contract, transaction or arrangement or any other relevant proposal in which he/she or any of his/her associate(s) (as defined in the applicable Hong Kong Listing Rules in force from time to time) has material interests and he/she shall not be counted in the quorum of the meeting, except for the <u>following</u>:</p> <p><u>(1) 1. any security or indemnity to the director or his/her associate(s) in respect of the loans provided to the Company or any of its subsidiaries by such director or his/her associate(s) or obligations incurred or undertaken by such director or any of his/her associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;</u></p> <p><u>2. any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his/her associate(s) has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or security;</u></p> <p><u>(2) any offer, by other persons or the Company, of shares or debentures or other securities of the Company or any other companies which the Company may promote or be interested in for subscription or purchase, where the director or his/her associate(s) is or is to be interested as a participant(s) in the underwriting or sub-underwriting of the offer;</u></p> <p><u>(3) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:</u></p> <p><u>1. the adoption, modification or implementation of any employees share scheme or any share incentive or share option scheme from which the director or his/her associate(s) may benefit;</u></p> <p><u>2. the adoption, modification or implementation of a pension fund scheme, retirement scheme or death or disability benefits scheme which relates to the directors, their associates(s) and employees of the Company or any of its subsidiaries without providing any special rights to any director or his/her associate(s) which is not generally accorded to the persons relating to such scheme or fund;</u></p> <p><u>(4) any contract or arrangement in which the director or his/her associate(s) is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/her interests in shares or debentures or other securities of the Company.</u></p>	<p>A director shall not vote for any resolution of the board in relation to any contract, transaction or arrangement or any other relevant proposal in which he/she or any of his/her <u>close</u> associate(s) (as defined in the applicable Hong Kong Listing Rules in force from time to time) has material interests and he/she shall not be counted in the quorum of the meeting, except for the <u>circumstances permitted under the Hong Kong Listing Rules and applicable regulations.</u></p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<b>Chapter 10 Financial and Accounting Systems, Profit Distribution and Audit</b> <b>Section 1 Financial and Accounting Systems</b>	<b>Chapter 10 Financial and Accounting Systems, Profit Distribution and Audit</b> <b>Section 1 Financial and Accounting Systems</b>
<p>Article <b>238</b> The Company shall prepare and submit its annual financial reports within four months after the end of each accounting year to the <u>CSRC</u> and the stock exchange(s), its interim financial reports within two months after the end of the first six months of each accounting year to the <u>local office of the CSRC</u> and the stock exchange(s), and quarterly financial reports within one month after the end of the first three months and first nine months of each accounting year to the <u>local office of the CSRC</u> and the stock exchange(s).</p> <p>The abovementioned financial reports shall be prepared in accordance with the relevant laws and regulations and published according to the requirements of the <u>securities regulators</u> in the place where the shares of the Company are listed.</p>	<p>Article <b>259</b> The Company shall prepare and submit its annual financial reports within four months after the end of each accounting year, its interim financial reports within two months after the end of the first six months of each accounting year, and quarterly financial reports within one month after the end of the first three months and first nine months of each accounting year <u>respectively</u> to the <u>securities regulatory authorities</u> and the stock exchange(s).</p> <p>The abovementioned financial reports shall be prepared in accordance with the relevant laws and regulations and published according to the requirements of the <u>securities regulatory authorities and the stock exchange(s)</u> in the place where the shares of the Company are listed.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>248</b> The specific policies of profit distribution of the Company are as follows:</p> <p>(1) The Company may distribute dividends in cash, shares or in a combination of cash and shares. The Company shall prioritize profit distribution by way of cash dividend if it satisfies the relevant conditions. If the relevant conditions are satisfied, interim profit distribution may be made by the Company.</p> <p>(2) Save for any significant capital expenditure arrangement of the Company or other special circumstances approved at the shareholders' general meeting, if the Company makes profit for the year and its accumulative undistributed profit is positive, the profit to be distributed in cash per annum shall not be less than 10% of the distributable profit of the parent company realized in that year.</p> <p><u>The board of directors shall take into account various factors such as features of the industries where the Company operates, stage of development, its own business model, profitability and whether there is significant capital expenditure arrangement, to distinguish the following situations and put forward differentiated policy of cash dividend in accordance with the procedures required by these Articles.</u></p> <p><u>1. If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when the profit distribution is made.</u></p> <p><u>2. If the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when the profit distribution is made.</u></p> <p><u>3. If the Company is at the growing stage and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made.</u></p> <p><u>4. If it is difficult to distinguish the Company's stage of development but if it has significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.</u></p>	<p>Article <b>269</b> The specific policies of profit distribution of the Company are as follows:</p> <p>(1) The Company may distribute dividends in cash, shares or in a combination of cash and shares. The Company shall prioritize profit distribution by way of cash dividend if it satisfies the relevant conditions. If the relevant conditions are satisfied, interim profit distribution may be made by the Company.</p> <p>(2) Save for any significant capital expenditure arrangement of the Company or other special circumstances approved at the shareholders' general meeting, if the Company makes profit for the year and its accumulative undistributed profit is positive, the profit to be distributed in cash per annum shall not be less than 10% of the distributable profit of the parent company realized in that year.</p> <p>Significant capital expenditure includes major investment and other significant capital expenditure. Major investment refers to the investment, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months reaches 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first; other significant capital expenditure refers to other one-off total expenditures reach 10% of the latest audited net assets of the Company, or 5% of the latest audited self-owned assets of the Company, whichever reaches first.</p> <p>(3) In formulating the profit distribution plan, full consideration shall be given as to whether the net capital of the Company after profit distribution conforms to the provisions of the Measures for the Administration of Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) with respect to the risk control indicators of net capital. If any alert from risk control indicators arises due to profit distribution, the profit distribution proportion shall be adjusted.</p> <p>(4) Where the Company is under a good operating condition, and the board of directors considers that the share price of the Company does not reflect its share capital size and distributing dividends in shares will be in the interest of all shareholders of the Company as a whole, the Company may carry out profit distribution through payment of dividends in shares taking into account genuine and reasonable factors such as the cash flow position, business growth and net asset value per share of the Company.</p> <p>If the Company does not distribute dividends in cash or adjust its proportion due to the circumstances described in items (2) and (3) of this article, it shall be approved by way of special resolution at the shareholders' general meeting of the Company.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Significant capital expenditure includes major investment and other significant capital expenditure. Major investment refers to the investment, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months reaches 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first; other significant capital expenditure refers to other one-off total expenditures reach 10% of the latest audited net assets of the Company or 5% of the latest audited self-own assets of the Company, whichever reaches first.</p> <p>(3) In formulating the profit distribution plan, full consideration shall be given to whether the net capital of the Company after profit distribution conforms to the provisions of the Measures for the Administration of Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) with respect to the risk control indicators of net capital. If any alert from risk control indicators arises due to profit distribution, the profit distribution proportion shall be adjusted.</p> <p>(4) Where the Company is under a good operating condition, and the board of directors considers that the share price of the Company does not reflect its share capital size and distributing dividends in shares will be in the interest of all shareholders of the Company as a whole, the Company may carry out profit distribution through payment of dividends in shares taking into account genuine and reasonable factors such as the cash flow position, business growth and net asset value per share of the Company.</p> <p>If the Company does not distribute dividends in cash or adjust its proportion due to the circumstances described in items (2) and (3) of this article, it shall be approved by way of special resolution at the shareholders' general meeting of the Company.</p>	

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>249</b> The Company's profit distribution plan shall be carried out according to the following review procedures:</p> <p>(1) The Company's profit distribution plan shall be submitted to the board of directors for consideration by the General Manager (President). The board of directors shall thoroughly discuss its rationality, seek opinions widely from shareholders, independent directors and supervisors, and form a special resolution on the basis of providing continuous and stable returns to all shareholders and submit it to the shareholders' general meeting for consideration upon expressing views by independent directors.</p> <p>(2) When convening the shareholders' general meeting for purpose of considering the profit distribution plan, the Company shall take the initiative to communicate and exchange ideas with shareholders, in particular with the minority shareholders, through various channels (including but not limited to communication through telephone, fax and email or inviting minority shareholders to attend meetings), and fully listen to the opinions and appeals from minority shareholders and respond to the questions which they are concerned about promptly.</p> <p>(3) If the Company fails to determine its plan of profit distribution of the year to which it relates according to the established cash dividend policy or the lowest proportion of cash dividends under special circumstances, the Company shall disclose the specific reasons for this, as well as the purposes and plan for the use of the retained capital that has not been applied for cash dividends distribution in announcements of the board resolution and annual report of the Company, and independent directors shall express their independent opinions on the rationality of no cash dividends or lower proportion of cash dividends. In such case, the profit distribution plan for the year shall be submitted to the shareholders' general meeting by way of special resolution for voting.</p> <p>(4) The supervisory committee shall supervise the implementation of the dividend policy by the board of directors and the <u>management</u>, as well as the plan of shareholders' return and the decision-making procedures.</p>	<p>Article <b>270</b> The Company's profit distribution plan shall be carried out according to the following review procedures:</p> <p>(1) The Company's profit distribution plan shall be submitted to the board of directors for consideration by the General Manager (President). The board of directors shall thoroughly discuss its rationality, seek opinions widely from shareholders, independent directors and supervisors, and form a special resolution on the basis of providing continuous and stable returns to all shareholders and submit it to the shareholders' general meeting for consideration upon expressing views by independent directors.</p> <p>(2) When convening the shareholders' general meeting for purpose of considering the profit distribution plan, the Company shall take the initiative to communicate and exchange ideas with shareholders, in particular with the minority shareholders, through various channels (including but not limited to communication through telephone, fax and email or inviting minority shareholders to attend meetings), and fully listen to the opinions and appeals from minority shareholders and respond to the questions which they are concerned about promptly.</p> <p>(3) If the Company fails to determine its plan of profit distribution of the year to which it relates according to the established cash dividend policy or the lowest proportion of cash dividends under special circumstances, the Company shall disclose the specific reasons for this, as well as the purposes and plan for the use of the retained capital that has not been applied for cash dividends distribution in announcements of the board resolution and annual report of the Company, and independent directors shall express their independent opinions on the rationality of no cash dividends or lower proportion of cash dividends. In such case, the profit distribution plan for the year shall be submitted to the shareholders' general meeting by way of special resolution for voting.</p> <p>(4) The supervisory committee shall supervise the implementation of the dividend policy by the board of directors and the <u>business management</u>, as well as the plan of shareholders' return and the decision-making procedures.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<p>Article <b>252</b> Any amount paid up on any shares before the date of a call confirmed by the Company shall bear interest thereon. However, the shareholder shall not be entitled to any dividends on such pre-paid share capital before the date of the call.</p> <p>Subject to the relevant laws and regulations, the Company may forfeit unclaimed dividends after the expiry of the applicable term of validity commencing from the date of declaration of relevant dividends.</p> <p>If dividend warrants have been left uncashed on two consecutive occasions, the Company is entitled to stop sending dividend warrants to holders of overseas listed foreign shares by post. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p> <p>For bearer warrant, no new warrant shall be issued to replace the destroyed or lost warrant unless the Company is reasonably convinced that the original warrant has been destroyed or lost.</p> <p>The Company shall have the power to sell, in such manner as the board of directors thinks fit, any shares held by a shareholder of overseas listed foreign shares who is untraceable subject to the following conditions:</p> <p>(1) the Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed;</p> <p>(2) the Company, after the expiration of a period of 12 years, made an announcement on one or more newspapers in the place where the Company's shares are listed, stating its intention to sell such shares, and notify the <u>securities regulators</u> in the place where the Company's shares are listed of such intention.</p>	<p>Article <b>273</b> Any amount paid up on any shares before the date of a call confirmed by the Company shall bear interest thereon. However, the shareholder shall not be entitled to any dividends on such pre-paid share capital before the date of the call.</p> <p>Subject to the relevant laws and regulations, the Company may forfeit unclaimed dividends after the expiry of the applicable term of validity commencing from the date of declaration of relevant dividends.</p> <p>If dividend warrants have been left uncashed on two consecutive occasions, the Company is entitled to stop sending dividend warrants to holders of overseas listed foreign shares by post. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p> <p>For bearer warrant, no new warrant shall be issued to replace the destroyed or lost warrant unless the Company is reasonably convinced that the original warrant has been destroyed or lost.</p> <p>The Company shall have the power to sell, in such manner as the board of directors thinks fit, any shares held by a shareholder of overseas listed foreign shares who is untraceable subject to the following conditions:</p> <p>(1) the Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed;</p> <p>(2) the Company, after the expiration of a period of 12 years, made an announcement on one or more newspapers in the place where the Company's shares are listed, stating its intention to sell such shares, and notify the <u>stock exchange(s)</u> in the place where the Company's shares are listed of such intention.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Section 3 Appointment of Accounting Firm	Section 3 Appointment of Accounting Firm
<p>Article <b>262</b> The appointment, removal or non-reappointment of an accounting firm by the Company shall be decided by the shareholders' general meeting. The resolution shall be filed with the <u>CSRC</u>.</p> <p>Prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment. Such accounting firm shall be entitled to make representations at the relevant shareholders' general meeting.</p> <p>If a resolution at a shareholders' general meeting is to be passed for the appointment of another accounting firm to fill a vacancy, or the reappointment of an accounting firm that was appointed by the board of directors to fill a vacancy, or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall be applied:</p> <p>(1) A copy of the appointment or removal proposal shall be sent to the accounting firm which is proposed to be appointed or dismissed or which has left its post in the relevant fiscal year before issuing the notice of the shareholders' general meeting to the shareholders.</p> <p>The leaving of an accounting firm may refer to the removal, resignation or retirement of such firm.</p> <p>(2) If the leaving accounting firm makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received after the prescribed time) take the following actions:</p> <ol style="list-style-type: none"> <li>1. in any notice of shareholders' general meeting given to shareholders, state the fact that the accounting firm has made such representations;</li> <li>2. attach a copy of the representations to the notice and deliver it to shareholders in the manner stipulated in these Articles.</li> </ol> <p>(3) If the Company fails to send out the representations of the accounting firm in the manner set out in item (2) above, such accounting firm may require the representations be read out at the shareholders' general meeting and may make a further appeal.</p> <p>(4) The leaving accounting firm shall be entitled to attend the following meetings:</p> <ol style="list-style-type: none"> <li>1. the shareholders' general meeting at which its term of office would otherwise have expired;</li> <li>2. the shareholders' general meeting at which the vacancy is proposed to be filled due to its removal;</li> <li>3. the shareholders' general meeting which convened as a result of its resignation.</li> </ol> <p>The leaving accounting firm shall be entitled to receive all notices of, or other information relating to, any such meeting, and to speak at any such meeting which concerns it as a former accounting firm of the Company.</p>	<p>Article <b>283</b> The appointment, removal or non-reappointment of an accounting firm by the Company shall be decided by the shareholders' general meeting. The resolution shall be filed with the <u>securities regulatory authorities</u>.</p> <p>Prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment. Such accounting firm shall be entitled to make representations at the relevant shareholders' general meeting.</p> <p>If a resolution at a shareholders' general meeting is to be passed for the appointment of another accounting firm to fill a vacancy, or the reappointment of an accounting firm that was appointed by the board of directors to fill a vacancy, or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall be applied:</p> <p>(1) A copy of the appointment or removal proposal shall be sent to the accounting firm which is proposed to be appointed or dismissed or which has left its post in the relevant fiscal year before issuing the notice of the shareholders' general meeting to the shareholders.</p> <p>The leaving of an accounting firm may refer to the removal, resignation or retirement of such firm.</p> <p>(2) If the leaving accounting firm makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received after the prescribed time) take the following actions:</p> <ol style="list-style-type: none"> <li>1. in any notice of shareholders' general meeting given to shareholders, state the fact that the accounting firm has made such representations;</li> <li>2. attach a copy of the representations to the notice and deliver it to shareholders in the manner stipulated in these Articles.</li> </ol> <p>(3) If the Company fails to send out the representations of the accounting firm in the manner set out in item (2) above, such accounting firm may require the representations be read out at the shareholders' general meeting and may make a further appeal.</p> <p>(4) The leaving accounting firm shall be entitled to attend the following meetings:</p> <ol style="list-style-type: none"> <li>1. the shareholders' general meeting at which its term of office would otherwise have expired;</li> <li>2. the shareholders' general meeting at which the vacancy is proposed to be filled due to its removal;</li> <li>3. the shareholders' general meeting which convened as a result of its resignation.</li> </ol> <p>The leaving accounting firm shall be entitled to receive all notices of, or other information relating to, any such meeting, and to speak at any such meeting which concerns it as a former accounting firm of the Company.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
<b>Chapter 12 Notices and Announcements</b>	<b>Chapter 12 Notices and Announcements</b>
<b>Section 2 Announcements</b>	<b>Section 2 Announcements</b>
<p>Article <b>270</b> The Company shall issue an announcement and disclose information to holders of domestic shares on newspapers and websites designated by laws, regulations or the <b>CSRC</b> for information disclosure. If the Company is required to make announcements to the holders of overseas listed foreign shares pursuant to these Articles, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules.</p>	<p>Article <b>291</b> The Company shall issue an announcement and disclose information to holders of domestic shares on newspapers and websites designated by laws, regulations or the <b>securities regulatory authorities</b> for information disclosure. If the Company is required to make announcements to the holders of overseas listed foreign shares pursuant to these Articles, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules.</p>
<b>Chapter 13 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation</b>	<b>Chapter 13 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation</b>
<b>Section 2 Dissolution and Liquidation</b>	<b>Section 2 Dissolution and Liquidation</b>
<p>Article <b>281</b> Where the Company is dissolved pursuant to item (1), (3), (5) or (7) of Article <b>279</b>, a liquidation committee shall be set up in accordance with law within 15 days after the liquidation is approved by the <b>CSRC</b>. Members of the liquidation committee shall be determined by shareholders' general meeting by way of ordinary resolution. If a liquidation committee is not set up within the specified period, the creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee to proceed with the liquidation.</p> <p>Where the Company is dissolved pursuant to item (3) of Article <b>279</b>, the Company shall apply to the <b>CSRC</b> with reasons for dissolution and debt settlement plan. The Company shall be dissolved after obtaining the approval from the <b>CSRC</b>.</p> <p>Where the Company is dissolved pursuant to the provision of deregistration according to law under item (4) of Article <b>279</b>, the <b>CSRC</b> shall de-register the Company and form an administrative liquidation committee comprising selective professional agencies, such as law or accounting firms, to proceed with the administrative liquidation in accordance with the required procedures.</p> <p>Where the Company is dissolved pursuant to the provision of being ordered to close down according to law under item (4) of Article <b>279</b>, administrative liquidation, if necessary, shall be implemented by reference to the provision of deregistration according to law.</p> <p>Where the Company is dissolved pursuant to item (6) of Article <b>279</b>, the people's court shall, according to applicable laws, order the formation of a liquidation committee comprising members from the <b>CSRC</b>, shareholders, relevant departments and professionals to proceed with the bankruptcy and liquidation in accordance with applicable enterprise bankruptcy laws.</p>	<p>Article <b>302</b> Where the Company is dissolved pursuant to item (1), (3), (5) or (7) of Article <b>300</b>, a liquidation committee shall be set up in accordance with law within 15 days after the liquidation is approved by the <b>relevant regulatory authorities</b>. Members of the liquidation committee shall be determined by shareholders' general meeting by way of ordinary resolution. If a liquidation committee is not set up within the specified period, the creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee to proceed with the liquidation.</p> <p>Where the Company is dissolved pursuant to item (3) of Article <b>300</b>, the Company shall apply to the <b>relevant regulatory authorities</b> with reasons for dissolution and debt settlement plan. The Company shall be dissolved after obtaining the approval from the <b>relevant regulatory authorities</b>.</p> <p>Where the Company is dissolved pursuant to the provision of deregistration according to law under item (4) of Article <b>300</b>, the <b>relevant regulatory authorities</b> shall de-register the Company and form an administrative liquidation committee comprising selective professional agencies, such as law or accounting firms, to proceed with the administrative liquidation in accordance with the required procedures.</p> <p>Where the Company is dissolved pursuant to the provision of being ordered to close down according to law under item (4) of Article <b>300</b>, administrative liquidation, if necessary, shall be implemented by reference to the provision of deregistration according to law.</p> <p>Where the Company is dissolved pursuant to item (6) of Article <b>300</b>, the people's court shall, according to applicable laws, order the formation of a liquidation committee comprising members from the <b>relevant regulatory authorities</b>, shareholders, relevant departments and professionals to proceed with the liquidation in accordance with applicable enterprise bankruptcy laws.</p>

## APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Articles Before Revision	Articles After Revision
Chapter 14 Amendments to these Articles	Chapter 14 Amendments to these Articles
<p>Article <b>291</b> <del>Where</del> the amendments to these Articles passed by the resolution of shareholders' general meetings <b><u>require approval of the competent departments, the amendments shall be submitted to the competent departments for approval.</u></b></p>	<p>Article <b>312</b> The amendments to these Articles passed by the resolution of shareholders' general meetings <b><u>shall be required to be submitted to the relevant regulatory authorities for filing.</u></b> If the amendment involves any registered particulars <b><u>of the Company,</u></b> an application shall be made for change of registration in accordance with law.</p>
<p>Article <b>292</b> <b><u>Any amendment to these Articles involving the Mandatory Provisions for the Articles of Association of Companies Listed Overseas shall become effective upon approval by the approval department authorized by the State Council and the CSRC.</u></b> If the amendment involves any registered particulars, an application shall be made for change of registration in accordance with law.</p>	
Chapter 16 Miscellaneous	Chapter 16 Miscellaneous
<p>Article <b>298</b> These Articles are prepared in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles approved by and registered with the <b><u>State Administration for Industry and Commerce of the People's Republic of China</u></b> shall prevail.</p>	<p>Article <b>318</b> These Articles are prepared in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles approved by and registered with the <b><u>company registration authority</u></b> shall prevail.</p>
<p>Article <b>302</b> These Articles have been approved by the shareholders' general meeting and the <b><u>CSRC</u></b> and shall come into effect on the date of the initial public offering and listing of the Company's shares.</p> <p>The original articles of association of the Company shall automatically lapse from the date when these Article take effect.</p>	<p>Article <b>322</b> These Articles have been approved by the shareholders' general meeting and the <b><u>relevant regulatory authorities</u></b> and shall come into effect on the date of the initial public offering and listing of the Company's shares.</p> <p>The original articles of association of the Company shall automatically lapse from the date when these Article take effect.</p>

If there is any change to the article number in the Articles of Association due to the addition, deletion or re-arrangement of certain articles, the relevant article in the revised Articles of Association shall be renumbered and the cross reference to the relevant article shall be changed accordingly. Unless amendments to other content of such articles are involved, the amendments to the article number are not listed above.

## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

The proposed amendments to the Procedural Rules of the Shareholders' General Meetings are set out below:

Articles Before Revision	Articles After Revision
Chapter 1 General Provisions	Chapter 1 General Provisions
<p>Article 1 These Procedural Rules are formulated in accordance with laws and regulations, such as 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 Code of Corporate Governance for Securities Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules for the Shareholders' General Meetings of Listed Companies (<b>Zheng Jian Fa [2006] No. 21</b>), the Mandatory Provisions for the Articles of Association of Companies Listed Overseas, the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Companies Limited by Shares, the Circular Regarding Comments on the Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), as well as the Articles of Association, to regulate the conduct of China Galaxy Securities Co., Ltd. (the "Company") and to ensure that the shareholders' general meeting exercises its functions and powers according to law.</p>	<p>Article 1 These Procedural Rules are formulated in accordance with laws and regulations, such as 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 Code of Corporate Governance for Securities Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules for the Shareholders' General Meetings of Listed Companies, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas, the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Companies Limited by Shares, the Circular Regarding Comments on the Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), as well as the Articles of Association, to regulate the conduct of China Galaxy Securities Co., Ltd. (the "Company") and to ensure that the shareholders' general meeting exercises its functions and powers according to law.</p>
<p>Article 5 The shareholders' general meeting is the authority of the Company and shall exercise the following functions and powers in accordance with law:</p> <p>(1) to determine the operating policies and investment plans of the Company;</p> <p>(2) to elect and replace any of the directors and supervisors other than those held by employee representatives, and to determine the remuneration of directors and supervisors;</p> <p>(3) to consider and approve the reports of the board of directors;</p> <p>(4) to consider and approve the reports of the supervisory committee;</p> <p>(5) to consider and approve the annual financial budget and final account of the Company;</p> <p>(6) to consider and approve the profit distribution plans and the loss recovery plans of the Company;</p> <p>(7) to approve resolutions on increase or decrease of registered capital of the Company;</p> <p>(8) to resolve on the issuance of bonds of the Company;</p>	<p>Article 5 The shareholders' general meeting is the authority of the Company and shall exercise the following functions and powers in accordance with law:</p> <p>(1) to determine the operating policies and investment plans of the Company;</p> <p>(2) to elect and replace any of the directors and supervisors other than those held by employee representatives, and to determine the remuneration of directors and supervisors;</p> <p>(3) to consider and approve the reports of the board of directors;</p> <p>(4) to consider and approve the reports of the supervisory committee;</p> <p>(5) to consider and approve the annual financial budget and final account of the Company;</p> <p>(6) to consider and approve the profit distribution plans and the loss recovery plans of the Company;</p> <p>(7) to approve resolutions on increase or decrease of registered capital of the Company;</p> <p>(8) to resolve on the issuance of bonds of the Company;</p>

## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>(9) to resolve on matters such as the merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to resolve on the appointment, removal or non-reappointment of any accounting firm;</p> <p>(12) to consider and approve any guarantee issues set forth in Article 6 of these Procedural Rules;</p> <p>(13) to consider any purchase or disposal of material assets of the Company of an aggregate value exceeding 30% of the Company's latest audited total assets in a year;</p> <p>(14) to consider and approve any change of the use of proceeds raised;</p> <p>(15) to consider and approve major investments, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months, reaches 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first;</p> <p>(16) to consider and approve connected transactions to be approved by the shareholders' general meeting as required by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or the Hong Kong Listing Rules;</p> <p>(17) to consider the <b><u>implementation plan of a long-term incentive mechanism</u></b>;</p> <p>(18) to consider and approve the proposal submitted by any shareholder(s) jointly or individually holding 3% or more in aggregate of the Company's shares; and</p> <p>(19) to consider other matters to be resolved at shareholders' general meeting as required by laws, regulations, the <b><u>securities regulators</u></b> in the place where the Company's shares are listed or the Articles of Association.</p> <p>Matters to be resolved at shareholder's general meeting as required by laws, regulations, the <b><u>securities regulators</u></b> in the place where the Company's shares are listed and the Articles of Association shall be considered and approved at shareholders' general meeting so as to safeguard the shareholders' decision-making power in respect of such matters.</p>	<p>(9) to resolve on matters such as the merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to resolve on the appointment, removal or non-reappointment of any accounting firm;</p> <p>(12) to consider and approve any <b><u>external</u></b> guarantee issues set forth in Article 6 of these Procedural Rules;</p> <p>(13) to consider any purchase or disposal of material assets of the Company of an aggregate value exceeding 30% of the Company's latest audited total assets in a year;</p> <p>(14) to consider and approve any change of the use of proceeds raised;</p> <p>(15) to consider and approve major investments, the total investment amount of which (or the total value of any disposal of assets), at one time or accumulative in four months, reaches 10% of the latest audited net assets of the Company or 5% of the latest audited self-owned assets of the Company, whichever reaches first, <b><u>or other transactions to be considered by the shareholders' general meeting as required by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or the Hong Kong Listing Rules</u></b>;</p> <p>(16) to consider and approve connected transactions to be approved by the shareholders' general meeting as required by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or the Hong Kong Listing Rules;</p> <p>(17) to consider the <b><u>equity-based incentive scheme</u></b>;</p> <p>(18) to consider and approve the proposal submitted by any shareholder(s) jointly or individually holding 3% or more in aggregate of the Company's shares; and</p> <p>(19) to consider other matters to be resolved at shareholders' general meeting as required by laws, regulations, the <b><u>securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed or the Articles of Association.</p> <p>Matters to be resolved at shareholder's general meeting as required by laws, regulations, the <b><u>securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed and the Articles of Association shall be considered and approved at shareholders' general meeting so as to safeguard the shareholders' decision-making power in respect of such matters.</p>

## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 6 The Company shall not directly or indirectly provide financing or guarantee for any of its shareholders or their connected parties. The provision of any of the following guarantees for any external party by the Company shall be considered and resolved at shareholders' general meeting:</p> <p>(1) any guarantee provided by the Company and its subsidiaries after the total amount of guarantee provided for external parties by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guarantee provided by the Company after the total amount of guarantee provided for external parties by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) any guarantee provided for any entity with a gearing ratio of more than 70%; and</p> <p>(4) any single guarantee the value of which exceeds 10% of the latest audited net assets of the Company.</p> <p><b><u>The Company shall not provide financing or guarantee for any of its subsidiaries that invests in any financial product other than those set forth in the List of Investment Products of Proprietary Trading of Securities Companies</u></b> (《證券公司證券自營投資品種清單》).</p>	<p>Article 6 <b><u>Except for the provision of margin financing and securities lending to customers as required,</u></b> the Company shall not directly or indirectly provide financing or guarantee for any of its shareholders or their connected parties. The provision of any of the following guarantees for any external party by the Company shall be considered and resolved at shareholders' general meeting:</p> <p>(1) any guarantee provided by the Company and its subsidiaries after the total amount of guarantee provided for external parties by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guarantee provided by the Company after the total amount of guarantee provided for external parties by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) any guarantee provided for any entity with a gearing ratio of more than 70%; and</p> <p>(4) any single guarantee the value of which exceeds 10% of the latest audited net assets of the Company.</p>

## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 8 The Company shall hold an extraordinary general meeting within two months subsequent to the occurrence of any of the following events:</p> <p>(1) that the number of incumbent directors is less than the number required by the Company Law, or is less than two-thirds (2/3) of the number specified by the Articles of Association, i.e. eight (8) directors;</p> <p>(2) that the uncovered loss amounts to one-third (1/3) of the Company's total paid-up share capital;</p> <p>(3) that any of the shareholders individually or jointly holding 10% or more of the Company's voting shares make(s) any request in writing;</p> <p>(4) that the board of directors or one-third (1/3) or more of the directors consider it necessary;</p> <p>(5) that the supervisory committee proposes to convene such meeting; and</p> <p>(6) such other circumstances as specified by laws and regulations or the Articles of Association.</p> <p>The number of shares held by the shareholders as mentioned in item (3) above shall be such number of the shares as of the date on which the written request is submitted.</p> <p>In the event that the Company fails to convene the shareholders' general meeting within the aforesaid period, it shall report and explain the reasons to the <b>local office of the CSRC</b> in the place where the Company is domiciled and the stock exchange(s) on which the shares of the Company are listed, and shall issue an announcement accordingly.</p>	<p>Article 8 The Company shall hold an extraordinary general meeting within two months subsequent to the occurrence of any of the following events:</p> <p>(1) that the number of incumbent directors is less than the number required by the Company Law, or is less than two-thirds (2/3) of the number specified by the Articles of Association, i.e. eight (8) directors;</p> <p>(2) that the uncovered loss amounts to one-third (1/3) of the Company's total paid-up share capital;</p> <p>(3) that any of the shareholders individually or jointly holding 10% or more of the Company's voting shares make(s) any request in writing;</p> <p>(4) that the board of directors or one-third (1/3) or more of the directors consider it necessary;</p> <p>(5) that the supervisory committee proposes to convene such meeting; and</p> <p>(6) such other circumstances as specified by laws and regulations or the Articles of Association.</p> <p>The number of shares held by the shareholders as mentioned in item (3) above shall be such number of the shares as of the date on which the written request is submitted.</p> <p>In the event that the Company fails to convene the shareholders' general meeting within the aforesaid period, it shall report and explain the reasons to the <b>securities regulatory authorities</b> in the place where the Company is domiciled and the stock exchange(s) on which the shares of the Company are listed, and shall issue an announcement accordingly.</p>

## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 9 The venue for the shareholders' general meeting shall be <b>the place where the Company is located or</b> such other place <b>as specified by the board of directors.</b></p> <p>A venue shall be arranged for the shareholders' general meeting by way of physical meeting. The Company will also facilitate the shareholders to participate in the meeting through internet <b>or other means, depending on the situation.</b> Any shareholder who participates in the meeting by such means shall be deemed present at the meeting.</p>	<p>Article 9 The venue for the shareholders' general meeting shall be <b>the place where the Company is domiciled or</b> such other place <b>as specified in the notice of the shareholders' general meeting.</b></p> <p>A venue shall be arranged for the shareholders' general meeting by way of physical meeting. The Company will also facilitate the shareholders to participate in the meeting <b>through the provision of online voting as required by the securities regulatory authorities or the stock exchange(s).</b> Any shareholder who participates in the meeting by such means shall be deemed present at the meeting.</p>
<p>Article 14 If the supervisory committee or any such shareholder convenes a shareholders' general meeting on his/her/its own, he/she/it shall be notified the board of directors of the same in writing, and filing shall be made with the <b>local office of the CSRC</b> and the stock exchange(s) in the place in which the Company is domiciled.</p> <p>Such shareholder convening the shareholders' general meeting shall hold no less than 10% of shares of the Company prior to the announcement of any resolution approved at the shareholders' general meeting.</p> <p>The supervisory committee and such convening shareholder shall submit relevant evidence to the <b>local office of the CSRC</b> and the stock exchange(s) in the place where the Company is domiciled at the time of issuing the notice of shareholders' general meeting and the announcement of any resolution approved at the shareholders' general meeting.</p>	<p>Article 14 If the supervisory committee or any such shareholder convenes a shareholders' general meeting on his/her/its own, he/she/it shall be notified the board of directors of the same in writing, and filing shall be made with the <b>securities regulatory authorities</b> and the stock exchange(s) in the place where the Company is domiciled.</p> <p>Such shareholder convening the shareholders' general meeting shall hold no less than 10% of shares of the Company prior to the announcement of any resolution approved at the shareholders' general meeting.</p> <p>The supervisory committee and such convening shareholder shall submit relevant evidence to the <b>securities regulatory authorities</b> and the stock exchange(s) in the place where the Company is domiciled at the time of issuing the notice of shareholders' general meeting and the announcement of any resolution approved at the shareholders' general meeting.</p>
<p>Article 19 When the Company convenes <b>a shareholders' general meeting</b>, written notice of the meeting shall be given <b>45</b> days before the date of the meeting to <b>notify all shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver his/her written reply to the Company 20 days before the date of the meeting.</b></p> <p>The Company shall, based on the written replies received <b>20 days before the date of the shareholders' general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting has reached one-half or more of the Company's total voting shares, the Company may convene the meeting. Otherwise, the Company shall within five days notify the shareholders again in writing by way of announcement of the matters to be considered, the place, date and time for the meeting. The Company may convene the meeting after the publication of such notice.</b></p>	<p>Article 19 When the Company convenes <b>an annual</b> general meeting, written notice of the meeting shall be given <b>20</b> days before the date of the meeting; <b>when the Company convenes an extraordinary general meeting, written notice of the meeting shall be given 15 days before the date of the meeting.</b></p> <p><b>When calculating the abovementioned period, the date of the meeting shall not be included.</b></p> <p><b>Laws, administrative regulations or provisions formulated by the securities regulatory authorities and the stock exchange(s) in the place where the Company's shares are listed shall prevail if otherwise provided.</b></p>



## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 20 The notice of shareholders' general meeting shall be in writing and include the following information:</p> <p>(1) the time, place and duration of the meeting;</p> <p>(2) matters and resolutions to be submitted to the meeting for consideration. The notice and supplementary notice of general meeting shall fully and completely disclose all the contents of all resolutions. In the event that the matters to be discussed require the advices from independent directors, the independent directors' advices and reasons therefor shall also be disclosed in the notice or supplementary notice of the meeting. In principle, one resolution shall contain only one subject matter and avoid including multiple subject matters in one resolution, except for those multiple subject matters that can be combined into one resolution due to their interdependence and interrelationship. If the Company cannot abide by the aforementioned "one subject matter, one resolution" principle, it shall explain the reason therefor and the significant impact in the notice of meeting;</p> <p>(3) materials and explanations required for the shareholders to make decision on matters to be considered, including (but not limited to) the conditions and contracts of the proposed transaction in details (if any) and the explanation of the reasons and consequences of the matter in relation to the merger, repurchase of shares, capital reorganization or other restructuring of the Company;</p> <p>(4) a disclosure of the nature and extent, if any, of the material interest of any director, supervisor, the General Manager (President) and other senior management in the matters to be considered and the difference of the effects of the proposed matters on them in their capacity as shareholders from the effects on other shareholders of the same class, if any;</p> <p>(5) full text of any special resolution to be proposed at the meeting;</p> <p>(6) delivery time and place for lodging proxy forms for the meeting;</p> <p>(7) a conspicuous statement that a shareholder entitled to attend and vote may appoint proxy in writing to attend and vote on behalf of him/her and such proxy need not to be a shareholder of the Company;</p> <p>(8) the record date of the shareholders entitled to attend the shareholders' general meeting;</p> <p>(9) name and telephone number of the contact person for the meeting; and</p>	<p>Article 20 The notice of shareholders' general meeting shall be in writing and include the following information:</p> <p>(1) the time, place and duration of the meeting;</p> <p>(2) matters and resolutions to be submitted to the meeting for consideration. The notice and supplementary notice of general meeting shall fully and completely disclose all the contents of all resolutions. In the event that the matters to be discussed require the advices from independent directors, the independent directors' advices and reasons therefor shall also be disclosed in the notice or supplementary notice of the meeting. In principle, one resolution shall contain only one subject matter and avoid including multiple subject matters in one resolution, except for those multiple subject matters that can be combined into one resolution due to their interdependence and interrelationship. If the Company cannot abide by the aforementioned "one subject matter, one resolution" principle, it shall explain the reason therefor and the significant impact in the notice of meeting;</p> <p>(3) materials and explanations required for the shareholders to make decision on matters to be considered, including (but not limited to) the conditions and contracts of the proposed transaction in details (if any) and the explanation of the reasons and consequences of the matter in relation to the merger, repurchase of shares, capital reorganization or other restructuring <u>proposals</u> of the Company;</p> <p>(4) a disclosure of the nature and extent, if any, of the material interest of any director, supervisor, the General Manager (President) and other senior management in the matters to be considered and the difference of the effects of the proposed matters on them in their capacity as shareholders from the effects on other shareholders of the same class, if any;</p> <p>(5) full text of any special resolution to be proposed at the meeting;</p> <p>(6) delivery time and place for lodging proxy forms for the meeting;</p> <p>(7) a conspicuous statement that a shareholder entitled to attend and vote may appoint proxy in writing to attend and vote on behalf of him/her and such proxy need not to be a shareholder of the Company;</p> <p>(8) the record date of the shareholders entitled to attend the shareholders' general meeting;</p> <p>(9) name and telephone number of the contact person for the meeting; and</p>

## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>(10) the time and procedures for voting by online voting or other methods shall be explicitly stated in the notice of shareholders' general meeting if the online voting or other methods of voting are adopted.</p> <p>The shareholding record date of the Company's shareholders' general meeting shall be determined by the board of directors or the convener of the shareholders' general meeting of the Company. The interval between the shareholding record date and the date of the meeting shall <b>not be more than 7 business days</b>. Once determined, the shareholding record date shall not be changed.</p> <p>Online voting or other voting methods shall commence no earlier than 3:00 p.m. of the day prior to the date of the shareholders' general meeting but no later than 9:30 a.m. on the date of the on-site shareholders' general meeting and it shall not terminate earlier than 3:00 p.m. on the date of conclusion of the on-site shareholders' general meeting.</p>	<p>(10) the time and procedures for voting by online voting or other methods shall be explicitly stated in the notice of shareholders' general meeting if the online voting or other methods of voting are adopted.</p> <p>The shareholding record date of the Company's shareholders' general meeting shall be determined by the board of directors or the convener of the shareholders' general meeting of the Company. The interval between the shareholding record date and the date of the meeting shall <b><u>comply with the requirements of the securities regulatory authorities and the stock exchange(s) in the place where the Company's shares are listed</u></b>. Once determined, the shareholding record date shall not be changed.</p> <p>Online voting or other voting methods shall commence no earlier than 3:00 p.m. of the day prior to the date of the shareholders' general meeting but no later than 9:30 a.m. on the date of the on-site shareholders' general meeting and it shall not terminate earlier than 3:00 p.m. on the date of conclusion of the on-site shareholders' general meeting.</p>
<p>Article 21 Unless otherwise provided in these Procedural Rules, the notice of a shareholders' general meeting shall be <b><u>served to shareholders (whether or not entitled to vote at the meeting) by hand or prepaid mail to their addresses as shown in the register of shareholders. For holders of domestic shares, the notice of meeting may be served by way of announcement.</u></b></p> <p>The announcement mentioned in the preceding paragraph shall be published in one or more newspapers designated by the <b><u>CSRC during the period between 45 and 50 days before the date of the meeting</u></b>. Upon publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>Subject to applicable laws, regulations and the relevant requirements of the <b><u>securities regulators</u></b> in the place where the Company's shares are listed, the notice of a shareholders' general meeting may be published on the website of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") <b><u>during the period between 45 and 50 days before the date of the meeting</u></b>, instead of delivery by hand or prepaid mail to the holders of overseas listed foreign shares.</p>	<p>Article 21 Unless otherwise provided in these Procedural Rules, the notice of a shareholders' general meeting shall be <b><u>notified and announced to shareholders in accordance with the relevant provisions of these Procedural Rules.</u></b></p> <p>The announcement mentioned in the preceding paragraph shall be published in one or more newspapers designated by the <b><u>securities regulatory authorities</u></b>. Upon publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>Subject to applicable laws, regulations and the relevant requirements of the <b><u>securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed, the notice of a shareholders' general meeting may be published on the website of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), instead of delivery by hand or prepaid mail to the holders of overseas listed foreign shares.</p>

## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 23 Where the election of directors and supervisors will be discussed at a shareholder's general meeting, the notice of the shareholders' general meeting shall, in compliance with laws, regulations and the relevant requirements of the <b>securities regulators</b> in the place where the Company's shares are listed, contain the details of the proposed directors and supervisors, including at least the following particulars:</p> <p>(1) personal particulars such as education background, working experience and concurrent positions;</p> <p>(2) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company;</p> <p>(3) shareholding in the Company; and</p> <p>(4) whether they have been subject to any penalties by the <b>CSRC</b> and other relevant departments and any punishments by stock exchange(s).</p> <p>The election of each director and supervisor shall be proposed by separate resolutions except that the election is carried out by cumulative voting.</p> <p>The nomination and remuneration committee of the board of directors shall advise the board of directors on the qualifications of the candidates for directors.</p>	<p>Article 23 Where the election of directors and supervisors will be discussed at a shareholder's general meeting, the notice of the shareholders' general meeting shall, in compliance with laws, regulations and the relevant requirements of the <b>securities regulatory authorities and the stock exchange(s)</b> in the place where the Company's shares are listed, contain the details of the proposed directors and supervisors, including at least the following particulars:</p> <p>(1) personal particulars such as education background, working experience and concurrent positions;</p> <p>(2) whether there is any connected relationship with the Company or the controlling shareholders and de facto controller of the Company;</p> <p>(3) shareholding in the Company; and</p> <p>(4) whether they have been subject to any penalties by the <b>securities regulatory authorities</b> and other relevant departments and any punishments by stock exchange(s).</p> <p>The election of each director and supervisor shall be proposed by separate resolutions except that the election is carried out by cumulative voting.</p> <p>The nomination and remuneration committee of the board of directors shall advise the board of directors on the qualifications of the candidates for directors.</p>
<p>Article 24 <b><u>No changes shall be made to the register of shareholders in respect of any transfer of shares within thirty days prior to the convening of the shareholders' general meeting or five days prior to the date of decision by the Company on distribution of dividend.</u></b></p> <p>If there are any provisions <b><u>of the securities regulators</u></b> in the place where the Company's shares are listed, such requirements shall apply.</p>	<p>Article 24 If there are any requirements <b><u>on the period of closure of register of shareholders prior to the convening of the shareholders' general meeting or prior to the date of decision by the Company on distribution of dividend in the laws, administrative regulations, departmental rules, normative documents and of the relevant securities regulatory authorities and the stock exchange(s)</u></b> in the place where the Company's shares are listed, such requirements shall apply.</p>
<p>Article 30 The proxy form that a shareholder issues to appoint another person to attend a shareholders' general meeting on his/her behalf shall contain the following particulars:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has voting right;</p> <p>(3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the shareholders' general meeting;</p> <p>(4) the issuing date and valid period of the proxy form;</p> <p>(5) the signature (or seal) of the appointer. If the appointer is a corporate shareholder, the proxy form shall be affixed with a corporate seal.</p>	<p>Article 30 The proxy form that a shareholder issues to appoint another person to attend a shareholders' general meeting on his/her behalf shall contain the following particulars:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has voting right;</p> <p>(3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the shareholders' general meeting;</p> <p>(4) the issuing date and valid period of the proxy form;</p> <p>(5) the signature (or seal) of the appointer. If the appointer is a corporate shareholder, the proxy form shall be affixed with a corporate seal;</p> <p><b><u>(6) the amount of shares of the appointer represented by the proxy.</u></b></p>

## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 38 The chairman of the board of directors shall attend an annual general meeting, and invite the chairman of each of the strategy and development committee, the risk management committee, the nomination and remuneration committee, the audit committee and other committees (as the case may be) or in his/her absence, another member of the committee (or if such member fails to attend the meeting, then his/her appointed delegate) to answer questions related to his/her duties at the annual general meeting.</p> <p>The management of the Company shall ensure that the external auditors attend the annual general meeting and answer questions related to audit work, preparation of audit report and its content, accounting policies, and independence of auditors.</p> <p>At the annual general meeting, the board of directors and the supervisory committee shall report their respective works of the previous year. Each independent director shall also deliver a performance report.</p> <p>Where a certified public accountant issues an audit report with non-standard opinions on the financial reports of the Company, the board of the directors of the Company shall provide an explanation to the shareholders' general meeting on the relevant issues that led the accountant to give such opinions and their impacts on the financial and operating conditions of the Company.</p> <p>The supervisory committee shall provide an explanation to the shareholders' general meeting on the financial position and compliance of the Company, including:</p> <p>(i) the report on inspection of the financial information of the Company;</p> <p>(ii) the performance of directors and senior management members of the Company in performing the duties of the Company and the implementation of the relevant laws and regulations, the Articles of Association and the resolutions passed by the shareholders' general meeting; and</p> <p>(iii) other matters which, in the opinion of the supervisory committee, shall be reported to the shareholders' general meeting.</p> <p>The board of directors and the supervisory committee shall make specific statements to the shareholders' general meeting on the performance appraisal and remunerations of the directors and supervisors, respectively.</p> <p>The board of directors shall make specific statements to the shareholders' general meeting on the performance of duties, performance appraisal and remunerations of the senior management.</p>	<p>Article 38 The chairman of the board of directors shall attend an annual general meeting, and invite the chairman of each of the strategy and development committee, the <b>compliance and</b> risk management committee, the nomination and remuneration committee, the audit committee and other committees (as the case may be) or in his/her absence, another member of the committee (or if such member fails to attend the meeting, then his/her appointed delegate) to answer questions related to his/her duties at the annual general meeting.</p> <p>The <b>business</b> management of the Company shall ensure that the external auditors attend the annual general meeting and answer questions related to audit work, preparation of audit report and its content, accounting policies, and independence of auditors.</p> <p>At the annual general meeting, the board of directors and the supervisory committee shall report their respective works of the previous year. Each independent director shall also deliver a performance report.</p> <p>Where a certified public accountant issues an audit report with non-standard opinions on the financial reports of the Company, the board of the directors of the Company shall provide an explanation to the shareholders' general meeting on the relevant issues that led the accountant to give such opinions and their impacts on the financial and operating conditions of the Company.</p> <p>The supervisory committee shall provide an explanation to the shareholders' general meeting on the financial position and compliance of the Company, including:</p> <p>(i) the report on inspection of the financial information of the Company;</p> <p>(ii) the performance of directors and senior management members of the Company in performing the duties of the Company and the implementation of the relevant laws and regulations, the Articles of Association and the resolutions passed by the shareholders' general meeting; and</p> <p>(iii) other matters which, in the opinion of the supervisory committee, shall be reported to the shareholders' general meeting.</p> <p>The board of directors and the supervisory committee shall make specific statements to the shareholders' general meeting on the performance appraisal and remunerations of the directors and supervisors, respectively.</p> <p>The board of directors shall make specific statements to the shareholders' general meeting on the performance of duties, performance appraisal and remunerations of the senior management.</p>

## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 45 The convener shall ensure that a shareholders' general meeting is held without adjournment until the final resolution is reached. If the shareholders' general meeting is suspended or no resolution can be reached due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to terminate the shareholders' general meeting directly, and an announcement shall be published in a timely manner. The convener shall also report to the <b>local office of the CSRC</b> and the stock exchange(s) in the place where the Company is domiciled.</p>	<p>Article 45 The convener shall ensure that a shareholders' general meeting is held without adjournment until the final resolution is reached. If the shareholders' general meeting is suspended or no resolution can be reached due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to terminate the shareholders' general meeting directly, and an announcement shall be published in a timely manner. The convener shall also report to the <b>securities regulatory authorities</b> and the stock exchange(s) in the place where the Company is domiciled.</p>
<p>Article 47 The following matters require the passing of an ordinary resolution at a shareholders' general meeting:</p> <p>(1) the work reports of the board of directors and the supervisory committee;</p> <p>(2) the profit distribution plans and the loss recovery plans proposed by the board of directors;</p> <p>(3) the appointment and removal of members of the board of directors and the supervisory committee, their remuneration and method of payment;</p> <p>(4) the Company's annual budgets, final accounts, balance sheets, income statements and other financial statements;</p> <p>(5) the annual reports of the Company;</p> <p>(6) any matters other than those which are required by laws and regulations, the requirements of the <b>securities regulators</b> in the place where the shares of the Company are listed or the Articles of Association to be passed by way of special resolution.</p>	<p>Article 47 The following matters require the passing of an ordinary resolution at a shareholders' general meeting:</p> <p>(1) the work reports of the board of directors and the supervisory committee;</p> <p>(2) the profit distribution plans and the loss recovery plans proposed by the board of directors;</p> <p>(3) the appointment and removal of members of the board of directors and the supervisory committee, their remuneration and method of payment;</p> <p>(4) the Company's annual budgets, final accounts, balance sheets, income statements and other financial statements;</p> <p>(5) the annual reports of the Company;</p> <p>(6) any matters other than those which are required by laws and regulations, the requirements of the <b>securities regulatory authorities and the stock exchange(s)</b> in the places where the shares of the Company are listed or the Articles of Association to be passed by way of special resolution.</p>

## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 48 The following matters require the passing of a special resolution at a shareholders' general meeting:</p> <p>(1) the increase or reduction in registered capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of bonds by the Company;</p> <p>(3) the <u>division, merger</u>, dissolution and liquidation of the Company;</p> <p>(4) the amendment to the Articles of Association;</p> <p>(5) purchase or disposal of material assets or provision of guarantee by the Company within 1 year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(6) repurchase of the Company's shares;</p> <p>(7) adoption of <u>the implementation plan for a long-term incentives mechanism</u>; and</p> <p>(8) other matters specified by laws, regulations, the relevant requirements of the <u>securities regulators</u> in the place where the Company's shares are listed or the Articles of Association and that would have a material impact on the Company and shall be approved by special resolutions as determined by ordinary resolutions of shareholders' general meeting.</p>	<p>Article 48 The following matters require the passing of a special resolution at a shareholders' general meeting:</p> <p>(1) the increase or reduction in registered capital of the Company and the issue of shares of any class, warrants and other similar securities;</p> <p>(2) the issue of bonds by the Company;</p> <p>(3) the <u>merger, division</u>, dissolution and liquidation <u>or change of the form</u> of the Company;</p> <p>(4) the amendment to the Articles of Association;</p> <p>(5) purchase or disposal of material assets or provision of guarantee by the Company within 1 year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(6) repurchase of the Company's shares;</p> <p>(7) adoption of <u>an equity-based incentive scheme</u>; and</p> <p>(8) other matters specified by laws, regulations, the relevant requirements of the <u>securities regulatory authorities and the stock exchange(s)</u> in the place where the Company's shares are listed or the Articles of Association and that would have a material impact on the Company and shall be approved by special resolutions as determined by ordinary resolutions of shareholders' general meeting.</p>
<p>Article 49 Shareholders (including their proxies) shall exercise their voting rights in respect of the number of voting shares they represent. Each share shall have one vote.</p> <p>Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>The board of directors, independent directors and shareholders who meet relevant requirements and conditions may solicit the voting rights of other shareholders.</p>	<p>Article 49 Shareholders (including their proxies) shall exercise their voting rights in respect of the number of voting shares they represent. Each share shall have one vote.</p> <p>Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>The board of directors, independent directors and shareholders who meet relevant requirements and conditions may <u>openly</u> solicit the voting rights of other shareholders. <u>Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or consideration in any disguised form for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding percentage limitation for soliciting voting rights.</u></p>
<p>Article 50 <u>If, under the Hong Kong Listing Rules, any shareholder is required to abstain from voting on any particular resolution or is restricted to vote only for or against any particular resolution, any votes cast by or on behalf of such shareholder</u> in contravention of such requirement or restriction <u>shall not be counted</u>.</p>	<p>Article 50 <u>If any shareholder is required to abstain from voting on any individual resolution or is restricted to vote only in the affirmative or in the negative pursuant to applicable laws, administrative regulations, departmental rules, normative documents and listing rules of the place where the Company's shares are listed, any vote cast by such shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted in the voting results.</u></p>

## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 52 <u>Unless a poll is particularly required by the relevant requirements of the securities regulators in the place where the shares of the Company are listed, or a poll is (before or after any voting by show of hands) demanded by the following persons, voting at a shareholders' general meeting shall be conducted by a show of hands:</u></p> <p style="padding-left: 40px;">(1) <u>the chairman of the meeting;</u></p> <p style="padding-left: 40px;">(2) <u>at least two shareholders present in person or by proxy entitled to vote thereat;</u></p> <p style="padding-left: 40px;">(3) <u>shareholders (including proxies) individually or jointly holding 10% or more of the shares carrying voting rights.</u></p> <p><u>Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.</u></p> <p><u>The demand for a poll may be withdrawn by the person who demands the same.</u></p> <p><u>If a poll is required pursuant to the relevant requirements of the securities regulators in the place where the shares of the Company are listed, the chairman of the meeting shall, subject to the relevant requirements, make a decision based on the principle of good faith to allow a proposal solely in relation to a procedural or administrative matter to be voted by a show of hands.</u></p>	<p>Article 52 <u>Vote cast at the shareholders' general meeting shall be made by open ballot unless the chairman of the meeting makes a decision based on the principle of good faith to allow a proposal solely in relation to a procedural or administrative matter to be voted by a show of hands.</u></p>
<p>Article 55 The chairman of the meeting shall decide and announce whether the resolutions have been passed according to the voting results and his decision shall be conclusive. He shall also announce the voting results at the meeting. The voting results on the resolutions shall be recorded in the minutes.</p> <p><u>Where the shareholders' general meeting is ensured to be legal and valid, the Company may facilitate its shareholders to participate in the shareholders' general meeting by various ways and means, including using modern information technology such as an on-line voting platform.</u></p>	<p>Article 55 The chairman of the meeting shall decide and announce whether the resolutions have been passed according to the voting results and his decision shall be conclusive. He shall also announce the voting results at the meeting. The voting results on the resolutions shall be recorded in the minutes.</p>



## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 58 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting by way of proposal for voting. The methods and procedures for nominating directors and supervisors are as follows:</p> <p>(1) Incumbent directors have the right to recommend any candidates for directors who are not employee representatives to the board of directors of the Company and provide their profiles and general information. After the qualification review is done by the board of directors, a proposal will be made and submitted to the shareholders' general meeting for voting.</p> <p>Incumbent supervisors have the right to recommend any candidates for supervisors who are not employee representatives to the supervisory committee of the Company and provide their profiles and general information. After the qualification review is done <u>by the board of directors with the above information received from</u> the supervisory committee, a proposal will be made and submitted to the shareholders' general meeting for voting.</p> <p>(2) The employee representatives in the board of directors and the supervisory committee shall be elected by the Company's employees through employee representatives meetings, employees meetings or otherwise by democratic election.</p> <p>(3) The methods and procedures for nominating independent directors shall comply with the requirements of laws and regulations and the Articles of Association.</p> <p>The Company must publish the procedures for nominating the candidates for directors by shareholders on its own website.</p>	<p>Article 58 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting by way of proposal for voting. The methods and procedures for nominating directors and supervisors are as follows:</p> <p>(1) Incumbent directors have the right to recommend any candidates for directors who are not employee representatives to the board of directors of the Company and provide their profiles and general information. After the qualification review is done by the board of directors, a proposal will be made and submitted to the shareholders' general meeting for voting.</p> <p>Incumbent supervisors have the right to recommend any candidates for supervisors who are not employee representatives to the supervisory committee of the Company and provide their profiles and general information. After the qualification review is done <u>by</u> the supervisory committee, a proposal will be made and submitted to the shareholders' general meeting for voting.</p> <p>(2) The employee representatives in the board of directors and the supervisory committee shall be elected by the Company's employees through employee representatives meetings, employees meetings or otherwise by democratic election.</p> <p>(3) The methods and procedures for nominating independent directors shall comply with the requirements of laws and regulations and the Articles of Association.</p> <p>The Company must publish the procedures for nominating the candidates for directors by shareholders on its own website.</p>
<p>Article 70 Shareholders present at the general meeting shall cast their votes in favor of or against or abstain from voting any proposals submitted for voting.</p> <p>In respect of any vote forms that are uncompleted, wrongly completed, completed with illegible writing or not cast, the voter shall be deemed to abstain from voting. The voting result in respect of shares held by such voter shall be deemed as an "abstention".</p>	<p>Article 70 Shareholders present at the general meeting shall cast their votes in favor of or against or abstain from voting any proposals submitted for voting.</p> <p><b><u>The securities registration and clearing institution shall be the nominee holders of shares under the interconnection mechanism for transaction in the mainland and Hong Kong stock markets, except where declaration is made in accordance with the actual holders' intention.</u></b></p> <p>In respect of any vote forms that are uncompleted, wrongly completed, completed with illegible writing or not cast, the voter shall be deemed to abstain from voting. The voting result in respect of shares held by such voter shall be deemed as an "abstention".</p>

## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

Articles Before Revision	Articles After Revision
<p>Article 79 <u>Written notice</u> of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders <b>45 days before the date of the class meeting</b>. Such notice shall include the matters to be considered, the place, date and time of the class meeting. <b><u>A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting. When the Company calculates the commencement of the above period, the date of the meeting shall be excluded. In the event that the number of shares (carrying voting rights at the meeting) represented by shareholders who intend to attend the meeting represents one-half or more of the total number of shares of that class which have the right to vote at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then hold the class meeting after such announcement has been made.</u></b></p> <p><b><u>If there are any special requirements under the listing rules of the place where the shares of the Company are listed, such requirements shall apply.</u></b></p>	<p>Article 79 <b>The period of issuing a written notice</b> of a class meeting shall be <b><u>the same as the period of issuing a written notice of the non-class meeting to be convened together with such class meeting. The written notice shall</u></b> be given to all shareholders who are registered as holders of that class in the register of shareholders. Such notice shall include the matters to be considered, the place, date and time of the class meeting.</p>
<p>Article 81 The special procedures for voting by class shareholders shall not apply in the following circumstances:</p> <p>(1) where the Company issues, upon approval by special resolution of its shareholder in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas listed foreign shares;</p> <p>(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is carried out within 15 months from the date of <b>approval of the CSRC</b>; and</p> <p>(3) where the Company converts, upon <b>approval by the securities regulator under the State Council</b>, its unlisted shares into foreign shares, and such shares are listed and traded in an overseas stock exchange.</p>	<p>Article 81 The special procedures for voting by class shareholders shall not apply in the following circumstances:</p> <p>(1) where the Company issues, upon approval by special resolution of its shareholder in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas listed foreign shares;</p> <p>(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is carried out within 15 months from the date of <b>registration with the securities regulatory authorities or the fulfillment of the relevant procedures</b>; and</p> <p>(3) where the Company converts, upon <b>registration with the securities regulatory authorities or fulfillment of the relevant procedures</b>, its unlisted shares into foreign shares, and such shares are listed and traded in an overseas stock exchange.</p>

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SHAREHOLDERS' GENERAL MEETINGS

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Articles Before Revision	Articles After Revision
<p>Article 84 The Company shall issue an announcement and disclose information to holders of domestic shares on newspapers and websites designated by laws, regulations or the <b>CSRC</b> for information disclosure. If the Company is required to make announcements to the holders of overseas listed foreign shares pursuant to the Articles of Association, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules.</p> <p>In the event that the text of an announcement or notice is relatively long, the Company may disclose a summary of relevant information on newspapers designated by the <b>CSRC</b> for information disclosure, but the full text shall be published simultaneously on the website of the Shanghai Stock Exchange.</p> <p>The supplementary notice of shareholders' general meeting referred to in these Procedural Rules shall be published on the same designated newspapers on which the notice of meeting is published.</p>	<p>Article 84 The Company shall issue an announcement and disclose information to holders of domestic shares on newspapers and websites designated by laws, regulations or the <b>securities regulatory authorities</b> for information disclosure. If the Company is required to make announcements to the holders of overseas listed foreign shares pursuant to the Articles of Association, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules.</p> <p>In the event that the text of an announcement or notice is relatively long, the Company may disclose a summary of relevant information on newspapers designated by the <b>securities regulatory authorities</b> for information disclosure, but the full text shall be published simultaneously on the website of the Shanghai Stock Exchange.</p> <p>The supplementary notice of shareholders' general meeting referred to in these Procedural Rules shall be published on the same designated newspapers on which the notice of meeting is published.</p>

If there is any change to the article number in the Procedural Rules of the Shareholders' General Meetings due to the addition, deletion or re-arrangement of certain articles, the relevant article in the revised Procedural Rules of the Shareholders' General Meetings shall be renumbered and the cross reference to the relevant article shall be changed accordingly. Unless amendments to other content of such articles are involved, the amendments to the article number are not listed above.

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## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

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The proposed amendments to the Procedural Rules of the Board of Directors are set out below:

Articles Before Revision	Articles After Revision
<b>Chapter 1 Objectives</b>	<b>Chapter 1 General Provisions</b>
<p>Article 2 Duties of the Board of Directors</p> <p>The board of directors shall be accountable to the shareholders' general meeting and perform the following functions and powers:</p> <p>(1) to convene shareholders' general meetings and to report on its work to shareholders' general meetings;</p> <p>(2) to implement the resolutions passed at shareholders' general meetings;</p> <p>(3) to determine the business operation plans and investment plans of the Company;</p> <p>(4) to formulate the annual financial budget and final account of the Company;</p> <p>(5) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(6) to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;</p> <p>(7) to formulate plans for any substantial acquisition by the Company, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company;</p> <p>(8) to decide on matters relating to the Company's external investments, acquisitions or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions within the scope of authorization given by shareholders' general meetings;</p> <p>(9) to formulate <u>the implementation plans for a long-term incentive mechanism for the Company's directors, supervisors and senior management and employees</u>;</p> <p>(10) to decide on the establishment of the Company's internal management structure;</p> <p>(11) to appoint or dismiss the General Manager (President), the secretary to the board of directors and the chief compliance officer of the Company and, based on the nomination of the General Manager (President), to appoint or dismiss deputy general managers (vice presidents), the chief financial officer and <u>other</u> senior management <u>and</u> to determine their remunerations, awards and punishments;</p> <p>(12) to formulate the basic management system of the Company;</p> <p>(13) to formulate proposals for any amendments to the Articles of Association;</p> <p>(14) to manage the disclosure of information of the Company;</p>	<p>Article 2 Duties of the Board of Directors</p> <p>The board of directors shall be accountable to the shareholders' general meeting and perform the following functions and powers:</p> <p>(1) to convene shareholders' general meetings and to report on its work to shareholders' general meetings;</p> <p>(2) to implement the resolutions passed at shareholders' general meetings;</p> <p>(3) to determine the business operation plans and investment plans of the Company;</p> <p>(4) to formulate the annual financial budget and final account of the Company;</p> <p>(5) to formulate the profit distribution plans and loss recovery plans of the Company;</p> <p>(6) to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;</p> <p>(7) to formulate plans for any substantial acquisition by the Company, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company;</p> <p>(8) to decide on matters relating to the Company's external investments, acquisitions or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions within the scope of authorization given by shareholders' general meetings;</p> <p>(9) to formulate <u>an equity-based incentive scheme of the Company</u>;</p> <p>(10) to decide on the establishment of the Company's internal management structure;</p> <p>(11) <u>based on the nomination of the chairman</u>, to appoint or dismiss the General Manager (President), the secretary to the board of directors and the chief compliance officer of the Company; based on the nomination of <u>the chairman or</u> General Manager (President), to appoint or dismiss <u>members of the executive committee</u>, deputy general managers (vice presidents), the chief financial officer and senior management; to determine their remunerations, awards and punishments;</p> <p>(12) to formulate the basic management system of the Company;</p> <p>(13) to formulate proposals for any amendments to the Articles of Association;</p> <p>(14) to manage the disclosure of information of the Company;</p>

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## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

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Articles Before Revision	Articles After Revision
<p>(15) to propose to shareholders' general meetings the appointment or replacement of the accounting firm that conducts an audit for the Company;</p> <p>(16) to report at an annual general meeting and to disclose in an annual report the duty performance of directors, including the number of board meeting attended by them and their voting thereat during the reporting period;</p> <p>(17) to hear the work report of the Company's General Manager (President) and to inspect the work of the Company's General Manager (President);</p> <p>(18) to monitor, review and evaluate the establishment and implementation of the Company's internal control system;</p> <p>(19) to review and approve the basic systems of the Company on risk management and compliance management, as well as the risk evaluation reports and compliance reports of the Company, to hear the report of the chief compliance officer, and to monitor the implementation of risk management and compliance policies;</p> <p>(20) to prepare proposals on the amount and payment method of the emoluments of directors and to submit it to the shareholders' general meeting for decision; and</p> <p>(21) any other functions and powers conferred by laws and regulations or the Articles of Association.</p> <p>The board resolutions regarding the above items (4), (5), (6), (7), (8), (11), (13) and (15) shall be passed by two-thirds or more of the directors.</p> <p>When the Board is not in session, the chairman of the board of directors shall supervise and examine the execution of resolutions of the board of directors, and listen to the report of the General Manager (President) on the execution of the resolutions of the board of directors.</p> <p>The board of directors may authorize the chairman of the board of directors, the General Manager (President) or other bodies of the Company to exercise its functions and powers, but shall not delegate all its statutory authorities generally or permanently to individuals or other bodies of the Company. If the board of directors is to authorize the chairman of the board of directors, the General Manager (President) or other bodies of the Company to exercise its functions and powers, the board of directors shall make a resolution in respect of such authorization.</p> <p>The Company shall determine the scope of functions and powers reserved by the board of directors and granted to individuals or other bodies of the Company, respectively, and conduct regular evaluations to ensure that it meets the needs of the Company for operation and management.</p>	<p>(15) to propose to shareholders' general meetings the appointment or replacement of the accounting firm that conducts an audit for the Company;</p> <p>(16) to report at an annual general meeting and to disclose in an annual report the duty performance of directors, including the number of board meeting attended by them and their voting thereat during the reporting period;</p> <p><b><u>(17) to hear the work report of the executive committee and to inspect the work of the executive committee;</u></b></p> <p>(18) to hear the work report of the Company's General Manager (President) and to inspect the work of the Company's General Manager (President);</p> <p><b><u>(19) to perform duties related to compliance management, risk management and internal control,</u></b> to monitor, review and evaluate the establishment and implementation of the Company's internal control system, <b><u>and to undertake responsibilities for the effectiveness of risk management and internal control systems, as well as compliance management of the Company;</u></b></p> <p>(20) to review and approve the basic systems of the Company on risk management and compliance management, as well as the risk evaluation reports and compliance reports of the Company, to hear the report of the chief compliance officer, and to monitor the implementation of risk management and compliance policies;</p> <p>(21) to prepare proposals on the amount and payment method of the emoluments of directors and to submit it to the shareholders' general meeting for decision; and</p> <p>(22) any other functions and powers conferred by laws and regulations or the Articles of Association.</p> <p>The board resolutions regarding the above items (4), (5), (6), (7), (8), (11), (13) and (15) shall be passed by two-thirds or more of the directors.</p> <p>When the Board is not in session, the chairman of the board shall supervise and examine the execution of resolutions of the board of directors, and listen to the reports of the General Manager (President) on the execution of the resolutions of the board of directors.</p> <p>The board of directors may authorize the chairman of the board of directors, the General Manager (President) or other bodies of the Company to exercise its functions and powers, but shall not delegate all its statutory authorities generally or permanently to individuals or other bodies of the Company. If the board of directors is to authorize the chairman of the board of directors, the General Manager (President) or other bodies of the Company to exercise its functions and powers, the board of directors shall make a resolution in respect of such authorization.</p> <p>The Company shall determine the scope of functions and powers reserved by the board of directors and granted to other individuals or other bodies of the Company, respectively, and conduct regular evaluations to ensure that it meets the needs of the Company for operation and management.</p>

## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

Articles Before Revision	Articles After Revision
<p>Article 3 Special Requirements for the Duties of the Board of Directors</p> <p>The board of directors shall determine the scope of authority for external investment, acquisition and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions, and establish strict procedures for examination and decision-making. For major investment projects, the board of directors shall arrange for relevant experts and professionals to carry out assessment and submit reports to the shareholders' general meeting for approval.</p> <p>The Company may establish subsidiaries for external investments to engage in investment in any financial product other than those set forth in the List of Investment Products of Proprietary Trading of Securities Companies (《證券公司證券自營投資品種清單》). According to laws and regulations, as well as the relevant requirements of the <b>CSRC</b>, the Company may establish <b>wholly-owned</b> subsidiaries to <b>commence direct investment business</b>.</p> <p>Subject to compliance with laws and regulations and the requirements of the listing rules of the place where the Company is listed, the board of directors shall have the right to make decision on the following matters:</p> <p>(1) the disposal of assets not required to be approved by shareholders' general meeting in accordance with Article 63 of the Articles of Association;</p> <p>(2) the provision of guarantee not required to be approved by shareholders' general meeting in accordance with Article 64 of the Articles of Association;</p> <p>(3) the approval of any external investment, the total investment of which (or the total value of any disposal of assets), at one time or accumulative in four months does not exceed 10% of the latest audited net assets of the Company or 5% of the latest audited self-own assets of the Company, whichever reaches first;</p> <p>(4) the connected transactions to be resolved by the board of directors according to the disclosure requirements under the listing rules of the place where the Company is listed.</p> <p>The board of directors shall perform duties in relation to compliance management, risk management and internal control pursuant to laws and regulations and the Articles of Association, and shall undertake the ultimate responsibilities for the effectiveness of the compliance management, risk management and internal control systems of the Company.</p>	<p>Article 3 Special Requirements for the Duties of the Board of Directors</p> <p>The board of directors shall determine the scope of authority for external investment, acquisition and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions, and establish strict procedures for examination and decision-making. For major investment projects, the board of directors shall arrange for relevant experts and professionals to carry out assessment and submit reports to the shareholders' general meeting for approval.</p> <p>The Company may establish subsidiaries for external investments to engage in investment in any financial product other than those set forth in the List of Investment Products of Proprietary Trading of Securities Companies (《證券公司證券自營投資品種清單》). According to laws and regulations, as well as the relevant requirements of the <b>relevant regulatory authorities</b>, the Company may establish subsidiaries <b>for external investments to engage in (including but not limited to) private equity fund business and alternative investment business</b>.</p> <p>Subject to compliance with laws and regulations and the requirements of the listing rules of the place where the Company is listed, the board of directors shall have the right to make decision on the following matters:</p> <p>(1) the disposal of assets not required to be approved by shareholders' general meeting in accordance with Article 63 of the Articles of Association;</p> <p>(2) the provision of guarantee not required to be approved by shareholders' general meeting in accordance with Article 64 of the Articles of Association;</p> <p>(3) the approval of any external investment, the total investment of which (or the total value of any disposal of assets), at one time or accumulative in four months does not exceed 10% of the latest audited net assets of the Company or 5% of the latest audited self-own assets of the Company, whichever reaches first;</p> <p>(4) the connected transactions to be resolved by the board of directors according to the disclosure requirements under the listing rules of the place where the Company is listed.</p> <p>The board of directors shall perform duties in relation to compliance management, risk management and internal control pursuant to laws and regulations and the Articles of Association, and shall undertake the ultimate responsibilities for the effectiveness of the compliance management, risk management and internal control systems of the Company.</p>
<p>Article 5 Office of the Board of Directors</p> <p>The board of directors shall have an office of the board of directors (board office) to handle its daily affairs.</p> <p><b>The secretary to the board of directors or the securities affair representative shall concurrently serve as the person in charge of the board office, and shall keep the seals of the board of directors and the board office.</b></p>	<p>Article 5 Office of the Board of Directors</p> <p>The board of directors shall have an office of the board of directors (board office) to handle its daily affairs <b>and any work assigned by the board of directors, and to keep the seals of the board of directors and the board office.</b></p>

## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

Articles Before Revision	Articles After Revision
<p>Article 6 Types of Meetings</p> <p>Meetings of the board of directors shall be divided into regular meetings and extraordinary meetings.</p> <p>Board meetings shall be held at least four times a year at approximately quarterly intervals and be convened by the chairman of the board of directors.</p> <p>The chairman of the board of directors shall convene an extraordinary board meeting within 10 <b>business days</b> in one of the following circumstances:</p> <p>(1) proposed by shareholders holding one-tenth or more of the voting rights;</p> <p>(2) jointly proposed by one-third or more of the directors;</p> <p>(3) proposed by the supervisory committee;</p> <p>(4) considered necessary by the chairman of the board of directors;</p> <p>(5) proposed by the General Manager (President);</p> <p>(6) proposed by one-half or more of the independent directors;</p> <p>(7) proposed by the special committees;</p> <p>(8) <b>convened at the request by the securities regulatory departments;</b> and</p> <p>(9) other circumstances specified by the Articles of Association.</p>	<p>Article 6 Types of Meetings</p> <p>Meetings of the board of directors shall be divided into regular meetings and extraordinary meetings.</p> <p>Board meetings shall be held at least four times a year at approximately quarterly intervals and be convened by the chairman of the board of directors.</p> <p>The chairman of the board of directors shall convene an extraordinary board meeting within 10 <b>days</b> in one of the following circumstances:</p> <p>(1) considered necessary by the chairman of the board of directors;</p> <p>(2) jointly proposed by one-third or more of the directors;</p> <p>(3) proposed by the supervisory committee;</p> <p>(4) proposed by shareholders holding one-tenth or more of the voting rights;</p> <p>(5) proposed by one-half or more of the independent directors;</p> <p><b>(6) proposed by the executive committee;</b></p> <p>(7) proposed by the General Manager (President);</p> <p>(8) proposed by the special committees <b>under the board of directors;</b></p> <p><b>(9) the circumstances specified by laws, regulations and the listing rules of the place where the Company is listed or convened at the request by the securities regulatory authorities;</b> and</p> <p>(10) other circumstances specified by the Articles of Association.</p>
<p>Article 7 Submission of Proposals at Meetings</p> <p>The following individuals or bodies may submit proposals to the board of directors:</p> <p>(1) the chairman of the board of directors;</p> <p>(2) one-third or more of the directors;</p> <p>(3) one-half or more of the independent directors;</p> <p>(4) the supervisory committee;</p> <p>(5) the General Manager (President);</p> <p>(6) the special committees;</p> <p>(7) shareholders individually or collectively holding one-tenth or more of the Company's shares.</p>	<p>Article 7 Submission of Proposals at Meetings</p> <p>The following individuals or bodies may submit proposals to the board of directors:</p> <p>(1) the chairman of the board of directors;</p> <p>(2) one-third or more of the directors;</p> <p>(3) one-half or more of the independent directors;</p> <p>(4) the supervisory committee;</p> <p><b>(5) the executive committee;</b></p> <p>(6) the General Manager (President);</p> <p>(7) the special committees <b>under the board of directors;</b></p> <p>(8) shareholders individually or collectively holding one-tenth or more of the Company's shares.</p>



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## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

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Articles Before Revision	Articles After Revision
<p style="text-align: center;">Article 11 Notices of Meeting</p> <p>The board office shall send the written notice of meeting affixed with the seal of the board office to all the directors, supervisors, the General Manager (President) and the secretary to the board of directors by direct delivery, fax, email or other means 14 <u>business days</u> and <u>2 business days</u> before a regular meeting and an extraordinary meeting of the board of directors, respectively. Where the notice is not served by direct delivery, acknowledgement by telephone and relevant records shall be made.</p> <p>In case of emergency where an extraordinary meeting of the board of directors is required to be convened as soon as possible, the board of directors may at any time give notice of extraordinary meeting by verbal means or telephone or other means, and the convener shall give explanations at the meeting.</p>	<p style="text-align: center;">Article 11 Notices of Meeting</p> <p>The board office shall send the written notice of meeting affixed with the seal of the board office to all the directors, supervisors, the General Manager (President) and the secretary to the board of directors by direct delivery, fax, email or other means 14 <u>days</u> and <u>5 days</u> before a regular meeting and an extraordinary meeting of the board of directors, respectively. Where the notice is not served by direct delivery, acknowledgement by telephone and relevant records shall be made.</p> <p>In case of emergency where an extraordinary meeting of the board of directors is required to be convened as soon as possible, the board of directors may at any time give notice of extraordinary meeting by verbal means or telephone or other means, and the convener shall give explanations at the meeting.</p>
<p style="text-align: center;">Article 17 Form of Convening Meetings</p> <p>Board meetings shall be convened physically in principle. Where necessary, as long as the directors can express their opinions, <u>a board meeting may be convened through video conference, phone conference, fax or email upon the approval from the convener (chairman of the meeting) and proposer.</u> On-site meeting together with other means of method can be used to convene such meeting.</p> <p><b><u>For non on-site meetings, the number of directors attending the meeting shall be calculated based on the following: directors showing up in video conference, directors expressing their opinions in phone conference, fax or email received within the specified period with effective votes, or the confirmation letters submitted by directors after the meeting confirming their attendance at such meeting.</u></b></p> <p>For board meetings held in the form of video conference and phone conference, it shall ensure that the attending directors can receive opinions of other directors clearly and shall guarantee normal communication among them.</p> <p>If the controlling shareholder or director has the conflict of interest that may be considered significant by the board of directors in the matters to be discussed at a board meeting, such matters shall be dealt with by holding a board meeting instead of a written resolution. Independent non-executive directors who, and whose associates, have no significant interest in the transaction shall attend such board meetings.</p>	<p style="text-align: center;">Article 17 Form of Convening Meetings</p> <p>Board meetings shall be convened physically in principle. Where necessary, as long as the directors can express their opinions, <b><u>an extraordinary board meeting may be convened through video conference, phone conference, fax or other communication equipment.</u></b> On-site meeting together with other means of method can be used to convene such meeting.</p> <p>For board meetings held in the form of video conference and phone conference, it shall ensure that the attending directors can receive opinions of other directors clearly and shall guarantee normal communication among them.</p> <p>If the controlling shareholder or director has the conflict of interest that may be considered significant by the board of directors in the matters to be discussed at a board meeting, such matters shall be dealt with by holding a board meeting instead of a written resolution. Independent non-executive directors who, and whose associates, have no significant interest in the transaction shall attend such board meetings.</p>

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## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

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Articles Before Revision	Articles After Revision
<p style="text-align: center;">Article 19 Expression of Opinions</p> <p>The directors shall carefully read the relevant meeting materials and shall express opinions in an independent and prudent manner based on the full understanding of the situation.</p> <p>The directors may, before the meeting, inquire about information needed for decision making from the relevant personnel or bodies such as the board office, the convener of the meeting, the General Manager (President) and other senior management members, special committees, accounting firm and law firm, and may, while the meeting is underway, propose to the chairman of the meeting to invite the aforesaid personnel or the representative of the bodies to the meeting to give explanations of the relevant situation.</p> <p>The management shall be under an obligation to provide sufficient and timely information to the board of directors and its special committees, so that the directors can make decisions with the relevant information. The information provided by the management must be complete and reliable. The management shall provide updated data to the board of directors on a monthly basis, containing a fair and easy-to-understand assessment of the Company's performance, financial condition and prospects. Any director may request the management to provide other additional information (other than the information voluntarily provided by the management) if he/she requires such information. Generally, the secretary to the board of directors shall be the bridge of communication between the management and the board of directors, but the board of directors and individual director shall have an independent access to the Company's senior management on his/her/its own.</p> <p>Supervisors shall be present at the board meeting to supervise whether the board of directors makes decisions pursuant to the Articles of Association and the legal procedures, and shall listen to the deliberation of the board meeting, but shall not participate in the deliberation of the board meeting. Where the supervisors object to the resolutions of the board of directors, they may send their written opinions to the board of directors through the supervisory committee after the meeting.</p> <p>Other non-voting attendants at the meeting shall not interfere in deliberation of the board meeting or affect the process of and voting or decision making at the meeting.</p>	<p style="text-align: center;">Article 19 Expression of Opinions</p> <p>The directors shall carefully read the relevant meeting materials and shall express opinions in an independent and prudent manner based on the full understanding of the situation.</p> <p>The directors may, before the meeting, inquire about information needed for decision making from the relevant personnel or bodies such as the board office, the convener of the meeting, the General Manager (President) and other senior management members, special committees, accounting firm and law firm, and may, while the meeting is underway, propose to the chairman of the meeting to invite the aforesaid personnel or the representative of the bodies to the meeting to give explanations of the relevant situation.</p> <p>The <b>business</b> management shall be under an obligation to provide sufficient and timely information to the board of directors and its special committees, so that the directors can make decisions with the relevant information. The information provided by the <b>business</b> management must be complete and reliable. The <b>business</b> management shall provide updated data to the board of directors on a monthly basis, containing a fair and easy-to-understand assessment of the Company's performance, financial condition and prospects. Any director may request the <b>business</b> management to provide other additional information (other than the information voluntarily provided by the <b>business</b> management) if he/she requires such information. Generally, the secretary to the board of directors shall be the bridge of communication between the <b>business</b> management and the board of directors, but the board of directors and individual director shall have an independent access to the Company's senior management on his/her/its own.</p> <p>Supervisors shall be present at the board meeting to supervise whether the board of directors makes decisions pursuant to the Articles of Association and the legal procedures, and shall listen to the deliberation of the board meeting, but shall not participate in the deliberation of the board meeting. Where the supervisors object to the resolutions of the board of directors, they may send their written opinions to the board of directors through the supervisory committee after the meeting.</p> <p>Other non-voting attendants at the meeting shall not interfere in deliberation of the board meeting or affect the process of and voting or decision making at the meeting.</p>

# APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

Articles Before Revision	Articles After Revision
<p>Article 20 Voting at Meeting</p> <p>After adequate discussion of each proposal, the chairman of the meeting shall ask the attending directors to vote on the proposal separately in due course.</p> <p><u>Each director shall have one vote, and voting shall be held by open ballot and in writing. For board meetings by way of video conference, fax communication or phone conference, the directors attending the meeting shall submit the original copy of signed vote to the board of directors within the valid period of the notice of meeting.</u></p> <p>The voting intentions available to directors are affirmation, opposition or abstention. Every attending director shall choose one out of the above. Where any director does not make any choice or makes two or more choices, the chairman of the meeting shall require the director to make the choice again. Otherwise, the director shall be deemed to abstain from voting; any director who has left the meeting midway without coming back and has not made any choice shall be deemed to abstain from voting.</p>	<p>Article 20 Voting at Meeting</p> <p>After adequate discussion of each proposal, the chairman of the meeting shall ask the attending directors to vote on the proposal separately in due course.</p> <p><u>Voting in board meeting shall be made by poll, show of hands, fax or other voting methods as approved by the securities regulatory authorities. Each director has one vote. For board meeting convened through video conference, phone conference, fax or other communication equipment and any resolution made in the board meetings, the voting directors shall sign on written documents.</u></p> <p>The voting intentions available to directors are affirmation, opposition or abstention. Every attending director shall choose one out of the above. Where any director does not make any choice or makes two or more choices, the chairman of the meeting shall require the director to make the choice again. Otherwise, the director shall be deemed to abstain from voting; any director who has left the meeting midway without coming back and has not made any choice shall be deemed to abstain from voting.</p>
<p>Article 29 Minutes of Meetings</p> <p>The secretary to the board of directors shall arrange for staff members of the board office to prepare the minutes of the board meetings. The minutes shall include the following:</p> <p>(1) the <u>session</u>, date, place <u>and form</u> of the meeting;</p> <p>(2) <u>the issue of the notice of the meeting</u>;</p> <p>(3) <u>the convener and chairman of the meeting</u>;</p> <p>(4) <u>the attendance of the directors in person or by proxy</u>;</p> <p>(5) <u>the explanation on the procedures and convening of the meeting</u>;</p> <p>(6) <u>the proposals considered in the meeting, the key points of the speeches and main opinions of each director (including objections and doubts raised by the directors) in respect of relevant matters, and his/her vote intention of the proposals</u>;</p> <p>(7) <u>the voting methods and results of each proposal (including the numbers of affirmative votes, dissenting votes and abstention votes)</u>;</p> <p>(8) other matters determined by the attending directors to be recorded in the minutes.</p> <p>After the board meeting, the first draft and final draft of the meeting minutes shall be sent to all directors within a reasonable period of time. The first draft shall be provided to directors for comments, and the meeting minutes shall, after being finalized, be archived.</p>	<p>Article 29 Minutes of Meetings</p> <p>The secretary to the board of directors shall arrange for staff members of the board office to prepare the minutes of the board meetings. The minutes shall include the following:</p> <p>(1) the date <u>and</u> place of the meeting <u>and the name of the convener</u>;</p> <p>(2) <u>the names of the directors attending the meeting and the names of the directors (proxies) appointed by other directors to attend the meeting</u>;</p> <p>(3) <u>the agenda of the meeting</u>;</p> <p>(4) <u>main points of the speeches of the directors</u>;</p> <p>(5) <u>the voting methods and results of each matter for resolution (the voting results shall state the numbers of affirmative votes, dissenting votes and abstention votes)</u>;</p> <p>(6) other matters determined by the attending directors to be recorded in the minutes.</p> <p>After the board meeting, the first draft and final draft of the meeting minutes shall be sent to all directors within a reasonable period of time. The first draft shall be provided to directors for comments, and the meeting minutes shall, after being finalized, be archived.</p>

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## APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS

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Articles Before Revision	Articles After Revision
<p style="text-align: center;">Article 31 Signatures of Directors</p> <p>The attending directors shall sign and confirm the minutes of the meeting, summary of the meeting and the records of the resolutions for themselves and on behalf of the directors appointing them to attend the meeting and take the responsibility for the resolutions passed by the board of directors. The secretary to the board of directors and the recorder shall also sign on the minutes of the meeting. Where the directors disagree over the minutes of the meeting, summary of the meeting or the records of the resolutions, they may give written explanation when signing the same. Where necessary, they shall promptly report to regulatory departments or make public statements.</p> <p>Where any director does not sign and confirm pursuant to the preceding provision nor make written explanation regarding his/her disagreement or does not report to regulatory departments nor make public statement, he/she shall be deemed to fully agree with the minutes of the meeting, summary of the meeting and the records of the resolutions.</p> <p>Where a resolution of the board violates laws, regulations, the resolution of the shareholders' general meetings or the Articles of Association and causes losses to the Company, the directors who took part in the resolution shall be liable to make compensations to the Company. However, if it is proved that a director has expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.</p> <p>Where a resolution of the board violates laws, administrative regulations and the requirements of the <b>CSRC</b>, the supervisory committee shall request the board of directors to make rectifications and the <b>management</b> shall refuse to implement the resolution.</p>	<p style="text-align: center;">Article 31 Signatures of Directors</p> <p>The attending directors shall sign and confirm the minutes of the meeting, summary of the meeting and the records of the resolutions for themselves and on behalf of the directors appointing them to attend the meeting and take the responsibility for the resolutions passed by the board of directors. The secretary to the board of directors and the recorder shall also sign on the minutes of the meeting. Where the directors disagree over the minutes of the meeting, summary of the meeting or the records of the resolutions, they may give written explanation when signing the same. Where necessary, they shall promptly report to regulatory departments or make public statements.</p> <p>Where any director does not sign and confirm pursuant to the preceding provision nor make written explanation regarding his/her disagreement or does not report to regulatory departments nor make public statement, he/she shall be deemed to fully agree with the minutes of the meeting, summary of the meeting and the records of the resolutions.</p> <p>Where a resolution of the board violates laws, regulations, the resolution of the shareholders' general meetings or the Articles of Association and causes losses to the Company, the directors who took part in the resolution shall be liable to make compensations to the Company. However, if it is proved that a director has expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.</p> <p>Where a resolution of the board violates laws, administrative regulations and the requirements of the <b>securities regulatory authorities</b>, the supervisory committee shall request the board of directors to make rectification and the <b>business management</b> shall refuse to implement the resolution.</p>

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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The proposed amendments to the Procedural Rules of the Supervisory Committee are set out below:

Articles Before Revision	Articles After Revision
–	<u>Chapter 2 Composition and Administrative Office of the Supervisory Committee</u>
–	<u>Article 2 The Company shall have a supervisory committee. The supervisory committee shall comprise of 5 supervisors. Not less than one-third of members of the supervisory committee shall be employee supervisors. The supervisory committee shall have a chairman. The election and removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two-thirds or more of members of the supervisory committee.</u>
–	<u>Article 3 The supervisory committee shall have a performance supervision and inspection committee, a financial supervision and inspection committee, and may establish a risk supervision and inspection committee based on its work requirements. All special committees of the supervisory committee shall be composed of supervisors and shall be accountable to the supervisory committee. Members of the special committees of the supervisory committee shall have professional knowledge and working experience related to their duties in the special committees. The supervisory committee shall formulate the respective procedural rules in connection with the composition of each special committee, its duties and authority and the exercise thereof.</u>

## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

Articles Before Revision	Articles After Revision
–	<b><u>Article 4</u></b> The supervisory committee shall have an office of the supervisory committee to be responsible for daily operation such as organizing meetings of the supervisory committee, keeping meeting minutes and documents, and to assist supervisors in performing their duties. Meanwhile, a certain number of high-quality staff shall be equipped based on the principle of professionalism and efficiency.
<b><u>Article 2 Major Duties</u></b> of the Supervisory Committee	<b><u>Chapter 3 Functions and Powers</u></b> of the Supervisory Committee
<p>The supervisory committee shall be accountable to the shareholders' general meeting, and perform the following functions and powers:</p> <p>(1) to review the Company's regular reports prepared by the board of directors and to provide comments in writing;</p> <p>(2) to inspect the Company's financial position <b><u>and to request the chief financial officer of the Company to regularly and truthfully report the analysis on the financial statements to the supervisory committee;</u></b></p> <p>(3) <b><u>to monitor the establishment and implementation of internal control by the board of directors;</u></b></p> <p>(4) to supervise the acts of the directors and senior management in performing the duties of the Company and to advise the dismissal of any director or senior management officer who violates laws, regulations, the Articles of Association or resolutions of the shareholders' general meetings;</p> <p><b><u>(5) to make enquiries on the conduct of directors and senior management;</u></b></p> <p>(6) to demand rectification of the directors and senior management personnel within a prescribed period where their conducts are in violation of laws, administrative regulations or the Articles of Association, and are detrimental to the interests of the Company, its shareholders or customers. In the case of material damages or failure of the directors and senior management to make rectifications within the prescribed period, an extraordinary general meeting shall be proposed and special proposals shall be made to the shareholders' general meeting;</p> <p>(7) to report directly to the <b><u>CSRC or its local office</u></b> on any serious breach of laws and regulations by the board of directors or senior management of the Company;</p> <p>(8) to propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meeting if the board of directors fails to do so as required by the Company Law;</p>	<p><b><u>Article 5</u></b> The supervisory committee shall be accountable to the shareholders' general meeting and perform the following functions and powers:</p> <p>(1) to review the Company's regular reports prepared by the board of directors and to provide comments in writing;</p> <p>(2) to inspect the Company's financial position;</p> <p><b><u>(3) to monitor the comprehensive risk management and internal control of the Company;</u></b></p> <p>(4) to supervise the acts of the directors and senior management in performing the duties of the Company and to advise the dismissal of any director or senior management officer who violates laws, regulations, the Articles of Association or resolutions of the shareholders' general meetings;</p> <p><b><u>(5)</u></b> to demand rectification of the directors and senior management personnel within a prescribed period where their conducts are in violation of laws, regulations or the Articles of Association, and are detrimental to the interests of the Company, its shareholders or customers. In the case of material damages or failure of the directors and senior management to make rectifications within the prescribed period, an extraordinary general meeting shall be proposed and special proposals shall be made to the shareholders' general meeting;</p> <p><b><u>(6)</u></b> to report directly to the <b><u>securities regulatory authorities</u></b> on any serious breach of laws and regulations by the board of directors or senior management of the Company;</p> <p>(7) to propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meeting if the board of directors fails to do so as required by the Company Law;</p> <p><b><u>(8)</u></b> to conduct audits on retiring or resigning senior management officers;</p>

## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

Articles Before Revision	Articles After Revision
<p>(9) to <b>engage an accounting firm with qualification for securities related business to</b> conduct audits on retiring or resigning senior management officers;</p> <p>(10) to make proposals to shareholders' general meetings;</p> <p>(11) to report at an annual general meeting and to disclose in an annual report the duty performance of supervisors, <b><u>including the number of meetings of the supervisory committee attended by them and their voting thereat during the reporting period;</u></b></p> <p>(12) to take legal actions against directors and senior management in accordance with Article <u>152</u> of the Company Law;</p> <p>(13) to <b><u>examine</u></b> the financial information such as the financial reports and profit distribution plans to be submitted by the board of directors to the shareholders' general meetings and <b><u>to investigate any queries or unusual business operations of the Company when they are identified; and, where necessary,</u></b> to engage professional institutions, such as accounting firms or law firms, to assist their work with reasonable expenses to be borne by the Company;</p> <p>(14) to investigate unusual business operations, financial conditions and compliance of the Company when they are found; and, where necessary, to engage professional institutions, such as accounting firms or law firms, to assist their work with reasonable expenses to be borne by the Company;</p> <p>(15) to prepare the proposal on the amount and payment method of the emoluments of supervisors and to submit it to the shareholders' general meeting for decision;</p> <p>(16) to perform other functions and powers conferred by the Articles of Association or the shareholders' general meetings.</p> <p>The supervisory committee may require the directors, senior management and other relevant personnel of the Company to attend meetings of the supervisory committee to answer questions.</p> <p>When the supervisory committee inspects the performance of duties by the directors or senior management of the Company, it may understand the situation from the directors, senior management and other relevant personnel of the Company and they shall offer cooperation in this regard.</p> <p><b><u>The supervisory committee shall perform duties in relation to compliance management pursuant to laws and regulations and the Articles of Association, and shall undertake the responsibilities for the effectiveness of compliance management of the Company.</u></b></p>	<p>(9) to make proposals to shareholders' general meetings;</p> <p>(10) to report at an annual shareholders' general meeting and to disclose in an annual report the duty performance of supervisors <b><u>and their remuneration;</u></b></p> <p>(11) to take legal actions against directors and senior management in accordance with Article <u>151</u> of the Company Law;</p> <p>(12) to <b><u>check</u></b> the financial information such as the financial reports, profit distribution plans <b><u>and final accounts plans</u></b> to be submitted by the board of directors to the shareholders' general meetings and to engage professional institutions, such as accounting firms or law firms, to assist their work <b><u>if any queries are identified</u></b> with reasonable expenses to be borne by the Company;</p> <p>(13) to investigate unusual business operations, financial conditions and compliance of the Company when they are found and, where necessary, to engage professional institutions, such as accounting firms or law firms, to assist their work with reasonable expenses to be borne by the Company;</p> <p>(14) to prepare the proposal on the amount and payment method of the emoluments of supervisors and to submit it to the shareholders' general meeting for decision;</p> <p>(15) to perform other functions and powers conferred by <b><u>laws and regulations,</u></b> the Articles of Association or the shareholders' general meetings.</p> <p><b><u>Article 6</u></b> The supervisory committee may require the directors, senior management and other relevant personnel of the Company to attend meetings of the supervisory committee to answer questions.</p> <p><b><u>Article 7</u></b> <b><u>The supervisory committee may make recommendations (whether in writing or orally) and give reminders to, interview and make inquiries with, and request for reply from the board of directors and business management and their members or other personnel.</u></b></p> <p><b><u>Article 8</u></b> When the supervisory committee inspects the performance of duties by the directors or senior management of the Company, it may understand the situation from the directors, senior management and other relevant personnel of the Company, and they shall offer cooperation in this regard.</p>



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**APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL  
RULES OF THE SUPERVISORY COMMITTEE**

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Articles Before Revision	Articles After Revision
–	<u>Article 9 In performing its duties, the supervisory committee shall have the right to engage professionals, including lawyers, certified public accountants and practising auditors, to provide services and professional advice, with the reasonable costs incurred thereby to be borne by the Company.</u>
–	<u>Article 10 The Company shall report to the supervisory committee its audit reports, compliance reports, monthly or quarterly financial reports, annual financial reports and other major matters in a timely manner.</u>
–	<u>Article 11 The supervision records of the supervisory committee and the results of financial inspection shall be taken as an important basis of the performance appraisal of directors and senior management.</u>
<u>Article 3 Office of the Supervisory Committee</u>	–
<u>The supervisory committee shall have an office of the supervisory committee to handle its daily affairs.</u>  <u>The chairman of the supervisory committee shall keep the seal of the supervisory committee and may ask the securities affair representative or other personnel of the Company to assist him/her in handling the daily affairs of the supervisory committee.</u>	–

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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Articles Before Revision	Articles After Revision
<b><u>Article 4 Regular and Extraordinary Meetings of the Supervisory Committee</u></b>	<b><u>Chapter 4 Meeting System of the Supervisory Committee</u></b>
<p>Meetings of the supervisory committee shall include regular meetings and extraordinary meetings.</p> <p>Regular meetings of the supervisory committee shall be held once every 6 months. The supervisory committee shall regularly convene a meeting within 120 days after the expiration of the last fiscal year to review the annual report, annual financial report and annual compliance report of the Company.</p> <p>Under any of the following circumstances, the supervisory committee shall hold an extraordinary meeting within 10 days:</p> <ol style="list-style-type: none"> <li>(1) as proposed by any supervisor;</li> <li>(2) when resolutions violating laws and regulations, the provisions and requirements of regulatory departments, the Articles of Association and the resolutions of the shareholders' general meeting and other relevant provisions are approved at the shareholders' general meeting and the meeting of the board of directors;</li> <li>(3) when the misconducts of directors and senior management may cause significant damages to the Company or have adverse impacts on the market;</li> <li>(4) when shareholders file a lawsuit against the Company, its directors, supervisors and senior management;</li> <li>(5) when the Company has suffered from or is being exposed to significant loss of its assets or significant risk events, and the interests of shareholders and customers are compromised;</li> <li>(6) when the Company, its directors, supervisors and senior management are subject to the punishment by securities regulatory <b><u>departments</u></b> or are subject to the public censure by stock exchange(s);</li> <li>(7) as required by securities regulatory <b><u>departments</u></b>;</li> <li>(8) other circumstances as specified in the Articles of Association.</li> </ol>	<p><b><u>Article 12</u></b> Meetings of the supervisory committee shall include regular meetings and extraordinary meetings.</p> <p>Regular meetings of the supervisory committee shall be held <b><u>at least</u></b> once every 6 months. The supervisory committee shall regularly convene a meeting within 120 days after the expiration of the last fiscal year to review the annual report, annual financial report, <b><u>comprehensive risk management report</u></b> and annual compliance report, <b><u>etc.</u></b> of the Company.</p> <p>Under any of the following circumstances, the supervisory committee shall hold an extraordinary meeting within 10 days:</p> <ol style="list-style-type: none"> <li>(1) as proposed by any supervisor;</li> <li>(2) when resolutions violating laws and rules, the provisions and requirements of the <b><u>relevant</u></b> regulatory departments, the Articles of Association and the resolutions of the shareholders' general meeting and other relevant provisions are approved at the shareholders' general meeting and the meeting of the board of directors;</li> <li>(3) when the misconducts of directors and senior management may cause significant damages to the Company or have adverse impacts on the market;</li> <li>(4) when shareholders file a lawsuit against the Company, its directors, supervisors and senior management;</li> <li>(5) when the Company has suffered from or is being exposed to significant loss of its assets or significant risk events, and the interests of the shareholders and customers are compromised;</li> <li>(6) when the Company, its directors, supervisors and senior management are subject to the punishment by securities regulatory <b><u>authorities</u></b> or are subject to the public censure by stock exchange(s);</li> <li>(7) as required by securities regulatory <b><u>authorities</u></b>;</li> <li>(8) other circumstances as specified in the Articles of Association.</li> </ol>

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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Articles Before Revision	Articles After Revision
<p>Article <b>6</b> Procedures for Proposing Extraordinary Meetings</p> <p>Where a supervisor proposes to hold an extraordinary meeting of the supervisory committee, the written proposal signed by the proposing supervisor shall be submitted through the office of the supervisory committee or to the chairman of the supervisory committee directly. The written proposal shall specify the following particulars:</p> <ul style="list-style-type: none"> <li>(1) the name of the proposing supervisor;</li> <li>(2) reasons for the proposal or the objective cause on which the proposal is made;</li> <li>(3) date or duration, place or form of the meeting proposed;</li> <li>(4) well-defined and specific proposal; and</li> <li>(5) contact details of the proposing supervisor and the date of the proposal, etc.</li> </ul> <p>The office of the supervisory committee shall issue a notice of extraordinary meeting of the supervisory committee within 3 days after the office or the chairman of the supervisory committee receives the written proposal from the supervisor.</p> <p>Where the office of the supervisory committee neglects the duty of issuing the notice of meeting, the proposing supervisor shall report to regulatory departments in a timely manner.</p>	<p>Article <b>14</b> Procedures for Proposing Extraordinary Meetings</p> <p>Where a supervisor proposes to hold an extraordinary meeting of the supervisory committee, the written proposal signed by the proposing supervisor shall be submitted through the office of the supervisory committee or to the chairman of the supervisory committee directly. The written proposal shall specify the following particulars:</p> <ul style="list-style-type: none"> <li>(1) the name of the proposing supervisor;</li> <li>(2) reasons for the proposal or the objective cause on which the proposal is made;</li> <li>(3) date or duration, place or form of the meeting proposed;</li> <li>(4) well-defined and specific proposal; and</li> <li>(5) contact details of the proposing supervisor and the date of the proposal, etc.</li> </ul> <p>The office of the supervisory committee shall issue a notice of extraordinary meeting of the supervisory committee within 3 days after the office or the chairman of the supervisory committee receives the written proposal from the supervisor.</p> <p>Where the office of the supervisory committee neglects the duty of issuing the notice of meeting, the proposing supervisor shall report to <b><u>the relevant</u></b> regulatory departments in a timely manner.</p>
<p>Article <b>8</b> Notices of Meeting</p> <p>The office of the supervisory committee shall send the written notice of meeting <b><u>affixed with the seal of the supervisory committee</u></b> to all the supervisors by direct delivery, <b><u>fax</u></b>, email or other means 10 days and <b><u>5</u></b> days before a regular meeting and an extraordinary meeting of the supervisory committee, respectively. Where the notice is not served by direct delivery, acknowledgement by telephone and relevant records shall be made.</p> <p>In case of emergency where an extraordinary meeting of the supervisory committee is required to be convened as soon as possible, the supervisory committee may at any time give notice of extraordinary meeting by verbal means or telephone or other means, and the convener shall give explanations at the meeting.</p>	<p>Article <b>16</b> Notices of Meeting</p> <p>The office of the supervisory committee shall send the written notice of meeting to all the supervisors by direct delivery, email or other means 10 days and <b><u>2</u></b> days before a regular meeting and an extraordinary meeting of the supervisory committee, respectively. Where the notice is not served by direct delivery, acknowledgement by telephone, <b><u>etc.</u></b>, and relevant records shall be made.</p> <p>In case of emergency where an extraordinary meeting of the supervisory committee is required to be convened as soon as possible, the supervisory committee may at any time give notice of extraordinary meeting by verbal means or telephone or other means, and the convener shall give explanations at the meeting.</p>

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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Articles Before Revision	Articles After Revision
<p>Article <b>11</b> Form of Convening Meetings</p> <p>A supervisory committee meeting shall be held physically.</p> <p>Under urgent circumstances, voting at a meeting of the supervisory committee may be conducted by way of communication tools, provided that the convener (the chairman of the meeting) of the supervisory committee shall explain to the attending supervisors the urgency in details. When communication voting is adopted, supervisors shall, after confirming their votes by signing a written opinions on the matters considered and his/her voting intention, <b>fax</b> the same to the office of the supervisory committee. Supervisors shall not only indicate the voting intention without stating the written opinion or reason for such voting intention. Supervisors participated in communication voting shall send the original of signed votes to the supervisory committee <b><u>within the period specified in the notice of the meeting.</u></b></p>	<p>Article <b>19</b> Form of Convening Meetings</p> <p>A supervisory committee meeting shall be held physically.</p> <p>Under urgent circumstances, voting at a meeting of the supervisory committee may be conducted by way of communication tools, provided that the convener (the chairman of the meeting) of the supervisory committee shall explain to the attending supervisors the urgency in details. When communication voting is adopted, supervisors shall, after confirming their votes by signing a written opinions on the matters considered and his/her voting intention, <b><u>send</u></b> the same <b><u>by way of e-mail or other means</u></b> to the office of the supervisory committee. Supervisors shall not only indicate the voting intention without stating the written opinion or reason for such voting intention. Supervisors participated in communication voting shall send the original of signed votes to the supervisory committee.</p>
<p>Article <b>12</b> Convening of Meetings</p> <p>A supervisory committee meeting shall not be conducted unless it is attended by two-thirds or more of the supervisors. Where any supervisor refuses to attend or neglects his/her duty of attending the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other supervisors shall report it to regulatory departments in a timely manner.</p> <p>The secretary to the board of directors <b><u>and the securities affair representative</u></b> shall be present at the meetings of the supervisory committee.</p>	<p>Article <b>20</b> Convening of Meetings</p> <p>A supervisory committee meeting shall not be conducted unless it is attended by two-thirds or more of the supervisors.</p> <p><b><u>Meetings of the supervisory committee shall be convened and presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or does not perform his duties, a supervisor elected by one-half or more of the supervisors shall convene and preside over supervisory committee meetings.</u></b></p> <p>Where any supervisor refuses to attend or neglects his/her duty of attending the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other supervisors shall report it to <b><u>the relevant</u></b> regulatory departments in a timely manner.</p> <p>The secretary to the board of directors shall be present at the meetings of the supervisory committee.</p>

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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Articles Before Revision	Articles After Revision
<p>Article <b>13</b> Deliberation Procedures of Meetings</p> <p>The chairman of the meeting shall request supervisors present at the meeting <b><u>one by one</u></b> to express their explicit opinion on each proposal.</p> <p>The chairman of the meeting shall, as proposed by supervisors, require the directors, senior management officers, other employees of the Company or the business personnel of relevant intermediaries to attend the meeting for an enquiry, but any persons present at the meeting other than the members of the supervisory committee shall not participate in the deliberation and voting of the supervisory committee.</p> <p>The chairman of the meeting shall fully listen to the opinions of the attending supervisors, control the progress of the meeting, and improve the efficiency in deliberation. <b><u>If a supervisor gives speech on the same proposal repeatedly and his/her speech is beyond the scope of the proposal, thereby affecting other supervisors to give their speech or hindering the normal progress of the meeting, the chairman of the meeting shall promptly stop him/her from doing so.</u></b></p> <p>Any proposal included in the agenda of a meeting of the supervisory committee may not be put to vote immediately if there is a material issue identified during the deliberation that needs for further study. Upon proposal by the chairman of the supervisory committee, a special investigation team may be formed and a corresponding resolution shall be made based on the report of the investigation team.</p>	<p>Article <b>21</b> Deliberation Procedures of Meetings</p> <p>The chairman of the meeting shall request supervisors present at the meeting to express their explicit opinion on each proposal.</p> <p>The chairman of the meeting shall, as proposed by supervisors, require the directors, senior management officers, other employees of the Company or the business personnel of relevant intermediaries to attend the meeting for an enquiry, but any persons present at the meeting other than the members of the supervisory committee shall not participate in the deliberation and voting of the supervisory committee.</p> <p>The chairman of the meeting shall fully listen to the opinions of the attending supervisors, control the progress of the meeting, and improve the efficiency in deliberation.</p> <p>Any proposal included in the agenda of a meeting of the supervisory committee may not be put to vote immediately if there is a material issue identified during the deliberation that needs for further study. Upon proposal by the chairman of the supervisory committee, a special investigation team may be formed and a corresponding resolution shall be made based on the report of the investigation team.</p>
<p><b><u>Article 14</u></b> Resolutions of the Supervisory Committee</p> <p>A supervisor shall have one vote when voting on the resolution of the supervisory committee by open ballot and in writing.</p> <p>The voting intentions available to supervisors are <b><u>affirmation</u></b>, opposition or abstention. Every attending supervisor shall choose one out of the above. Where any supervisor does not make any choice or makes two or more choices, the chairman of the meeting shall require the supervisor to make the choice again. Otherwise, the supervisor shall be deemed to abstain from voting; any supervisor who has left the meeting midway without coming back and has not made any choice shall be deemed to abstain from voting.</p> <p>The resolution made by the supervisory committee shall be subject to the approval of two-thirds or more of the members of the supervisory committee by voting.</p>	<p><b><u>Chapter 5</u></b> Resolutions of the Supervisory Committee</p> <p><b><u>Article 22</u></b> A supervisor shall have one vote when voting on the resolution of the supervisory committee by open ballot and in writing.</p> <p>The voting intentions available to supervisors are <b><u>concurrence</u></b>, opposition or abstention. Every attending supervisor shall choose one out of the above. Where any supervisor does not make any choice or makes two or more choices, the chairman of the meeting shall require the supervisor to make the choice again. Otherwise, the supervisor shall be deemed to abstain from voting; any supervisor who has left the meeting midway without coming back and has not made any choice shall be deemed to abstain from voting.</p> <p>The resolution made by the supervisory committee shall be subject to the approval of two-thirds or more of the members of the supervisory committee by voting.</p>
<p>Article <b>15</b> Recordings of Meetings</p> <p><b><u>Meetings of the supervisory committee held via video conference or telephone conference, etc., shall be recorded.</u></b></p>	<p>Article <b>23</b> Recordings of Meetings</p> <p><b><u>Meetings of the supervisory committee may be recorded, if necessary.</u></b></p>

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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Articles Before Revision	Articles After Revision
<p>Article <b>16</b> Minutes of Meetings</p> <p>The staff members of the office of the supervisory committee shall keep minutes of on-site meetings. The minutes shall include the following:</p> <ol style="list-style-type: none"> <li>(1) the session, date, place and form of the meeting;</li> <li>(2) the issue of the notice of meeting;</li> <li>(3) the convener and chairman of the meeting;</li> <li>(4) attendance of supervisors at the meeting;</li> <li>(5) the explanation on the procedures and convening of the meeting;</li> <li>(6) the proposals considered at the meeting, the key points of the speeches and main opinions of each supervisor in respect of relevant matters, and his/her vote intention of the proposals;</li> <li>(7) the voting method and results of each proposal (including the numbers of <b>affirmative votes</b>, dissenting votes and abstention votes); and</li> <li>(8) other matters determined by the attending supervisors to be recorded in the minutes.</li> </ol> <p>For a meeting of the supervisory committee held by way of communication tool, the office of the supervisory committee shall prepare the minutes by reference to the above requirements.</p> <p>Each supervisor shall have the right to request that an explanatory of his/her comments made at the meetings be recorded in the minutes.</p>	<p>Article <b>24</b> Minutes of Meetings</p> <p>The staff members of the office of the supervisory committee shall keep minutes of on-site meetings. The minutes shall include the following:</p> <ol style="list-style-type: none"> <li>(1) the session, date, place and form of the meeting;</li> <li>(2) the issue of the notice of meeting;</li> <li>(3) the convener and chairman of the meeting;</li> <li>(4) attendance of supervisors at the meeting;</li> <li>(5) the explanation on the procedures and convening of the meeting;</li> <li>(6) the proposals considered at the meeting, the key points of the speeches and main opinions of each supervisor in respect of relevant matters, and his/her vote intention of the proposals;</li> <li>(7) the voting method and results of each proposal (including the numbers of <b>concurring votes</b>, dissenting votes and abstention votes); and</li> <li>(8) other matters determined by the attending supervisors to be recorded in the minutes.</li> </ol> <p>For a meeting of the supervisory committee held by way of communication tool, the office of the supervisory committee shall prepare the minutes by reference to the above requirements.</p> <p>Each supervisor shall have the right to request that an explanatory of his/her comments made at the meetings be recorded in the minutes.</p>
<p>Article <b>17</b> Signatures of Supervisors</p> <p>The attending supervisors shall sign and confirm the minutes of the meeting, summary of the meeting and the records of the resolutions. The recorder shall sign the minutes of the meeting. Where the supervisors disagree over the minutes of the meeting, summary of the meeting or the records of the resolutions, they may give written explanation when signing the same. Where necessary, they shall promptly report to regulatory departments or make public statements.</p> <p>Where any supervisor does not sign and confirm pursuant to the preceding provision nor make written explanation regarding his/her disagreement or does not report to regulatory departments nor make public statement, he/she shall be deemed to fully agree with the minutes of the meeting, summary of the meeting and the records of the resolutions.</p>	<p>Article <b>25</b> Signatures of Supervisors</p> <p>The attending supervisors shall sign and confirm the minutes of the meeting, summary of the meeting and the records of the resolutions. The recorder shall sign the minutes of the meeting. Where the supervisors disagree over the minutes of the meeting, summary of the meeting or the records of the resolutions, they may give written explanation when signing the same. Where necessary, they shall promptly report to <b>the relevant</b> regulatory departments or make public statements. <b><u>Supervisors shall take the responsibilities for the resolutions of the supervisory committee.</u></b></p> <p>Where any supervisor does not sign and confirm pursuant to the preceding provision nor make written explanation regarding his/her disagreement or does not report to <b>the relevant</b> regulatory departments nor make public statement, he/she shall be deemed to fully agree with the minutes of the meeting, summary of the meeting and the records of the resolutions.</p>

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## APPENDIX VI      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE SUPERVISORY COMMITTEE

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Articles Before Revision	Articles After Revision
<p>Article <b>20</b> Keeping of Meeting Archives</p> <p>Archives of meetings of the supervisory committee, including notices of meeting and meeting materials, attendance <b>book</b>, meeting recordings, votes, meeting minutes signed and confirmed by the attending supervisors, summaries of meetings, records and announcements of the resolutions, etc., shall be <b><u>kept by the person in the office of the supervisory committee designated by the chairman of the supervisory committee.</u></b></p> <p>Meeting materials of the supervisory committee shall be kept for a period of <b>20 years</b>.</p>	<p>Article <b>28</b> Keeping of Meeting Archives</p> <p>Archives of meetings of the supervisory committee, including notices of meeting and meeting materials, attendance <b>form</b>, meeting recordings, votes, meeting minutes signed and confirmed by the attending supervisors, summaries of meetings, records and announcements of the resolutions, etc., shall be <b><u>archived centrally by the Company.</u></b></p> <p>Meeting materials of the supervisory committee shall be kept for a period of <b>10 years or more</b>.</p>
<p><b>Article 21</b> Supplementary Provisions</p> <p>Matters not covered herein shall be handled by reference to the relevant requirements of the Procedural Rules of the Board of Directors.</p> <p>Unless otherwise specified, the terms used in these Procedural Rules shall have the same meaning as those defined in the Articles of Association.</p> <p>The interpretation of these Procedural Rules shall be vested to the supervisory committee.</p> <p>These Procedural Rules, as an annex to the Articles of Association, have been reviewed and approved by the shareholders' general meeting and become effective upon the initial public offering and listing of the Company's shares.</p> <p>The original procedural rules of the supervisory committee of the Company shall automatically lapse from the date when these Procedural Rules take effect.</p>	<p><b>Chapter 6</b> Supplementary Provisions</p> <p><b>Article 29</b> Matters not covered herein shall be handled by reference to the relevant requirements of the Procedural Rules of the Board of Directors.</p> <p><b>Article 30</b> Unless otherwise specified, the terms used in these Procedural Rules shall have the same meaning as those defined in the Articles of Association.</p> <p><b>Article 31</b> The interpretation of these Procedural Rules shall be vested to the supervisory committee.</p> <p><b>Article 32</b> These Procedural Rules, as an annex to the Articles of Association, have been reviewed and approved by the shareholders' general meeting and become effective upon the initial public offering and listing of the Company's shares.</p> <p><b>Article 33</b> The original procedural rules of the supervisory committee of the Company shall automatically lapse from the date when these Procedural Rules take effect.</p>

If there is any change to the article number in the Procedural Rules of the Supervisory Committee due to the addition, deletion or re-arrangement of certain articles, the relevant article in the revised Procedural Rules of the Supervisory Committee shall be renumbered and the cross reference to the relevant article shall be changed accordingly. Unless amendments to other content of such articles are involved, the amendments to the article number are not listed above.



The proposed amendments to the Working Rules for Independent Directors are set out below:

Articles Before Revision	Articles After Revision
<p>Article 6 Any independent director and person proposed to act as an independent director shall participate in the training organized by the <u>CSRC</u> and its authorized institutions in accordance with the requirements of the <u>CSRC</u>.</p>	<p>Article 6 Any independent director and person proposed to act as an independent director shall participate in the training organized by the <u>securities regulatory authorities</u> and <u>their</u> authorized institutions in accordance with the requirements of the <u>securities regulatory authorities</u>.</p>
<p>Article 11 Independent directors must be independent. To ensure their independence, the following persons shall not act as independent directors of the Company:</p> <p>(1) persons who are specified in Article <u>131</u> of the Securities Law;</p> <p>(2) persons who are employed by the Company or its subsidiaries and their lineal relatives and affiliates with close social relationship (lineal relatives refer to, among others, spouses, parents and children, while affiliates with close social relationship refer to, among others, brothers and sisters, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law);</p> <p>(3) persons who are employed by corporate shareholder(s) directly or indirectly holding 5% or more of the Company's shares or other companies which have business or interest relationship with the Company or the top five corporate shareholders of the Company and their lineal relatives and affiliates with close social relationship;</p> <p>(4) natural person shareholders who directly or indirectly hold 1% or more of the Company's shares and the top 10 natural person shareholders of the Company and their lineal relatives;</p> <p>(5) persons who provide financial, legal or consultation services to the Company or any of its subsidiaries and their lineal relatives;</p> <p>(6) persons who had been the persons under items (2) to (5) in the past one year;</p> <p>(7) persons who are employed by other securities companies in a capacity other than independent directors;</p>	<p>Article 11 Independent directors must be independent. To ensure their independence, the following persons shall not act as independent directors of the Company:</p> <p>(1) persons who are specified in Article <u>124</u> of the Securities Law;</p> <p>(2) persons who are employed by the Company or its subsidiaries and their lineal relatives and affiliates with close social relationship (lineal relatives refer to, among others, spouses, parents and children, while affiliates with close social relationship refer to, among others, brothers and sisters, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law);</p> <p>(3) persons who are employed by corporate shareholder(s) directly or indirectly holding 5% or more of the Company's shares or other companies which have business or interest relationship with the Company or the top five corporate shareholders of the Company and their lineal relatives and affiliates with close social relationship;</p> <p>(4) natural person shareholders who directly or indirectly hold 1% or more of the Company's shares and the top 10 natural person shareholders of the Company and their lineal relatives;</p> <p>(5) persons who provide financial, legal or consultation services to the Company or any of its subsidiaries and their lineal relatives;</p> <p>(6) persons who had been the persons under items (2) to (5) in the past one year;</p> <p>(7) persons who are employed by other securities companies in a capacity other than independent directors;</p>

Articles Before Revision	Articles After Revision
<p>(8) other persons specified by laws, regulations, the listing rules in the place where the Company's shares are listed and the Articles of Association; and</p> <p>(9) other persons considered unfit by the <u>securities regulators</u> in the place where the Company's shares are listed or by the shareholders' general meeting of the Company.</p> <p>In the event that any of the aforesaid circumstances occurs during the term of office of an independent director, the Company shall dismiss such independent director in a timely fashion and report to the <u>local office of the CSRC</u> in the place where the Company is domiciled.</p>	<p>(8) other persons specified by laws, regulations, the listing rules in the place where the Company's shares are listed and the Articles of Association; and</p> <p>(9) other persons considered unfit by the <u>securities regulatory authorities</u> in the place where the Company's shares are listed or by the shareholders' general meeting of the Company.</p> <p>In the event that any of the aforesaid circumstances occurs during the term of office of an independent director, the Company shall dismiss such independent director in a timely fashion and report to the <u>securities regulatory authorities</u> in the place where the Company is domiciled.</p>
<p>Article 14 Prior to convention of the shareholders' general meeting for election of independent directors, the Company shall simultaneously submit all relevant materials of the nominees (including but not limited to the nominator's statement, candidate statement, and independent director's resume) to the <u>CSRC, the local office of the CSRC in the place where the Company is located</u> and the Shanghai Stock Exchange. If the board of directors of the Company raises any objection against the nominees in any respect, it shall also submit the written opinions of the board of directors.</p> <p>After the <u>CSRC</u> has reviewed the qualifications and independence of the independent directors, if the nominee is opposed by the <u>CSRC</u>, he/she may only act as the Company's director candidate, instead of the independent director candidate.</p>	<p>Article 14 Prior to convention of the shareholders' general meeting for election of independent directors, the Company shall simultaneously submit all relevant materials of the nominees (including but not limited to the nominator's statement, candidate statement, and independent director's resume) to the <u>securities regulatory authorities</u> and the Shanghai Stock Exchange. If the board of directors of the Company raises any objection against the nominees in any respect, it shall also submit the written opinions of the board of directors.</p> <p>After the <u>securities regulatory authorities</u> have reviewed the qualifications and independence of the independent directors, if the nominee is opposed by the <u>securities regulatory authorities</u>, he/she may only act as the Company's director candidate, instead of the independent director candidate.</p>
<p>Article 15 When convening a shareholders' general meeting for the election of independent directors, the board of directors shall state and explain whether the independent director candidates have been opposed by the <u>CSRC</u> and the Shanghai Stock Exchange.</p>	<p>Article 15 When convening a shareholders' general meeting for the election of independent directors, the board of directors shall state and explain whether the independent director candidates have been opposed by the <u>securities regulatory authorities</u> and the Shanghai Stock Exchange.</p>
<p>Article 17 The tenure of the independent directors is the same as those of other directors of the Company. Independent directors are eligible for re-election after the expiration of their tenure, but shall not serve for more than six years. The Company shall file the relevant information of the independent directors with the securities regulatory <u>departments</u>.</p>	<p>Article 17 The tenure of the independent directors is the same as those of other directors of the Company. Independent directors are eligible for re-election after the expiration of their tenure, but shall not serve for more than six years. The Company shall file the relevant information of the independent directors with the securities regulatory <u>authorities</u>.</p>

Articles Before Revision	Articles After Revision
<p>Article 18 If an independent director fails to attend the board meeting in person for three consecutive times, the board of directors shall propose to remove such independent director at the shareholders' general meeting. Except for the above-mentioned and the circumstances that a person may not act as a director as provided for in the Companies Law, as well as those stipulated in Article 11 of these Rules, an independent director shall not be removed without any reason from his/her office during his/her term of office. Where an independent director is removed from office during his/her term of office, the Company shall make special disclosure in relation thereto. The so removed independent director may make a public statement and report to the <b>local office of the CSRC</b> in the place where the Company is domiciled if he/she believes that he/she has been improperly removed from his/her office by the Company.</p>	<p>Article 18 If an independent director fails to attend the board meeting in person for three consecutive times, the board of directors shall propose to remove such independent director at the shareholders' general meeting. Except for the above-mentioned and the circumstances that a person may not act as a director as provided for in the Companies Law, as well as those stipulated in Article 11 of these Rules, an independent director shall not be removed without any reason from his/her office during his/her term of office. Where an independent director is removed from office during his/her term of office, the Company shall make special disclosure in relation thereto. The so removed independent director may make a public statement and report to the <b>securities regulatory authorities</b> in the place where the Company is domiciled if he/she believes that he/she has been improperly removed from his/her office by the Company.</p>
<p>Article 20 Where an independent director resigns or is dismissed or removed during his tenure, the independent director himself/herself and the Company shall report the same to the <b>local office of the CSRC</b> in the place where the Company is domiciled and the shareholders' general meeting, respectively, and provide them with a written explanation.</p>	<p>Article 20 Where an independent director resigns or is dismissed or removed during his tenure, the independent director himself/herself and the Company shall report the same to the <b>securities regulatory authorities</b> in the place where the Company is domiciled and the shareholders' general meeting, respectively, and provide them with a written explanation.</p>
<p>Article 36 The management of the Company shall fully report to each independent director the Company's operation status and development of major events during the reporting year, and arrange on-site inspections for each independent director. The inspection process shall be recorded in writing and signed by the relevant parties.</p>	<p>Article 36 The <b>business</b> management of the Company shall fully report to each independent director the Company's operation status and development of major events during the reporting year, and arrange on-site inspections for each independent director. The inspection process shall be recorded in writing and signed by the relevant parties.</p>
<p>Article 39 Pursuant to the requirements of the <b>regulatory departments</b>, other matters that should involve or be confirmed by independent directors in preparing the annual report.</p>	<p>Article 39 Pursuant to the requirements of the <b>securities regulatory authorities</b>, other matters that should involve or be confirmed by independent directors in preparing the annual report.</p>

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## APPENDIX VIII      PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR CONNECTED TRANSACTIONS

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The proposed amendments to the Administrative Measures for Connected Transactions are set out below:

Article Before Revision	Article After Revision
<p>Article 3 The <b>audit department</b> assists the audit committee of the board of directors in the control and daily management of connected transactions, and provides support for the analysis and identification of connected parties, as well as the organization of compliance review of connected transactions and the decision-making for major connected transactions, which is accountable and reports its work to the audit committee of the board of directors.</p> <p>The finance department shall be responsible for the accounting records, audit, reporting and statistical analysis in relation to connected transactions, and shall report the same to the audit committee of the board of directors on a quarterly basis.</p> <p>The legal compliance department shall advise on matters related to connected transactions.</p> <p>Independent directors shall express independent opinions on major connected transactions.</p>	<p>Article 3 The <b>board office</b> assists the audit committee of the board of directors in the control and daily management of connected transactions, and provides support for the analysis and identification of connected parties, as well as the organization of compliance review of connected transactions and the decision-making for major connected transactions; which is accountable and reports its work to the audit committee of the board of directors.</p> <p>The finance department shall be responsible for the accounting records, audit, reporting and statistical analysis in relation to connected transactions, and shall report the same to the audit committee of the board of directors on a quarterly basis.</p> <p>The legal compliance department shall advise on matters related to connected transactions.</p> <p>Independent directors shall express independent opinions on major connected transactions.</p>

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## APPENDIX IX      PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR EXTERNAL INVESTMENT

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The proposed amendments to the Administrative Measures for External Investment are set out below:

Articles Before Revision	Articles After Revision
Article 4 When making external investment, the Company shall carry out the review procedure in strict accordance with the relevant national laws and regulations, the listing rules in the place where the Company's shares are listed, the Articles of Association, the Procedural Rules of the Shareholders' General Meetings, the Procedural Rules of Board of Directors, and the Working Rules of the General Manager (President), etc.	Article 4 When making external investment, the Company shall carry out the review procedure in strict accordance with the relevant national laws and regulations, the listing rules in the place where the Company's shares are listed, the Articles of Association, the Procedural Rules of the Shareholders' General Meetings, the Procedural Rules of Board of Directors, the Working Rules of the General Manager (President), and <b><u>the Procedural Rules of the Executive Committee</u></b> , etc.
Article 5 The shareholders' general meeting, the board of directors, <b>and the business management</b> are the decision-making bodies of the Company's external investment. Each of them makes decisions on the Company's external investment to the extent of their respective authority. The strategy and development committee of the board of directors is responsible for reviewing and advising on external investment projects that must be approved by the board of directors and the shareholders' general meeting.	Article 5 The shareholders' general meeting and the board of directors are the decision-making bodies of the Company's external investment. Each of them makes decisions on the Company's external investment to the extent of their respective authority. <b><u>The board of directors may, to the extent of its approval authority, authorize the Company's business management to exercise the power of approval to a certain extent.</u></b> The strategy and development committee of the board of directors is responsible for reviewing and advising on external investment projects that must be approved by the board of directors and the shareholders' general meeting.
Article 12 The filing for record of investment projects. Major investment matters shall be filed for record in accordance with the regulations after consideration and approval by the board of directors or the shareholders' general meeting.	Article 12 The filing for record of investment projects. Major investment matters shall be filed for record in accordance with the regulations after consideration and approval by the board of directors or the shareholders' general meeting, <b><u>and be disclosed in accordance with the relevant requirements of the listing rules of the place where the shares of the Company are listed.</u></b>

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## APPENDIX X                      PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR PROVISION OF GUARANTEES TO THIRD PARTIES

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The proposed amendments to the Administrative Measures for Provision of Guarantees to Third Parties are set out below:

Article Before Revision	Article After Revision
<p>Article 8 The Company shall not directly or indirectly provide financing or guarantee for any of its shareholders or their connected parties. The provision of any of the following guarantee for any external party shall be considered and resolved by the board of directors, and be submitted to shareholders' general meeting for approval:</p> <p>(1) any guarantee provided by the Company and its subsidiaries after the total amount of guarantee provided for external parties by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guarantee provided by the Company after the total amount of guarantee provided for external parties by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) any guarantee provided for any entity that has a gearing ratio of more than 70%;</p> <p>(4) any single guarantee the value of which exceeds 10% of the latest audited net assets of the Company;</p> <p>(5) other guarantees as specified by the regulatory departments or in the Articles of Association.</p> <p><b><u>The Company shall not provide financing or guarantee for any of its subsidiaries that invests in any financial product other than those set forth in the List of Investment Products of Proprietary Trading of Securities Companies (《證券公司證券自營投資品種清單》).</u></b></p>	<p>Article 8 <b><u>Except for the provision of margin financing and securities lending to customers as required,</u></b> the Company shall not directly or indirectly provide financing or guarantee for any of its shareholders or their connected parties. The provision of any of the following guarantee for any external party shall be considered and resolved by the board of directors, and be submitted to shareholders' general meeting for approval:</p> <p>(1) any guarantee provided by the Company and its subsidiaries after the total amount of guarantee provided for external parties by the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;</p> <p>(2) any guarantee provided by the Company after the total amount of guarantee provided for external parties by the Company has reached or exceeded 30% of the latest audited total assets of the Company;</p> <p>(3) any guarantee provided for any entity that has a gearing ratio of more than 70%;</p> <p>(4) any single guarantee the value of which exceeds 10% of the latest audited net assets of the Company;</p> <p>(5) other guarantees as specified by the regulatory departments or in the Articles of Association.</p>

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## APPENDIX XI      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS

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The biographical details of candidates for Directors are set out as follows:

### **Executive Directors:**

**Chen Gongyan**, male, born in June 1962, graduated from the Department of Economics of Peking University with a master's degree in foreign history of economic thoughts, and from the School of Economics and Management of Tongji University with a doctorate degree in technical economics and management. Mr. Chen Gongyan has been the chairman of Securities Association of China since June 2011. He served as the chairman of the board of directors of China Securities Investor Protection Fund Corporation Limited from July 2005 to September 2011, a director and the chairman of the board of directors of Galaxy Financial Holdings from May 2016 to October 2018, and the deputy general manager of Huijin from August 2016 to June 2019. He held various positions in CSRC from February 1998 to July 2005, including the person in charge of the Information Center from February 1998 to October 1998, an assistant inspector of the Policy Research Office from October 1998 to October 2000, the deputy director of the Institution Regulatory Department from October 2000 to November 2004, and the director of the Risk Management Office for Securities Companies and the deputy director of the Institution Regulatory Department from November 2004 to July 2005. He served as a director and the vice president of Beijing Commodity Exchange from May 1993 to February 1998, an advisory researcher and the deputy researcher of Development Research Center of the State Council from February 1988 to May 1993, and a teacher of Tongling County Party School of Anhui Province from August 1982 to August 1985. Mr. Chen Gongyan has been serving as an executive Director, the chairman of the Board and the chairman of the Executive Committee of the Company since October 2016.

**Chen Liang**, male, born in January 1968, graduated from Xinjiang University majoring in mathematics and obtained a bachelor's degree in July 1989, and obtained an EMBA degree from Fudan University in January 2016. From October 1994 to February 2001, Mr. Chen Liang successively served as the director of the Computer Division, the deputy general manager of the Securities Division, the manager of the Securities Branch in Wenyi Road, and the deputy general manager of the Securities Business Headquarters of Xinjiang Hongyuan Trust Investment Co., Ltd. From February 2001 to September 2009, he successively served as the general manager of the Urumqi Business Headquarters of Hong Yuan Securities Co., Ltd. ("**Hong Yuan Securities**"), an assistant to the general manager of Hong Yuan Securities, the general manager of the Xinjiang Sales and Marketing Center, and the general manager of the Brokerage Business Headquarters of Hong Yuan Securities. From September 2009 to January 2015, he served as the deputy general manager of Hong Yuan Securities and the chairman of the board of directors of Hongyuan Futures Co., Ltd. From December 2014 to May 2019, he served as a member of the Party Committee of each of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd., the general manager of Shenwan Hongyuan Group Co., Ltd., and an executive director of Shenwan Hongyuan Securities (Western) Co., Ltd. From August 2015 to May 2019, he served as the secretary of the Party Committee of Shenwan Hongyuan Securities (Western) Co., Ltd. Mr. Chen Liang serves as an executive Director, the vice chairman, the president, and the vice chairman of the Executive Committee of the Company.



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## APPENDIX XI      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS

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### Non-executive Directors:

**Liu Dingping**, male, born in September 1962, obtained a bachelor's degree in economics from the Department of Infrastructure Economics of Liaoning Institute of Finance and Economics in July 1984, a master's degree in business administration from the School of Economics and Management of Tsinghua University in July 2006, and a doctorate degree in management from the School of Management of Wuhan University of Technology in June 2017, and obtained the qualification of senior economist in December 1997. Mr. Liu Dingping joined China Construction Bank Corporation ("CCB") in July 1984, and served as a cadre of its Anhui Branch from July 1984 to February 1992, and a cadre and the deputy general manager of Hainan Trust & Investment Company, a subsidiary of CCB, from February 1992 to July 1998. He served as an assistant to the general manager of Hong Yuan Trust & Investment Co., Ltd. and concurrently the general manager of its Shenzhen Headquarters from July 1998 to June 2000; an executive director and the general manager of Hong Yuan Securities from June 2000 to January 2005; the deputy general manager of the Securities Department of China Cinda Asset Management Corporation and the team leader of the Liquidation Team of Hantang Securities Co., Ltd. from January 2005 to June 2007; and a non-executive director of CSC Financial Co., Ltd. from March 2011 to December 2017. Mr. Liu Dingping has been serving as a non-executive Director of the Company since February 2018.

**Yang Tijun**, male, born in June 1966, is a certified public accountant, and graduated from the Planning and Statistics Department of Jilin College of Finance and Trade with a bachelor's degree in economics in July 1988, and from Jilin University majoring in quantitative economics with a doctorate degree in economics in December 2007. From July 1988 to January 1995, he successively served as a staff member and deputy senior staff member of the Division of State-owned Enterprises Administration in the Department of Finance of Jilin Province under the Ministry of Finance of the PRC (the "**Ministry of Finance**"). From January 1995 to November 2002, he successively served as a deputy senior staff member and senior staff member of the General Office, the deputy director of the General Division, and the director of the Second Business Division of the Commissioner Office of the Ministry of Finance in Jilin Province. From November 2002 to January 2006, he served as a member of the Party Committee and an assistant to the commissioner of the Commissioner Office of the Ministry of Finance in Jilin Province. From January 2006 to August 2012, he served as a member of the Party Committee and the deputy supervision commissioner of the Commissioner Office of the Ministry of Finance in Jilin Province. From August 2012 to August 2015, he served as the secretary of the Party Committee and the supervision commissioner of the Commissioner Office of the Ministry of Finance in Gansu Province. From August 2015 to May 2016, he served as the secretary of the Party Committee and the supervision commissioner of the Commissioner Office of the Ministry of Finance in Liaoning Province. From May 2016 to April 2019, he served as the secretary of the Party Committee and the supervision commissioner of the Commissioner Office of the Ministry of Finance in Liaoning Province, and the secretary of the Party Committee and the supervision commissioner (concurrently) of the Commissioner Office of the Ministry of Finance in Dalian. From April 2019 to January 2021, he served as the secretary of the Party Committee and the director of the Liaoning Regulatory Bureau of the Ministry of Finance,

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## APPENDIX XI      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS

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and the secretary of the Party Committee and the director (concurrently) of the Dalian Regulatory Bureau of the Ministry of Finance. Mr. Yang Tijun has been serving as a non-executive director of Galaxy Financial Holdings since September 2020.

**Liu Chang**, female, born in December 1979, is a certified public accountant, and graduated from Renmin University of China majoring in industrial economics with a bachelor's degree in economics in July 2002, and from Renmin University of China majoring in industrial economics with a master's degree in economics in July 2004. From August 2004 to March 2012, Ms. Liu Chang served as an auditor, audit assistant manager and audit manager of KPMG Huazhen LLP and KPMG Hong Kong. From April 2012 to July 2014, she served as the first-level manager of the Securities Institution Management Department/Insurance Institution Management Department of Huijin. From July 2014 to February 2015, she served as the manager of the Securities Institution Management Department/Insurance Institution Management Department of Huijin. From February 2015 to November 2018, she served as the senior deputy manager of the Securities Institution Management Department/Insurance Institution Management Department of Huijin. From November 2018 to January 2020, she served as the senior manager of the Securities Institution Management Department/Insurance Institution Management Department of Huijin. Ms. Liu Chang has been serving as the senior manager of the Office of Direct Corporate Management Leading Group/the First Division of the Second Department of Equity Management of Huijin since January 2020, and the director of the Office of Direct Corporate Management Leading Group/the First Division of the Second Department of Equity Management of Huijin since March 2020.

**Liu Zhihong**, male, born in December 1966, is a senior economist, and graduated from Tianjin University majoring in infrastructure management and engineering with a bachelor's degree in engineering in July 1987. From July 1987 to January 2005, Mr. Liu Zhihong successively served as a staff member and deputy senior staff member of the Loan Division of the Construction Economy Department of CCB, a senior staff member, the deputy director, the deputy director (at the director level), the director of the Second Division of the Secretariat, the director of the Information and Publicity Division, the deputy director of the General Office, the deputy director of the President's Office of CCB, and the vice president and the deputy secretary of the Party Committee of the Three Gorges Branch of CCB. From January 2005 to March 2011, he served as the person in charge and the director of the General Office (Party Committee Office) of China Jianyin Investment Ltd. ("JIC"), during which he served as an employee representative supervisor of JIC from July 2006 to December 2009, the director of the Office of the Board of Directors and the director of the Office of the Board of Supervisors (concurrently) of JIC from June 2007 to March 2011. From December 2009 to January 2016, he served as the vice president and a member of the Party Committee of JIC, during which he concurrently served as the chairman of the board of directors of Jianyin Investment Industrial Co., Ltd. from March 2010 to February 2012, and the chairman of the board of directors of Zhongtou Kexin Technology Co., Ltd. from April 2011 to February 2012. From January 2016 to May 2019, he served as a member of the Party Committee and the chairman of the board of supervisors of JIC. From May 2019 to September 2019, he served as a member of the Party Committee and the vice president (at the chief position level) of JIC. Mr. Liu Zhihong has been serving as the deputy secretary of the Party Committee, a director and the general manager of Galaxy Financial

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## APPENDIX XI      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS

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Holdings since September 2019, and the deputy secretary of the Party Committee and the vice chairman of the board of directors (concurrently) of China Galaxy Asset Management Co., Ltd. since July 2020.

### **Independent Non-executive Directors:**

**Liu Ruizhong**, male, born in July 1953, graduated from the Department of Economics of Anhui University in 1982 with a bachelor's degree in economics, and graduated from the Department of Economics of Peking University in December 1986 with a master's degree in economics. Mr. Liu Ruizhong was a teacher of Tongling Finance and Economics College in Anhui Province from September 1982 to September 1984. He served as the deputy director of the Information Department of Chinese Economic System Reform Research Institute from December 1986 to May 1992, and the director of the Information Department of China International Futures Brokerage Co., Ltd. from May 1992 to May 1993. He served as the executive vice president of Beijing Commodity Exchange from May 1993 to July 1997, the consultant of Shenzhen Special Zone Securities Company from July 1997 to September 2000, and an independent director of Essence Securities Co., Ltd. from 2007 to 2013. Mr. Liu Ruizhong has been the general manager of Beijing Huachuang Investment Management Co., Ltd. since 2000, a director of Harfor Fund Management Co., Ltd. since 2007, a director of Shenhua Futures Co., Ltd. since 2011, a director of Guantong Futures Brokerage Co., Ltd. since 2014 and an independent director of PPM (Shenzhen) Inc. (a company listed on the New OTC Board, stock code: 834044) since 2016. Mr. Liu Ruizhong has been serving as an Independent Non-executive Director of the Company since September 2017.

**Wang Zhenjun**, male, born in May 1957, graduated from the Correspondence College of the Party School of the Central Committee of the Communist Party of China with a major in economics in December 1993; graduated from Tianjin College of Finance and Economics with a major in monetary banking in May 1998; and graduated from Tianjian College of Finance and Economics majoring in finance and obtained a master's degree in economics in June 1999 and was qualified as senior economist in November 1994. Mr. Wang Zhenjun served as a cadre and the vice president of Shandong Huang County Sub-branch of the People's Bank of China from December 1975 to October 1987. He served as the director of the General Office of Shandong Yantai Branch of Industrial and Commercial Bank of China Limited ("ICBC") from October 1987 to December 1991; an inspector (at the deputy director level) of the Inspection Office of Shandong Branch of ICBC from December 1991 to February 1993; the deputy director of the General Division of the Human Resources Department of the Headquarters of ICBC from February 1993 to July 1993; the director of the General Division of the General Office of the Headquarters of ICBC from July 1993 to January 1995; the deputy director and the director of the General Office of the Headquarters of ICBC and the director of the Office of its Party Committee from January 1995 to August 2008; the president of Beijing Branch of ICBC from August 2008 to June 2017; and the regional director of ICBC from October 2016 to July 2017. Mr. Wang Zhenjun has been serving as an independent director of Bank of Dalian Co., Ltd. since April 2019 and an Independent Non-executive Director of the Company since February 2018.

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## APPENDIX XI      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS

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**Liu Chun**, female, born in January 1963, graduated from Jiangxi College of Finance and Economics in 1985 majoring in trade and economics with a bachelor's degree in economics, and obtained the qualification of senior accountant in May 2006. Ms. Liu Chun was the finance manager of Dalian Friendship (Group) Co., Ltd. from July 1985 to May 2001 and held various positions in the Dalian Branch of China National Investment and Guaranty Corporation (formerly known as China Economic Technology Investment and Guaranty Co., Ltd., China National Investment and Guaranty Co., Ltd. and China National Finance and Guaranty Co., Ltd.) from May 2001 to January 2018, including the finance manager, an assistant to the general manager, the person in charge of accounting function, the deputy general manager, the chief financial officer, an assistant to the general manager of the Accounting Management Department, and the senior manager of the Financial Accounting Department. Ms. Liu Chun has been serving as an Independent Non-executive Director of the Company since February 2019.

**Law Cheuk Kin Stephen**, male, born in November 1962, is a Hong Kong (Chinese) resident. He graduated from the University of Birmingham, the United Kingdom with a bachelor's degree in science in July 1984 and the University of Hull, the United Kingdom with a master's degree in business administration in 1996. Mr. Law Cheuk Kin Stephen was an accountant of Arthur Anderson, Hugill & Co. and KPMG Hong Kong from August 1984 to March 1991, and the finance director of each of Hyder Consulting Limited and Masons Solicitors from April 1991 to January 1995. He served as a manager of each of Wheelock and Company Limited and Wharf (Holdings) Limited from February 1995 to July 2000, and a director of Morningside Group from July 2000 to July 2006. He worked in TPG Growth Capital (Asia) Limited from July 2006 to September 2012, holding the position of managing director before departure. He served as the chief financial officer of Guoco Group Limited from October 2012 to June 2013, the finance director and a member of the executive directorate of MTR Corporation Limited from July 2013 to July 2016, an adjunct professor of the Hong Kong Polytechnic University from 2015 to 2017, an independent non-executive director of AAG Energy Holdings Limited from July 2016 to September 2018, and an independent non-executive director of Stealth BioTherapeutics Inc. from June 2018 to July 2019. Mr. Law Cheuk Kin Stephen has been the managing director of ANS Capital Limited since January 2017, an independent non-executive director of China Everbright Limited since May 2018, an independent non-executive director of Bank of Guizhou Company Limited since November 2018, an independent non-executive director of Somerley Capital Holdings Limited since February 2019, and an independent non-executive director of CSPC Pharmaceutical Group Limited since March 2021. Mr. Law Cheuk Kin Stephen has accounting qualifications in the United Kingdom and Hong Kong, and is an expert consultant appointed by the Ministry of Finance of the PRC to provide advice on management accounting. He was a council member of the Hong Kong Institute of Certified Public Accountants from January 2010 to December 2017. Mr. Law Cheuk Kin Stephen has been serving as an Independent Non-executive Director of the Company since June 2020.

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## **APPENDIX XI                      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE DIRECTORS**

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Each Director will enter into a letter of appointment with the Company. The term of office of each Director is three years, effective on the date of approval by the Shareholders at the AGM and ends on the expiry of the term of the fourth session of the Board. They are eligible for re-election upon expiry of their term.

Executive Directors will not receive any director's fee from the Company, but will receive corresponding remuneration based on their specific management positions in the Company, including salary, performance-based bonus and benefits. The specific remuneration will be determined pursuant to relevant remuneration administrative measures of the Company with reference to their duties and responsibilities. The remuneration will be submitted to the Board for approval, and the remuneration of Mr. Chen Gongyan will also be submitted to the Shareholders' general meeting for approval.

Non-executive Directors will not receive any director's fee or remuneration from the Company.

Each Independent Non-executive Director will receive a directors' fee of RMB150,000 per annum (before tax) from the Company. In addition, Independent Non-executive Directors will receive a subsidy of RMB50,000 per annum (before tax) for acting as the chairman of each special committee of the Board, and a subsidy of RMB30,000 per annum (before tax) for acting as a member of each special committee of the Board. The director's fee and subsidies are determined pursuant to the relevant remuneration administrative measures of the Company with reference to their duties and responsibilities. If there is any provision on the remuneration of independent non-executive directors under the relevant national policies, the actual amount of remuneration payable by the Company to the Independent Non-executive Directors will be adjusted in accordance with such policies.

Save as disclosed above, the above candidates for Directors have not held any directorships in other listed public companies in the last three years, do not hold any other position with the Company or any of its subsidiaries, and are not connected with any Directors, senior management or substantial or controlling shareholders of the Company. The above candidates for Directors do not have any interest in the Shares within the meaning of Part XV of the SFO.

Further, there is nothing in respect of the election of the above candidates for Directors that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor is there anything that needs to be brought to the attention of the Shareholders.

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## APPENDIX XII      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE SUPERVISORS

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The biographical details of candidates for Supervisors are set out as follows:

**Chen Jing**, female, born in January 1963, holds a master's degree in engineering, is a senior engineer and has been the chairman of the Supervisory Committee of the Company since 5 May 2017. Ms. Chen Jing obtained a bachelor's degree in engineering from Huazhong Institute of Science and Technology (currently known as Huazhong University of Science and Technology) in July 1984, and a master's degree in engineering from Xidian University in February 1990. She was certified as a senior engineer by China Cinda Asset Management Co. Ltd. in December 2000. From March 1997 to March 2000, she served consecutively as the deputy manager and the manager of the Technology Development Department of China Cinda Trust and Investment Company. From September 2000 to January 2007, she served consecutively as the director of the Information Technology Center, the general manager of the Human Resources Department as well as the general manager of the Client Assets Depository Center of China Galaxy Securities Limited Liability Company. From January 2007 to August 2007, she was the general manager of the Human Resources Department as well as the general manager of the Client Assets Depository Center of the Company. She served as the vice president of the Company from August 2007 to March 2017 and a member of the Executive Committee of the Company from December 2012 to March 2017. She served as the chairman of the board of directors of Galaxy Yuanhui Investment Co., Ltd. from December 2015 to June 2018. Ms. Chen Jing has been the chairman of the Labor Union Committee of the Company since October 2012. Ms. Chen Jing is currently the deputy secretary of the Party Committee, the chairman of the Supervisory Committee and the chairman of the Labor Union Committee of the Company.

**Tao Libin**, male, born in November 1977, holds a doctorate degree in finance. Mr. Tao Libin has been serving as an external Supervisor of the Company since October 2016. He obtained a bachelor's degree in finance from the University of Science and Technology of China in July 2000, a master's degree in finance from the University of Science and Technology of China in June 2003, and a doctorate degree in finance from the University of Hong Kong in September 2008. He was entitled as an associate professor in December 2012. Mr. Tao Libin was a lecturer of the Statistics and Finance Department of the University of Science and Technology of China from June 2003 to April 2005, and has been a lecturer, an associate dean, an associate professor and the dean of the Investment Department of the School of Banking and Finance of the University of International Business and Economics since January 2009.



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## **APPENDIX XII      BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EMPLOYEE REPRESENTATIVE SUPERVISORS**

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Each Supervisor will enter into a letter of appointment with the Company. The term of office of each Supervisor is three years, effective on the date of approval by the Shareholders at the AGM and ends on the expiry of the term of the fourth session of the Supervisory Committee. They are eligible for re-election upon expiry of their term.

Ms. Chen Jing will receive salary, performance-based bonus and benefits from the Company. Her specific remuneration will be determined pursuant to the relevant remuneration administrative measures of the Company with reference to her duties and responsibilities. Ms. Chen Jing's remuneration will be submitted to the Shareholders' general meeting for approval.

Mr. Tao Libin will receive a supervisor's fee of RMB120,000 per annum (before tax) from the Company. The supervisor's fee is determined pursuant to the relevant remuneration administrative measures of the Company with reference to the external supervisor's duties and responsibilities. If there is any provision on the remuneration of external supervisors under the relevant national policies, the actual amount of remuneration payable by the Company to the external Supervisor will be adjusted in accordance with such policies.

Save as disclosed above, the above candidates for Supervisors have not held any directorships in other listed public companies in the last three years, do not hold any other position with the Company or any of its subsidiaries, and are not connected with any Directors, senior management or substantial or controlling shareholders of the Company. The above candidates for Supervisors do not have any interest in the Shares within the meaning of Part XV of the SFO.

Further, there is nothing in respect of the election of the above candidates for Supervisors that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor is there anything that needs to be brought to the attention of the Shareholders.



## DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR 2020

Dear Shareholders,

In accordance with relevant provisions of the Code of Corporate Governance for Listed Companies, the Notice on the Issuance of the Guidance on the Establishment of an Independent Director System in Listed Companies issued by the CSRC, the listing rules of the SSE and the Guidelines on the Form of the Duty Report of Independent Directors, we, as the Independent Directors of the Company, hereby report our work in 2020 as follows:

**I. BASIC INFORMATION ON THE INDEPENDENT DIRECTORS**

As at the end of the reporting period, the third session of the Board of the Company comprised eight Directors, including four Independent Directors (Mr. Liu Ruizhong, Mr. Wang Zhenjun, Ms. Liu Chun and Mr. Law Cheuk Kin Stephen<sup>1</sup>).

**(i) Basic information on the Independent Directors during the reporting period**

Liu Ruizhong, born in July 1953, has been an independent non-executive Director of the Company since September 2017. Mr. Liu was a teacher at Tongling Finance and Economics College in Anhui Province from September 1982 to September 1984. He served as the deputy director of the Information Department at the Chinese Economic System Reform Research Institute from December 1986 to May 1992, and director of the Information Department of China International Futures Brokerage Co., Ltd. from May 1992 to May 1993. He served as executive vice president of Beijing Commodity Exchange from May 1993 to July 1997, the consultant of Shenzhen Special Zone Securities Company from July 1997 to September 2000, and an independent director of Essence Securities Co., Ltd. from 2007 to 2013. Mr. Liu has been the general manager of Beijing Huachuang Investment Management Co., Ltd. since 2000, a director of Harfor Fund Management Co., Ltd. since 2007, a director of Shenhua Futures Co., Ltd. since 2011, a director of Guantong Futures Brokerage Co., Ltd. since 2014, and an independent director of PPM (Shenzhen) Inc. (a company listed on the New OTC Board, stock code: 834044) since 2016. Mr. Liu graduated from the Department of Economics of Anhui University in 1982 with a bachelor's degree in economics, and from the Department of Economics of Peking University in December 1986 with a master's degree in economics.

<sup>1</sup> On 29 June 2020, at the 2019 annual general meeting of the Company, Mr. Law Cheuk Kin Stephen was elected as an Independent Director of the third session of the Board of the Company.

Wang Zhenjun, born in May 1957, has been an independent non-executive Director of the Company since February 2018. Mr. Wang served as a cadre and vice president of the People's Bank of China, Huang County Sub-branch of Shandong, from December 1975 to October 1987. Mr. Wang joined the Industrial and Commercial Bank of China Limited in 1987 and served as the director of the office of Industrial and Commercial Bank China Limited, Yantai Branch of Shandong, from October 1987 to December 1991; an inspector (at the deputy director level) of the inspection office of Industrial and Commercial Bank China Limited, Shandong Branch, from December 1991 to February 1993; the deputy head of the general office of the personnel department of headquarters of Industrial and Commercial Bank of China Limited from February 1993 to July 1993; the head of the general office of the office of headquarters of Industrial and Commercial Bank of China Limited from July 1993 to January 1995; the deputy director and director of the office of headquarters of Industrial and Commercial Bank of China Limited and the director of the office of its Party Committee from January 1995 to August 2008; the president of Industrial and Commercial Bank of China Limited, Beijing Branch, from August 2008 to June 2017; and the regional director of Industrial and Commercial Bank of China Limited from October 2016 to July 2017. He has been an independent director of Bank of Dalian Co., Ltd. since April 2019. Mr. Wang graduated from the Correspondence College of the Party School of the Central Committee of the Communist Party of China with a major in economics in December 1993; from Tianjin College of Finance and Economics with a major in monetary banking in May 1998; and from Tianjin College of Finance and Economics with a major in finance and obtained a master's degree in economics in June 1999 and was qualified as senior economist in November 1994.

Liu Chun, born in January 1963, has been an independent non-executive Director of the Company since February 2019. Ms. Liu was the finance manager of Dalian Friendship (Group) Co., Ltd. from July 1985 to May 2001 and held various positions in the Dalian branch of China National Investment and Guaranty Corporation (formerly known as China Economic Technology Investment and Guaranty Co., Ltd., China National Investment and Guaranty Co., Ltd. and China National Finance and Guaranty Co., Ltd.) from May 2001 to January 2018, including finance manager, an assistant to the general manager, the person in charge of accounting function, the deputy general manager, chief financial officer, an assistant to the general manager of the Accounting Management Department, and the senior manager of the Financial Accounting Department. Ms. Liu graduated from Jiangxi College of Finance and Economics in 1985 majoring in trade and economics with a bachelor's degree in economics, and obtained the qualification of senior accountant in May 2006.

Law Cheuk Kin Stephen, born in November 1962, is a Hong Kong (Chinese) resident and has been an independent non-executive Director of the Company since June 2020. He graduated from the University of Birmingham, the United Kingdom with a bachelor's degree in science in July 1984 and the University of Hull, the United Kingdom with a master's degree in business administration in 1996. Mr. Law Cheuk Kin Stephen was an accountant of Arthur Anderson, Hugill & Co. and KPMG of Hong Kong from August 1984 to March 1991, and the finance director of each of Hyder Consulting Limited and Masons Solicitors from April 1991 to January 1995. He served as a manager of each of Wheelock and Company Limited and the Wharf (Holdings) Limited from February 1995 to July 2000, and a director of Morningside Group from July 2000 to July 2006. He worked in TPG Growth Capital (Asia) Limited from July 2006 to September 2012, holding the position of managing director before departure. He served as the chief financial officer of Guoco Group Limited from October 2012 to June 2013, the finance director and a member of the executive directorate of MTR Corporation Limited from July 2013 to July 2016, an adjunct professor of the Hong Kong Polytechnic University from 2015 to 2017, an independent non-executive director of AAG Energy Holdings Limited from July 2016 to September 2018, and an independent non-executive director of Stealth BioTherapeutics Inc. from June 2018 to July 2019. Mr. Law Cheuk Kin Stephen has been the managing director of ANS Capital since January 2017, an independent non-executive director of China Everbright Limited since May 2018, an independent non-executive director of Bank of Guizhou Company Limited since November 2018, an independent non-executive director of Somerley Capital Holdings Limited since February 2019, and an independent non-executive director of CSPC Pharmaceutical Group Limited since March 2021. Mr. Law Cheuk Kin Stephen has accounting qualifications in the United Kingdom and Hong Kong, and is an expert consultant appointed by the Ministry of Finance of the PRC to provide advice on management accounting. He was a council member of the Hong Kong Institute of Certified Public Accountants from January 2010 to December 2017.

**(ii) Resigned Independent Director during the reporting period**

Nil.

**(iii) Statement of independence**

All Independent Directors of the Company perform their duties independently and have no connected relationship with the substantial Shareholders or the de facto controller of the Company or other entities or individuals having any interest in the Company. There are no circumstances that will affect their independence.

**II. PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS FOR THE YEAR****(i) Attendance at Board meetings and general meetings**

During the reporting period, the Company held 9 Board meetings and 3 general meetings. The attendance of Independent Directors at Board meetings and general meetings was as follows:

Name	Attendance at Board meetings					Attendance at general meetings
	Required attendance at Board meetings	Number of resolutions voted	Attendance in person	Attendance by proxy	Absence	
Liu Ruizhong	9	54	9	0	0	3
Wang Zhenjun	9	54	9	0	0	3
Liu Chun	9	54	9	0	0	3
Law Cheuk Kin Stephen	6	17	5	0	1 <sup>2</sup>	0

<sup>2</sup> On 5 December 2020, Mr. Law Cheuk Kin Stephen, a director of the Company, did not attend the 6th Independent Non-executive Directors meeting of the third session of the Board convened in Fuzhou due to the COVID-19 pandemic.

## (ii) Attendance at meetings of the special committees under the Board

Four special committees have been established under the Board of the Company: the Strategy and Development Committee, the Compliance and Risk Management Committee, the Nomination and Remuneration Committee, and the Audit Committee. During the reporting period, the positions held by Independent Directors of the Company on the special committees under the Board were as follows:

Name	Position
Liu Ruizhong	Chairman of the Nomination and Remuneration Committee, member of the Strategy and Development Committee and the Audit Committee
Wang Zhenjun	Member of the Strategy and Development Committee, the Compliance and Risk Management Committee, the Nomination and Remuneration Committee and the Audit Committee
Liu Chun	Chairman of the Audit Committee, member of the Compliance and Risk Management Committee and the Nomination and Remuneration Committee
Law Cheuk Kin Stephen	Member of the Audit Committee and the Nomination and Remuneration Committee

During the reporting period, Independent Directors chaired and attended meetings of the special committees and performed their duties in accordance with the rules of procedure for the special committees under the Board. In 2020, a total of 24 meetings of the special committees under the Board were held, including six of the Strategy and Development Committee, six of the Compliance and Risk Management Committee, six of the Nomination and Remuneration Committee and six of the Audit Committee. Independent Directors' attendance at the meetings of special committees under the Board was as follows:

Name	Strategy and Development Committee	Compliance and Risk Management Committee	Nomination and Remuneration Committee	Audit Committee
Liu Ruizhong	6/6	--	6/6	6/6
Wang Zhenjun	6/6	6/6	6/6	6/6
Liu Chun	--	6/6	6/6	6/6
Law Cheuk Kin Stephen	--	--	3/3	3/3

**(iii) Participation in training**

<b>Date of training</b>	<b>Content of training</b>	<b>Target recipient</b>
6 March 2020	Interpretation of the revised contents of the new Securities Law and relevant regulatory requirements of the SSE	Liu Ruizhong, Wang Zhenjun and Liu Chun
22 to 24 April 2020	“The 70th Qualification Training of Independent Directors” held by the SSE	Law Cheuk Kin Stephen
27 May 2020	Special training on “Governance Rules and Recent Changes in A and H Shares”	Liu Ruizhong, Wang Zhenjun and Liu Chun
18 to 19 August 2020	“The 2nd Follow-up Training Program for Independent Directors of Listed Companies for 2020” organized by the SSE	Liu Ruizhong, Wang Zhenjun and Liu Chun
30 December 2020	Special training of “Updates on HKEx ESG Reporting Guide”	Liu Ruizhong, Wang Zhenjun, Liu Chun and Law Cheuk Kin Stephen

**III. KEY ISSUES CONCERNING INDEPENDENT DIRECTORS’ PERFORMANCE OF DUTIES FOR THE YEAR****(i) Connected transactions**

During the reporting period, the Company managed connected transactions in strict compliance with the Listing Rules of the Stock Exchange, the listing rules of the SSE and the “Measures for the Administration of Connected Transactions” of the Company. The “Proposal on Signing the Lease Agreement of Business Premises between Galaxy Securities and Galaxy Investment” was considered and passed at the 61st meeting (regular) of the third session of the Board of the Company on 28 August 2020. After a careful review of relevant information provided by the Board, the Independent Directors issued prior approval opinions and independent opinions on the connected transaction.

**(ii) External guarantees and misappropriation of funds**

During the reporting period, the Company did not provide any external guarantees in violation of the stipulated procedures, nor did it provide any guarantees to the controlling shareholder and its connected parties. There is no misappropriation of funds by the controlling shareholder and its connected parties for non-operating purposes.

**(iii) Use of funds raised**

The Company formulated the “Measures for the Administration of the Funds Raised” in accordance with relevant laws and regulations such as the Company Law, the Securities Law, the Listing Rules of the Stock Exchange, the listing rules of the SSE and the “Measures for the Management of the Funds Raised by Listed Companies of the Shanghai Stock Exchange”, and based on the actual situation of the Company. The Measures provide for the deposit, use, alteration, management and supervision of raised funds, and the specific account management for raised funds. The Company deposited, used and managed the raised funds pursuant to the requirements, and fulfilled related obligations without violation of laws and regulations. All the funds raised from the initial public offering of A shares of the Company were used up in 2017 and the special account for the raised funds was cancelled on 23 November 2017.

**(iv) Nomination and remuneration of Directors and senior management**

During the reporting period, the Company nominated and appointed Directors and senior management in strict compliance with the “Code of Corporate Governance for Securities Companies” and the Articles of Association. The payment of remuneration for senior management was in line with the remuneration packages and performance assessment measures, and did not damage the interests of the Company and its investors. Information on the remuneration of the senior management disclosed in the Company’s regular reports was true, accurate and complete.

**(v) Performance forecast and preliminary results**

During the reporting period, the Company published the “Announcement on Estimated Profit Increase for the Year 2019” on 23 January 2020, the “Preliminary Financial Data for the Year 2019” on 23 January 2020, and the “Preliminary Financial Data for the Year 2020” on 30 January 2021 in accordance with the relevant requirements of the listing rules of the SSE.

**(vi) Appointment of accounting firms**

On 27 March 2020, the “Proposal on the Appointment of the External Auditing Firms of the Company for 2020” was reviewed and passed at the 57th meeting (regular) of the third session of the Board, pursuant to which it was agreed to appoint Ernst & Young Hua Ming LLP and Ernst & Young as the Company’s external auditing firms for 2020 for the provision of related audit service and review service in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively. The external audit fee for 2020 was RMB5.09125 million. Such proposal was submitted to the general meeting for approval. On 29 June 2020, the proposal was considered and approved at the 2019 annual general meeting of the Company.



Independent Directors were of the view that Ernst & Young Hua Ming LLP and Ernst & Young possessed the experience and capacity to provide audit services for the Company; the appointment of the above accounting firms was in line with the Company's requirements for audit work; the decision-making procedure of the appointment was in compliance with laws and regulations and the Articles of Association and did not harm the interests of the Company and its Shareholders. The Independent Directors agreed to their appointment as the Company's external auditing firms for 2020, and submitted the proposal to the general meeting of the Company for consideration.

**(vii) Cash dividends and other returns for investors**

On 27 March 2020, the "Proposal for Reviewing the Profit Distribution Plan for 2019" was reviewed and passed at the 57th meeting (regular) of the third session of the Board, pursuant to which the Company agreed to distribute a cash dividend of RMB1.6 (tax inclusive and the actual amount to be distributed might be slightly different due to rounding) for every 10 shares for 2019, totaling RMB1,621,961,401.12 (tax inclusive), and the proposal was submitted to the general meeting for consideration. On 29 June 2020, the proposal was considered and approved at the 2019 annual general meeting of the Company.

Independent Directors were of the view that the profit distribution plan of the Company for 2019 complied with relevant laws and regulations, normative documents and the actual position of the Company, was beneficial to the long-term development of the Company, and was in the interest of Shareholders as a whole and their long-term interests. They approved the profit distribution plan and submitted the same to the general meeting for consideration.

**(viii) Fulfillment of undertakings by the Company and its Shareholders**

During the reporting period, all undertakings made by the Company and its Shareholders in relation to the initial public offering of A Shares were performed in accordance with law.

**(ix) Implementation of information disclosure**

During the reporting period, the Company performed its information disclosure obligations in strict compliance with the relevant laws and regulations, including the Listing Rules of the Stock Exchange, the listing rules of the SSE and the "Management System for Information Disclosure". The content of the announcements was true, accurate, complete, and contained no false information, misleading statements or material omissions. This guaranteed that the information was disclosed in a timely and fair manner, ensured that investors could understand the Company's significant matters in a timely manner, and protected the legitimate rights and interests of Shareholders of the Company.

**(x) Implementation of internal control**

During the reporting period, the Company improved internal control mechanisms, standardized business processes and improved management systems in accordance with regulatory requirements to ensure that internal control is carried out during the full process from decision-making, implementation to monitoring, and covers all business and management sectors of the Company. The Company has established and effectively implemented internal control mechanisms for the businesses and matters within the scope of assessment, and thus achieved its goal of internal control.

After carefully reviewing the “Internal Control Evaluation Report for 2019”, the Independent Directors were of the view that as at the reference date of the Internal Control Evaluation Report, there was no material defect in the Company’s internal control over the financial reporting nor was there any material defect in the Company’s internal control over the non-financial reporting. The Company has maintained, in all material respects, effective internal control in accordance with the Basic Standards for Internal Control of Enterprises and their relevant provisions.

**(xi) Operation of the Board and its special committees**

During the reporting period, the Board and its special committees conducted work in accordance with laws and regulations, the Articles of Association and working rules. The special committees fully fulfilled the decision-making and consulting functions, provided professional advice on significant matters for decision-making, and assisted the Board in making decisions in a scientific manner. In 2020, a total of 9 Board meetings were held, as well as six meetings of the Strategy and Development Committee, six of the Compliance and Risk Management Committee, six of the Nomination and Remuneration Committee, and six of the Audit Committee under the Board.

Independent Directors were of the view that the Board and the special committees under the Board operated in accordance with laws and regulations. All significant matters were fully discussed and reviewed, decisions were made in a scientific and efficient manner, and the Board and its special committees performed their duties as decision-making institutions.

**IV. OVERALL EVALUATION**

In 2020, all Independent Directors complied fully with laws and regulations and the Articles of Association and had sufficient time and energy to perform their duties independently. When making independent judgments, they were able to carefully protect the legitimate rights and interests of all Shareholders of the Company, especially those of minority Shareholders. They carefully considered all proposals, made full use of their business expertise, provided opinions and advice for the development of the Company, facilitated the Board to make decisions in a scientific and efficient manner, and diligently fulfilled their duties as Independent Directors.

**Independent Directors: Liu Ruizhong, Wang Zhenjun,  
Liu Chun and Law Cheuk Kin Stephen**

*In case of any discrepancy between English and Chinese versions of this Appendix, the Chinese version shall prevail.*