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(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “东方证券股份有限公司” and carrying on business in Hong Kong as “東方證券” (in Chinese) and “DFZQ” (in English))

(Stock Code: 03958)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS

The board of directors (the “**Board**”) of 東方證券股份有限公司 (the “**Company**”) hereby announces that: pursuant to the requirements of onshore and offshore laws and regulations including the Company Law and the Securities Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and considering the actual conditions of the Company's operations and management, the Board has resolved to amend certain articles in the articles of association (the “**Articles of Association**”) and the Rules of Procedure for Shareholders' General Meetings (the “**Rules of Procedure for Shareholders' General Meetings**”) of the Company, details of which are set out as below:

Original article	To be amended as	Basis
Articles of Association:		
<p>Article 51 Shareholders of the Company are persons lawfully holding shares of the Company, with names (titles) recorded in register of shareholders.</p> <p>.....;</p> <p>(4) in respect of the joint shareholders of any shares, only the joint shareholder first named in the register of shareholders have the right to receive the certificate of relevant shares and notices of the Company, and to attend or vote at shareholders' general meetings of the Company. Any notice delivered to the aforesaid shareholder shall be deemed to have been delivered to all joint shareholders of the relevant shares. Any of the joint shareholders may sign the proxy form. In case that more than one of the joint shareholders attend the meeting, whether in person or by proxy, the vote of the senior joint shareholder will be accepted to the exclusion of the votes of the other joint shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of the joint shareholding.</p>	<p>Article 51 Shareholders of the Company are persons lawfully holding shares of the Company, with names (titles) recorded in register of shareholders.</p> <p>.....;</p> <p>(4) in respect of the joint shareholders of any shares, only the joint shareholder first named in the register of shareholders have the right to receive the certificate of relevant shares and notices of the Company; and to attend or vote at shareholders' general meetings of the Company. Any notice delivered to the aforesaid shareholder shall be deemed to have been delivered to all joint shareholders of the relevant shares. Any of the joint shareholders may sign the proxy form. In case that more than one of the joint shareholders attend the meeting, whether in person or by proxy, the vote of the senior joint shareholder will be accepted to the exclusion of the votes of the other joint shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of the joint shareholding.</p>	<p>Deleted according to requirements from CCASS and actual conditions of the Company.</p>

<p>Article 65 The venue to hold a shareholders’ general meeting of the Company shall be the domicile of the Company or other location specified by the convener.</p> <p>A shareholders’ general meeting shall usually be in the form of physical meeting to be held on-site. The Company shall facilitate the participation of shareholders at the shareholders’ general meetings by the Internet or other ways. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>	<p>Article 65 The venue to hold a shareholders’ general meeting of the Company shall be the domicile of the Company or other location specified by the convener.</p> <p>A shareholders’ general meeting shall usually be in the form of physical meeting to be held on-site. The Company shall facilitate the participation of shareholders at the shareholders’ general meetings by the Internet or other ways <u>to the extent technically feasible</u>. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>	<p>Online voting service is technically infeasible for H shares.</p>
<p>Article 85.....</p> <p>In the event that the shareholder is a recognized clearing house (hereinafter referred to as “recognized clearing house”) as defined in relevant regulations established at the places where shares of the Company are listed or its agent, such shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy(ies) at any shareholders’ general meeting or shareholders’ class meeting. However, in the event that two or more persons are appointed as representatives, the powers of attorney shall specify the number and the class of shares as represented by each of the said persons. The persons so authorized may represent the recognized clearing house (or its agent) to attend the meetings and exercise their rights, as if such persons are individual shareholders of the Company.</p>	<p>Article 85.....</p> <p>In the event that the shareholder is a recognized clearing house (hereinafter referred to as “recognized clearing house”) as defined in relevant regulations established at the places where shares of the Company are listed or its agent, such shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy(ies) at any shareholders’ general meeting or shareholders’ class meeting. However, in the event that two or more persons are appointed as representatives, the powers of attorney shall specify the number and the class of shares as represented by each of the said persons. The persons so authorized may represent the recognized clearing house (or its agent) to attend the meetings and exercise their rights (<u>without being required to present share certificate, certified statement of proxy and/or further evidence of due authorization</u>), as if such persons are individual shareholders of the Company.</p>	<p>Added according to requirements from CCASS and actual conditions of the Company.</p>
<p>Article 99.....</p> <p>When the shareholders’ general meeting considers significant matters that could affect the interests of medium and small investors, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.</p> <p>.....</p>	<p>Article 99.....</p> <p>When the shareholders’ general meeting considers significant matters that could affect the interests of medium and small investors, <u>to the extent technically feasible</u>, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.</p> <p>.....</p>	<p>Separate counting for votes of medium and small non-registered shareholders is technically infeasible for H shares.</p>

<p>Article 104 The Company shall, on the premise of ensuring a valid shareholders' general meeting, through multiple means and method, among others, provide the online voting system in priority and other means of up-to-date information technology, with the purpose of facilitating shareholders in participating the shareholders' general meeting.</p>	<p>Article 104 The Company shall, on the premise of ensuring a valid shareholders' general meeting, through multiple means and method, among others, provide the online voting system in priority and other means of up-to-date information technology <u>to the extent technically feasible</u>, with the purpose of facilitating shareholders in participating the shareholders' general meeting.</p>	<p>Same reason as Article 65.</p>
<p>Article 105 Unless voting by ballot is conducted particularly pursuant to the listing rules or relevant provisions of the securities regulatory authorities of the places where shares of the Company are listed, or voting by ballot is (before or after any voting by show of hands) demanded by the following persons, voting at a shareholders' general meeting shall be conducted by a show of hands:</p> <p>(1) the chairman of the shareholders' general meeting;</p> <p>(2) at least two shareholders or their proxies entitled to vote;</p> <p>(3) one or more shareholders (including their proxies) individually or jointly holding 10% or above of the voting shares represented by all shareholders present at the meeting.</p> <p>Unless voting by ballot is so demanded, a declaration shall be made by the chairman of the meeting that a resolution on a show of hands has been passed, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of the votes recorded in favor or against such resolution at the meeting.</p> <p>The demand for voting by ballot may be withdrawn by the person who makes such demand.</p> <p>The method of open ballot shall be adopted for a poll vote.</p>	<p>Article 105 <u>Any vote of shareholders at a 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 a procedural or administrative matter to be voted on by a show of hands.</u></p>	<p>Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited provides that: Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.</p>

<p>Article 106 In the event that the issue required to be voted by ballot is the election of chairman or the termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues required to be voted by ballot, the chairman may decide the time of voting by ballot, and the meeting may proceed to consider other issues, and the voting results shall be deemed as resolutions passed at the said meeting.</p>	<p>Deletion in entirety.</p>	<p>Same reason as Article 105.</p>
<p>Rules of Procedure for Shareholders' General Meetings:</p>		
<p>Article 39 Unless voting by ballot is conducted particularly pursuant to the listing rules or relevant provisions of the securities regulatory authorities of the places where shares of the Company are listed, or voting by ballot is (before or after any voting by show of hands) demanded by the following persons, voting at a shareholders' general meeting shall be conducted by a show of hands:</p> <p>(1) the chairman of the shareholders' general meeting;</p> <p>(2) at least two shareholders or their proxies entitled to vote;</p> <p>(3) one or more shareholders (including their proxies) individually or jointly holding 10% or above of the voting shares represented by all shareholders present at the meeting.</p> <p>Unless voting by ballot is so demanded, a declaration shall be made by the chairman of the meeting that a resolution on a show of hands has been passed, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of the votes recorded in favor or against such resolution at the meeting.</p> <p>The demand for voting by ballot may be withdrawn by the person who makes such demand.</p> <p>The method of open ballot shall be adopted for a poll vote.</p>	<p>Article 39 <u>Any vote of shareholders at a 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 a procedural or administrative matter to be voted on by a show of hands.</u></p>	<p>Same reason as Article 105 of the Articles of Association.</p>

<p>Article 40 In the event that the issue required to be voted by ballot is the election of chairman or the termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues required to be voted by ballot, the chairman may decide the time of voting by ballot, and the meeting may proceed to consider other issues, and the voting results shall be deemed as resolutions passed at the said meeting.</p>	<p>Deletion in entirety.</p>	<p>Same reason as Article 105 of the Articles of Association.</p>
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Such amendments to the Articles of Association and the Rules of Procedure for Shareholders' General Meetings shall be proposed at the shareholders' general meeting of the Company for consideration and approval, and material articles therein will come into effect after being approved by China Securities Regulatory Commission.

A circular containing, among other things, details of the above resolutions, together with the notice of the shareholders' general meeting, will be despatched to the shareholders in due course.

By order of the Board of Directors
PAN Xinjun
Chairman

Shanghai, PRC
August 28, 2016

As at the date of this announcement, the Board of Directors comprises Mr. PAN Xinjun and Mr. JIN Wenzhong as executive Directors; Mr. WU Jianxiong, Mr. ZHANG Qian, Mr. WU Junhao, Mr. CHEN Bin, Mr. LI Xiang, Ms. HUANG Laifang and Mr. ZHOU Yao as non-executive Directors; and Mr. LI Zhiqiang, Mr. XU Guoxiang, Mr. TAO Xiuming, Mr. WEI Anning, Mr. PAN Fei and Mr. XU Zhiming as independent non-executive Directors.