

**ARTICLES OF ASSOCIATION OF BANK OF GUIZHOU CO., LTD.**  
(Applicable after the listing of H Shares)

**Bank of Guizhou Co., Ltd.**

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# ARTICLES OF ASSOCIATION OF BANK OF GUIZHOU CO., LTD.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To protect the legitimate rights and interests of Bank of Guizhou Co., Ltd. (hereinafter referred to as the “Company”), Shareholders, creditors and stakeholders, regulate the organization and behavior of the Company, and give full play to the core leading and political role of the Communist Party of China, these Articles of Association are formulated in accordance with the Constitution of the Communist Party of China (hereinafter referred to as the “Party Constitution”), Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Commercial Banking Law of the PRC (hereinafter referred to as the “Commercial Banking Law”), Law of the People’s Republic of China on Banking Regulation and Supervision, Special Regulations on Overseas Offerings and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), Interim Measures for the Equity Management of Commercial Banks, Guidance on Corporate Governance of Commercial Banks, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other laws, administrative regulations, departmental rules and regulatory documents (collectively known as “laws and regulations”).

**Article 2** The Company is a joint stock limited company established by means of promotion as a result of merger and restructuring of three city commercial banks respectively in Zunyi, Liupanshui and Anshun of Guizhou Province in accordance with the Company Law, the Commercial Banking Law and other laws and regulations, with approval from the Reply of China Banking Regulatory Commission on the Establishment of Bank of Guizhou Co., Ltd. (Yin Jian Fu [2012] No. 185).

Initiators of the merger are:

Zunyi City Commercial Bank Co., Ltd., Liupanshui City Commercial Bank Co., Ltd. and Anshun City Commercial Bank Co., Ltd.

Upon approval by the banking regulatory authorities, the Company was registered with and obtained business license from Guizhou Administration for Industry and Commerce.

**Article 3** The Company’s full name in Chinese is: 貴州銀行股份有限公司(“貴州銀行” for short). The Company’s full name in English is: BANK OF GUIZHOU CO., LTD. (“BANK OF GUIZHOU” for short).

**Article 4** Domicile of the Company: No. 41 of Ruijin Middle Road, Yunyan District, Guiyang City, Guizhou Province

Postcode of the Company: 550002

Tel. of the Company: 0851-8620 7888

Fax of the Company: 0851-8620 7999

**Article 5** The registered capital of the Company is RMB[••].

**Article 6** The Company is a permanently subsisting joint stock limited company.

**Article 7** The Chairman of the Board is the legal representative of the Company.

**Article 8** The total capital of the Company is divided into equal shares. Shareholders shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with all its assets.

**Article 9** Commencing from the effective date, these Articles of Association will become a binding legal document for regulating the organization and behavior of the Company as well as the rights and obligations shared between the Company and its Shareholders and between and among the Company's Shareholders.

**Article 10** These Articles of Association shall be binding upon the Company and its Shareholders, Directors, Supervisors, the President and other senior management personnel of the Company, who shall have the right to make claims and propositions regarding the Company's affairs based on these Articles of Association.

Pursuant to these Articles of Association, the Company may pursue actions against its Shareholders, Directors, Supervisors, the President and other senior management personnel, and the Shareholders may pursue actions against other Shareholders, the Company and the Company's Directors, Supervisors, the President and other senior management personnel.

The actions, as referred to in the preceding paragraph, include the instituting of legal proceedings with a court or filing with an arbitral authority for arbitration.

**Article 11** Other senior management personnel mentioned in these Articles of Association refer to the vice president, the secretary to the Board, and other persons as determined by the Board.

**Article 12** The Company adopts a tiered operating management system under a first-level legal person. Without corporate capacity, the branches conduct businesses within the authority granted by the Company according to laws and their civil liabilities are borne by the Company. The Company exercises central leadership and administration over the major personnel appointment and removal, business policies, comprehensive plans, basic rules and regulations and external affairs of the branches. The Company sticks to the financial management principle of "centralized leadership, hierarchical authorization, budget control and target assessment". Based on the needs of its business development and subject to review and approval by the banking regulatory authorities, the Company may establish branches inside and outside the PRC. Overseas branches of the Company may engage in businesses permitted by decrees of the jurisdiction in which such branches are located.

**Article 13** Subject to review and approval by the banking regulatory authorities, the Company may invest in other limited liability companies and joint stock limited companies according to laws and shall bear liability to the investees to the extent of its capital contribution.

**Article 14** Adhering to the business principles of safety, liquidity and efficiency, the Company conducts separate accounting and operates independently with self-discipline and is solely responsible for any risks, profits and losses arising from its operation.

**Article 15** The Company is under the supervision and management of the banking regulatory authorities. The lawful rights and interests and all the legitimate operating activities of the Company are under protection of the laws, regulations and policies of the state and shall not be interfered with or infringed upon by any administrative organs, organizations or individuals in breach of the laws.

**Article 16** According to the Constitution of the Communist Party of China, the Company establishes organizations and working organs of the Party and has staff for Party affairs. The Party organizations and staff for Party affairs are incorporated in the management organization and staffing of the Company, and expenditures for the work of Party organizations are included in the budget of the Company and expensed from the Company's management fees. The Party organizations shall play a core leading and political role in the Company. The Party organizations shall study and discuss major issues relating to the decision of the Board and senior management. The Board or senior management shall listen to the opinions and suggestions of the Party organizations before making a decision.

## **CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE**

**Article 17** The Company's business objective is: to provide high quality services to customers, create the best return for Shareholders, build a career platform for employees, and promote economic development and social progress in a customer-centered, market-oriented, risk-controlled and innovation-driven principle, and to build the Company into a modern financial enterprise of adequate capital, strict internal control, safe operation, excellent service, high efficiency and strong competitiveness.

**Article 18** The business scope of the Company is as follows:

- (I) Taking deposits from the public;
- (II) Extending short-term, medium-term and long-term loans;
- (III) Effecting domestic payment settlements;
- (IV) Handling entrusted deposits and entrusted loans;
- (V) Accepting and discounting notes;
- (VI) Acting as the issuing agent, payment agent and underwriter of government bonds;
- (VII) Trading government bonds and financial bonds;
- (VIII) Engaging in interbank lending;
- (IX) Trading foreign exchange as principal or agent;
- (X) Engaging in bank card business;
- (XI) Providing letters of credit and guarantee services;
- (XII) Collecting and making payment as agents;

(XIII) Providing safe deposit box service;

(XIV) Engaging in insurance agency business;

(XV) Engaging in fund sales;

(XVI) Other businesses approved by the banking regulatory authorities and relevant departments.

## **CHAPTER 3 SHARES AND REGISTERED CAPITAL**

### **Section 1 Shares**

**Article 19** The Company shall have ordinary shares at all times; with the approval of company examination and approval authority authorized by the State Council, the Company may have other classes of shares such as preference shares when needed. If appropriate, preference shareholders shall be entitled to sufficient voting rights.

**Article 20** All shares issued by the Company shall have nominal values, with each share having a nominal value of RMB1.

RMB referred to in the preceding paragraph refers to the statutory currency of the People's Republic of China (hereinafter referred to as the "PRC").

The Company shall issue shares in a fair and just manner, and each share of the same class shall have the same right.

Each share of the same class issued by the Company at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares of the same class issued by the Company at the same time shall pay the same price for each share.

**Article 21** The Company may issue shares to domestic investors and overseas investors after obtaining the approval from the banking regulatory authorities and the securities regulatory authorities under the State Council.

Overseas investors in the preceding paragraph refer to investors who subscribe for shares issued by the Company and are located in foreign countries and the Hong Kong Special Administrative Region (hereinafter referred to as "Hong Kong"), the Macau Special Administrative Region and Taiwan of the PRC; Domestic investors refer to investors who subscribe for shares issued by the Company and are located within the PRC (excluding the aforementioned regions).

**Article 22** Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas 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.

The shares listed and traded on foreign stock exchanges with approval from departments authorized by the State Council and from foreign securities regulatory authorities, are collectively referred to as overseas listed foreign shares.

Overseas listed foreign shares issued by the Company and listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”) are referred to as H Shares.

Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions other than RMB, which are recognized by the foreign exchange authority of the State and eligible for payment for share subscription to the Company. Subject to relevant laws and regulations, Shareholders of the Company may have their unlisted shares listed and traded overseas with approval from the relevant regulatory authorities, such as the banking regulatory authorities and the securities regulatory authorities under the State Council. The listing and trading of the aforementioned shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of overseas securities markets. The listing and trading of the shares above on overseas stock exchanges are not subject to voting by class Shareholders’ meetings. If the domestic shares held by Shareholders of the Company are listed and traded overseas upon approval, the said shares shall fall into the category of overseas listed shares.

**Article 23** Domestic shares issued by the Company are retained under centralized depository of relevant depository institutions which meet relevant regulations; whereas the H Shares of the Company are mainly retained under the custody of Hong Kong securities registration and clearing organizations and such shares may also be held by Shareholders in their own names.

**Article 24** At the time of its incorporation, the Company had a registered capital of RMB3,241,214,789.72. After several times of capital increase, currently the Company has a registered capital of RMB[••]. The Company shall divide all of its capital into shares of equal par value (totalling [••] shares), with a nominal value of RMB1 each. The total number of shares converted from the original shares of initiators of the merger upon audit is 3,241,214,789.72, including:

1,686,649,195.18 shares converted upon audit from Zunyi City Commercial Bank Co., Ltd.;

902,564,541.00 shares converted upon audit from Liupanshui City Commercial Bank Co., Ltd.; and

652,001,053.54 shares converted upon audit from Anshun City Commercial Bank Co., Ltd.;

After the incorporation of the Company, the initiators of the merger were dissolved, the original shareholders of the initiators of the merger became Shareholders of the Company, and the number of shares held by them is the number of shares converted upon audit.

**Article 25** As approved by the examination and approval department authorized by the State Council, the Company may issue a total of [••] ordinary shares.

The Company’s share capital consists of: [••] ordinary shares, among which [••] shares are domestic shares, representing [••]% of the total issuable ordinary shares of the Company; and [••] shares are H Shares, representing [••]% of the total issuable ordinary shares of the Company.

**Article 26** Subject to approval of the Company’s plan to issue overseas listed foreign shares and domestic shares by the securities regulatory authorities under the State Council, the Board of the Company may implement arrangements regarding the issuance of the shares separately.

The Company may separately implement its plan to issue overseas listed foreign shares and domestic shares pursuant to provisions in the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities under the State Council.



**Article 27** In the event that there are overseas listed foreign shares and domestic shares included in the total number of shares stated in the said plan, such shares shall be fully subscribed for at their respective offerings. If these shares cannot be fully subscribed for due to special circumstances, such shares may be issued in separate tranches subject to the approval by the securities regulatory authorities under the State Council.

## **Section 2 Increase and Reduction of Share Capital and Share Repurchase**

**Article 28** According to the needs of operation and development of the Company and relevant laws and regulations, after the Shareholders' general meeting has made its resolution and the approval has been obtained from relevant competent authorities of the state, the Company may increase its registered capital in the following ways:

(I) public offering of shares;

(II) non-public offering of shares;

(III) placing new shares to existing Shareholders;

(IV) allotting new shares to existing Shareholders;

(V) transferring capital reserve to increased capital;

(VI) other means as permitted by the laws and regulations, and by relevant competent authorities of the state.

Issue of new shares by the Company shall be subject to approval as specified in these Articles of Association and follow the procedure specified in relevant laws and regulations.

**Article 29** Upon approval by the banking regulatory authorities, the Company may reduce its registered capital by following the procedure specified in the Company Law, the Commercial Banking Law and other relevant regulations, and these Articles of Association.

**Article 30** The Company shall prepare a balance sheet and a property list when reducing its registered capital.

The Company shall notify its creditors within 10 days from the date on which the resolution for the reduction of registered capital has been passed and shall publish a notice in a newspaper within 30 days thereof. The creditors who have received such notice shall, within 30 days thereafter, and those creditors who have not received such notice shall, within 45 days from the date on which the notice is published for the first time, be entitled to require the Company to repay the debt or to provide appropriate alternative guarantees for the debt.

The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by relevant laws.



**Article 31** In compliance with the laws and regulations, these Articles of Association, and the requirements of the securities regulatory authorities at the place where the Company's shares are listed and upon approval by relevant competent authorities of the state and as per the procedure stipulated in these Articles of Association, the Company may repurchase its outstanding shares in the following circumstances:

- (I) cancellation of shares for reducing the registered capital of the Company;
- (II) merger with another company holding shares in the Company;
- (III) using the shares for employee share ownership plans or as equity incentives;
- (IV) requests to the Company for acquiring their shares from Shareholders who have voted against the resolutions passed at a Shareholders' general meeting on merger or division of the Company;
- (V) using the shares converting the corporate bonds issued by the Company that can be converted into Shares;
- (VI) the necessity of the listed company to protect its value and equity interests;
- (VII) other circumstances as permitted by the laws and regulations.

Repurchase of the Company's shares for reasons set out in items (I) and (II) above shall be subject to resolution at a Shareholders' general meeting. Repurchase of its shares by the Company in the circumstances set out in items (III), (V) and (VI) of the preceding paragraph may be subject to resolution by a Board meeting attended by more than two-thirds of the Directors in accordance with these Articles of Association or the authorization by the Shareholders' general meeting.

After the Company has repurchased its own shares in accordance with item (I) of paragraph 1 of this article, the shares repurchased shall be cancelled within ten days from the date of repurchase; shares repurchased by the Company in the circumstances set out in items (II) and (IV) shall be transferred or cancelled within six months; in the circumstances set out in items (III), (V) and (VI), the total shares held by the Company shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within three years.

The Company shall fulfill its information disclosure obligations in accordance with relevant laws and regulations when repurchasing its shares. Repurchase of its shares by the Company in circumstances set out in items (III), (V) and (VI) of paragraph 1 of this article shall be conducted by way of public concentrated transaction.

**Article 32** The Company may repurchase its Shares in any of the following ways with approval from the relevant competent authorities of the State:

- (I) to make an offer of repurchase to all of its Shareholders in the same proportion;
- (II) to repurchase shares through public trading on a stock exchange;

(III) to repurchase by way of agreement over the counter;

(IV) by other means stipulated by laws and regulations and permitted by relevant authorities.

**Article 33** A prior approval shall be obtained from a Shareholders' general meeting in respect of any share repurchase by the Company through an agreement over the counter in accordance with the provisions of these Articles of Association. After the Shareholders' general meeting has given its approval in the same way, the Company may rescind or alter the contracts entered into in the said manner or waive any rights under such contracts.

Contracts for share repurchase as referred to in the preceding paragraph shall include (but not limited to) an agreement to become obliged to repurchase or to acquire the right to repurchase shares.

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

**Article 34** After repurchasing its shares in accordance with laws, the Company shall cancel or transfer the said shares before the deadline specified by laws and regulations, and register the change of registered capital with the original company registration authority.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

**Article 35** Unless the Company is in liquidation, it shall comply with the following requirements in respect of its repurchase of any of its outstanding shares:

(I) where the Company repurchases its shares at par value, the payments shall be made from the book balance of the distributable profits of the Company or from the proceeds from issuance of new shares for repurchase of old shares;

(II) where the Company repurchases its shares at a premium to its par value, payment up to the par value shall be made from the book balance of distributable profit of the Company and the proceeds from issuance of new shares for repurchase of old shares; payment of the portion in excess of the par value shall be made as follows:

1. if the shares repurchased are issued at par value, the payment shall be made from the book balance of the distributable profits of the Company;

2. if the shares repurchased are issued at a premium to its par value, the payment shall be made from the book balance of the distributable profits of the Company or from the proceeds from issuance of new shares for repurchase of old shares; however, the amount deducted from the proceeds from issuance of new shares shall not exceed the aggregate amount of the premium received by the Company from the issuance of the shares so repurchased, nor shall it exceed the amount in the premium account or the capital reserve account of the Company (including the premium of the issuance of new shares) during the repurchase;

(III) The Company shall make the following payments from its distributable profits:

1. the payments for any acquisition of the rights to repurchase its shares;

2. the payments for variation of any contract for the repurchase of its shares;
3. the payments for being released from its obligations under any repurchase contract;

(IV) After the aggregate par value of the cancelled shares is deducted from the Company's registered capital in accordance with the relevant provisions, the amount deducted from the distributable profits used for the repurchase of the shares at par value shall be credited to the Company's premium account or its capital reserve account.

Where the Company has the right to repurchase redeemable shares, the repurchase price shall be limited to a maximum price if the repurchase is not made through the market or by tender; if the repurchase is made by tender, a proposal of tender shall be made available to all Shareholders in the same manner.

If there are applicable provisions to the contrary regarding the financial treatment of the aforementioned share repurchases in the laws and regulations and relevant provisions of relevant competent authorities of the state, those provisions shall prevail.

### **Section 3 Share Transfer**

**Article 36** Unless otherwise specified by the laws and regulations and the provisions of the securities regulatory authorities at the place where the Company's shares are listed, the fully paid shares of the Company may be transferred freely without any lien attached.

Registration shall be made in the share registrar authorized by the Company for the transfer of shares of the Company. The Company shall comply with the relevant provisions of the banking regulatory authorities and other regulatory authorities in transferring its shares.

**Article 37** An investor and his/her related parties and persons acting in concert intending to separately or jointly purchase or initially or accumulatively hold more than 5% of total capital or total shares of the Company shall obtain prior approval from the banking regulatory authorities.

The reply of administrative permission to the intention to hold more than 5% of the total shares of the Company through domestic and foreign securities markets has a validity period of six months. In the event that a shareholder holds more than 5% of the total outstanding shares of the Company without prior consent of the banking regulatory authorities, such shareholder shall make rectification within the prescribed period and no corresponding shareholders' rights attached thereto shall be exercised before rectification.

Any investor and his/her related parties and persons acting in concert that separately or jointly hold more than 1% but less than 5% (exclusive) of the Company's total capital or total shares shall report to the banking regulatory authorities within 10 workdays after obtaining corresponding equities.

Shareholders who shall seek approval from or fail to report to the regulatory authorities shall not exercise such rights as the right to request convening a Shareholders' general meeting, voting right, right of nomination, right of making motions and right of disposition.

**Article 38** The shares held by Shareholders in the Company shall not be transferred in any of the following circumstances:

(I) the shares held by the initiators shall not be transferred within one year after incorporation of the Company;

(II) the Company's Directors, Supervisors, the President and other senior management personnel shall not transfer shares of the Company held by them within six months after they cease to be employed;

(III) the shares are frozen according to law;

(IV) the ownership of the shares is in dispute;

(V) the Shareholders who intend to transfer the shares have outstanding credit borrowings (excluding related parties) or overdue loans in the Company (unless the proceeds from the intended transfer are for repaying borrowings from the Company);

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

(VII) other circumstances where the shares shall not be transferred according to law.

If the securities regulatory authorities at the place where the Company's shares are listed have other provisions regarding the restrictions on transfers of overseas listed foreign shares, those provisions shall also be observed.

**Article 39** All transfers of H Shares shall adopt written instruments of transfer in an ordinary or usual form or in any other form acceptable to the Board (including standard transfer form or other form of transfer as prescribed by Hong Kong Stock Exchange from time to time); the written instruments of transfer should be signed by hand or (where the transferor or transferee is a corporation) affixed with the company's seal. Where the transferor or transferee is a recognized clearing house (hereinafter referred to as the "recognized clearing house") as defined by relevant regulations in effect from time to time in accordance with the Laws of Hong Kong, or agent thereof, the written instruments of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer must be kept at the legal address of the Company, the address of the share registrar or other addresses designated by the Board from time to time.

#### **Section 4 Financial Assistance for the Purchase of Shares of the Company**

**Article 40** The Company (including its branches) or its subsidiaries shall not offer any financial assistance at any time by any means to purchasers or prospective purchasers of the shares of the Company for their actions of purchasing or purchasing intention of the shares of the Company. The said purchasers of the shares of the Company shall include the persons who have directly or indirectly assumed obligations as a result of such purchase.

The Company (including its branches) or its subsidiaries shall not offer any financial assistance at any time and by any means in order to reduce or relieve the obligations of the aforesaid obligors arising from purchase or prospective purchase of the shares of the Company.

This article shall not be applicable to the circumstances described in Article 42 of these Articles of Association.

**Article 41** The financial assistance referred to in these Articles of Association includes (but is not limited to) that provided by the following means:

(I) gifts;

(II) guarantees (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), indemnities (other than an indemnity arising from the Company's fault) or the release or waiver of rights;

(III) provision of a loan or conclusion of an agreement under which the obligations of the Company are to be fulfilled at a time when the obligations of another party remains unfulfilled; or the novation of the parties of the loan or agreement, or the assignment of rights arising under such a loan or agreement;

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

The obligations referred to in this Chapter shall include the obligations of an obligor which have arisen by entering into an agreement or making arrangement (regardless of whether the aforesaid agreement or arrangement is enforceable, or whether such obligations are assumed by the obligor individually or jointly with any other person) or any obligations that arise out of changes made in any other way to the obligor's financial condition.

**Article 42** The following acts are not deemed as prohibited under Article 40 of these Articles of Association:

(I) the financial assistance provided by the Company is in good faith for the benefit of the Company and the main purpose of the financial assistance is not for the purchase of the Company's shares, or the financial assistance is an incidental part of an overall plan of the Company;

(II) the lawful distribution of the Company's assets in the form of dividends;

(III) the distribution of dividends in the form of shares;

(IV) the reduction of registered capital, repurchase of shares, and adjustment of shareholding structure, etc. in accordance with these Articles of Association;

(V) the provision of a loan by the Company within its scope of business and in the ordinary course of business (provided that this does not lead to a reduction in the net assets of the Company or that if this causes a reduction, the financial assistance is disbursed from the Company's distributable profits);

(VI) the provision of funds by the Company for an employee stock ownership plan (provided that this does not lead to a reduction in the net assets of the Company or that if this causes a reduction, the financial assistance is disbursed from the Company's distributable profits).

**Article 43** During the period when H Shares are listed in Hong Kong, the Company shall ensure all of its H Share listing documents include the following statements, and shall instruct and urge its share registrar to refuse registration of the subscription, purchase or transfer of its shares in the name of any individual holder, unless and until the said individual holder submits to the said share registrar signed form relating to the said shares, which form shall include the following statements:

(I) the purchaser of shares agrees with the Company and each of its Shareholders, and the Company agrees with each Shareholder to observe and comply with the Company Law, Special Regulations, other relevant laws and regulations and these Articles of Association;

(II) the purchaser of shares agrees with the Company and each Shareholder, Director, Supervisor, and senior management personnel thereof, and the Company acting on behalf of itself and each Director, Supervisor and senior management personnel agrees with each Shareholder, that all disputes or claims arising from the rights or obligations specified in these Articles of Association, the Company Law or other relevant laws and regulations and relating to the affairs of the Company shall be settled through arbitration in accordance with these Articles of Association, which arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award. Such arbitration shall be final and conclusive;

(III) the purchaser of shares agrees with the Company and each of its Shareholders that the shares of the Company can be transferred freely by the holders thereof;

(IV) the purchaser of shares authorizes the Company to conclude contract on his/her behalf with every Director and senior management personnel, who shall undertake to observe and comply with their obligations to Shareholders as specified in these Articles of Association.

## **Section 5 Share Certificates and Share Register**

**Article 44** The share certificates of the Company shall be in registered form.

The share certificates of the Company shall specify the matters as stipulated in the Company Law as well as other matters required by the stock exchange where the Company's shares are listed.

The overseas listed shares issued by the Company may be in the form of foreign depository receipts or in other derivative forms of shares in accordance with the laws and the securities registration and depository practices prevailing at the place where the Company's shares are listed.

If shares that do not have voting rights are counted towards the share capital of the Company, such shares shall bear the phrase "no voting rights" in their title. If shares carrying different voting rights are counted towards the share capital of the Company, these classes of shares (except for the class of shares with the most privileged voting rights) shall bear the phrase "restricted voting rights" or "limited voting rights" in their titles.



**Article 45** The share certificates shall be signed by the Chairman of the Board. The President or other relevant senior management personnel shall also sign the share certificates if required by the stock exchange on which the Company's shares are listed. The share certificates shall come into effect after stamping or printing of the Company's seal on the share certificates. After the Company's seal is affixed to the shares, authorization of the Board is required. The signature of the Chairman, President or other relevant senior management personnel of the Company may also be printed on the share certificates. Issue or trading of the shares of the Company in a non-paper form shall comply with other provisions of the securities regulatory authorities at the place where the Company's shares are listed.

**Article 46** The Company shall keep a share register recording the following matters:

(I) names, addresses or domiciles, occupations or nature of the Shareholders;

(II) type and number of shares held by the Shareholders;

(III) monies paid or payable for the shares held by the Shareholders;

(IV) serial numbers of the shares held by the Shareholders;

(V) date on which the Shareholders are registered as Shareholders;

(VI) date on which the Shareholders cease to be Shareholders;

(VII) other matters to be specified pursuant to laws and regulations.

The share register is a sufficient evidence of the Shareholders' shareholdings in the Company, unless there is evidence to the contrary.

**Article 47** The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority. The original of register of holders of H Shares shall be kept in Hong Kong.

The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and copy of the register of holders of overseas listed foreign shares are consistent.

Where the original and copy of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

**Article 48** The Company shall keep a complete share register.

The share register shall include the following parts:

(I) share register kept at the domicile of the Company, save as specified in (II) and (III) herein;



(II) register of holders of overseas listed foreign shares of the Company kept at the location(s) of the overseas stock exchange(s) where such shares are listed;

(III) share register that the Board decides to keep at any other place for the purpose of listing the shares of the Company.

**Article 49** The respective parts of the share register shall not overlap each other. In the event of transfer of shares registered in a specific part of the share register, the said shares shall not be registered in any other part of the share register in the duration of the registration of the said shares.

All H Shares for which full payment has been made may be transferred freely in accordance with these Articles of Association; save under the following conditions, the Board may refuse to recognize any transfer instrument without providing any reason:

(I) transfer instruments and other documents which relate to or may affect the title of any registered securities shall be registered; HK\$2 or a higher amount approved by the Hong Kong Stock Exchange has been paid to the Company to register the share transfer instruments and other documents which relate to or may affect the title of the shares;

(II) the transfer instruments only involve H Shares;

(III) stamp duty (as stipulated by Hong Kong law) which is payable for the transfer instruments has been duly paid;

(IV) relevant share certificate(s) and any other evidence which the Board may reasonably require to show that the transferor has the right to transfer the shares have been provided;

(V) if the shares are transferred to joint holders, the number of joint holders shall not exceed four;

(VI) the relevant shares are not subject to lien of any company.

Should the Board refuse to register any transfer of shares, the Company shall, within two months from the date of the formal application for the transfer, provide the transferor and the transferee with a written notice stating its refusal of registration of such transfer.

Any change or correction of any part of the share register shall comply with the relevant law of the place where the said part is kept.

**Article 50** Changes of registration in the share register arising from share transfer shall not be effected during a period of 30 days prior to the convening of a Shareholders' general meeting or five days prior to the base date on which the Company decides to distribute dividends.

**Article 51** If any person objects to the share register and requests to have his/her name recorded in or deleted from the share register, the said person may apply to the court with jurisdiction for correcting the share register.

**Article 52** If any Shareholder whose name is recorded in the share register or any person who requests to have his/her name recorded in the share register has lost his/her share certificates (i.e. the Original Share Certificates), the said Shareholder or person may apply to the Company to reissue new share certificates for the said shares (i.e. the Relevant Shares).

Application for reissue of share certificates lost by holders of domestic shares shall be processed pursuant to the relevant requirements of the Company Law.

Application for reissue of share certificates lost by holders of overseas listed foreign shares shall be processed pursuant to the law, rules of the stock exchange and other relevant regulations of the place where the original of the register of holders of overseas listed foreign shares is kept.

Application for reissue of share certificates lost by holders of H Shares shall meet the following requirements:

(I) The applicant shall submit an application with the standard format designated by the Company and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, information and evidence about how the shares are lost, and a statement that no other person may request to be registered as Shareholder for the Relevant Shares;

(II) Before deciding to reissue new share certificates, the Company has not received a statement that any person other than the applicant requests to be registered as Shareholder for the said shares;

(III) After deciding to reissue new share certificates to the applicant, the Company shall publish the announcement of the reissuance of new share certificates on the newspapers designated by the Board; the announcement shall have a term of 90 days and be republished at least once every 30 days;

(IV) Before publishing the announcement of reissue of new share certificates, the Company shall submit a copy of the announcement to the stock exchange with which the Company is listed, and may publish the announcement only after receiving a reply from the said stock exchange confirming that the said announcement has been displayed in the stock exchange. The duration of display of the said announcement in the stock exchange is 90 days;

If the application for reissuing share certificates is not approved by the registered holder of the Relevant Shares, the Company shall mail a copy of the to-be-published announcement to the said Shareholder;

(V) If, after expiry of the 90-day period of announcement and posting specified in items (III) and (IV) of the fourth paragraph of this Article, the Company has not received any objection to reissue of share certificates, the Company may reissue new share certificates as requested by the applicant;

(VI) When the Company reissues new share certificates as specified in this Article, the Company shall immediately deregister the Original Share Certificates, and record such deregistration and reissue in the share register;

(VII) All the expenses for deregistering the Original Share Certificates and reissuing new share certificates shall be borne by the applicant. The Company may refuse to take any action before the applicant provides reasonable guarantee for the expenses required.

If the Company is granted the right to issue warrants to anonymous holders, the Company shall not issue any replacement warrants unless it does believe beyond reasonable doubt the original warrants are truly destroyed.

**Article 53** After the Company reissues new share certificates in accordance with these Articles of Association, the name of the goodwill purchaser of the said new share certificates or the Shareholder (if it is a goodwill purchaser) later registered as owner of the said shares shall not be deleted from the share register.

**Article 54** The Company has no obligation to compensate any person for any loss arising from deregistration of the Original Share Certificates or reissue of new share certificates, unless the said person can prove that the Company has committed any fraud.

## **Section 6 Equity Pledge**

**Article 55** The Company does not accept any equity of the Company as the subject of the pledge.

**Article 56** Any Shareholder whose balance of borrowings from the Company exceeds his/her audited net equity value in the Company in the previous year shall not pledge his/her equity in the Company.

**Article 57** If any Shareholder pledges over 50% (inclusive) of his/her equity in the Company, in the duration of pledge, he/she shall not exercise voting right over the pledged equity at the Shareholders' general meeting, nor shall the Director appointed by him/her exercise voting right at the Board meeting.

**Article 58** Where a Shareholder, who has representation on the Board of Directors or the Board of Supervisors, or directly, indirectly or jointly holds or controls more than 2% of share capital or voting rights in the Company pledges his/her shares in the Company, he/she shall make a filing to the Board of Directors of the Company prior to the pledge. The filing shall state the basic information of the pledge, including the reasons, the number of shares involved, the term of pledge and the particulars of the pledgees. Where the Board of Directors considers the pledge to be materially adverse to the stability of the Company's shareholding structure, the corporate governance as well as the control of risk and related party transactions, the filing shall not be accepted. The director(s) nominated by a Shareholder proposing to pledge his/her shares in the Company shall abstain from voting at the meeting of the Board of Directors at which such proposal is considered.

**Article 59** Upon completion of the registration of pledge of equity interests, the Shareholder involved shall provide the Company with the relevant information on the pledge of equity interests in a timely manner according to the needs for risk management and information disclosure of the Company.

## **CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS**

### **Section 1 Shareholders**

**Article 60** Shareholders of the Company are legal persons, other organizations or natural persons lawfully holding shares of the Company, with names recorded in the share register.

The Shareholders of the Company enjoy rights and fulfill obligations as per the class and number of shares they hold; Shareholders holding the same class of shares enjoy the same rights and fulfill the same obligations.

**Article 61** The Shareholders of the Company shall fulfill the obligation of honesty to the Company according to laws and ensure the information submitted about Shareholders' qualification is true, complete and effective. The substantial Shareholders shall truthfully, accurately and completely disclose information about related parties to the Board and responsively report to the Board in case of any changes in related party relationship.

The substantial Shareholders as referred to herein refer to Shareholders who hold or control over 5% of the shares or voting right of the Company, or who hold less than 5% of the total capital or total shares but have material impacts on the operation and management of the Company.

“Material impacts” in the preceding paragraph include but are not limited to appointment of Directors, Supervisors or senior management personnel for the Company, or impact on the Company's finance and operation management decisions by agreement or other means, or other circumstances affirmed by banking regulatory authorities.

**Article 62** Shareholders of the Company shall exercise the rights and fulfill the obligations as a contributor in strict accordance with laws and regulations and these Articles of Association and shall not seek illegal gains, or abuse Shareholder's right or leverage its influence to interfere in the decision-making right and management right enjoyed by the Board or the senior management pursuant to these Articles of Association, or bypass the Board and senior management to directly interfere or leverage its influence to interfere in the Company's operation and management, transfer benefits or otherwise damage the legitimate rights and interests of depositors, the Company and other Shareholders.

**Article 63** Shareholders of the Company shall support the Board in formulating reasonable capital plans to keep the Company's capital in compliance with regulatory requirements. When the Company's capital cannot meet regulatory requirements and new capital should be increased, no Shareholder shall prevent other Shareholders supplementing capital for the Company or new qualified Shareholders joining the Company.

**Article 64** Substantial Shareholders shall make long-term commitments for capital supplement to the Company in written form.

**Article 65** The Company shall keep a detailed share register recording the Shareholders' shareholdings and changes thereof and change of Shareholders' ownership over shares shall become effective as from the date when the Shareholders' names are recorded in the share register.

**Article 66** If the Company convenes a Shareholders' general meeting, distributes dividends, conducts liquidation and executes any other act requiring recognition of equity, the Board shall designate a certain date as equity registration date, at the end of which the Shareholders in the register shall be Shareholders of the Company.

**Article 67** Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

- (I) The Company shall not register more than four persons as joint holders of any shares;
- (II) The joint holders of any shares shall assume joint liability for all payables for relevant shares;

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

(IV) Among the joint holders of any shares, only the joint Shareholder that is listed first in the share register shall be entitled to take certificates of relevant shares and receive notices of the Company. Any notice received by such Shareholder shall be deemed as having been served to all the joint holders of the relevant shares. Any one of joint holders may sign a proxy authorization form, but if more than one joint holder attend the Shareholders' general meeting in person or by proxy, the resolution made by the joint holder with priority shall be accepted as the sole resolution made on behalf of other joint Shareholders (regardless of whether it is made in person or by proxy). In this respect, the priority of Shareholders shall be determined according to the order of ranking of relevant joint Shareholders in the share register.

If the Company distributes or allots to any one of the joint holders of any shares any dividend, bonus or return on capital that should be paid to the said joint holders, the payment shall be regarded as distribution or allotment of the aforesaid dividend, bonus or return on capital to all the joint holders of relevant shares.

**Article 68** The ordinary shareholders of the Company shall have the following rights:

- (I) to receive dividends and other distributions in proportion to the shares they hold;
- (II) to attend Shareholders' general meetings either in person or by proxy and exercise the voting right;
- (III) to supervise, present suggestions on or make inquiries about the business activities of the Company;
- (IV) to transfer, bestow or pledge the shares held by them in accordance with the laws and regulations, relevant provisions of the securities regulatory authorities at the place where the Company's shares are listed and these Articles of Association;
- (V) to obtain relevant information in accordance with these Articles of Association, including:
  - 1. receiving these Articles of Association after payment of production cost;
  - 2. having the right to consult and copy relevant information after payment of reasonable expenses:
    - (1) all the parts of share register;
    - (2) personal data of Directors, Supervisors, President and other senior management personnel of the Company, including:
      - (a) present and former names and aliases;
      - (b) principal addresses (domiciles);

- (c) nationalities;
- (d) full-time and all the other part-time occupations and positions;
- (e) identity certificates and numbers thereof.
- (3) equity of the Company;
- (4) report of the total par value, quantity, and highest and lowest prices of each class of shares bought back by the Company from the last fiscal year, and the total expenses paid by the Company for this purpose (classified by domestic shares and H Shares);
- (5) minutes of Shareholders' general meetings;
- (6) special resolutions of the Company;
- (7) the latest audited financial statements of the Company, and the reports of Directors, auditors and Supervisors;
- (8) copy of the latest annual return filed with Chinese Administration for Industry and Commerce or other competent authorities.

Except for the documents under (2) above, the Company shall place the above-mentioned documents at the Company's address in Hong Kong as required by the Hong Kong Listing Rules for inspection by the public and holders of H Shares free of charge (the documents under (5) above are available for inspection by Shareholders only).

If any Shareholder asks for copies of relevant documents, the Company shall send out the said copies within seven days after receipt of reasonable expenses.

The Company may refuse to provide any of the aforesaid documents if the documents to be inspected and photocopied contain the trade secrets and share price sensitive information of the Company.

(VI) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company as per their shares;

(VII) to have other rights conferred in accordance with laws and regulations as well as these Articles of Association.

The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

**Article 69** If any Shareholder needs to access the relevant information as set out in Article 68 of these Articles of Association or ask for documents, the said Shareholder shall provide the Company with his/her shareholding certificate, and the Company shall provide the said information as required by the said Shareholder upon authentication of the said Shareholder.



When exercising the aforesaid right to know, the Shareholder shall keep confidential the Company's trade secrets and reasonably use the Company's information. If any Shareholder violates his/her confidentiality obligation, causing losses to the Company, he/she shall be liable for compensation.

**Article 70** Resolutions of the Shareholders' general meeting or the Board of Directors that run counter to laws and regulations shall be void.

If the meeting convening procedure and voting method of the Shareholders' general meeting or Board meeting run counter to the laws and regulations or these Articles of Association or if the content of any resolution runs counter to these Articles of Association, the Shareholders may request the people's court to cancel the said procedure, method or resolution within 60 days after adoption of the resolution.

If any Shareholder institutes legal proceedings as per the preceding paragraph, the Company may request the people's court to require the Shareholder to provide relevant guarantee.

If the Company has registered the change in accordance with resolution of the Shareholders' general meeting, and the people's court declares such resolution be void or rescinded, the Company shall apply to the Company's registration authority for rescission of such registration of change.

**Article 71** The ordinary shareholders of the Company shall have the following obligations:

- (I) to abide by laws and regulations, regulatory requirements and these Articles of Association;
- (II) to pay subscription funds as per the shares subscribed and the method of subscription;
- (III) not to exit shares unless in the circumstances stipulated by laws and regulations;
- (IV) to be liable for the Company's debts and losses based on the shares held by them;
- (V) to safeguard the interests of the Company, object to and resist any behavior that damages the interests of the Company;
- (VI) to execute resolutions of the Shareholders' general meeting;
- (VII) when the capital adequacy ratio of the Company fails to meet legal requirements, the Shareholder shall support the measures proposed by the Board of Directors to raise the capital adequacy ratio, and substantial Shareholders shall supply additional capital to the commercial bank when necessary;
- (VIII) to promptly notify the equity management department of the Company and report to the Board for archiving in case of any changes in the legal representative of the corporate Shareholder, name, business premises, business scope, affiliation and other important matters of the Company, as well as revocation and merger thereof;
- (IX) to keep confidential the Company's secrets;
- (X) to fulfill other obligations stipulated by laws and regulations as well as these Articles of Association.



Shareholders do not have the obligation to increase any equity capital unless under the conditions accepted by the subscribers at the time of subscription.

**Article 72** The terms of credit provided by the Company to its Shareholders shall not be more favorable than those provided to other customers if the loans concerned are in the same category. Borrowings by Shareholders and their associated enterprises shall comply with the relevant provisions of the banking regulatory authorities. If the Shareholders and their associated enterprises fail to repay the loans granted by the Company when due, the voting rights of such Shareholders at Shareholders' general meetings and the voting rights of the Directors appointed by such Shareholders at Board meetings shall be terminated. The credit balance granted by the Company to the substantial Shareholders or their controlling Shareholders, de facto controllers, related parties, persons acting in concert, ultimate beneficiaries and other single subjects shall not exceed 10% of the Company's net capital. The total credit balance granted by the Company to the group to which any single Shareholder belongs or any single substantial Shareholder and his/her controlling Shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries shall not exceed 15% of the Company's net capital.

**Article 73** When the Company is likely to encounter liquidity difficulties such as payment gap, the Shareholders who have borrowings from the Company shall immediately repay the due borrowings as well as those undue in advance.

**Article 74** The Company shall not provide any guarantee for its related parties, except that the related parties provide a counter-guarantee based on bank deposit certificates or treasury bonds.

**Article 75** The controlling Shareholders and de facto controllers of the Company shall fulfill the obligation of honesty to the Company and its other Shareholders. The controlling Shareholders shall duly exercise contributors' rights according to laws, shall not damage the legitimate rights and interests of the Company and other Shareholders by such means as related party transactions, profit distribution, asset reorganization, external investment, fund appropriation and loan guarantee and shall not abuse its controlling status to damage the interests of the Company and other Shareholders.

**Article 76** Save for the obligations under the laws and regulations or the listing rules of the stock exchange on which the Company's shares are listed, the controlling Shareholders, in exercising their rights as Shareholders, shall not make any decision detrimental to all or some Shareholders in connection with the following issues:

(I) to exempt Directors and Supervisors from the obligation to act in the best interest of the Company in good faith;

(II) to allow Directors and Supervisors to seize from the Company any asset, including (but not limited to) any opportunity favorable to the Company (for the interests of their own or others);

(III) to allow Directors and Supervisors (for the interests of their own or others) to seize from any Shareholder any personal interests, including (but not limited to) any distribution right and voting right, but excluding corporate reorganisation submitted for adoption at the Shareholders' general meeting pursuant to these Articles of Association.

**Article 77** The "controlling Shareholder(s)" under these Articles of Association shall refer to the controlling Shareholder(s) stipulated in the Company Law. Any person satisfying any of the following conditions shall be deemed as controlling Shareholder sufficient to have a significant impact on the resolutions of the Shareholders' general meeting of the Company:

(I) when acting alone or in concert with other persons, such a person can select more than half of the Company's Directors;

(II) when acting alone or in concert with other persons, such a person can exercise more than 30% of the voting rights of the Company or, control the exercise of more than 30% of the voting rights of the Company;

(III) when acting alone or in concert with other persons, such a person holds more than 30% of the shares of the Company;

(IV) when acting alone or in concert with other persons, such a person has de facto control of the Company through other methods.

The “acting in concert” under these Articles of Association refers to the act or fact of an investor expanding the number of voting shares of a company at its disposal by agreement, other arrangements, and co-operation with other investors. The relevant investors agreeing to undertake identical actions are persons acting in concert.

**Article 78** A “de facto controller” mentioned in these Articles of Association refers to a person who can effectively control the Company according to the Company Law.

“Related parties” of investors/substantial Shareholders as referred to in these Articles of Association mean that one party controls or jointly controls the other party or exercises material effect on the other party, and two or more parties are controlled, jointly controlled or materially affected by the same party pursuant to the Accounting Standards for Enterprises No. 36 Disclosure of Related Parties. However, enterprises controlled by the State become related parties not just because they are under the same control by the State.

“Ultimate beneficiaries” as referred to in these Articles of Association refer to persons who actually enjoy the equity interests of the Company.

**Article 79** For any Shareholder who has made any false statement, abuses Shareholder’s rights or has other acts that harm the interests of the Company, the banking regulatory authorities may restrict or prohibit any related party transactions between the Company and him/her and restrict his/her quota of the Company’s equity and equity pledge ratio as well as his/her rights including the right to request convening the Shareholders’ general meeting, voting right, right of nomination, right of making proposals and right of disposition.

## **Section 2 Shareholders’ General Meetings**

**Article 80** The Shareholders’ general meeting shall be an organ of power of the Company. It may exercise the following powers in accordance with the laws and regulations and these Articles of Association:

(I) to decide on the Company’s business policy and investment plans;

(II) to elect and replace Directors who are not employee representatives and to determine matters relating to remuneration of the Directors;

(III) to elect and replace Supervisors who are not employee representatives and to determine matters relating to remuneration of the Supervisors;

(IV) to consider and approve the reports of the Board of Directors;

- (V) to consider and approve the reports of the Board of Supervisors;
- (VI) to consider and approve the Company's annual financial budgets and final accounting plans;
- (VII) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (VIII) to resolve on increase or decrease of the registered capital of the Company;
- (IX) to resolve on issuance of bonds of the Company;
- (X) to resolve on the major asset transfer or acquisition, repurchase of the Company's Shares, merger, division, dissolution and liquidation of the Company;
- (XI) to amend these Articles of Association;
- (XII) to listen to the results of evaluation by the Board of Directors on the Directors and by the independent Directors on each other;
- (XIII) to listen to the results of evaluation by the Board of Supervisors on the Supervisors and by the external Supervisors on each other;
- (XIV) to consider proposals raised by Shareholder(s) severally or jointly holding more than 3% of the total voting shares of the Company;
- (XV) to consider and approve the related party transactions with a single amount exceeding 10% of the Company's net capital;
- (XVI) to listen to the regulatory opinions of the banking regulatory authorities on the Company and the execution of reform by the Company;
- (XVII) to resolve on the appointment, removal or non-reappointment of an accounting firm by the Company;
- (XVIII) to examine other issues which shall be determined by the Shareholders' general meeting as stipulated by laws and regulations, securities regulatory authorities at the place where the Company's shares are listed, these Articles of Association and other internal systems of the Company.

**Article 81** The Shareholders' general meeting shall formulate the rules of procedure for Shareholders' general meetings. The rules of procedure for Shareholders' general meetings shall be formulated by the Board and approved at the Shareholders' general meetings before implementation.

**Article 82** Shareholders' general meetings are classified into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board. Annual general meetings shall be convened once a year within six months after the end of the last fiscal year.

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

(I) the number of Directors is less than the number required by the Company Law or less than two thirds of the minimum number of Directors of the Company required by these Articles of Association;

(II) the unrecovered losses of the Company amount to one third of the total share capital;

(III) Shareholder(s) severally or jointly holding more than 10% of the Company's voting shares request(s) in writing the convening of an extraordinary general meeting;

(IV) the Board deems it necessary to convene the meeting;

(V) the Board of Supervisors proposes to convene the meeting;

(VI) above half of the independent Directors propose to convene the meeting (the only two independent Directors of the Company unanimously propose to convene the meeting);

(VII) above half of the external Supervisors propose to convene the meeting (the only two external Supervisors of the Company unanimously propose to convene the meeting);

(VIII) the Chairman of the Board proposes to convene the meeting in special circumstances;

(IX) other circumstances as stipulated by laws and regulations, securities regulatory authorities at the place where the Company's shares are listed or these Articles of Association.

The number of shares held by the Shareholder(s) mentioned in item (III) above is calculated based on the date when the Shareholder(s) make(s) the request(s) in writing.

**Article 83** Shareholders' general meetings shall be convened and presided over by the Chairman of the Board. Where the Chairman cannot attend the meeting for any reason, the Chairman may appoint another Director to convene and preside over the meeting on his/her behalf; if no presider is appointed, the attending Shareholders may elect a person to preside over the meeting; if for any reason, the Shareholders fail to elect a presider, the Shareholder (including proxy thereof) holding the most voting shares among the attending Shareholders shall preside over the meeting.

**Article 84** Where the Company convenes a Shareholders' general meeting, the Board shall send a written notice 45 days before the meeting to notify all the Shareholders in the share register of the matters to be considered at the meeting, and the date and venue of the meeting. Any Shareholder intending to attend the Shareholders' general meeting shall deliver to the Company a written reply showing his intention to attend 20 days before the meeting.

**Article 85** The Company shall, based on the written replies received 20 days prior to the date of the Shareholders' general meeting, calculate the number of voting shares represented by Shareholders intending to attend the meeting. Where the number of voting shares represented by Shareholders intending to attend the meeting amounts to more than half of the Company's voting shares, the Company may convene the Shareholders' general meeting; if not, the Company shall, within five days, notify Shareholders again of the matters to be considered, date and venue of the meeting in the form of public announcements. The Company may then convene the Shareholders' general meeting after such announcements.

An extraordinary general meeting shall not resolve on matters not specified in the notice.

**Article 86** Shareholders' general meetings shall be held onsite at the venue. The Company may use a safe, economical and convenient network or any other means to provide convenience for the Shareholders' general meetings. Shareholders participating in the Shareholders' general meetings by any of the aforesaid means shall be deemed as having attended the meetings. If the Shareholders' general meeting requires Directors, Supervisors and senior management personnel to attend the meeting, they shall attend the meeting and accept the inquiries of the Shareholders.

**Article 87** The notice of a Shareholders' general meeting shall meet the following requirements:

(I) is in written form;

(II) specifies the date, venue and time of the meeting;

(III) states the matters to be discussed at the meeting;

(IV) provides the Shareholders with such information and explanation as necessary for them to make informed decisions regarding the matters to be discussed; this principle includes (but is not limited to) the provision of detailed conditions and contract(s) (if any) of the proposed transaction where a proposal is made to merge the Company, to repurchase shares of the Company, to reorganize its share capital or to make any other reorganization of the Company, and detailed explanation as to the cause and effect of such a proposed transaction;

(V) contains a disclosure of the nature and extent of the interest where any Director, Supervisor, President or other senior management personnel have a material interest in the matters to be discussed; describes the difference where the impact of the matters to be discussed on such Director, Supervisor, President or other senior management personnel in their capacity as Shareholders is different from the impact on other Shareholders of the same class;

(VI) contains the full text of any special resolution to be proposed for adoption at the meeting;

(VII) contains a clear statement that a Shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf and that such proxy need not be a Shareholder;

(VIII) specifies the time and venue for serving the power of attorney for the voting proxy for the meeting;

(IX) specifies the date of registration of shareholdings;

(X) specifies the name and telephone number of the coordinator of the meeting;

(XI) specifies the time when the meeting notice is sent.

**Article 88** The notice of a Shareholders' general meeting shall be sent to Shareholders (whether or not they are entitled to vote at the Shareholders' general meeting) by personal delivery or by pre-paid mail to their addresses as recorded in the share register. For holders of domestic shares, the notice of a Shareholders' general meeting may be given in the form of a public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities regulatory authority under the State Council during the period between 45 days to 50 days prior to the date of the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the Shareholders' general meeting.

**Article 89** Any Shareholder entitled to attend and vote at a Shareholders' general meeting shall be entitled to appoint one or more persons (who need(s) not be a Shareholder or Shareholders) as his/her proxy/proxies to attend and vote on his/her behalf. A proxy so appointed may exercise the following rights as granted by the said Shareholder:

(I) to exercise the Shareholder's right to speak at a Shareholders' general meeting;

(II) to severally or jointly request to vote by ballot;

(III) to exercise the right to vote by a show of hand or by ballot. Where there is more than one proxy, the said proxies shall only vote by ballot.

**Article 90** The power of attorney shall be in writing and signed by the principal or his/her proxy duly authorized in writing; if the principal is a legal person, the power of attorney shall bear its seal or be signed by its director or a proxy duly appointed.

**Article 91** The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. If the power of attorney is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the power of attorney for voting, be deposited at the Company's domicile or at such other place as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or the person authorized by the Board and other decision-making bodies shall attend the Shareholders' general meeting of the Company on its behalf.

**Article 92** Any format of the power of attorney issued to a Shareholder by the Board of Directors of the Company for appointing a proxy shall provide the Shareholder with the flexibility to instruct the proxy to vote for or against, and give directives on each of the resolutions to be decided at the meeting. Such a power of attorney shall specify that, in default of directives, the proxy may vote in his/her discretion.



**Article 93** If the appointing Shareholder has passed away or lost his/her ability to act or withdrawn the appointment or withdrawn the authorization of the signed power of attorney or has transferred relevant shares prior to voting, as long as the Company has not received any written notice regarding these matters before the commencement of the relevant meeting, the vote cast by the proxy in accordance with the power of attorney shall remain valid.

**Article 94** An individual Shareholder attending the meeting in person shall present his/her identity card and shareholding certificate; a proxy attending the meeting on behalf of the individual Shareholder shall present his/her identity card, power of attorney and shareholding certificate.

**Article 95** For a corporate Shareholder, his/her legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her identity card, valid certificate bearing evidence of his/her qualifications as legal representative and shareholding certificate; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card, the notarized copy of resolutions or powers of attorney issued by the board of directors or other authority of power of the corporate Shareholder (other than a recognized clearing house or agent thereof) for appointing the proxy and shareholding certificate.

If the Shareholder is a recognized clearing house or agent thereof as defined in the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), the said Shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any Shareholders' general meeting or class meeting; however, where two or more persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The power of attorney shall be executed by the personnel authorized by the recognized clearing house. The persons thus authorized may attend the meeting (without presentation of their shareholding certificates, notarized powers of attorney and/or further evidence proving that they have been duly authorized) and exercise rights on behalf of the recognized clearing house or agent thereof as if the said persons were the individual Shareholders of the Company.

**Article 96** The Company shall be responsible for preparing an attendance register for those attending the meeting, which shall state the names of attendees (or names of the corporations), the number of shares held or represented, share certificate number, names of the principal (or names of the corporations) and so on.

**Article 97** The convener and the lawyer appointed by the Company shall jointly verify the validity of the Shareholders' qualifications based on the share register provided by the securities registration and clearing organization, and shall register the names of the Shareholders as well as the number of their voting shares. The registration for the meeting shall be completed before the presider announces the number of Shareholders and proxies that attend the meeting and the total number of their voting shares.

**Article 98** Shareholders severally or jointly holding more than 10% of the total voting shares of the Company shall have the right to require convening or to convene on their own initiative an extraordinary general meeting, and shall follow the procedures below:

(I) They may sign one or several written documents with the same format and content to propose to the Board to convene an extraordinary general meeting or class meeting, and specify the topics of the meeting and the specific matters to be resolved. The Board shall convene an extraordinary general meeting or class meeting as soon as possible after receipt of the aforesaid written document. The amount of shareholding of the above Shareholders is calculated based on the date when the Shareholders submit the written document;



(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written document about convening of an extraordinary general meeting or class meeting, the Shareholders submitting the said written document may convene a meeting on their own initiative within four months after the Board receives the said written document. The convening procedure shall to the extent possible be the same as the procedure by which the Board convenes a Shareholders' general meeting.

Where the Shareholders convene and hold a meeting on their own initiative because the Board fails to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting Directors.

**Article 99** Where the Shareholders decide to convene an extraordinary general meeting by themselves, they shall notify the Board in writing in advance, report to the relevant regulatory authorities for reference according to relevant laws and regulations, and issue a notice of extraordinary general meeting. The content of the notice shall meet the following requirements:

(I) New contents shall not be added to a proposal, otherwise the proposing Shareholders must resubmit the request to convene an extraordinary general meeting to the Board as per the above procedures;

(II) The meeting shall be held at the address of the Company.

**Article 100** Where the Shareholders decide to convene an extraordinary general meeting by themselves, the Board and secretary to the Board shall earnestly fulfill their duties. The extraordinary general meeting may be presided by the proposing Shareholder, the relevant holding procedures shall comply with the provisions of these Articles of Association, and legal opinions shall be issued by lawyers.

**Article 101** The Board of Supervisors or more than half of the independent Directors shall follow the procedures below if they propose to convene an extraordinary general meeting:

(I) They may sign one or several written documents with the same format and content to propose to the Board to convene an extraordinary general meeting, and specify the topics of the meeting and the specific matters to be resolved. The Board shall convene an extraordinary general meeting as soon as possible after receipt of the aforesaid written document;

(II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written document about convening of an extraordinary general meeting, the Board of Supervisors or more than half of the independent Directors proposing to convene the meeting, after reporting to the relevant regulatory authorities for reference according to relevant laws and regulations, may convene an extraordinary general meeting by themselves after two months upon receipt of the said document. The convening procedure shall to the extent possible be the same as the procedure by which the Board convenes Shareholders' general meetings.

**Article 102** After the notice of a Shareholders' general meeting has been issued, save for force majeure or other reasons such as accidents, the Board or the presider convening the meeting on his/her initiative shall not change the time for holding the meeting. Where it is necessary to change the time for holding the meeting due to force majeure, the date of registration of shareholdings shall not be changed.

**Article 103** Where the number of Directors falls short of two thirds of the minimum total number of the Company's Directors specified in these Articles of Association or the accumulated unrecovered losses of the Company amount to one third of the total share capital, and the Board fails to convene an extraordinary general meeting in the prescribed period, the Board of Supervisors or Shareholders may convene an extraordinary general meeting by themselves following the procedure stipulated by these Articles of Association.

**Article 104** Regulatory authorities and other relevant personnel may be invited to attend the Shareholders' general meeting, but the specific scope shall be decided by the Board or the presider convening the meeting by himself/herself.

### **Section 3 Proposals of the Shareholders' General Meeting**

**Article 105** The Board shall specify the issues to be discussed at the Shareholders' general meeting in the notice of Shareholders' general meeting.

In principle, the Board shall not propose any new proposal on issues not included in the notice of Shareholders' general meeting after the notice has been issued. Any amendment to the existing proposals shall be served to the Shareholders of the Company 10 days prior to the convening of the Shareholders' general meeting.

**Article 106** When the Company convenes a Shareholders' general meeting, Shareholders severally or jointly holding more than 3% of the total voting shares of the Company shall have the right to submit new proposals in writing to the Company, and the Company shall place the proposals on the agenda for the said Shareholders' general meeting if the said proposals fall within the functions and powers of the Shareholders' general meeting.

Shareholders severally or jointly holding more than 3% of the total voting shares of the Company may propose an interim proposal and submit it in writing to the convener 10 days before the Shareholders' general meeting is convened; the convener shall issue a supplementary notice of Shareholders' general meeting within 2 days after receipt of the said proposal, announce the contents of the said interim proposal and submit the said interim proposal to the Shareholders' general meeting for consideration. The contents of the interim proposal shall fall within the scope of the functions and powers of the Shareholders' general meeting, and the proposal shall provide specific topics for discussion and specific matters to be resolved.

A Shareholders' general meeting shall not make any resolution in respect of any matter not set out in the notices issued according to Article 105 and the preceding paragraph of this article.

**Article 107** Proposals at Shareholders' general meeting shall meet the following conditions:

(I) The contents of such proposals shall not run counter to provisions of the laws and regulations and these Articles of Association and shall fall within the scope of business of the Company and the functions and powers of the Shareholders' general meeting;

(II) The proposals shall provide specific topics for discussion and specific matters to be resolved;

(III) The proposals shall be submitted or delivered to the Board in written form.

## **Section 4 Resolutions of the Shareholders' General Meeting**

**Article 108** The “one share, one vote” voting system is adopted for the Shareholders’ general meeting, that is, a Shareholder (including his/her proxy) attending the Shareholders’ general meeting shall exercise his/her voting rights based on the number of shares with voting rights represented by him/her. Each share shall have one vote. Shares held by the Company have no voting rights. If any Shareholder cannot exercise or waive his/her voting right or is restricted to cast only affirmative or dissenting vote on a certain proposal according to laws and regulations or the securities regulatory rules in the place where the Company’s shares are listed, any vote cast by the said Shareholder or proxy thereof in violation of the said rule or restriction shall not be counted into voting results. Any voting of the Shareholders at a Shareholders’ general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to procedures or administrative matters to be voted by a show of hands.

**Article 109** If the matter required to be voted by ballot relates to election of chairman of the meeting or termination of the meeting, voting by ballot shall be conducted immediately; in respect of other matters required to be voted by ballot, the chairman of the meeting may decide the time of voting, and the meeting may proceed to consider other issues, and the voting results shall be deemed as resolutions passed at the said meeting.

**Article 110** On a poll taken at a meeting, a Shareholder (including his/her proxy) who is entitled to two or more votes need not cast all of his/her votes in the same way of pros or cons.

**Article 111** The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

**Article 112** The resolutions of a Shareholders’ general meeting shall either be classified as ordinary resolutions or special resolutions.

**Article 113** Ordinary resolutions made by a Shareholders’ general meeting shall be approved by a simple majority of voting rights held by the Shareholders (including their proxies) attending the meeting.

The following matters shall be approved by ordinary resolutions at a Shareholders’ general meeting:

- (I) the work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plan and loss recovery plan prepared by the Board of Directors;
- (III) election and replacement of Directors and Supervisors who are not employee representatives, and decision on matters relating to the remunerations of Directors and Supervisors;
- (IV) annual budgets, final accounts, balance sheets, statements of profits and other financial statements of the Company;
- (V) engagement, dismissal or discontinuation of the appointment of the accounting firm;

(VI) related party transactions required to be approved within the functions and powers of the Shareholders' general meeting;

(VII) matters other than those stipulated by laws and regulations or these Articles of Association to be approved by special resolutions.

**Article 114** Special resolutions made by a Shareholders' general meeting shall be approved by above two-thirds of voting rights held by the Shareholders (including their proxies) attending the meeting, save as otherwise stipulated by laws and regulations or these Articles of Association.

The following matters shall be approved by special resolutions at a Shareholders' general meeting:

(I) increase or reduction in the registered capital of the Company and the issuance of shares of any class, warrants and other similar securities;

(II) issuance of bonds by the Company;

(III) the Company's material acquisition and repurchase of shares of the Company;

(IV) the division, merger, dissolution and liquidation or change of the form of the Company;

(V) amendment to these Articles of Association;

(VI) any other matters specified in the laws and regulations, these Articles of Association or confirmed by an ordinary resolution at a Shareholders' general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

**Article 115** Unless the Company is in a crisis or any special circumstance, the Company may not enter into any contract with anyone other than a Director, President and other senior management personnel to have all or significant part of the Company's business in the care of the said person, unless with the approval by special resolutions at a Shareholders' general meeting.

**Article 116** The Director or Supervisor candidates shall be voted on separately at a Shareholders' general meeting.

**Article 117** The votes on each matter under consideration shall be counted by at least a shareholder representative and a Supervisor, and the voting results shall be announced on the spot by the representative of the persons who have counted the votes.

**Article 118** The presider shall be responsible for determining whether a resolution is passed or not. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.

Before the voting result is formally announced, the relevant parties including the Company, counting officer, monitoring officer, substantial Shareholders and network service provider involved at the venue of the Shareholders' general meeting or otherwise shall have the confidentiality obligation.

**Article 119** If the presider has any doubt as to the result of a resolution which has been put to vote at the Shareholders' general meeting, he/she may have the ballots counted. If the presider has not counted the ballots, any Shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand that the ballots be counted and the presider shall have the ballots counted immediately.

**Article 120** If ballots are counted at a Shareholders' general meeting, the counting result shall be recorded in the meeting minutes.

The minutes together with the attendance register of attending Shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.

**Article 121** When a related party transaction is considered at a Shareholders' general meeting, related Shareholders shall not vote, and the number of shares they represent shall not be counted in the total number of valid voting shares; the announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-related Shareholders.

The avoidance and voting procedures for related Shareholders are that they shall voluntarily apply for avoidance or be subject to any request for avoidance made by other Shareholders. The Board shall investigate in whether the Shareholders are related Shareholders according to relevant stipulations, and shall decide whether the Shareholders shall avoid voting.

The related Shareholders shall not vote on the related party transaction involved but may consider such transaction and may make explanations and demonstrations to the Shareholders' general meeting as to whether such related party transaction is fair and lawful and the reason for such related party transaction.

To be valid, a resolution at a Shareholders' general meeting on a related party transaction shall be passed by votes exceeding half of the shares with voting rights held by non-related Shareholders attending the meeting; if the related party transaction involves the matters which shall be passed by special resolutions under Article 114 of these Articles of Association, relevant resolution at the Shareholders' general meeting shall be passed by votes exceeding two thirds of the shares with voting rights held by non-related Shareholders attending the meeting.

**Article 122** Directors, Supervisors, and senior management personnel shall make explanations or demonstrations in relation to the inquiries and suggestions made by Shareholders.

**Article 123** Shareholders' general meetings shall have meeting minutes, which shall record the following information:

(I) the number of attending holders of domestic shares (including proxies thereof) and holders of H Shares (including proxies thereof), the number of shares with voting rights they hold and the respective percentage of the said shares in the total shares of the Company;

(II) the date, venue, time and agenda of the meeting, and the name of the convener;

(III) the names of the presider, and the Directors, Supervisors, President and other senior management personnel attending or present at the meeting;

(IV) the consideration process of each proposal, summaries of the speeches and the voting result;

(V) the names of the lawyer, counting officer and monitoring officer;

(VI) details of the inquiries or suggestions of the Shareholders, and the corresponding response or explanations;

(VII) the procedures of convening and holding the extraordinary general meeting if the Board of Supervisors or Shareholders convene an extraordinary general meeting according to relevant provisions under these Articles of Association;

(VIII) whether relevant related Shareholders participate in the voting if a related party transaction is involved in the resolution or voting result; and relevant reasons for participation in the voting;

(IX) voting result of holders of domestic shares and holders of H Shares in relation to each resolution;

(X) other information that shall be recorded in the meeting minutes in accordance with opinions of the Shareholders' general meeting and provisions of these Articles of Association.

**Article 124** Directors and Supervisors attending the Shareholders' general meeting, secretary to the Board, the convener or his/her representative and the presider shall sign the minutes of the meeting. The minutes of the meeting, the attendance register of attending Shareholders and the power of attorney for attendance by proxy, and the valid information relating to the voting over network or by other means shall be kept by the secretary to the Board as archives of the Company on a permanent basis.

**Article 125** Shareholders may have access to copies of the minutes free of charge during the office hours of the Company. If any Shareholder makes a request to obtain a copy of the minutes of relevant meeting from the Company, the Company shall send a copy of the requested minutes within seven days upon receipt of a reasonable fee.

**Article 126** The Shareholders' general meeting shall adopt the lawyer-witness system. The Company shall engage a lawyer to attend the Shareholders' general meeting. The lawyer shall provide legal opinion and publish an announcement on the following issues:

(I) whether the convening and holding procedures of the Shareholders' general meeting comply with the laws and regulations and these Articles of Association;

(II) whether the qualifications of the attendees and the convener are lawful and valid;

(III) verification of the proposing Shareholder's qualifications;

(IV) whether the voting procedures and result of the Shareholders' general meeting are lawful and valid;

(V) other issues on which legal opinions are required by the Company.

The Company may also engage a notary to attend the Shareholders' general meeting.



## CHAPTER 5 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

**Article 127** Holders of different classes of shares are class Shareholders.

Class Shareholders shall enjoy rights and assume obligations according to the laws and regulations and these Articles of Association.

**Article 128** Any proposed change or cancellation by the Company of the rights of class Shareholders shall not come into effect unless approved by special resolutions at a Shareholders' general meeting and a separate Shareholders' general meeting convened by the class Shareholders so affected in accordance with Articles 130 to 134.

**Article 129** The rights of a certain class of Shareholders shall be deemed to be changed or nullified in the following circumstances:

(I) to increase or reduce the number of the shares of that class, or increase or reduce the number of the shares of another class which enjoy the same or more voting rights, distribution rights or other privileges as compared with shares of that class;

(II) to convert all or part of the shares of that class into another class, or convert all or part of the shares of another class into that class, or grant such conversion rights;

(III) to nullify or reduce the rights of that class of shares to receive accrued dividends or cumulative dividends;

(IV) to reduce or nullify the preferred rights of that class of shares to acquire dividends or obtain distribution of property during liquidation of the Company;

(V) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Company;

(VI) to nullify or reduce the rights of that class of shares to receive amounts payable by the Company in a particular currency;

(VII) to establish new class(es) of shares which enjoy(s) the same or more voting rights, distribution rights or other privileges as compared with that class of shares;

(VIII) to restrict the transfer or ownership of that class of shares, or increase the restrictions;

(IX) to grant the share subscription options or share conversion options of that or another class of shares;

(X) to increase the rights or privileges of other class(es) of shares;



(XI) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of Shareholders during the restructuring; and

(XII) to revise or nullify the provisions under these Articles of Association.

**Article 130** Where issues specified in (II) to (VIII) and (XI) to (XII) of the first paragraph under Article 129 of these Articles of Association are involved, the affected class Shareholders, whether or not they are entitled to vote at Shareholders' general meetings originally, shall have the right to vote at class meetings. However, the Shareholders with conflicts of interests shall have no voting rights at the meeting for such class of Shareholders.

Shareholder(s) with conflicts of interests specified in the preceding paragraph refers to:

(I) if the Company has made an offer to repurchase to all of its Shareholders in the same proportion in accordance with Article 32 of these Articles of Association or has repurchased its own shares through public trading on a stock exchange, "Shareholders with conflicts of interests" shall mean the Controlling Shareholders defined in Article 77 of these Articles of Association;

(II) if the Company has repurchased its own shares by way of agreement over the counter in accordance with Article 32 or these Articles of Association, "Shareholders with conflicts of interests" shall mean Shareholders who are connected with the said agreement; and

(III) under a restructuring scheme of the Company, "Shareholders with conflicts of interests" shall mean Shareholders who assume liability in a lower proportion than other Shareholders of the same class, or those who own different interests as compared with other Shareholders of the same class.

**Article 131** A resolution at a class meeting shall be adopted by above two-thirds of the voting shares represented by Shareholders of that class present at the meeting according to Article 130 of these Articles of Association.

**Article 132** When convening a class meeting, the Company shall send a written notice 45 days before the meeting to notify all the Shareholders in the share register of the issues to be considered at the meeting, and the date and venue of the meeting. Any Shareholder intending to attend the meeting shall deliver to the Company a written reply showing his/her intention to attend 20 days before the meeting.

Where the number of voting shares represented by Shareholders intending to attend the meeting amounts to more than half of the voting shares of such class at the meeting, the Company may convene the class meeting; if not, the Company shall, within 5 days, notify Shareholders again of the issues to be considered, date and venue of the meeting in the form of public announcements. The Company may then convene the class meeting after such announcements.

**Article 133** The notice of a class meeting only needs to be delivered to the Shareholders entitled to vote at that meeting.

The procedures for convening a class meeting shall be the same as the procedures for the Shareholders' general meeting to the extent practical, and the provisions in these Articles of Association relating to the procedure to convene a Shareholders' general meeting shall apply to class meeting.

**Article 134** Apart from other classes of Shareholders, the holders of domestic shares and holders of overseas listed foreign shares are deemed to be Shareholders of different classes.

The special voting procedures for class Shareholders shall not apply to the following circumstances:

(I) Upon the approval by way of a special resolution passed by a Shareholders' general meeting, the Company independently or simultaneously issues domestic shares and overseas listed foreign shares every twelve months, and the amount of each class of shares intended to be issued is not more than twenty percent of the outstanding shares of the respective class;

(II) The Company's plan on issuing domestic shares and overseas listed foreign shares at the time of establishment is completed within fifteen months from the date of approval by the securities regulatory authorities under the State Council;

(III) With the approval of relevant competent authorities such as banking regulatory authorities and securities regulatory authorities under the State Council, a Shareholder of the Company has listed and traded the unlisted shares held by him/her overseas.

## CHAPTER 6 PARTY ORGANIZATION

**Article 135** According to the Party Constitution, the Company has established the Communist Party Committee of the Bank of Guizhou Co., Ltd. (hereinafter referred to as the Party Committee of the Company) and the Disciplinary Inspection Committee of the Bank of Guizhou Co., Ltd. of the Communist Party of China (hereinafter referred to as the Disciplinary Inspection Committee of the Company). Branches of the Company have established Party organizations and equipped themselves with staff for Party affairs according to the Party Constitution.

The Party Committee of the Company consists of one secretary, one or two deputy secretaries and several other members. The secretary of the Party Committee of the Company and Chairman of the Board are generally held by the same person. Members of the Party Committee admitted to the Board and senior management shall fully express the opinions of the Party Committee, reflect the intention of the Party Committee and report relevant circumstances to the Party Committee in a timely manner.

Responsible for organizing and coordinating the Company's Party style and clean government construction and anti-corruption work, the Disciplinary Inspection Committee of the Company consists of one secretary, one or two deputy secretaries and several other members.

The secretary and other members of the Party Committee shall be appointed and dismissed as per relevant provisions.

The secretary and other members of the Disciplinary Inspection Committee shall be appointed and dismissed as per relevant provisions.

**Article 136** The Party Committee of the Company has set up such work departments as Office of the Party Committee, Organization Department of the Party Committee, Publicity Department of the Party Committee and Party-mass Work Department. The Disciplinary Inspection Committee has set up the work department of Discipline Inspection and Supervision Offices.

**Article 137** The Party Committee of the Company shall exercise the following functions and powers:

(I) to manage and govern the Party in a strict and all-round way, and carry out work in accordance with the Party Constitution and other intra-Party laws and regulations;

(II) to ensure the supervision on implementation of the guidelines and policies of the Party and the state in the Company and practically implement the relevant deployment and requirements of the provincial Party Committee and the provincial government on promoting the reform, development and stability of the state-owned enterprises;

(III) to support Shareholders' general meeting, the Board, the Board of Supervisors and senior management of the Company to perform their duties in accordance with the laws;

(IV) to study and deploy the construction of Party organization in enterprises and strengthen the self-construction of Party organization;

(V) to implement the principles of Party administrating cadres and Party administrating talents, and establish and improve a personnel selection and employment mechanism which meets the demand of modern enterprise system and requirements for market competition;

(VI) to implement the Party Central Committee's requirements for major issues concerning production and operation management of the Company, and discuss and review the Company's reform and development, production and operation, cadre personnel and distribution and other major issues concerning immediate interests of the employees;

(VII) to strengthen the supervision on the Company's leaders, coordinate internal supervision sources, earnestly perform its supervision functions and establish comprehensive mechanisms to supervise the exercise of power;

(VIII) to wholeheartedly rely on the worker masses to lead the Company's ideological and political work and masses organizations including the labor union and the Communist Youth League, and support the employee representative meeting in carrying out relevant work;

(IX) to review other matters which shall be determined by the Party Committee of the Company.

**Article 138** The Party Committee of the Company shall discuss and review the following matters:

(I) the Party's lines, guidelines and policies, national laws and regulations and major measures for important decisions of superiors implemented by the Company;

(II) major issues concerning the Company's reform and development, including the development strategy and medium and long-term development plan of the Company, corporate restructuring, asset reorganization, transfer of property rights, capital operation and plan for large-sum investment, formulation and revision of major reform plan and management system, merger, division, change and dissolution of the Company, annual plan for organization construction, etc.;

(III) major issues concerning the Company's production and operation, including the guidelines and annual plans for production and operation, annual financial budgets and final accounts, large external donation and sponsorship, purchase of bulk materials and services, and important measures in respect of safety production and maintenance of stability;

(IV) major issues concerning the Company's cadre personnel and distribution, including selection and employment of middle and senior management, education and training, evaluation, awards and punishments, appointment of professional and technical posts and determination of the Company's standby leaders, setup, adjustment and staffing of internal organizations, adjustment to salary system and bonus distribution scheme;

(V) major issues concerning immediate interests of the employees, including income distribution plan, labor protection, welfare and health and other major issues concerning immediate interests of the employees;

(VI) other major issues which shall be discussed or reviewed by the Party Committee.

## **CHAPTER 7 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 139** Directors of the Company shall be natural persons, and shall be elected by the Shareholders' general meeting. The position of a Director may be taken by a Shareholder or a person who is not a Shareholder. Directors are not required to hold the shares of the Company.

**Article 140** The method and procedure for nominating Directors are:

(I) during the general election of the Board, the Nomination Committee of the Board may nominate candidates for Directors according to the number of Directors to be elected in the quorum of Directors specified in these Articles of Association; Shareholders individually or jointly holding above three percent of the Company's total shares with voting rights may also nominate candidates for Directors to the Board; however, a Shareholder and his/her related party shall not nominate candidates for Directors and Supervisors at the same time; where a candidate for Director nominated by a Shareholder or his/her related party is approved to sit on the Board, the Shareholder shall not nominate any candidate for Supervisor until the term of office of the Director expires or the Director is replaced; and the number of candidates for Directors nominated by a Shareholder and his/her related party shall not exceed one third of the number of members of the Board;

(II) The Nomination Committee of the Board shall conduct preliminary verification on the qualifications and eligibility of the candidates for Directors, and the names of qualified candidates shall be submitted to the Board for deliberation. After deliberation and approval by the Board, written proposals regarding the candidates for Directors shall be submitted to the Shareholders' general meeting;

(III) Before the Shareholders' general meeting is convened, the candidates for Directors shall provide written undertakings that they accept the nomination, that the publicly disclosed information is truthful and complete and that they shall conscientiously perform their obligations as Directors upon election;

(IV) The Board shall disclose, in accordance with the laws and regulations and these Articles of Association, detailed information of the candidates for Directors to Shareholders before the Shareholders' general meeting is convened, so that Shareholders will have sufficient understanding of the candidates before voting;

(V) each candidate for Directors shall be voted for on a separate basis at the Shareholders' general meeting;

(VI) if it is necessary to fill a vacant position for a Director, the Nomination Committee of the Board or Shareholders eligible to make nominations shall submit proposals to the Board for deliberation, and the position shall be elected or replaced at the Shareholders' general meeting.

**Article 141** Directors shall be elected or replaced by the Shareholders' general meeting. The term of office of a Director shall be three years, and a Director may be re-elected and re-appointed upon expiry of his/her term of office.

A written notice on nominating a person as a Director candidate and a notice in writing by that person indicating his/her acceptance of such nomination shall be given to the Company seven days before the date of the Shareholders' general meeting.

A Shareholders' general meeting may dismiss a Director within his/her term of office by an ordinary resolution provided that the relevant laws and regulations are observed (however, the claim for compensation under any contract shall not be affected). After the Company's Directors are elected at a Shareholders' general meeting, their qualifications shall be subject to examination by the banking regulatory authorities.

The term of office of a Director shall be calculated from the date upon which the relevant resolution is passed at the Shareholders' general meeting to the expiry of the current Board. If the term of office of a Director expires but re-election is not made responsively, the said Director shall continue fulfilling the duties as Director pursuant to relevant laws and regulations and these Articles of Association until a new Director is elected.

**Article 142** Directors shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure:

(I) the business operations of the Company comply with state laws and regulations and state economic policies, not beyond the business scope specified in the business license of the Company;

(II) they will treat all Shareholders impartially;

(III) they will carefully read the relevant business and financial accounting reports of the Company and keep informed of the business operation and management of the Company;

(IV) they will exercise personally the discretion legally vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or with the informed consent or approval of Shareholders given at a Shareholders' general meeting, not to transfer the exercise of their discretion to others; and

(V) they will accept the lawful supervision and rational suggestions of the Board of Supervisors on their performance of duties.

**Article 143** Save as specified in these Articles of Association or properly authorized by the Board, no Director shall act on behalf of the Company or the Board in his/her own name. If a Director acts in his/her own name but a third party may reasonably think the said Director is acting on behalf of the Company or the Board, the said Director shall make a prior statement of his/her standpoint and capacity.

**Article 144** If any Director himself/herself or any other enterprise in which he/she holds a position has any direct or indirect related party relationships in any contract, transaction or arrangement (exclusive of engagement contract) already concluded or under planning with the Company, he/she shall responsively disclose the nature and extent of the said related party relationships to the Board regardless whether the relevant matters are subject to approval by the Board in normal circumstances.

**Article 145** If, before the Company considers entering into relevant contracts, transactions or arrangements for the first time, any interested Director of the Company provided a written notice to the Board of Directors stating that he/she has a conflict of interests in the contracts, transactions or arrangements which would be entered into by the Company in the future for the reasons set out in the notice, he/she will be deemed to have made the disclosure as required in the preceding article of this chapter to the extent as set out in the notice.

**Article 146** Directors shall invest sufficient time in performing their duties. Directors shall attend in person at least two thirds of Board meetings once a year. If any Director fails to attend Board meetings, either in person or by authorizing another Director to act on his/her behalf, for two consecutive times, the said Director shall be deemed as failing to perform his/her duties, and the Board shall propose at the Shareholders' general meeting to replace the said Director.

Any Director who fails to attend the Board meetings, either in person or by authorizing another Director to act on his/her behalf, shall bear corresponding legal liabilities for the Board resolutions.

Directors in charge of the Audit Committee, Related Party Transactions Control Committee and Risk Management Committee shall work at least 25 workdays per year in the Company.

**Article 147** A Director may resign prior to the expiry of his/her term of office. A Director shall submit a written resignation to the Board in resigning his/her duties. The Board will disclose relevant information within two days.

If the number of Directors of the Company's Board falls below the quorum specified by laws or these Articles of Association as a result of the resignation of any Director, such Director's resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding Director.

Save as provided in the preceding paragraph, a Director's resignation shall take effect upon the delivery of the written resignation to the Board.

**Article 148** The Board shall convene an extraordinary general meeting as soon as possible to elect a Director to fill the vacancy caused by the Director's resignation.

Any person appointed as Director by the Board to fill a temporary vacancy or add the quota of the Board shall serve until the next annual general meeting of the Company, at which time the said person is eligible for re-election.

**Article 149** When a Director submits his/her resignation or his/her term of office expires, his/her obligations towards the Company and the Shareholders do not necessarily cease within six months after the effect of his/her resignation or termination of his/her term of office. The confidential obligations in respect of any trade secrets of the Company shall survive after termination of his/her term of office until such secrets become known to the public. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Director and the Company was terminated.

**Article 150** Any Director who has left his/her office without authorization before his/her term of office expires and thereby caused the Company to incur a loss shall be liable for compensation to the Company.



**Article 151** Directors shall not concurrently work in other financial institutions that may have conflict of interests with the Company, and the Company shall not pay taxes in any form for its Directors.

**Article 152** The provisions on Directors' obligations in this section shall apply to the Supervisors, President and other senior management personnel of the Company.

## **Section 2 Independent Directors**

**Article 153** The Company may set several independent Directors based on needs. At least one third of the membership of the Board of the Company shall be independent Directors.

Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments.

**Article 154** Independent Directors shall fulfill the obligations of honesty and diligence to the Company and all the Shareholders thereof.

**Article 155** An independent Director shall satisfy the following basic conditions:

(I) having the qualifications as an independent Director of the Company in accordance with the laws and regulations and other relevant provisions;

(II) having above five years' experience in law, economics, finance, accounting or other work experience in favour of performing the duties of an independent Director;

(III) having basic knowledge of the operation of a commercial bank and being familiar with relevant laws and regulations;

(IV) ensuring that he/she has sufficient time and energy to effectively fulfill duties as independent Director; and

(V) being able to use financial statements and statistical statements of financial institutions to make judgment on the operation and management and risk situation of the financial institutions.

**Article 156** The following persons shall not serve as independent Director:

(I) a person who holds a position in, or who in the recent three years has worked for, the Company (including branches) or any enterprise under the control or de facto control of the Company;

(II) a Shareholder who holds more than 1% of shares of the Company or a person who holds a position in the Shareholder entity;

(III) a person who holds a position in an enterprise which fails to repay loans to the Company in due time;

(IV) a person who holds a position in any institution which has business relations or other related interests with the Company in legal, accounting, auditing and management consulting areas;

(V) any other person who may be controlled or by various means materially influenced by the Company;

(VI) the husbands/wives, parents, children, grandparents, maternal grandparents, brothers and sisters of the aforesaid persons.

**Article 157** Independent Director shall have committed a serious dereliction of duty in any of the following circumstances:

(I) divulgence of the trade secrets of the Company and impairment of the legitimate interests of the Company;

(II) acceptance of illicit benefits in the performance of their duties, or the seeking of private benefits by taking advantage of the capacity of an independent Director;

(III) failure to raise an opposing opinion despite being fully aware that a resolution of the Board may cause material losses to the Company;

(IV) failure to exercise the veto power in respect of the Company's related party transactions which have caused material losses to the Company;

(V) other serious dereliction as prescribed by the banking regulatory authorities.

**Article 158** Independent Directors shall be nominated, elected and replaced in accordance with laws and regulations, these Articles of Association and the following provisions:

(I) The Nomination Committee under the Board and Shareholders individually or jointly holding more than 1% of the Company's total shares with voting rights may nominate candidates for independent Directors to the Board; a Shareholder who has nominated a Director candidate shall no longer nominate an independent Director candidate; a Shareholder shall only nominate one independent Director candidate or one external Supervisor candidate but shall not do both at the same time;

(II) The nominator of an independent Director candidate shall seek the consent of the nominee before nomination, shall collect adequate information about the nominee's occupation, academic qualification, title, detailed work experience, all concurrent undertakings, etc., and shall provide opinions on the qualification and independence of such nominee as an independent Director. The nominee shall make an open announcement as to the absence of any relationship between the Company and him/her which may possibly affect his/her independent and objective judgment;

(III) The nominated independent Director candidate shall be subject to the qualification examination by the Nomination Committee under the Board, with the examination mainly covering independence, professional knowledge, experience and capability; the qualification of independent Directors shall be approved by the banking regulatory authorities. If the Board has any dispute as to the particulars pertaining to the nominee, the written opinions of the Board shall also be submitted at the same time;

(IV) The term of office of independent Directors is three years and the same as that of other Directors of the Company. An independent Director is eligible for re-election when his/her term of office expires but shall serve a cumulative term of at most six years. An independent Director shall not hold positions in more than two commercial banks at the same time;

(V) The election and engagement of independent Directors shall mainly comply with the market principle.

**Article 159** Independent Directors shall perform duties independently without being influenced by the Company's Shareholders or other units or persons having interest relations with the Company.

Independent Directors shall attend Board meetings on time to learn about the Company's management and operations, and shall actively investigate and acquire information and data necessary for them to make decisions. The Board shall submit the yearly report concerning all the independent Directors at the annual general meeting of the Company and make a statement on their fulfillment of duties.

**Article 160** An independent Director may authorize in writing another independent Director to attend the Board meeting on his/her behalf. But, he/she shall attend at least two thirds of the Board meetings in person every year.

**Article 161** Independent Directors shall work at least 15 workdays in the Company every year.

The Board of Supervisors shall propose to the Shareholders' general meeting to remove an independent Director if he/she:

(I) is disqualified as independent Director due to position changes and does not voluntarily submit resignation;

(II) attends less than two thirds of the Board meetings in person in a year;

(III) fails to exercise due diligence, or acts against laws and regulations or in violation of fiduciary duty during his/her term of office;

(IV) commits serious dereliction of duty as described in Article 157 of these Articles of Association;

(V) is involved in other circumstances in which he/she is no longer fit for the position as independent Director according to relevant laws and regulations.

A proposal made by the Board of Supervisors for dismissal of an independent Director shall be approved by more than two thirds of all the Supervisors by voting before it is submitted to the Shareholders' general meeting for consideration. Before the Board of Supervisors makes a proposal on the dismissal of an independent Director, the affected independent Director may give a statement or explanation to the Board of Supervisors.

Where the Board of Supervisors makes a proposal for dismissal of an independent Director to the Shareholders' general meeting, it shall report to the banking regulatory authorities one month before convening of the Shareholders' general meeting and gives a written notice to the independent Director to be dismissed. The independent Director to be dismissed shall be entitled to state his/her opinions orally or in writing before voting and submit the opinions to the banking regulatory authorities five days before convening of the Shareholders' general meeting. The Shareholders' general meeting shall vote after deliberating the opinions of the independent Director according to law.

**Article 162** An independent Director may resign before his/her term of office expires. In resigning his/her duties, an independent Director shall tender a written resignation to the Board and shall explain any matter which is related to his/her resignation or which he/she considers necessary to bring to the attention of the Company's Shareholders and creditors.

If the number of independent Directors of the Board falls below one third of the total Directors of the Company as a result of the resignation of an independent Director, his/her resignation shall not become effective until the vacancy is filled up by a succeeding independent Director.

**Article 163** Apart from the basic functions and powers conferred to Directors in the Company Law, these Articles of Association and other relevant laws and regulations, independent Directors also have the following special functions and powers:

(I) to propose to the Board for appointment or dismissal of accounting firm;

(II) to request the Board to convene an extraordinary general meeting;

(III) to propose to convene a Board meeting;

(IV) to propose to the Board to engage the external auditing organ and advisory organ to audit and advise on specific matters of the Company.

Independent Directors shall seek the consent of more than half of all the independent Directors before exercising the above functions and powers. Where the aforementioned proposals fail to be accepted or such functions and powers cannot be exercised normally, the Company shall disclose the relevant details.

**Article 164** Independent Directors shall provide independent opinions to the Board or the Shareholders' general meeting in respect of the following significant matters of the Company:

(I) nomination, appointment and dismissal of Directors of the Company;

(II) appointment or dismissal of senior management personnel of the Company;

(III) remunerations of Directors and senior management personnel of the Company;

(IV) material related party transactions;

(V) profit distribution plans;

(VI) matters which independent Directors deem likely to damage the rights and interests of depositors or minority Shareholders;

(VII) matters which may cause material losses to the Company;

(VIII) other matters stipulated in laws and regulations.

**Article 165** If the aforesaid relevant matters need to be disclosed, the Company shall disclose the opinions of the independent Directors in the relevant announcement. If the independent Directors are of divergent views and cannot reach a consensus, the Board shall disclose the opinions of each of the independent Directors separately.

If, in the course of performing duties, an independent Director finds that the Board, Directors, President, other senior management personnel or the institutions and employees of the Company has/have violated laws and regulations as well as these Articles of Association, he/she shall require immediate corrections and shall report to the banking regulatory authorities.

**Article 166** To ensure that the independent Directors can perform their duties effectively, the Company shall provide the following necessary conditions for them to carry out their work:

(I) The Company shall ensure that independent Directors enjoy the same right to know as other Directors. For any matters that should be decided on by the Board, the Company shall notify the independent Directors prior to the specified time and provide sufficient information. If the independent Directors consider the provided information insufficient, they may require supplementary information. Where two or more independent Directors are of the opinion that the information provided is insufficient or unclear, they may make a joint written proposal to the Board to postpone the holding of the Board meeting or postpone consideration of the matters, and the Board shall adopt such proposal;

(II) The Company shall establish a working system for independent Directors. The Company shall provide the conditions necessary for the independent Directors to perform their duties. The secretary to the Board shall actively assist the independent Directors in performing their duties, promptly brief independent Directors on relevant situation and provide relevant materials and information, regularly report the Company's operations, and may organize field investigation for independent Directors where necessary. For any independent opinions, proposals and written statements of independent Directors required to be announced, the secretary to the Board shall make relevant announcements at the stock exchange in a timely manner;

(III) When the independent Directors are exercising their functions and powers, relevant personnel of the Company shall actively cooperate with them and shall not refuse their reasonable requests, hinder them from performing relevant duties, conceal relevant information, or interfere with the independent exercise of their functions and powers;

(IV) The reasonable expenses required for performance of duties by independent Directors shall be borne by the Company;

(V) The Company shall provide appropriate allowances to independent Directors. The standard of allowances shall be formulated by the Board, considered and approved by the Shareholders' general meeting, and disclosed in the annual report of the Company;

Other than the aforesaid allowances, independent Directors shall not obtain any other additional interests which are not disclosed from the Company and its substantial Shareholders or other interested institutions and persons;

(VI) The Company may establish a necessary liability insurance system for independent Directors to reduce risks which may be incurred during normal performance of duties by independent Directors.

The information provided by the Company to independent Directors shall be kept by the Company and the independent Directors themselves for at least five years.

**Article 167** Apart from special provisions on independent Directors in this section, provisions of these Articles of Association concerning Directors shall apply to independent Directors.

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

**Article 168** The Company shall have a Board of Directors, which is the executive body of the Shareholders' general meeting and is accountable to the Shareholders' general meeting. The Board shall accept supervision from the Board of Supervisors.

**Article 169** The Board shall comprise 5 to 19 Directors, including one Chairman.

**Article 170** The Board shall exercise the following functions and powers:

(I) convening Shareholders' general meetings and reporting its performance at the Shareholders' general meetings;

(II) implementing resolutions of the Shareholders' general meetings;

(III) determining the Company's business development strategies, business plans and investment plans;

(IV) formulating annual financial budget plans, final account plans, profit distribution plans and loss recovery plans of the Company;

(V) assessing and evaluating the performance of the Directors' duties and reporting to the Shareholders' general meeting;

(VI) formulating proposals for the Company's increase in or reduction of registered capital and issuance of corporate bonds or other securities and the listing;

(VII) formulating proposals for the Company's major asset transfer and alienation, repurchase of the Company's shares or merger, division and dissolution;

(VIII) determining the setting, merger and revocation of branches and internal management bodies of the Company;

(IX) determining material external guarantees;

(X) considering and approving any related party transaction involving single transaction amount accounting for more than 1% (exclusive) but less than 10% of the net capital of the Company or the transaction balance between the Company and a related party accounting for more than 5% (exclusive) of the net capital of the Company after their transaction;

(XI) appointing or dismissing the President and the secretary to the Board; appointing or dismissing vice presidents and other senior management personnel based on the nominations of the President and determining their remunerations, awards or punishments and the method of payment thereof;

(XII) determining the Company's risk management and internal control policies and formulating the Company's basic management system;

(XIII) formulating modifications to these Articles of Association;



(XIV) managing the information disclosures of the Company, and being ultimately responsible for the completeness and accuracy of the Company's accounting and financial reporting system;

(XV) proposing at a Shareholders' general meeting the engagement, dismissal or discontinuance of the engagement of an accounting firm providing audit for the Company;

(XVI) considering and determining working rules of the President, listening to his/her work reports and examining his/her work;

(XVII) other functions and powers stipulated by laws and regulations and these Articles of Association and authorized by the Shareholders' general meetings.

The Board may resolve on the matters specified in the preceding paragraphs by approval of more than half of the Directors save for (VI), (VII) and (XIII) and other matters specified in these Articles of Association, for which approval of more than two thirds of the Directors is required.

**Article 171** The procedures for considering and approving any transactions between the Company and a related party involving single transaction amount accounting for less than 1% of the net capital of the Company and resulting in the transaction balance between the Company and the said related party after the transaction accounting for less than 5% of the net capital of the Company shall be specified separately by the Board in accordance with relevant policies of the banking regulatory authorities.

**Article 172** The Board shall make explanations to the Shareholders' general meeting in relation to the qualified audit reports produced by certified public accountants on the financial reports of the Company.

**Article 173** The Board shall establish the terms of reference of the Board to ensure the work efficiency and scientific decision making of the Board.

**Article 174** Where the Company deems necessary, the Board may authorize the Chairman to exercise part of the functions and powers of the Board during the inter-sessional period of the Board.

**Article 175** The Company shall establish strict examination and decision making procedures; and organize relevant experts and professionals to make assessments on material investments and property disposal, and report to the Shareholders' general meeting for approval.

**Article 176** The Board shall not dispose of or agree to dispose of any fixed assets without approval by the Shareholders' general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the Shareholders' general meeting.

Disposals of the fixed assets mentioned herein include transfer of some asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the first paragraph of this article.

**Article 177** The Board shall establish an information reporting system, requiring the senior management to regularly report to the Board and Directors on the Company's business operations. The information reporting system shall include at least the following details:

(I) the information to be reported to the Board and Directors and minimum reporting standards thereof;

(II) information reporting frequency;

(III) information reporting method;

(IV) responsible subject for information reporting and liability for untimely and incomplete report;

(V) information confidentiality requirements.

**Article 178** The Board shall regularly assess the Company's operation condition, including financial and non-financial indicators. The Board shall conduct audit on the Company's financial condition on a regular basis, continuously pay attention to the soundness and effectiveness of the Company's accounting and financial management system, promptly discover factors that may lead to inaccurate financial reports, and propose correction opinions to the senior management.

**Article 179** The Chairman of the Board shall be elected and dismissed by a majority of all the Directors and is eligible for re-election, and shall accept audit by the audit department when leaving his/her office. The qualifications of the Chairman of the Board shall be reported to the banking regulatory authorities for review.

**Article 180** The Chairman shall exercise the following functions and powers:

(I) to preside over Shareholders' general meetings and to convene and preside over Board meetings;

(II) to supervise and inspect the implementation of resolutions passed by the Board;

(III) to sign the share certificates, bonds and other marketable securities issued by the Company;

(IV) to nominate to the Board candidates for the President and secretary to the Board;

(V) to sign important documents of the Board;

(VI) to exercise the functions and powers of legal representative;

(VII) In the event of occurrence of any severe natural disaster or any other force majeure event, to exercise his/her special power of disposal in respect of the Company's affairs in compliance with laws and regulations and in the interests of the Company, and to promptly report to the Board and the Shareholders' general meeting after the event;

(VIII) to propose a Shareholders' general meeting in special circumstances;

(IX) other functions and powers conferred by the Board.

When the Chairman is unable to perform his/her duties, a Director nominated by more than half of the Directors shall act on his/her behalf.

**Article 181** The regular Board meeting shall be convened by the Chairman at least once a quarter, and the meeting notice and documents shall be served to all the Directors in writing at least ten days before the date of meeting. The Board shall send a prior notice to the Board of Supervisors for appointing persons to attend the meeting.

**Article 182** The Chairman shall convene an interim Board meeting within five workdays after receipt of the proposal in any of the following circumstances:

(I) it is deemed necessary by the Chairman of the Board;

(II) it is proposed by more than one third of the Directors jointly;

(III) it is proposed by more than half of the independent Directors;

(IV) it is proposed by the Board of Supervisors;

(V) it is proposed by Shareholders representing more than 10% of the voting rights of the Company;

(VI) it is proposed by the President;

(VII) it is required by the regulatory authorities;

(VIII) other circumstances stipulated by laws and regulations and these Articles of Association.

**Article 183** The notice of the Board to convene an interim Board meeting may be sent to the other parties in written form, as by registered mail, telegram, telex and fax with acknowledgement of receipt, within five days before the date of meeting.

Where an interim Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

If the Chairman is unable to perform his/her duties in the circumstances specified in (II), (III), (IV), (V) and (VI) of Article 182 hereof, a Director nominated by more than half of the Directors shall act on his/her behalf.

**Article 184** The notice of Board meeting shall specify:

- (I) date and venue of the meeting;
- (II) reasons and topics for discussion;
- (III) date on which the notice is sent.

**Article 185** A Board meeting shall be attended by more than half of the Directors. Matters to be resolved shall be voted by the Board in the form of meeting as per “one person, one vote” system. Resolutions made by the Board shall be approved by more than half of all the Directors.

No Director shall vote on the Board resolution regarding the contract, arrangement or any other suggestion where the Director or any of his/her close associates (as defined under the Hong Kong Listing Rules) has material interest or exercise the voting right on behalf of other Director; when determining whether a quorum for the meeting is attained, such Director shall not be counted as part of the quorum; The Board meeting may be held when more than half of the non-related Directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half of the non-related Directors. Any resolutions required to be passed by more than two thirds of the Directors shall not be passed by more than two thirds of non-related Directors. If the number of non-related (connected) Directors without material interests attending the Board meeting is less than three, the matter shall be submitted to the Shareholders’ general meeting for consideration, save as otherwise specified in laws and regulations, relevant provisions of the securities regulatory authorities at the place where the Bank’s shares are listed (including but not limited to special provisions of these Articles of Association as approved by the Hong Kong Stock Exchange).

**Article 186** Board meetings and interim Board meetings may be convened by means of communications, with the resolutions to be signed by the Directors, provided that the attending Directors fully express their opinions. Voting by means of communications shall not be adopted on significant matters, including profit distribution plans, significant investments, plans for disposal of material assets, appointment or dismissal of senior management personnel, capital replenishment plans, material equity change and financial reorganization, which shall be approved by more than two thirds of all the Directors.

The following conditions shall be met if voting is conducted by means of communications:

- (I) A notice about matters subject to voting by communication shall be served to all Directors at least three days before the voting and relevant background information of meeting topics and relevant data helpful for the Directors to make decisions shall be provided;
- (II) Voting by communication shall be conducted based on the principle of one vote for one matter and the Directors shall not be required to cast only one vote on several matters;
- (III) Voting by communication shall be indeed necessary and the proposal for voting by communication shall specify the reasons for voting by communication and its compliance with these Articles of Association.

An effective time limit shall be specified for voting by communication. Any Director who does not cast a vote within the specified effective time limit shall be deemed as absent from the meeting.

**Article 187** If the Board of Directors removes the President from his/her office during his/her term of office, it shall inform the Board of Supervisors in time and make a written explanation to the Board of Supervisors.

The Board may appoint or remove vice presidents and other senior management personnel based on the recommendations of the President, and any person not recommended by the President shall not be directly appointed or removed as vice presidents and other senior management personnel.

**Article 188** The Board of Directors shall accept supervision of the Board of Supervisors and shall not obstruct or hinder the inspection, supervision and auditing activities conducted by the Board of Supervisors within the scope of its duties and powers.

**Article 189** Directors shall attend Board meetings in person. If any Director cannot attend the meeting for any reason, he/she may authorize in writing another Director to act on his/her behalf.

The power of attorney shall specify the name of the proxy, the matters to be handled in proxy, range authorized and validity period, and shall bear the signature or seal of the principal.

The Director attending the meeting on behalf of another Director shall exercise rights within the range authorized. If a Director fails to attend a Board meeting and does not appoint a proxy to act on his/her behalf, the said Director shall be deemed as having waived his/her right to vote at the meeting.

**Article 190** Voting at Board meetings may be conducted by a show of hands or by open ballot.

**Article 191** The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending Directors and the minutes recorder. Any attending Director shall have the right to request an explanatory note be made in the minutes regarding his/her speech at the meeting. The minutes of Board meetings shall be kept by the secretary to the Board as archives of the Company on a permanent basis.

**Article 192** The minutes of a Board meeting shall specify:

- (I) the date, venue and name of the convener of the meeting;
- (II) the names of the attending Directors and the Directors (Proxies) attending the meeting on behalf of others; the names and capacities of persons present at the meeting;
- (III) the agenda of the meeting;
- (IV) summaries of the speeches of Directors; and

(V) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions).

**Article 193** The Directors shall be responsible for the resolutions of the Board. If any resolution of the Board runs counter to the laws and regulations, these Articles of Association or resolution of the Shareholders' general meeting, thereby incurring any loss to the Company, the Directors adopting the said resolution shall be liable for compensating the Company. However, if a Director has been proved as having expressed dissenting opinions on the resolution during the voting and such opinions are recorded in the meeting minutes, he/she may be exempt from liability.

**Article 194** The Board may, as specified by the banking regulatory authorities, establish separate or combined special committees, such as Strategic Development Committee, Audit Committee, Related Party Transactions Control Committee, Risk Management Committee, Remuneration Committee and Nomination Committee and may also set up other special committees where necessary. The respective committees shall be headed by Directors and shall each have at least three members. The Audit Committee, Related Party Transactions Control Committee and Nomination Committee shall be headed by independent Directors. Any Director nominated by the controlling Shareholders shall not act as member of the Audit Committee, Related Party Transactions Control Committee and Nomination Committee.

The terms of reference and work duties of the aforesaid special committees shall be formulated by the Board. The respective committees shall formulate annual work plans and hold meetings regularly.

**Article 195** Upon being approved by the Board, the special committees may appoint intermediaries to provide professional advice or engage professionals to carry out relevant work, with relevant reasonable fees to be borne by the Company. The special committees shall be accountable to the Board, and proposals of the committees shall be submitted to the Board for examination and decision.

**Article 196** The Board shall submit its due diligence report to the banking regulatory authorities within four months after the end of each fiscal year. The report shall contain: the number of Board meetings, evaluation on Directors' performance of their duties, materials and resolutions of Board meetings signed by Directors.

**Article 197** The Company shall have a Board office as the Board's daily working organ. The secretary to the Board may concurrently serve as director of the Board office. The Board office shall be responsible for preparation and information disclosure of the Shareholders' general meetings, Board meetings and meetings of special committees under the Board, as well as other routine affairs of the Board and special committees thereunder.

#### **Section 4 Secretary to the Board**

**Article 198** There shall be a secretary to the Board of the Company, who shall be a senior management personnel of the Company and be accountable to the Board. The secretary to the Board shall serve a term of three years and may seek re-election upon expiry of the said term. The Board may dismiss the secretary to the Board for dereliction of duty or incompetence.



**Article 199** The secretary to the Board of the Company shall be a natural person who has the requisite professional knowledge and experience, have upright character and work ethics, strictly comply with relevant laws and regulations and these Articles of Association, and be able to honestly perform his/her duties and effectively deal with public affairs and coordinating matters.

**Article 200** The main duties and responsibilities of the secretary to the Board shall include:

(I) ensuring that the Company prepares and submits the reports and documents required by the competent authority in accordance with relevant laws;

(II) ensuring that complete organizational documents are available for the Company, arranging for the Board meetings and Shareholders' general meetings, making minutes of the meetings and ensuring their completeness and accuracy, keeping meeting documents and minutes, and taking initiative to monitor the progress of the implementation of relevant resolutions; reporting any important issues occurring during the implementation to the Board and giving relevant advice to the Board;

(III) preparing documents for Board meetings and Shareholders' general meetings as well as relevant rules;

(IV) ensuring the material matters decided by the Board of the Company to be carried out in strict accordance with the procedures stipulated; at request of the Board, participating in the arrangement of consultation on and analysis of the matters to be decided by the Board and offering relevant opinions and suggestions; handling the day-to-day affairs of the Board and its relevant committees as entrusted;

(V) coordinating and organizing the Company's information disclosure, establishing and improving the information disclosure system, participating in all of the Company's meetings involving information disclosure, and keeping informed of the Company's material operation decisions and related information in a timely manner;

(VI) coordinating and organizing marketing activities, handling the investor relations and ensuring investors to obtain the information disclosed by the Company in a timely manner. Organizing and preparation of the Company's marketing and promotion activities, preparing conclusive reports on important marketing and visits, and organizing matters about the submission of the reports to the regulatory authorities;

(VII) ensuring that the share register of the Company is properly established and being responsible for maintaining the share register, the seal of the Board and relevant materials;

(VIII) ensuring that relevant records and documents of the Company are duly obtained by persons who are entitled to receive them;

(IX) exercising other functions and powers as conferred by the Board.

**Article 201** A Director or other senior management personnel may serve concurrently as secretary to the Board, but a Supervisor of the Company shall not serve concurrently as secretary to the Board of the Company. Any certified public accountant of the accounting firm or any practicing lawyer of the law firm engaged by the Company shall not serve concurrently as secretary to the Board.

**Article 202** The secretary to the Board shall be nominated by the Chairman of the Board and appointed or dismissed by the Board. The candidates for secretary to the Board shall be subject to qualification examination and approval by the banking regulatory authorities. In the event a Director serves concurrently as secretary to the Board, where any act requires to be executed by the Director and the secretary to the Board separately, the said Director serving concurrently as secretary to the Board shall not execute the said act in both capacities.

## **CHAPTER 8 SENIOR MANAGEMENT**

**Article 203** The Company shall have one President, who shall be nominated by the Chairman and shall be appointed or dismissed by the Board. A Director may serve concurrently as President, vice president or other senior management personnel, but the Directors serving concurrently as such shall be not less than one fourth but not more than one third of the total number of Directors.

The Company shall have several vice presidents, who shall be nominated by the President and appointed or dismissed by the Board.

The candidates for President and vice presidents shall be subject to qualification examination and approval by the banking regulatory authorities.

**Article 204** Any person who is banned from the market by the banking regulatory authorities or has not been relieved of the ban shall not serve as President or vice president.

**Article 205** The President and vice presidents shall serve a term of three years, and may seek re-election upon expiry of the said term. The President and vice presidents shall be subject to off-office auditing when leaving their posts.

**Article 206** The President shall be accountable to the Board, shall have the right to organize and carry out the Company's operation and management in accordance with laws and regulations, these Articles of Association and the authorization of the Board, and shall perform the following functions and powers:

(I) to take charge of the business operation and management of the Company, to organize the implementation of the resolutions of the Board and to report to the Board;

(II) to organize the implementation of the annual business plans and investment plans of the Company;

(III) to prepare plans for the establishment of internal management structure of the Company;

(IV) to draft the Company's basic management system;

(V) to appoint or dismiss persons in charge of the functional departments and branches other than those to be engaged or dismissed by the Board;

(VI) to propose the Board to appoint or dismiss the vice presidents and other senior management personnel;

(VII) to authorize other senior management personnel and persons in charge of internal functional departments and branches to conduct operation activities;

(VIII) to determine the salary, welfare, reward and punishment schemes of the Company's employees and implement them upon the approval of the Board of Directors;

(IX) to decide on the appointment and dismissal of employees of the Company;

(X) to adopt emergency measures when any material emergency (such as a run on the Company) arises and promptly report to the banking regulatory authorities, the Board and the Board of Supervisors;

(XI) to propose the convening of interim Board meeting in special circumstances;

(XII) to formulate the basic regulations of the Company;

(XIII) to exercise other functions and powers authorized by these Articles of Association or the Board.

**Article 207** Vice presidents shall assist the President in his/her work. If the President is unable to perform his/her functions and powers, such functions and powers shall be performed by the vice presidents on his/her behalf in order.

**Article 208** The President shall attend the Board meetings. A non-Director President and vice presidents may attend Board meetings but shall have no voting rights thereat.

**Article 209** The President shall, as required by the Board or the Board of Supervisors, report to the Board or the Board of Supervisors on the conclusion and performance of important contracts, the use of funds, and profits and losses of the Company. The President shall undertake that such report is true to the fact.

**Article 210** In exercising functions and powers, the President shall observe laws and regulations as well as these Articles of Association and fulfill the obligation of honesty and diligence. If the President, any vice president or any other senior management personnel violates laws and regulations as well as these Articles of Association, or conducts jobbery or serious dereliction of duty, thereby causing any economic loss to the Company, he/she shall bear economic and legal liabilities.

**Article 211** The President shall formulate relevant working rules, which shall come into effect upon the approval of the Board.

The working rules of the President shall specify:

(I) the conditions and procedure for holding President's meetings, and attendants;

(II) duties and division of labor of the President, vice presidents and other senior management personnel;

(III) use of funds and property of the Company, right to conclude important contracts, and the system to report to the Board and the Board of Supervisors;

(IV) other matters deemed necessary by the Board.

**Article 212** The President may resign before his/her term of office expires. The procedure and rules for resignation of the President shall be specified in the contract entered into between the President and the Company.

## **CHAPTER 9 BOARD OF SUPERVISORS**

### **Section 1 Supervisors**

**Article 213** The Board of Supervisors consists of employee Supervisors democratically elected by the employees of the Company and external Supervisors and Shareholder Supervisors elected by the Shareholders' general meeting. In particular, external Supervisors and the Company's employee representatives serving as Supervisors shall not be less than one third of the Supervisors.

**Article 214** Directors, the President and other senior management personnel shall not serve concurrently as Supervisors.

The Supervisors of the Company shall be governed by the avoidance system, under which a person whose close relatives serving as Directors, President and other senior management personnel of the Company shall not hold posts at the Board of Supervisors of the Company.

**Article 215** Supervisors shall honestly fulfill the supervisory duty in accordance with laws and regulations as well as these Articles of Association. The procedures for nominating and electing Shareholder Supervisors and external Supervisors shall be similar to those for Directors set out in these Articles of Association. Shareholder Supervisors and external supervisors shall be elected, removed and replaced at Shareholders' general meetings; and employee representative Supervisors shall be elected, removed and replaced by employee representative meeting or other democratic procedures of the Company. A Supervisor shall serve a term of three years, and may seek re-election upon expiry of the said term.

**Article 216** If any Supervisor fails to attend meetings of the Board of Supervisors in person or by proxy for two consecutive times, or attend at least two thirds of the meetings of Board of Supervisors in person every year, the said Supervisor shall be deemed as incapable of performing his/her duties and the Board of Supervisors shall propose to remove the said Supervisor at the Shareholders' general meeting or the employee representative meeting.

Shareholder Supervisors and external Supervisors shall work at the Company for at least 15 workdays every year.

**Article 217** A Supervisor may tender a resignation before expiry of his/her term of office. The provisions in Chapter 7 of these Articles of Association on resignation of Directors shall apply to Supervisors.

**Article 218** Supervisors shall honestly fulfill the supervisory duty in accordance laws and regulations as well as these Articles of Association.

## **Section 2 External Supervisors**

**Article 219** External supervisors shall not maintain with the Company and its substantial Shareholders a connection which may affect their independent judgments. External Supervisors shall pay special attention to the overall interests of the depositors and the Company in fulfilling their duties. External Supervisors shall independently perform duties in accordance with laws and shall not be influenced by the Company's Shareholders or other units or persons having interest relations with the Company. External Supervisors shall not work part-time in other financial institutions that may have any conflict of interests with the Company.

**Article 220** The qualifications and conditions, election and replacement procedures, and rights and obligations of external Supervisors shall be governed by the provisions of these Articles of Association concerning independent Directors.

**Article 221** The standards and procedures for determining the remunerations of external Supervisors shall be governed by the provisions of these Articles of Association concerning independent Directors.

**Article 222** An external Supervisor shall be deemed as having committed a serious dereliction of duty in any of the following circumstances:

- (I) divulges the trade secrets of the Company and impairs the legitimate interests of the Company;
- (II) accepts illicit benefits in the performance of his/her duties;
- (III) uses the position of external Supervisor to seek personal gains;
- (IV) fails to identify any problem that is supposed to be identified or intentionally conceal any problem during supervision and inspection, thereby causing significant losses to the Company;
- (V) commits other acts defined as a serious dereliction of duty by the banking regulatory authorities.

## **Section 3 Board of Supervisors**

**Article 223** The Company shall have a Board of Supervisors, which shall be accountable to the Shareholders' general meeting. The Board of Supervisors shall be composed of three to thirteen members, including one Chairman.

**Article 224** The Chairman shall be a Supervisor. The appointment and removal of the Chairman shall be made with a resolution passed by above two-thirds of all members of the Board of Supervisors. The Chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors; where the Chairman of the Board of Supervisors cannot or does not fulfill the duty thereof, more than half of the Supervisors may jointly elect a Supervisor to convene and preside over the meetings of the Board of Supervisors.

**Article 225** The Board of Supervisors shall exercise the following functions and powers:

- (I) to examine and supervise the Company's financial activities;

(II) to supervise the implementation of resolutions made at Shareholders' general meetings and the fulfillment of duties of the Board of Directors and senior management;

(III) to supervise the fulfillment of duties of Directors, Chairman and senior management personnel;

(IV) to undertake the resign audit of Directors and senior management personnel;

(V) to independently audit operation decisions, risk management and internal control of the Company and guide the internal audit department of the Company in work;

(VI) to address inquiries to Directors, the Chairman and senior management personnel;

(VII) to supervise the Directors, Chairman and senior management personnel for any violation of laws and regulations or these Articles of Association while they perform their duties for the Company. If any act of the Directors, Chairman and senior management personnel damages the interests of the Company, to require them to rectify such act accordingly, and where necessary, to report to the Shareholders' general meeting or banking regulatory authorities;

(VIII) to express independent opinions on proposals formulated by the Board and reports issued by the Company;

(IX) to assess and evaluate the fulfillment of duties of Supervisors and report to the Shareholders' general meeting;

(X) to propose the convening of extraordinary general meeting and interim Board meeting;

(XI) to negotiate with Directors or pursue legal actions against the same on behalf of the Company;

(XII) to exercise any other functions and powers as specified in the laws and regulations and these Articles of Association or as authorized by the Shareholders' general meetings.

Supervisors may attend the Board meetings.

**Article 226** Regular meetings of the Board of Supervisors shall be convened at least once each quarter. Notice of meeting shall be served to all the Supervisors in writing ten days before the date of such meeting. The Chairman of the Board of Supervisors or more than one third of the Supervisors may propose to convene an interim meeting of the Board of Supervisors and the notice of such meeting and meeting documents shall be served five days before the date of the meeting.

Where an interim meeting of the Board of Supervisors needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

**Article 227** The notice of meeting of the Board of Supervisors shall include the date, venue, duration, reasons, topics for discussion, and the date on which the notice is sent.



**Article 228** Supervisors shall attend meetings of the Board of Supervisors in person. Meetings of the Board of Supervisors shall not be held unless over two-thirds of Supervisors are present. Where a Supervisor cannot attend a meeting in person for any reason, he/she may appoint another Supervisor in writing to attend the meeting on his/her behalf. An external Supervisor may appoint another external Supervisor to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy Supervisor, the matters to be handled in proxy, range authorized and validity period, and shall bear the signature or seal of the principal. The proxy Supervisor attending the meeting shall exercise rights as granted by the principal. If a Supervisor fails to attend a meeting of the Board of Supervisors in person or by proxy, the said Supervisor shall be deemed as having waived his/her right to vote at the meeting.

**Article 229** The Board of Supervisors shall have the right to require relevant Directors, secretary to the Board, President, vice presidents and other senior management personnel to attend its meetings and inquire about relevant issues.

**Article 230** The Board of Supervisors shall formulate rules of procedure for meetings of the Board of Supervisors to ensure it effectively fulfills the supervisory duty.

**Article 231** The rules of procedure for meetings of the Board of Supervisors shall include daily supervision, supervision by regular meetings and supervision by interim meetings. The Board of Supervisors adopted the “one person, one vote” voting system. Issues shall be voted on one by one at the meetings of the Board of Supervisors, i.e., voting on one proposal shall begin when the said proposal is considered, and voting on the next proposal shall not begin before voting on the preceding proposal is completed.

Voting on meetings of the Board of Supervisors may be conducted by a show of hands or open ballot or, provided that the Supervisors fully express their opinions, by means of communication, with the resolutions signed by the Supervisors.

The voting results relating to resolutions and reports shall be announced and recorded in the meeting minutes by the Board of Supervisors. Resolutions and reports of the Board of Supervisors shall be subject to approval of more than two thirds of all the Supervisors. If the Supervisors disagree in principle in relation to any resolution or report, such disagreement shall be set out in the said resolution or report.

**Article 232** The Supervisors shall sign the resolutions of the Board of Supervisors and shall bear liability to the Board of Supervisors. However, a Supervisor who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

**Article 233** Minutes shall be recorded for meetings of the Board of Supervisors and shall be signed by the attending Supervisors and the recorder. Any Supervisor shall have the right to request an explanatory note be made in the minutes regarding his/her speech at the meeting. The minutes of meetings of the Board of Supervisors shall be kept by the secretary to the Board as archives of the Company on a permanent basis. The decisions, resolutions and meeting minutes of the Board of Supervisors shall be submitted to the banking regulatory authorities for archiving.

**Article 234** The minutes of a meeting of the Board of Supervisors shall specify:

- (I) the date, venue and name of the convener of the meeting;
- (II) the names of the attending Supervisors and the Supervisors (proxies) attending the meeting on behalf of others;
- (III) the agenda of the meeting;

(IV) summaries of the speeches of Supervisors; and

(V) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons or abstentions).

**Article 235** The Board of Supervisors shall examine financial information such as the Company's financial reports, business reports and profit distribution plans as proposed by the Board of Directors to the Shareholders' general meeting, and if there are any queries, to engage any certified public accountant in the name of the Company to assist in the examination.

The member(s) of the Board of Supervisors shall be held liable for failing to identify any unfair audit result supposed to be identified provided by the accounting firm on the Company.

To exercise its functions and powers, the Board of Supervisors may, if necessary, engage professional institutions like law firm and accounting firm to provide professional assistance at reasonable expenses of the Company. The annual financial budget of the Board of Supervisors shall be reviewed and approved at the Shareholders' general meeting.

**Article 236** The Board of Supervisors may establish the Nomination Committee and Supervision Committee as appropriate, and the Nomination Committee shall be headed by external Supervisors in principle. The Nomination Committee is responsible for working out the procedure and standard for electing and appointing Supervisors, conducting preliminary review on the qualifications and conditions of Supervisors, and providing suggestions to the Board of Supervisors. The rules of procedure, duties, etc. of the Nomination Committee shall be formulated by the Board of Supervisors.

The Company shall establish an office of the Board of Supervisors as the routine administrative body of the Board of Supervisors. The staff engaged by the office of the Board of Supervisors shall have relevant professional knowledge to fully ensure the fulfillment of the supervisory duty by the Board of Supervisors.

## **CHAPTER 10 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

**Article 237** The qualifications of Directors, Supervisors and senior management of the Company shall comply with the Company Law, the Commercial Banking Law and relevant provisions of the banking regulatory authorities.

A person shall not serve as Director, Supervisor and senior management personnel of the Company if he/she:

(I) is a person who has been banned in the Company Law and the Commercial Banking Law from holding the position of Director, Supervisor or senior management personnel of the Company;

(II) is a person who has been removed from office by commercial banks or other financial institutions or organizations for failure to fulfill obligation of honesty;

(III) is a person or enterprise employee with due and outstanding loans at the Company;

(IV) is a Shareholder or a person holding positions in the Shareholders' entities whose balances of borrowings (excluding borrowings guaranteed by the pledge of bank deposit certificate or treasury bonds) from the Company exceed his/her audited net equity value of the previous year of the Company;

(V) is a person who does not meet conditions specified by the banking regulatory authorities;

(VI) is under investigation by the judiciary authority for violation of the criminal law;

(VII) is banned from holding leadership position in enterprises as stipulated by laws and regulations;

(VIII) is not a natural person;

(IX) has been convicted of contravention of relevant securities regulations by relevant competent authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction.

**Article 238** The validity of an act of a Director, the President or other senior management personnel on behalf of the Company for a bona fide third person is not affected by any incompliance in the appointment, election or qualification thereof.

**Article 239** In exercising the functions and powers conferred by the Company, Directors, Supervisors, the President and other senior management personnel of the Company shall fulfill the following obligations to each Shareholder in addition to the obligations under the laws and regulations or the listing rules of the stock exchange on which the shares of the Company are listed:

(I) not to let the Company operate beyond the business scope specified in its business license;

(II) to sincerely act in the best interest of the Company;

(III) not to deprive the Company of its property in any form, including (but not limited to) any opportunity favorable to the Company; and

(IV) not to deprive any personal interests of Shareholder, including (but not limited to) any right to distribution and voting right, but excluding a restructure of the Company submitted to and adopted by the Shareholders' general meeting in accordance with these Articles of Association.

**Article 240** In exercising rights or fulfilling obligations, the Directors, Supervisors, President and other senior management personnel of the Company have the duty to act with due discretion, diligence and skill as a reasonable discreet person should do in similar circumstances.

**Article 241** In fulfilling duties, the Directors, Supervisors, President and other senior management personnel of the Company shall observe the principle of honesty and shall not place themselves in a position where their own interests may conflict with their obligations. The said principle includes (but is not limited to) performance of the following obligations:

(I) to sincerely act in the best interest of the Company;

(II) to exercise their rights within their terms of reference;

(III) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws and regulations or with the informed consent of Shareholders given at a Shareholders' general meeting, not to transfer the exercise of their discretion to others;

(IV) to be equitable towards Shareholders of the same class and fair towards Shareholders of different classes;

(V) not to conclude any contract, conduct any transaction or make any arrangement with the Company, saved as specified in these Articles of Association or with the informed consent of Shareholders given at a Shareholders' general meeting;

(VI) not to seek personal gains by using the property of the Company in any form without the informed consent of Shareholders given at a Shareholders' general meeting;

(VII) not to abuse official powers to accept bribes or other unlawful income, and not to expropriate the Company's property in any form, including (but not limited to) any opportunity favorable to the Company;

(VIII) not to accept commissions in connection with the Company's transactions without the informed consent of Shareholders given at a Shareholders' general meeting;

(IX) to observe these Articles of Association, fulfill duties honestly, protect the interests of the Company, and not to seek personal gains by using their positions and powers in the Company;

(X) not to compete with the Company in any form without the informed consent of Shareholders given at a Shareholders' general meeting;

(XI) not to misappropriate the Company's funds or lend the same to others, not to deposit the Company's assets in the accounts of their own or others, and not to use the Company's assets to guarantee the personal debts of the Shareholders of the Company or others;

(XII) Without the informed consent of the Shareholders at a Shareholders' general meeting, not to disclose any confidential information related to the Company acquired by them during the term of their office; not to use the said information save for the interest of the Company; however, they may disclose such information to a court or other government competent authorities in the following circumstances:

1. required by law;

2. required for public interests; and

3. required for the interests of the said Directors, Supervisors, President and other senior management personnel.

**Article 242** Directors, Supervisors and senior management personnel shall observe relevant laws and regulations and these Articles of Association, and fulfill the following obligations of honesty to the Company:

(I) not to abuse their official powers to accept bribes or other unlawful income, and not to expropriate the Company's property;

(II) not to misappropriate the Company's funds;

(III) not to open in their own names or in others' names any bank account for the purpose of depositing any of the Company's assets or funds;

(IV) not to lend funds of the Company to other persons or provide guarantee for other persons with the property of the Company counter to these Articles of Association or without the consent of the Shareholders' general meeting or the Board;

(V) not to conclude any contract or conduct any transaction with the Company counter to these Articles of Association or without the consent of the Shareholders' general meeting;

(VI) without the consent of the Shareholders' general meeting, not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, or conduct for themselves or others any businesses similar to those of the Company;

(VII) not to take as their own any commission for any transaction with the Company;

(VIII) not to disclose any secret of the Company without permission;

(IX) not to use their related party relationships to damage the interests of the Company;

(X) to fulfill other obligations of honesty stipulated by relevant laws and regulations and these Articles of Association.

Earnings obtained by Directors, Supervisors, and senior management personnel in violation of the provisions herein shall belong to the Company, and such persons shall be liable for compensation for any loss incurred to the Company.

**Article 243** Directors shall observe relevant laws and regulations and these Articles of Association, and fulfill the following obligations of diligence to the Company:

(I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with state laws and regulations and economic policies, not beyond the business scope specified in the business license;

(II) to treat all Shareholders impartially;

(III) to keep informed of the business operation and management of the Company;

(IV) to sign written opinions on the regular reports of the Company; and to ensure the information disclosed by the Company is true, accurate and complete;

(V) to honestly provide the Board of Supervisors with relevant circumstances and information, and not to prevent the Board of Supervisors or Supervisors from exercising their functions and powers; and

(VI) to fulfill other obligations of diligence stipulated by relevant laws and regulations and these Articles of Association.

The aforesaid provisions under (IV) to (VI) shall also apply to senior management personnel.

**Article 244** Directors, Supervisors, the President and other senior management personnel of the Company shall not direct the following persons or institutions (“connected persons”) to do anything that the Directors, Supervisors, President and other senior management personnel cannot do:

(I) spouses or minor children of Directors, Supervisors, the President and other senior management personnel;

(II) trustees of Directors, Supervisors, the President and other senior management personnel of the Company or persons set out in (I) herein;

(III) partners of Directors, Supervisors, the President and other senior management personnel of the Company or persons set out in (I) and (II) herein;

(IV) companies effectively independently controlled by Directors, Supervisors, the President and other senior management personnel of the Company or companies effectively jointly controlled with the persons set out in (I), (II) and (III) herein or other Directors, Supervisors, the President and other senior management personnel of the Company;

(V) Directors, Supervisors, the President and other senior management personnel of the controlled companies as set out in (IV) herein.

**Article 245** The honesty obligation of the Directors, Supervisors, President and other senior management personnel of the Company shall not necessarily end with the expiry of their terms of office, and their confidentiality obligation to trade secrets of the Company shall continue after expiry of their terms of office. Other obligations may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination of office and the act concerned and the circumstances and the terms under which the relationship between the Company and them was terminated.

**Article 246** The liability of Directors, Supervisors, the President and other senior management personnel of the Company for breaching a given obligation may be exempted under an informed circumstance by Shareholders at a Shareholders’ general meeting, save for the circumstances specified in Article 76 of these Articles of Association.



**Article 247** If Directors, Supervisors, the President and other senior management personnel of the Company have any direct or indirect material interests in any contracts, transactions or arrangements already concluded or under planning with the Company (except the employment contracts between the Company and its Directors, Supervisors, President and other senior management personnel), they shall responsively disclose the nature and extent of the said interests to the Board regardless whether the relevant matters are subject to approval by the Board in normal circumstances.

Unless the Directors, Supervisors, President and other senior management personnel of the Company having interests have disclosed the said interests to the Board as per the preceding paragraph herein, and the Board has approved the matter at the meeting without counting the interested persons into the quorum and without their participation in the vote, the Company shall have the right to rescind such contracts, transactions or arrangements, except in circumstances where the counterparty is acting in good faith and unaware that the Directors, Supervisors, President and other senior management personnel are in breach of their obligations.

If the connected persons of the Directors, Supervisors, President and other senior management personnel of the Company have any interests in a given contract, transaction or arrangement, the said Directors, Supervisors, President and other senior management personnel shall be deemed as having interests as well.

**Article 248** If, before the Company considers concluding relevant contracts, transactions or arrangements for the first time, the Directors, Supervisors, President and other senior management personnel of the Company have notified the Board in writing that they will have interests in the contracts, transactions or arrangements concluded by the Company in the future because of the content set out in the notice, they, within the scope specified in the notice, will be deemed as having executed disclosure as specified in the preceding article of this chapter.

**Article 249** The Company shall not pay taxes in any form for its Directors, Supervisors, President and other senior management personnel.

**Article 250** The Company shall not directly or indirectly provide loan or loan guarantee to the Directors, Supervisors, President and other senior management personnel of the Company and its parent company; nor shall the Company provide the same to their connected persons.

The preceding paragraph shall not apply in the following circumstances:

- (I) The Company provides loan or loan guarantee for subsidiaries;
- (II) The Company, in accordance with the engagement contracts approved at the Shareholders' general meeting, provides loan, loan guarantee or other monies to the Directors, Supervisors, President and other senior management personnel of the Company so that they may pay the expenses incurred for the Company or for fulfilling duties of the Company;
- (III) The Company may provide loan and loan guarantee to the relevant Directors, Supervisors, President and other senior management personnel as well as their connected persons, but the conditions for providing loan or loan guarantee shall be normal business conditions.

**Article 251** If the Company provides loan in violation of the preceding article, the recipient of the loan shall return the same immediately regardless of the loan conditions.

**Article 252** The Company shall not be forced to execute loan guarantee provided in violation of paragraph 1 of Article 250 of these Articles of Association, except in the following circumstances:

(I) the loan provider does not know that it has provided loan to the connected persons of the Directors, Supervisors, President and other senior management personnel of the Company or its parent company;

(II) The guarantee provided by the Company has been legally sold by the loan provider to a bona fide buyer.

**Article 253** The guarantee as referred to in the preceding articles of this chapter includes the act of the guarantor to assume the liability or provide property to secure the performance of obligations by the obligor.

**Article 254** If the Directors, Supervisors, President and other senior management personnel of the Company fail to fulfill the obligations to the Company, the Company shall be entitled to take the following actions in addition to the rights and remedial measures under the relevant laws and regulations:

(I) require relevant Directors, Supervisors, President and other senior management personnel to compensate the Company for the losses arising from their neglect of duty;

(II) cancel the contracts or transactions concluded between the Company and relevant Directors, Supervisors, President and other senior management personnel, and between the Company and a third person (if the third person knows or is supposed to know that the Directors, Supervisors, President and other senior management personnel representing the Company have breached their obligations to the Company);

(III) require relevant Directors, Supervisors, President and other senior management personnel to surrender gains arising from breach of obligations;

(IV) recover monies, including (but not limited to) commissions, received by the relevant Directors, Supervisors, President and other senior management personnel but receivable by the Company; and

(V) require relevant Directors, Supervisors, President and other senior management personnel to surrender interests earned or likely to be earned from monies payable to the Company.

**Article 255** The Company shall enter into written contracts with its Directors and Supervisors regarding remuneration which are subject to the prior approval from the Shareholders' general meeting. The aforesaid remunerations include:

(I) remuneration for the Directors, Supervisors or senior management personnel of the Company;

(II) remuneration for the Directors, Supervisors or senior management personnel of the subsidiaries of the Company;

(III) remuneration for those providing other services for managing the Company and its subsidiaries;

(IV) compensation to Directors or Supervisors for loss of office or upon retirement.

Save as specified in the aforesaid contracts, the Directors or Supervisors shall not file a lawsuit against the Company for the aforesaid matter and for interests they should have received.

**Article 256** The remuneration contracts between the Company and its Directors or Supervisors shall stipulate that if the Company is to be acquired, the Directors and Supervisors of the Company shall, subject to prior approval from the Shareholders' general meeting, be entitled to compensation or other funds for loss of their positions or upon retirement.

The acquisition of the Company mentioned in previous paragraph refers to one of the following circumstances:

(I) a takeover offer made by any person to all Shareholders;

(II) a takeover offer made by any person with the intent of becoming a controlling Shareholder. The definition of a controlling Shareholder is the same as that in Article 77 of these Articles of Association.

If the Directors and Supervisors concerned do not comply with this provisions, any funds received by them shall go to the persons who sell their shares as a result of accepting the aforesaid offer. The Directors and Supervisors shall bear the expenses arising from the proportional distribution of such amounts, and such expenses shall not be deducted from the amounts.

## **CHAPTER 11 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**

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

**Article 257** The Bank shall establish its financial and accounting system and internal audit system in accordance with laws and regulations, PRC accounting standards formulated by the financial authority under the State Council and the relevant provisions of the banking regulatory authorities. The Company shall not establish account books other than the statutory account books. No assets of the Company may be kept in any account opened in the name of any individual.

**Article 258** The financial year of the Company shall be the Gregorian calendar year, i.e. from 1 January to 31 December every year.

**Article 259** At the end of each financial year, the Company shall prepare balance sheet, income statement, statement of changes in financial position, notes to accounting statements and other relevant financial statements, in accordance with the laws and regulations and the provisions of the financial authority under the State Council, and shall employ legally qualified accounting firms to conduct review and verification. The Company shall submit the same to the Board for approval and to the Shareholders' general meeting for consideration within four months after the end of the financial year.

**Article 260** The Board of Directors of the Company shall, at each annual general meeting, submit to the Shareholders the financial reports prepared by the Company in accordance with relevant laws and regulations.

**Article 261** The financial accounting reports of the Company shall be kept at the Company twenty days before the convening of the annual general meeting for the inspection and review of Shareholders. Each Shareholder of the Company shall be entitled to obtain the financial reports mentioned in these Articles of Association.

Except as otherwise provided in these Articles of Association, the Company shall send the aforesaid report or report of the Board along with the balance sheet and income statement or income and expenditure statement to each holder of H Shares by pre-paid post at least 21 days prior to the convening of the annual general meeting. The address of the recipients shall be the address registered in the share register. If the laws and regulations or the securities regulatory authorities at the place where the Company's shares are listed have provided otherwise, such provisions shall prevail.

**Article 262** The Company shall prepare its financial statements in accordance with PRC accounting standards and regulations; as well as in accordance with international accounting standards or the accounting standards of the overseas listing place. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing the after-tax profits for the relevant financial year, the Company shall adopt the one with the lower after-tax profits out of the aforesaid two financial statements.

**Article 263** The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place.

**Article 264** The Company shall publish its financial report twice in each financial year, i.e. publish the interim financial report within 60 days after the end of the first six months of each financial year and publish its annual financial report within 120 days after the end of each financial year.

**Article 265** The annual financial reports of the Company shall include:

- (I) Balance sheet;
- (II) Statement of profits;
- (III) Statement of profit distribution;
- (IV) Cash flow statement;
- (V) Notes to financial statements.

**Article 266** The Company shall publish its operating results and audit reports of the previous year on a regular basis in accordance with the provisions of the banking regulatory authorities.

**Article 267** The Company pay taxes in accordance with the state and local tax rules.

**Article 268** The Company's profits after payment of income taxes shall be distributed in the following order of priority according to the Financial System for Financial and Insurance Enterprises issued by the Ministry of Finance:

(I) to make up for the losses of confiscated properties, pay late fees and fines for various taxes, and pay additional interests due to underpayment or late payment of deposit reserves;

(II) to make up losses of previous years (if the statutory common reserve fund is not sufficient to make up the losses of previous years, profit of the year shall be used to make up the losses before withdrawing the statutory common reserve fund according to sub-paragraph (III) of this article);

(III) to set aside no less than 10% of the after-tax profit (after deducting the first two items) for statutory common reserve fund until the accumulated amount of statutory common reserve fund has reached more than 50% of the registered capital of the Company;

(IV) to set aside discretionary common reserve fund;

(V) to set aside general provision;

(VI) to distribute dividends to Shareholders by shares.

The specific withdrawal ratio of discretionary common reserve fund and general provision shall be determined by the Shareholders' general meeting according to the annual operating conditions. The Company shall not distribute any profit to Shareholders before making up losses and withdrawing statutory common reserve fund.

**Article 269** The capital reserve fund shall include:

(I) the premium resulting from issuance of shares at a price above par value;

(II) other revenues required by the financial authority of the State Council to be stated as capital reserve.

**Article 270** If Shareholders' general meeting converts the reserve fund into share capital by a resolution of the Shareholders' general meeting, new shares shall be distributed to the Shareholders in proportion to their original share holdings upon approval of the banking regulatory authorities. However, when statutory reserve fund is converted into share capital, the amount of the said fund left shall not be less than 25% of the registered capital of the Company before such conversion.

**Article 271** The Company may distribute dividends in the form of cash or shares. Distributing dividends in the form of shares shall be decided by the Shareholders' general meeting and submitted to the banking regulatory authorities for approval.

**Article 272** After the profit distribution plan is adopted at the Shareholders' general meeting, the Board shall finish distributing dividends (or shares) within 2 months after conclusion of the Shareholders' general meeting.

**Article 273** Payments made in advance of calls on any shares by the Shareholders shall carry interest. However, no Shareholder shall be entitled to receive any dividends declared thereafter in relation to any such payment made in advance.

**Article 274** The Company shall appoint receiving agents for holders of overseas listed foreign shares. The receiving agents shall, on behalf of the related Shareholders, collect dividends and other payables distributed by the Company for the overseas listed foreign shares.

The receiving agents appointed by the Company shall meet the relevant requirements of the laws or the relevant regulations of the stock exchange of the listing place.

The receiving agents appointed by the Company for holders of H Shares shall be trust companies registered pursuant to the Trustee Ordinance of Hong Kong.

**Article 275** Subject to compliance with the relevant PRC laws and regulations and the securities regulatory rules in the place where the Company's shares are listed, the Company may exercise the right to seize dividends not collected, but the said right shall only be exercised upon declaration of the dividends after expiry of the applicable validity period.

The Company's power to cease sending dividend warrants to holders of H Shares by post will not be exercised until such dividend warrants had been so left uncashed on two consecutive occasions. Such power may also be exercised after the first occasion on which such a dividend warrant is returned undelivered.

**Article 276** Subject to compliance with the relevant PRC laws and regulations and the securities regulatory rules in the place where the Company's shares are listed, the Company has the right to sell the shares of the holders of H Shares that we are unable to contact through the methods the Board deems appropriate, but shall be subject to the following conditions:

(I) The Company has distributed dividends on such shares at least three times in a period of 12 years and the dividends are not claimed by anyone during that period;

(II) After the expiration of the 12-year period, the Company makes a public announcement in one or more newspapers in the place of listing, stating its intention to sell such shares, and notifies the securities regulatory authorities at the place where the Company's shares are listed.

## **Section 2 Internal Audit**

**Article 277** The Company shall establish an internal audit system with professional audit personnel to undertake internal auditing and supervision of the Company's financial income and expenditures and economic activities.

**Article 278** The internal audit system and duties of the auditors of the Company shall be subject to the approval of the Board. The head of audit shall be responsible to and shall report to the Board.



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

**Article 279** The Company shall engage independent accounting firms that comply with the relevant State regulations, to audit annual financial reports and to review other financial reports of the Company.

**Article 280** The term of the accounting firm engaged by the Company shall commence when the current annual general meeting finishes and end when next annual general meeting concludes.

**Article 281** The engagement of an accounting firm shall be subject to the approval of the Shareholders' general meeting.

**Article 282** An accounting firm engaged by the Company shall have the following rights:

(I) to inspect the accounting books, records or documents of the Company at any time, and to require the Directors, the President or other senior management personnel of the Company to provide relevant information and explanations;

(II) to require the Company to adopt all reasonable measures to obtain from its subsidiaries such information and explanations as required by the accounting firm for performance of its duties;

(III) to attend the Shareholders' general meeting to obtain the notice of Shareholders' general meeting that any Shareholder is entitled to or other information in relation to the meeting, and to speak at the Shareholders' general meeting on matters involving its duties as the accounting firm of the Company.

**Article 283** If a vacancy of the position of accounting firm arises, the Board may appoint an accounting firm to fill such vacancy before the holding of a Shareholders' general meeting. However, if there are other accounting firms engaged by the Company while such vacancy still exists, such accounting firms shall continue to serve.

**Article 284** The Shareholders' general meeting may, by way of an ordinary resolution, dismiss an accounting firm, prior to the expiration of the term of office of the accounting firm, regardless of the terms and conditions of the contract between the accounting firm and the Company. If the accounting firm concerned has the right to make a claim against the Company due to its dismissal, such right shall not be affected.

**Article 285** The remuneration of the accounting firm or the ways to determine the remuneration of the accounting firm shall be determined by the Shareholders' general meeting. The remuneration of the accounting firm engaged by the Board shall be decided by the Board.

**Article 286** The accounting firm shall audit the annual financial statements of the Company, and shall complete an audit report before the annual general meeting and no later than 30 April.

**Article 287** The engagement, dismissal or non-engagement of an accounting firm shall be decided upon by the Shareholders' general meeting, and reported to the securities regulatory authority under the State Council for filing.

If the Shareholders' general meeting passes a resolution to engage an accounting firm other than the incumbent one to fill up any vacancy of the post, or to renew the engagement of an accounting firm engaged by the Board to fill up the vacancy, or to dismiss an accounting firm before the expiration of its term of office, the following provisions shall be satisfied:

(I) before sending out notice of a Shareholders' general meeting, the proposal on engagement or dismissal of an accounting firm shall be sent to the accounting firm to be engaged, to leave its post, or that has left its post in the relevant financial year;

Leaving the post includes dismissal, resignation from the post and leaving the post after the expiration of the term of office;

(II) if the accounting firm that is about to leave its post makes a written statement, and requests the Company to inform the Shareholders of its statement, the Company shall, unless the time of receiving the written statement is too late, adopt the following measures:

1. state in the notice sent out for the purpose of a resolution that the accounting firm to leave its post has made a statement;
2. send a copy of the statement in the form of an attachment to the notice to Shareholders in the manner stipulated by the Articles of Association;

(III) if the statement of the relevant accounting firm is not sent by the Company in accordance with the sub-paragraph (II) above, the accounting firm concerned may request that the statement be read out at the Shareholders' general meeting and make further appeal;

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

1. Shareholders' general meeting at which its term of office shall expire;
2. Shareholders' general meeting at which the vacancy due to its dismissal is to be filled up;
3. Shareholders' general meeting convened due to its resignation from its post.

The accounting firm which is leaving its post shall be entitled to receive all notices of the aforesaid meetings or other information in relation to the meetings and speak on any issues at the aforesaid meetings, which concern its duties as the former accounting firm of the Company.

**Article 288** The Company shall notify the accounting firm in advance before the dismissal or non-reappointment of such accounting firm. The accounting firm shall have the right to present its views at the Shareholders' general meeting. In the event the accounting firm proposes to resign from its position, it shall explain to the Shareholders' general meeting whether there has been any impropriety on the part of the Company.

An accounting firm may resign by depositing at the legal address of the Company a written resignation notice which shall become effective on the date of such deposit or on such later date as stipulated in such notice. Such notice shall contain the following statements:

(I) a statement to the effect that there are no circumstances in connection with its resignation which it considers should be brought to the notice of the Shareholders or creditors of the Company; or

(II) a statement of any other circumstances requiring an explanation.

The Company shall send a copy of the written notice referred to in the preceding paragraph to the relevant competent authorities within 14 days upon receipt of such written notice. If the notice contains a statement mentioned in sub-paragraph (II) of the preceding article, a copy of such statement shall be placed at the Company for inspection by Shareholders. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares at the address recorded in the share register.

In the event the accounting firm's notice of resignation contains a statement on any other circumstance requiring an explanation, the accounting firm may require the Board to convene an extraordinary general meeting to allow the accounting firm to explain the circumstances in connection with its resignation.

## CHAPTER 12 NOTICE AND ANNOUNCEMENT

### Section 1 Notice

**Article 289** Notice of the Company shall be given in one or more of the following ways:

(I) by personal delivery;

(II) by post or fax;

(III) by way of an announcement in a newspaper and other media;

(IV) by way of an announcement on the website designated by the Company and stock exchange, subject to the compliance with the laws and regulations and securities regulatory rules in the place where the Company's shares are listed;

(V) by other means as may be agreed upon in advance by the Company and the notified party or as may be accepted by the notified party upon receipt of the notice;

(VI) by other means recognized by the securities regulatory authorities at the place where the Company's shares are listed or as stipulated in these Articles of Association.

Notwithstanding the requirements otherwise provided in these Articles of Association with respect to the form of issuance or notification of any documents, notices and any other corporate communications, subject to the compliance with the relevant provisions of the securities regulatory authorities in the place where the securities of the Company are listed, the Company may elect to issue its corporate communications in the form of notification stipulated in sub-paragraph (IV) of the first paragraph in this article in lieu of a written document delivered personally or by prepaid mail to each holder of H Shares. The abovementioned corporate communications shall refer to any documents issued or to be issued by the Company for the reference or action of the Shareholders, including (but not limited to) annual report (including annual financial report), interim report (including interim financial report), report of the Board (together with balance sheet and statement of profit or loss), notice of the Shareholders' general meeting, circular and other communication documents.

**Article 290** Where a notice of the Company is served by announcement, the said notice shall be deemed as having been received by the relevant persons once it is announced. Save as otherwise specified by securities regulatory authorities at the place where the Company's shares are listed.

**Article 291** Notice of the Shareholders' general meeting of the Company shall be served by a combination of personal delivery, mail, fax, etc.

**Article 292** Notice of the meeting of the Board of Supervisors of the Company shall be served by a combination of personal delivery, mail, fax, etc.

**Article 293** If the notice is sent by personal delivery, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice is sent by post, the third day after handover to the post office shall be the date of service; if the notice is sent by announcement, the date of first announcement shall be the date of service.

If the regulations of the securities regulatory authorities in the place where the securities of the Company are listed provide otherwise, those provisions shall prevail.

**Article 294** The accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

## **Section 2 Announcement**

**Article 295** Matters that must be announced as provided for by laws and regulations shall be announced according to laws.

**Article 296** The Company designates Financial Times, Guizhou Daily or other newspapers above provincial level as the newspapers for publishing announcements and other to-be-disclosed information of the Company.

**Article 297** If the securities regulatory authorities at the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, publish or otherwise provide relevant documents of the Company in English and Chinese, if the Company has made appropriate arrangement to confirm whether the Shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the Shareholders) send only the English version or the Chinese version to the related Shareholders to the extent allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

## **CHAPTER 13 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION**

### **Section 1 Merger or Division**

**Article 298** The Company may be merged or divided pursuant to law.

The merger of the Company may take place by absorption or consolidation.

The Company's merger and division shall comply with the Company Law and the Commercial Banking Law.

**Article 299** For a merger or division of the Company, the Board shall put forward a proposal, and the formalities for approval shall be handled in accordance with the law after the proposal has been passed according to the procedures specified in these Articles of Association. Any Shareholder objecting to merger or division of the Company shall be entitled to require the Company or the Shareholders approving merger or division of the Company to buy his shares at a fair price. The contents of the resolution on the merger or division of the Company shall be made into special document, which shall be available for inspection by Shareholders.

The aforesaid document shall also be served by mail to holders of H Shares.

**Article 300** In the event of merger or division of the Company, the parties concerned shall sign a merger or division agreement and prepare balance sheets and property inventories. The Company shall inform creditors within ten days from the date on which the resolution in favor of the merger or division is made at the Shareholders' general meeting, and shall make at least three announcements in newspapers within 30 days.

**Article 301** The creditors are entitled to request within 30 days of the day on which a notice is received, and, in the case where no notice is received, within 45 days, that the Company repays its debts or provides a corresponding guarantee. Merger or division of the Company is not allowed if the Company can neither repay its debts nor provide any corresponding guarantees.

**Article 302** In the event of merger or division of the Company, the Board shall take necessary action to protect the legitimate rights and interests of the Shareholders who are opposed to the merger or division of the Company.

**Article 303** The assets, credits and debts of the parties to the merger or division shall be specified in contracts.

In the event of merger of the Company, the credits and debts of parties to the merger shall be inherited by the company subsisting after merger or by the newly established company.

The company established after division shall assume joint and several liability for the debts incurred by the Company before division, unless otherwise stipulated in any settlement agreement of debts reached between the Company and its creditors prior to the division.

**Article 304** Where a merger or division of the Company involves any changes to registered matters, an application for modification of registration shall be made to the company registration authority in accordance with the law; if the Company is dissolved, the registration of cancellation shall be carried out in accordance with the law; if a new company is established, the registration of establishment shall be carried out in accordance with the law.

## **Section 2 Dissolution and Liquidation**

**Article 305** The Company shall be dissolved and liquidated according to law in any of the following circumstances:

(I) the operation term expires or any other circumstance for dissolution specified in these Articles of Association arises;

(II) the Shareholders' general meeting has resolved to dissolve the Company;

(III) merger or division of the Company entails dissolution;

(IV) The Company is declared insolvent according to law because it is unable to pay its debts as they fall due;

(V) If the Company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the Company, on the grounds that the operation and management of the Company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the Company a cause for significant losses to the shareholders

(VI) The Company is ordered to close down for violation of laws and regulations.

The Company's dissolution and liquidation shall comply with the Company Law and the Commercial Banking Law.

**Article 306** In the event of dissolution pursuant to sub-paragraphs (I) and (II) of the preceding article, the Company shall set up a liquidation committee within 15 days, and the members of the committee shall be decided by an ordinary resolution on a Shareholders' general meeting.

If the Company is dissolved pursuant to sub-paragraph (III) of the preceding article, liquidation shall be effected in accordance with the contracts the parties to the merger or division enter into when the Company is merged or divided.

If the Company is dissolved pursuant to sub-paragraphs (IV) and (V) of the preceding article, a liquidation committee comprising shareholder representatives, relevant departments and relevant professionals shall be established by the people's court in accordance with relevant laws to carry out the liquidation.

**Article 307** If the Board decides to liquidate the Company (save for liquidation when the Company is declared bankrupt), the notice of Shareholders' general meeting to be held therefor shall contain a statement that the Board has made thorough investigation on the conditions of the Company and that the Company may repay all the debts of the Company within 12 months after commencement of liquidation.

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

The liquidation committee shall, as per the instructions of the Shareholders' general meeting, report to the Shareholders' general meeting at least once a year about the revenues and expenses of the liquidation committee, the businesses of the Company and the progress of liquidation, and shall deliver a final report to the Shareholders' general meeting at the end of liquidation.

**Article 308** The Company shall not conduct any new business activity in the course of liquidation.

**Article 309** The liquidation committee shall exercise the following duties and powers during the liquidation period:

(I) to inform depositors and other creditors by notices or public announcements, to confirm the creditor's rights;

(II) to keep and clear up the assets of the Company, and prepare the balance sheet and a property inventory;

(III) to deal with the outstanding businesses of the Company relating to liquidation;

(IV) to pay off outstanding taxes as well as taxes arising in the course of liquidation;



(V) to clear up claims and debts, collect creditor's rights and dispose of assets;

(VI) to make a liquidation scheme, to pay off debts in accordance with the approved liquidation scheme and to handle the Company's remaining assets after paying off all debts;

(VII) to represent the Company in civil proceedings and arbitration activities;

(VIII) to request the relevant departments to pursue the relevant liable persons for legal liabilities.

**Article 310** The liquidation committee shall notify all creditors within 10 days after its establishment and shall make at least three announcements in Financial Times, Guizhou Daily or other newspapers above provincial level within 60 days. The liquidation committee shall register the creditor's rights.

**Article 311** The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice. In claiming its rights, the creditor shall provide details about its creditor's rights and the supporting documents. The liquidation committee shall register the creditor's rights. The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

**Article 312** After the liquidation committee has cleared up the assets of the Company and prepared a balance sheet and a property inventory, it shall make a liquidation scheme and submit it to the Shareholders' general meeting or the people's court or the banking regulatory authorities for confirmation.

**Article 313** The assets of the Company shall be liquidated in the following order of priority:

(I) to pay the cost of liquidation;

(II) to pay staff wages, social insurance expenditures and statutory compensation;

(III) to pay outstanding taxes;

(IV) to repay the debts of the Company; and

(V) to distribute to Shareholders as per their shares.

Before liquidation as specified in (I) to (V) above, the remaining assets of the Company shall not be distributed to Shareholders.

**Article 314** With respect to liquidation as a result of dissolution of the Company, after liquidation of the Company's assets and the preparation of a balance sheet and a property inventory, if the liquidation committee considers the assets of the Company to be insufficient for the settlement of its debts, the liquidation committee shall apply to the people's court for a declaration of bankruptcy.

After the Company is declared bankrupt by the people's court, the liquidation committee shall hand over its liquidation work to the people's court.

**Article 315** Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, income and expenditure statement and financial books of accounts in respect of the liquidation period, and upon verification by a PRC certified public accountant, submit the same to the Shareholders' general meeting, the people's court or the banking regulatory authorities for confirmation.

The liquidation committee shall cancel registration of the Company with the company registration authority and announce termination of the Company within 30 days upon confirmation of the liquidation report by the Shareholders' general meeting, the people's court, or the banking regulatory authorities.

**Article 316** Members of the liquidation committee shall faithfully perform their duties and carry out their liquidation obligations in accordance with the laws, and shall not abuse their official powers to seek bribes or other unlawful gains or expropriate the properties of the Company.

If any member of the liquidation committee causes any loss to the Company or the creditors due to intentional fault or serious negligence, the said member shall be liable for compensation.

**Article 317** If the Company is revoked by the banking regulatory authorities in accordance with the laws, the specific matters and procedures for liquidation after cancellation shall be subject to the provisions of the Regulations on the Cancellation of Financial Institutions.

#### **CHAPTER 14 AMENDMENTS TO ARTICLES OF ASSOCIATION**

**Article 318** The Company may amend these Articles of Association in accordance with the provisions of laws and regulations and these Articles of Association.

**Article 319** The Company shall amend these Articles of Association in any of the following circumstances:

(I) if, after the Company Law, the Commercial Banking Law or other relevant laws and regulations are amended, any term contained in these Articles of Association becomes inconsistent with the provisions of the amended laws and regulations;

(II) the conditions of the Company have changed, and such change is not covered in these Articles of Association; and

(III) the Shareholders' general meeting has resolved to amend these Articles of Association.

**Article 320** Amendments to these Articles of Association shall be proposed by the Board, and submitted to the banking regulatory authorities for approval after consideration and approval at the Shareholders' general meeting. The Board shall amend these Articles of Association according to the resolution on amending the same passed at a Shareholders' general meeting and the approval opinions of the banking regulatory authorities. If the amendment involves registration of the Company, the involved change shall be registered pursuant to law.

**Article 321** Where the amendments to these Articles of Association are information required disclosure by laws and regulations, the amendments shall be announced in accordance with requirements.

## CHAPTER 15 DEFINITIONS

**Article 322** The banking regulatory authorities refer to China Banking and Insurance Regulatory Commission and its dispatched offices.

**Article 323** Resolutions of the Board refer to the resolutions of the Board of the Company or Board minutes or other documents of Board meetings in a nature similar to the resolution of the Board.

## CHAPTER 16 SETTLEMENT OF DISPUTES

**Article 324** The Company shall abide by the following rules for settlement of disputes:

(I) In the event of any dispute or claim between a holder of H Shares and the Company, between a holder of H Shares and a Director, Supervisor, the President or other senior management personnel, and between a holder of H Shares and a holder of Domestic Shares arising from rights and obligations specified in these Articles of Association, Company Law and other relevant laws and regulations and relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration;

The aforesaid dispute or claim submitted for arbitration shall be the entire dispute or claim; all the persons who complain for the same reason or who are required to participate in the settlement of the dispute or claim shall accept the arbitration award if they are the Company or its Shareholders, Directors, Supervisors, the President, or other senior management personnel;

Disputes in respect of who is the Shareholder and those in relation to our share register need not be resolved by arbitration;

(II) The applicant for arbitration may select China International Economic and Trade Arbitration Commission for arbitration following the arbitration rules thereof or select Hong Kong International Arbitration Centre for arbitration following the securities arbitration rules thereof. Once a claimant refers a dispute or claim to arbitration, the other party must carry out arbitration in the arbitral authority elected by the claimant;

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may request arbitration to be conducted in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre;

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

(IV) The award of an arbitral authority shall be final and binding on all parties.

## CHAPTER 17 SUPPLEMENTARY PROVISIONS

**Article 325** The Board may formulate the by-laws in accordance with these Articles of Association. The by-laws shall not conflict with these Articles of Association. Matters uncovered in these Articles of Association and by-laws shall be governed by relevant laws and regulations.

The supplementary resolutions and by-laws of these Articles of Association adopted by the Shareholders' general meeting shall be an integral part of these Articles of Association upon approval by the banking regulatory authorities.

**Article 326** These Articles of Association shall be executed in Chinese, and the Chinese version latest approved by the banking regulatory authorities and re-approved and registered with the company registration authority shall prevail.

**Article 327** The meaning of the "accounting firm" mentioned in these Articles of Association is the same as that of "auditors" as referred to in the Hong Kong Listing Rules.

**Article 328** Except as otherwise provided herein, for the purpose of these Articles of Association, references to "more", "within" and "less" shall include the actual figures, while references to "less than", "short of", "other than", and "more than" shall exclude the actual figures.

**Article 329** The Board of the Company shall be responsible for the interpretation of these Articles of Association. Matters not covered herein shall be subject to the relevant laws and regulations of the Party and the State, and relevant provisions of the higher Party organizations.

**Article 330** After approval by the banking regulatory authorities, these Articles of Association shall become effective from the date of listing of the H Shares publicly offered by the Company on the Hong Kong Stock Exchange. The original articles of association of the Company shall automatically become invalid from the date of entry into force of these Articles of Association.