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中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

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

(Stock code: 2799)

**PROPOSED NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF GENERAL MEETINGS
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF GENERAL MEETINGS
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND A SHARE OFFERING
NOTICE OF EXTRAORDINARY GENERAL MEETING
NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING
AND
NOTICE OF H SHAREHOLDERS' CLASS MEETING**

The Company will convene the EGM on Monday, 7 August 2017 at 9:30 a.m., the Domestic Shareholders' Class Meeting immediately after the conclusion or adjournment of the EGM (whichever is later) and the H Shareholders' Class Meeting immediately after the conclusion or adjournment of the Domestic Shareholders' Class Meeting (whichever is later), respectively, at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC. Notices of EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting respectively are set out on page 122 to page 130 in this circular.

If you wish to appoint a proxy to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time scheduled for holding the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting (i.e. before 9:30 a.m. on Sunday, 6 August 2017) or any adjournment thereof (as the case may be). If you wish to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting in person or by proxy, you are required to complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before Tuesday, 18 July 2017. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting or at any adjournment thereof should you so wish.

23 June 2017

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DEFINITIONS

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

“A Share(s)”	ordinary share(s) that are proposed to be issued by the Company under the A Share Offering and subscribed for in RMB
“A Share Offering”	proposed initial public offering in the PRC and listing on the Shanghai Stock Exchange of not more than 6,894,742,669 A Shares of the Company
“Additional Tier 1 Capital”	refers to the capital instruments that satisfy the qualifying criteria for additional tier 1 capital instruments in accordance with the AMC Administrative Measures and with reference to the Rules Governing Capital Management of Commercial Banks (Provisional) issued by the CBRC on 7 June 2012, which became effective on 1 January 2013
“Administrative Measures on Preference Shares”	the Trial Administrative Measures on Preference Shares issued by the CSRC on 21 March 2014
“AMC Administrative Measures”	the Administrative Measures on Financial Asset Management Companies jointly issued by the CBRC, the MOF, People’s Bank of China, the CSRC and China Insurance Regulatory Commission on 14 August 2014 and effective on 1 January 2015
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“Board Resolution Date”	12 June 2017, being the date on which the Board approved the proposed Plan for Non-public Issuance of Offshore Preference Shares, which is also the announcement date of the Board resolution
“CBRC”	China Banking Regulatory Commission
“Chairman”	the chairman of the Board
“Class Meeting(s)”	the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“Company”	China Huarong Asset Management Co., Ltd., a joint stock limited liability company incorporated in the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Company Law”	the Company Law of the PRC (revised in 2013) promulgated by the Standing Committee of the National People’s Congress
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Domestic Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares
“Domestic Shareholders’ Class Meeting”	the first class meeting of Domestic Shareholders for 2017 to be held by the Company immediately after the conclusion or adjournment of the EGM (whichever is later) on Monday, 7 August 2017 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“EGM” or “Extraordinary General Meeting”	the third extraordinary general meeting for 2017 to be held by the Company at 9:30 a.m. on Monday, 7 August 2017 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“Group”	the Company and its subsidiaries
“Guidance Opinion on Capital Instruments”	the Guidance Opinion of the CBRC on Innovation of Capital Instruments of Commercial Banks issued by the CBRC on 29 November 2012
“H Share(s)”	the ordinary share(s) with nominal value of RMB1.00 each in the issued share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in HK\$
“H Shareholder(s)”	the holder(s) of H Shares
“H Shareholders’ Class Meeting”	the first class meeting of H Shareholders for 2017 to be held by the Company immediately after the conclusion or adjournment of the Domestic Shareholders’ Class Meeting (whichever is later) on Monday, 7 August 2017 at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Joint Guidance Opinion”	the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier 1 Capital jointly issued by the CBRC and the CSRC on 3 April 2014
“Latest Practicable Date”	19 June 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“MOF”	Ministry of Finance of the PRC

DEFINITIONS

“NDRC”	National Development and Reform Commission of the PRC
“Offshore Preference Share Issuance Plan” or “Plan for Non-public Issuance of Offshore Preference Shares”	the Plan for Non-public Issuance of Offshore Preference Shares by the Company as set out in Appendix I to this circular
“Offshore Preference Share(s)”	the not more than 200 million (inclusive) preference shares of an aggregate amount of not more than RMB20 billion (inclusive) or its equivalent, proposed to be issued by the Company in the offshore market pursuant to the Offshore Preference Share Issuance Plan
“Offshore Preference Shareholder(s)”	the holder(s) of Offshore Preference Shares
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Procedural Rules of General Meetings”	the procedural rules of shareholders’ general meetings of the Company, as amended from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (revised in 2014) promulgated by the Standing Committee of the National People’s Congress
“Share(s)” or “Ordinary Share(s)”	the ordinary shares of the Company, including Domestic Share(s) and H Share(s)
“Shareholder(s)” or “Ordinary Shareholder(s)”	the holder(s) of the Shares
“State Council Guidance Opinion”	the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council on 30 November 2013
“%”	per cent.



中國華融
CHINA HUARONG

中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

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

(Stock code: 2799)

Executive Directors:

Mr. Lai Xiaomin (*Chairman*)
Mr. Ke Kasheng (*President*)
Mr. Wang Lihua

Registered office:

No. 8 Financial Street
Xicheng District
Beijing
the PRC

Non-executive Directors:

Mr. Wang Keyue (*Vice Chairman*)
Mr. Li Yi
Ms. Wang Cong
Ms. Dai Lijia
Mr. Zhou Langlang

Principal place of business in Hong Kong:

18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Song Fengming
Mr. Tse Hau Yin
Mr. Liu Junmin
Mr. Shao Jingchun

23 June 2017

To the Shareholders,

Dear Sir or Madam,

**PROPOSED NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
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AND
NOTICE OF H SHAREHOLDERS' CLASS MEETING**

LETTER FROM THE BOARD

1 INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the EGM and the Class Meetings to enable you to make informed decisions on whether to vote for or against the resolutions at the EGM and the Class Meetings.

2 MATTERS TO BE CONSIDERED AT THE EGM AND THE CLASS MEETINGS

Resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (a) proposed non-public issuance of Offshore Preference Shares; (b) proposed amendments to the Articles of Association for issuance of Offshore Preference Share and implementing Party building requirements; (c) proposed amendments to the Articles of Association for issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements; (d) proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares; and (e) proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares and A Share Offering.

The resolutions (a) to (c) above are to be approved by the Shareholders at the EGM by way of special resolutions and resolutions (d) to (e) above are to be approved by the Shareholders at the EGM by way of ordinary resolutions.

The resolution set out in (a) above is also to be proposed at the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting for consideration and approval by Domestic Shareholders and H Shareholders, respectively, in each case, by way of special resolutions.

Details of the matters to be considered at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are set out on pages 122 to 130 in the notices of EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the EGM and the Class Meetings and to make well-informed decisions, the Company has provided detailed information in this circular, including (a) the Plan for Non-public Issuance of Offshore Preference Shares (see Appendix I); (b) proposed amendments to the Articles of Association for issuance of Offshore Preference Share and implementing Party building requirements (comparison table) (see Appendix II); (c) proposed amendments to the Articles of Association for issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements (comparison table) (see Appendix III); (d) proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares (comparison table) (see Appendix IV); and (e) proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares and A Share Offering (comparison table) (see Appendix V).

2.1 Proposed Non-public Issuance of Offshore Preference Shares

As a financial asset management company in the PRC, the Company is required to comply with the regulatory capital requirements under the AMC Administrative Measures and maintain adequate levels of regulatory capital as a buffer against the risks from its business activities and to ensure its sustainable business operation.

In order to improve the overall competitiveness and to ensure continuous business development, the Company plans to conduct a non-public issuance of Offshore Preference Shares to raise proceeds not exceeding RMB20 billion (inclusive) or its equivalent to replenish the Company's regulatory capital. The Offshore Preference Shares are intended to be accounted as Additional Tier 1 Capital.

LETTER FROM THE BOARD

The issuance of the Offshore Preference Shares will enable the Company to optimise its capital structure and increase its regulatory capital in order to fully comply with the prudential regulatory requirements for the capital adequacy of financial asset management companies, strengthen the risk management capabilities and maintain the international credit rating of the Company.

To constitute as Additional Tier 1 Capital, the Offshore Preference Shares, among other things, shall be perpetual and have no maturity date, and rank as junior obligations of the Company (but rank senior to the Ordinary Shares). In addition, the dividends payable on the Offshore Preference Shares are not cumulative and are discretionary. Furthermore, the Offshore Preference Shares will attach limited voting rights and will not dilute the shareholding interests of the Ordinary Shareholders, unless the Offshore Preference Shares are mandatorily converted into H Shares upon the occurrence of certain limited trigger events or the voting rights of Offshore Preference Shares are restored in accordance with the Offshore Preference Shares Issuance Plan. For more detailed qualifying criteria for Additional Tier 1 Capital, please refer to the AMC Administrative Measures with reference to the Rules Governing Capital Management of Commercial Banks (Provisional) issued by the CBRC on 7 June 2012, which became effective on 1 January 2013.

In accordance with the Company Law, the Securities Law, the State Council Guidance Opinion, the AMC Administrative Measures and the Listing Rules, and with reference to relevant provisions of the Administrative Measures on Preference Shares, the Joint Guidance Opinion, the Guidance Opinion on Capital Instruments and other relevant laws, regulations, departmental rules and regulatory documents, the Company has fulfilled the conditions for non-public issuance of Offshore Preference Shares.

The issuance of the Offshore Preference Shares will be conducted by way of a private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares will be issued in a single series in accordance with the relevant procedures after being approved by regulatory authorities. To the best of the Company's knowledge, information and belief, each of the initial placees for the Offshore Preference Shares (and its respective ultimate beneficial owners) is not expected to be connected persons (as defined in the Listing Rules) of the Company. If the Offshore Preference Shares will be issued to any connected persons of the Company, the Company will comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents. There will be no lock-up period for the Offshore Preference Shares. The Company shall have the right to mandatorily convert all of the Offshore Preference Shares into H Shares on the occurrence of certain limited trigger events as prescribed in the Offshore Preference Share Issuance Plan.

The initial mandatory conversion price of the Offshore Preference Shares will be equal to the higher of:

- (i) the net asset value per share attributable to equity holders of the parent company as at 31 December 2016 disclosed in the Company's audited consolidated financial statements for the year ended 31 December 2016 and denominated in Hong Kong dollars, which shall be converted with reference to the RMB Central Parity Rate to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trading Centre on the trading day prior to the Board Resolution Date (i.e. 9 June 2017), being RMB0.87172 to HK\$1.00 (rounded up to the nearest 2 decimal places), i.e. HK\$3.39; and
- (ii) the average trading price of the H Shares for the 20 trading days preceding the Board Resolution Date (the average trading price of the H Shares for the 20 preceding trading days = total trading amount of the H Shares for such 20 trading days/total trading volume of H Shares for such 20 trading days, being HK\$3.23).

LETTER FROM THE BOARD

Based on the above formulation, the initial mandatory conversion price of the Offshore Preference Shares will be the price determined based on the net asset value per share as at 31 December 2016, being HK\$3.39. On this basis:

- (i) the closing price of H Shares on the trading day prior to the Board Resolution Date (i.e. 9 June 2017) is HK\$3.22 and the initial mandatory conversion price represents a premium of 5.28% to such price;
- (ii) the average closing price of H Shares in the five consecutive trading days immediately prior to the Board Resolution Date is HK\$3.23 and the initial mandatory conversion price represents a premium of 5.02% to such price; and
- (iii) the closing price of H Shares on the Latest Practicable Date is HK\$3.08 and the initial mandatory conversion price represents a premium of 10.06% to such price.

Assuming that an issue size equivalent to RMB20 billion of Offshore Preference Shares were issued and all the Offshore Preference Shares were subject to conversion, on the basis that the initial mandatory conversion price is HK\$3.39, the number of H Shares issuable upon conversion of the Offshore Preference Shares would not exceed 6,767,889,935 H Shares.

As at the Latest Practicable Date, there were 25,043,852,918 H Shares in issue. Assuming that the number of issued H Shares remains as stated above on the date the proposed special resolutions regarding the Offshore Preference Share Issuance Plan are passed at the EGM and the Class Meetings, the maximum number of H Shares may be issued represents (i) 27.02% of the total number of H Shares in issue of the Company, (ii) 21.27% of the enlarged H share capital of the Company, and (iii) 17.32% of the current total issued share capital of the Company.

For illustrative purpose only, the table below sets forth the impact on the Company's share capital structure if all the Offshore Preference Shares under the proposed issuance were converted into H Shares pursuant to the Offshore Preference Share Issuance Plan:

	As at the Latest Practicable Date		After issuance of the Offshore Preference Shares ¹		After conversion of all the Offshore Preference Shares ²	
	Shares	Percentage of share capital	Shares	Percentage of share capital	Shares	Percentage of share capital
Domestic Share	14,026,355,544	35.90%	14,026,355,544	35.90%	14,026,355,544	30.60%
H Share	25,043,852,918	64.10%	25,043,852,918	64.10%	31,811,742,853	69.40%
Total	39,070,208,462	100.00%	39,070,208,462	100.00%	45,838,098,397	100.00%

1 If there is no trigger event for conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Company.

2 The maximum number of H Shares issuable upon conversion of the Offshore Preference Shares is calculated based on the assumption that (i) the issue size is equivalent to RMB20 billion and all of the Offshore Preference Shares are subject to conversion, and (ii) the conversion price is HK\$3.39.

Based on the public information available to the Company and on the basis that all the Offshore Preference Shares will be initially placed to persons independent from the Company and persons that are not connected persons of the Company, the Company's public float will not be affected by the issuance of Offshore Preference Shares. Assuming all of the Offshore Preference Shares were converted at the

LETTER FROM THE BOARD

initial mandatory conversion price of HK\$3.39, the Company will continue to comply with the public float requirements under rules 8.08(1)(a) and (b) of the Listing Rules that at least 25% of the Company's total issued share capital must at all times be held by the public, subject to other changes in the Shares, the Shareholders or the capital of the Company.

Please refer to Appendix I to this circular for details of the Offshore Preference Share Issuance Plan.

On 12 June 2017, the Board considered and approved the Offshore Preference Share Issuance Plan. The proposed issuance of Offshore Preference Shares will be subject to the approval of Shareholders at the EGM, the approval of Domestic Shareholders at the Domestic Shareholders' Class Meeting and the approval of H Shareholders at the H Shareholders' Class Meeting, in each case, as special resolutions. At the same time, the proposal will be submitted to the EGM and the Class Meetings to, pursuant to the Offshore Preference Share Issuance Plan, authorise the Board, and the Board will then delegate the authority to the Chairman and the person(s) delegated by the Chairman, to individually or jointly exercise the full power to handle all matters relating to the issuance of Offshore Preference Shares within the validity period of such authorisation and in accordance with the Offshore Preference Share Issuance Plan. Upon approval by the Shareholders at the EGM and the Class Meetings, the proposed issuance of Offshore Preference Shares shall also be subject to approval by or filing with competent regulatory authorities (namely, the approvals by the CBRC and the CSRC and the filing and registration with the NDRC).

The validity period of the Offshore Preference Share Issuance Plan will be 36 months from the date on which the resolution relating to the Offshore Preference Share Issuance Plan is approved at the EGM and the Class Meetings. The authorisation to the Board for matters relating to the issuance of Offshore Preference Shares shall remain valid during the 12 months following the passing of the resolution relating to authorisation in the Offshore Preference Share Issuance Plan at the EGM and the Class Meetings. If the proposed issuance of Offshore Preference Shares as described above is not completed before the expiration of the validity period of such authorisation, then such authorisation related to issuance will lapse, but the Board has the right to seek approval at the Shareholders' general meeting to extend or renew the validity period of such authorisation.

Shareholders and potential investors shall be aware that the proposed issuance of Offshore Preference Shares is subject to all necessary approvals being obtained and various factors including market conditions, and therefore the proposed issuance of Offshore Preference Shares may or may not proceed. In the event there is any material development in respect of the issuance of the Offshore Preference Shares, the Company will make further announcements as and when appropriate.

2.2 Proposed Amendments to the Articles of Association for Issuance of Offshore Preference Shares and Implementing Party Building Requirements

In consideration of the proposed non-public issuance of Offshore Preference Shares and in order to satisfy the requirements on corporate governance and standard operation for the issuance and listing of Offshore Preference Shares, as well as to concurrently implement the relevant requirements of the MOF on Party building works, the Company has proposed relevant amendments to the Articles of Association, in accordance with the State Council Guidance Opinion, the AMC Administrative Measures, the Guidelines of the MOF regarding Incorporating Party Building Works into the Articles of Associations of Central Financial Enterprises and other applicable laws, regulations, departmental rules and regulatory documents, with reference to relevant provisions of the Administrative Measures on Preference Shares, the Joint Guidance Opinion and the Guidance Opinion on Capital Instruments and taking into account the Offshore Preference Share Issuance Plan and the actual situation of the Company. For details of the amendments to the Articles of Association, please refer to Appendix II to this circular.

LETTER FROM THE BOARD

On 12 June 2017, the Board considered and approved the proposal on the amendments to the Articles of Association for issuance of Offshore Preference Shares and implementing Party building requirements. This proposal is hereby submitted as a special resolution to the EGM for Shareholders' consideration and approval, and it is also submitted to authorise the Board, and the Board will then delegate the authority to the Chairman and the person(s) delegated by the Chairman, to individually or jointly adjust and amend the Articles of Association (including but not limited to the adjustments and amendments to the wordings, chapters, clauses and effective conditions etc.) for the purpose of issuance of Offshore Preference Shares and implementing Party building requirements pursuant to the relevant changes of laws, regulations, departmental rules, regulatory documents or rules of securities regulatory authorities, and based on the requirements or suggestions of the relevant governmental or regulatory authorities in the PRC or overseas, and the actual situation of the issuance and listing of Offshore Preference Shares; and to handle registration or filing matters with company registration authority or other relevant governmental bodies in connection with the amendments to the Articles of Association.

The proposed amendments to the Articles of Association for issuance of Offshore Preference Shares and implementing Party building requirements, upon approval by the Shareholders at the EGM, shall be subject to approval by the CBRC, and will become effective from the date of obtaining the approval of the CBRC.

2.3 Proposed Amendments to the Articles of Association for Issuance of Offshore Preference Shares, A Share Offering and Implementing Party Building Requirements

Reference is made to the circular of the Company dated 29 July 2016, in relation to (among others) the proposed A Share Offering and the proposed amendments to the Articles of Association for the purpose of the A Share Offering. Such proposals have been approved by the 2016 third extraordinary general meeting of the Company held on 13 September 2016.

In consideration of the proposed non-public issuance of Offshore Preference Shares and in order to satisfy the requirements on corporate governance and standard operation for the issuance and listing of Offshore Preference Shares and the A Share Offering, as well as to concurrently implement the relevant requirements of the MOF on Party building works, the Company has proposed relevant amendments to the Articles of Association, in accordance with relevant rules applicable to issuance of Offshore Preference Shares and A Share Offering respectively, the Guidelines of the MOF regarding Incorporating Party Building Works into the Articles of Associations of Central Financial Enterprises and other applicable laws, regulations, departmental rules and regulatory documents, and taking into account the actual situation of the Company. For details of the amendments to the Articles of Association, please refer to Appendix III to this circular.

On 12 June 2017, the Board considered and approved the proposal on the amendments to the Articles of Association for issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements. This proposal is hereby submitted as a special resolution to the EGM for Shareholders' consideration and approval and it is also submitted to authorise the Board, and the Board will then delegate the authority to the Chairman and the person(s) delegated by the Chairman, to individually or jointly adjust and amend the Articles of Association (including but not limited to the adjustments and amendments to the wordings, chapters, clauses and effective conditions etc.) for the purpose of issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements, pursuant to the relevant changes of laws, regulations, departmental rules, regulatory documents or rules of securities regulatory authorities, and based on the requirements or suggestions of the relevant governmental or regulatory authorities in the PRC or overseas, and the actual situation of the issuance and listing of Offshore Preference Shares and the A Share Offering; and to handle registration or filing matters with

LETTER FROM THE BOARD

company registration authority or other relevant governmental bodies in connection with the amendments to the Articles of Association.

The proposed amendments to the Articles of Association for issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements, upon approval by the Shareholders at the EGM, shall be subject to approval by the CBRC, and will become effective from the date of issuance and listing of A Shares.

For avoidance of doubt, the aforementioned amendments to the Articles of Association will replace the original amendments to the Articles of Association for the purpose of A Share Offering as approved by the 2016 third extraordinary meeting of the Company held on 13 September 2016, and will be adopted from the date of issuance and listing of A Shares.

2.4 Proposed Amendments to the Procedural Rules of General Meetings for Issuance of Offshore Preference Shares

In consideration of the proposed non-public issuance of Offshore Preference Shares and in order to satisfy the requirements on corporate governance and standard operation for the issuance and listing of Offshore Preference Shares, the Company has proposed relevant amendments to the Procedural Rules of General Meetings, in accordance with applicable domestic and overseas laws, regulations and regulatory documents, and taking into account the actual situation of the Company. For details of the amendments to the Procedural Rules of General Meetings, please refer to Appendix IV to this circular.

On 12 June 2017, the Board considered and approved the proposal on the amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares. This proposal is hereby submitted as an ordinary resolution to the EGM for Shareholders' consideration and approval and it is also submitted to authorise the Board, and the Board will then delegate the authority to the Chairman and the person(s) delegated by the Chairman, to individually or jointly adjust and amend the Procedural Rules of General Meetings (including but not limited to the adjustments and amendments to the wordings, chapters, clauses and effective conditions etc.) for the purpose of issuance of Offshore Preference Shares pursuant to the relevant changes of laws, regulations, departmental rules, regulatory documents or rules of securities regulatory authorities, and based on the requirements or suggestions of the relevant governmental or regulatory authorities in the PRC or overseas, and the actual situation of the issuance and listing of Offshore Preference Shares.

The proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares, upon approval by the Shareholders at the EGM, will become effective on the date of approval by the CBRC on the proposed amendments to the Articles of Association for issuance of Offshore Preference Shares and implementing Party building requirements.

2.5 Proposed Amendments to the Procedural Rules of General Meetings for Issuance of Offshore Preference Shares and A Share Offering

Reference is made to the circular of the Company dated 29 July 2016, in relation to (among others) the proposed A Share Offering and the proposed amendments to the Procedural Rules of General Meetings for the purpose of the A Share Offering. Such proposals have been approved by the 2016 third extraordinary general meeting of the Company held on 13 September 2016.

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In consideration of the proposed non-public issuance of Offshore Preference Shares and in order to satisfy the requirements on corporate governance and standard operation for the issuance and listing of Offshore Preference Shares and the A Share Offering, the Company has proposed relevant amendments to the Procedural Rules of General Meetings, in accordance with relevant rules applicable to issuance of Offshore Preference Shares and A Share Offering respectively, and taking into account the actual situation of the Company. For details of the amendments to the Procedural Rules of General Meetings, please refer to Appendix V to this circular.

On 12 June 2017, the Board considered and approved the proposal on the amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares and A Share Offering. This proposal is hereby submitted as an ordinary resolution to the EGM for Shareholders' consideration and approval and it is also submitted to authorise the Board, and the Board will then delegate the authority to the Chairman and the person(s) delegated by the Chairman, to individually or jointly adjust and amend the Procedural Rules of General Meetings (including but not limited to the adjustments and amendments to the wordings, chapters, clauses and effective conditions etc.) for the purpose of issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements, pursuant to the relevant changes of laws, regulations, departmental rules, regulatory documents or rules of securities regulatory authorities, and based on the requirements or suggestions of the relevant governmental or regulatory authorities in the PRC or overseas, and the actual situation of the issuance and listing of Offshore Preference Shares and the A Share Offering.

The proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares and A Share Offering, upon approval by the Shareholders at the EGM, will become effective from the date of issuance and listing of A Shares.

For avoidance of doubt, the aforementioned amendments to the Procedural Rules of General Meetings will replace the original amendments to the Procedural Rules of General Meetings for the purpose of A Share Offering as approved by the 2016 third extraordinary meeting of the Company held on 13 September 2016, and will be adopted from the date of issuance and listing of A Shares.

3 REASONS FOR THE ISSUANCE OF OFFSHORE PREFERENCE SHARES

The Company is a leading financial asset management company in the PRC principally engaged in distressed asset management, financial services and asset management and investment.

The Offshore Preference Shares are intended to be accounted as Additional Tier 1 Capital and will enable the Company to optimise its capital structure and increase its regulatory capital in order to fully comply with the prudential regulatory requirements on the capital adequacy of financial asset management companies, strengthen the risk management capabilities and maintain the international credit rating of the Company.

This will be the first issuance of Additional Tier 1 Capital by the Company. In the past 12 months, the Company has not issued any capital instrument (whether in the form of equity and debt) which would be accounted as Additional Tier 1 Capital.

In the next 12 months from the date of this circular, in relation to the Company's capital plan, the Company's current intention is to proceed with the proposal for the A Share Offering, the issuance of Offshore Preference Shares and the issuance of the tier 2 capital bonds as approved by Shareholders at the 2015 annual general meeting (the "**Tier 2 Capital Bonds**"). However, the timing of the proposed A Share Offering, the issuance of Offshore Preference Shares and the issuance of Tier 2 Capital Bonds is

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still subject to the approvals of relevant regulatory authorities and therefore may or may not proceed in accordance with the Company's current expectations. The Company expects the proceeds generated from these issuances will satisfy its capital needs for the next 12 months from the date of this circular if these issuances proceed as expected.

Notwithstanding the above, the Company may from time to time selectively and prudently examine other debt or equity financing opportunities in its ordinary and usual course of business depending on its working capital, capital condition and operational needs.

The issue of Offshore Preference Shares will increase the Company's Additional Tier 1 Capital. The Company currently only discloses its total capital adequacy ratio in accordance with applicable PRC regulations. For the purpose of ensuring Shareholders are better informed as to the ongoing capital position of the Company, the Company intends to also disclose more detailed information in relation to its capital adequacy ratio going forward upon obtaining the consent of the relevant regulatory authorities and after considering all relevant circumstances.

The Board considers that the proposed issuance of the Offshore Preference Shares is in the interests of the Company and the Shareholders of the Company as a whole.

4 LATEST STATUS OF THE A SHARE OFFERING

Following the approval of the A Share Offering by the Shareholders, Domestic Shareholders and H Shareholders at the third extraordinary general meeting of 2016, the first class meeting of Domestic Shareholders for 2016 and the first class meeting of H Shareholders of 2016 held on 13 September 2016, respectively, the Company has obtained the approval from the CBRC in relation to the A Share Offering on 20 October 2016, and has submitted the application including the prospectus for the A Share Offering to the CSRC on 16 December 2016 which has been accepted by the CSRC on 22 December 2016. Please refer the announcements of the Company dated 13 September 2016 and 23 December 2016 for details.

As the A Share Offering is subject to the approval by the CSRC and other relevant regulatory authorities and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company. Further announcements will be published by the Company as and when appropriate in respect of any material development relating to the A Share Offering.

5 THE EGM AND THE CLASS MEETINGS

The Company will convene the EGM on Monday, 7 August 2017 at 9:30 a.m., the Domestic Shareholders' Class Meeting immediately after the conclusion or adjournment of the EGM (whichever is later) and the H Shareholders' Class Meeting immediately after the conclusion or adjournment of the Domestic Shareholders' Class Meeting (whichever is later), respectively, at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC, to consider and approve (if thought fit) the resolutions as listed in the notices of EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting set out on page 122 to page 130 of this circular.

In order to determine the H Shareholders who are entitled to attend the EGM and H Shareholders' Class Meeting, the H Shares register of members of the Company will be closed from Saturday, 8 July 2017 to Monday, 7 August 2017 (both dates inclusive), during which no transfer of H Shares will be effected. H Shareholders who intend to attend the EGM and/or the H Shareholders' Class Meeting shall

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deposit the share certificates together with the transfer documents at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Friday, 7 July 2017. H Shareholders whose names appear on the H Share register of members of the Company at the close of business on Friday, 7 July 2017 are entitled to attend the EGM and the H Shareholders' Class Meeting.

Proxy forms and reply slips for use at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting are enclosed herein and also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The Shareholders who intend to attend the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting by proxy shall complete and return the proxy form(s) according to the instructions printed thereon. H Shareholders shall return the proxy form(s) to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong 24 hours before the time scheduled for holding the EGM and/or H Shareholders' Class Meeting (i.e. before 9:30 a.m. on Sunday, 6 August 2017) or any adjournment thereof (as the case may be). The Domestic Shareholders shall return the proxy form(s) to the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC 24 hours before the time scheduled for holding the EGM and/or Domestic Shareholders' Class Meeting (i.e. before 9:30 a.m. on Sunday, 6 August 2017) or any adjournment thereof (as the case may be). Completion and return of the proxy form(s) will not preclude you from attending and voting at the EGM, Domestic Shareholders' Class Meeting and/or H Shareholders' Class Meeting or any adjournment thereof in person should you so wish.

The Shareholders who intend to attend the EGM and/or the Class Meetings in person or by proxy shall complete the reply slip(s) by hand, by post or by fax (fax no: (852) 2865 0990) to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (if you are an H Shareholder) or the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC (if you are a Domestic Shareholder) on or before Tuesday, 18 July 2017.

The voting at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting shall be by way of registered poll.

6 RECOMMENDATION

The Board considers that all resolutions set out in the notices of EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of all resolutions proposed at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

7 RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and there are no other facts the omission of which would make any statement herein misleading.

By order of the Board
China Huarong Asset Management Co., Ltd.
LAI Xiaomin
Chairman

The Plan for Non-public Issuance of Offshore Preference Shares is written in Chinese, with no official English translation. The English translation is provided for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Plan for Non-Public Issuance of Offshore Preference Shares is as follows:

Plan for Non-public Issuance of Offshore Preference Shares

The Company has the following plan for the non-public issuance of Offshore Preference Shares:

1 Type of preference shares to be issued

The type of preference shares to be issued in the offshore market will be preference shares that comply with the requirements of the PRC and overseas laws, regulations and regulatory documents (the “**Offshore Preference Shares**”).

2 Number of preference shares to be issued and issue size

The aggregate number of the Offshore Preference Shares to be issued will not exceed 200 million (inclusive), with an aggregate amount to be issued not exceeding RMB20 billion or its equivalent (inclusive). The actual issue size is to be determined by the Board within the above-mentioned limit, in accordance with the authorisation given by the Shareholders’ general meeting.

3 Par value and issue price

The par value of the Offshore Preference Shares will be RMB100 per share. The Offshore Preference Shares will be issued at or above the par value. The actual currency and issue price will be determined by the Board prior to issuance with reference to market conditions and in accordance with relevant laws and regulations, market practice and the authorisation given by the Shareholders’ general meeting.

4 Maturity

The Offshore Preference Shares will not have any maturity date.

5 Method of issuance and target investors

The issuance of Offshore Preference Shares will be conducted by way of private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares shall, after being approved by regulatory authorities, be issued in a single series in accordance with the relevant procedures.

Each series of the Offshore Preference Shares will be offered to no more than 200 qualified investors who comply with the requirements under relevant regulatory rules and other laws and regulations. All target investors shall subscribe for the Offshore Preference Shares in cash.

6 Lock-up period

There will be no lock-up period for the Offshore Preference Shares.

7 Dividend distribution terms

7.1 Principles for determining the dividend rate

The proposed dividend rate for the Offshore Preference Shares (such dividend rate will be calculated by reference to the issue price of the Offshore Preference Shares, similarly construed hereinafter) may be adjusted at different intervals. The dividend rate at the time of issuance shall be determined by the Board by way of market pricing, in accordance with the authorisation given by the Shareholders' general meeting with reference to such factors including relevant laws and regulations, market conditions at the time of issuance, investors' need and the actual circumstances of the Company. In any dividend rate adjustment period, dividends on the Offshore Preference Shares will be paid at the same prescribed dividend rate and will be reset at specified intervals thereafter.

The dividend rate consists of the benchmark interest rate and the fixed spread. The fixed spread will be determined by deducting the benchmark interest rate at the time of issuance from the dividend rate at the time of issuance of the Offshore Preference Shares and will remain unchanged once determined. On the reset date, the new dividend rate for the next dividend rate adjustment period will be determined, and will equal to the sum of the benchmark interest rate as at the reset date and the fixed spread as determined at the time of issuance.

The dividend rate of the Offshore Preference Shares will not be higher than the weighted average return on equity of the Company for the last two financial years before the issuance.

7.2 Conditions for distribution of dividends

- (i) If the Company has distributable after-tax profits¹ after making up for previous years' losses and contributing to the statutory reserve and general reserve, the Company may pay dividends to the Offshore Preference Shareholders in accordance with the Articles of Association, provided that the capital adequacy of the Company meets regulatory requirements. The Offshore Preference Shareholders shall rank in priority to the Ordinary Shareholders in terms of dividend distribution. Distribution of dividends will not be affected by the rating of the Company and will not be adjusted as a result of any change to such rating.
- (ii) In order to meet the regulatory requirements for the eligibility criteria for Additional Tier 1 Capital instruments, the Company shall have the right to cancel dividend payments on the Offshore Preference Shares in whole or in part at its discretion and this will not constitute an event of default. The Company, at its discretion, may use any dividend so cancelled to repay other debts that are due. The cancellation of any dividend payment to the Offshore Preference Shareholders will only constitute a restriction on the payment of dividend to the Ordinary Shareholders and will not constitute any other restrictions on the Company. Any declaration and payment of all of the dividends on the Offshore Preference Shares by the Company will be determined by the Board in accordance with the authorisation given by the Shareholders' general meeting. Any cancellation of all or part of the dividends on the Offshore Preference Shares shall be subject to the consideration and approval by the Shareholders' general meeting. Any cancellation by the Company of any dividends on the Offshore Preference Shares shall be notified to the Offshore Preference Shareholders at least ten working days prior to the dividend payment date.

¹ Distributable after-tax profits is the undistributed profit as shown in the financial statements of the parent company prepared in accordance with Chinese Accounting Standards or International Financial Reporting Standards, whichever amount is lower

- (iii) If the Company cancels all or part of the distribution of dividends on the Offshore Preference Shares, the Company shall not distribute any profits to the Ordinary Shareholders from the next day following the resolution being approved at the Shareholders' general meeting until the resumption of payment of dividends in full².

7.3 Method of dividend payment

Dividends on the Offshore Preference Shares shall be payable in cash. The dividend bearing principal amount of the Offshore Preference Shares shall be the aggregate value of the Offshore Preference Shares then issued and outstanding (namely, the product of the issue price of the Offshore Preference Shares and the number of shares under the Offshore Preference Shares then issued and outstanding, similarly construed hereinafter). Dividends on the Offshore Preference Shares shall be paid annually, and will be accrued from the due date for payment for the issuance of the Offshore Preference Shares.

7.4 Dividend accumulation

The dividends on the Offshore Preference Shares will be non-cumulative, namely, in the event of any cancellation by the Company of all or part of the dividends on the Offshore Preference Shares, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current period will not be accumulated to the following dividend period.

7.5 Distribution of residual profits

After receiving the dividends at the prescribed dividend rate, the Offshore Preference Shareholders shall not be entitled to any distribution of residual profits of the Company together with the Ordinary Shareholders.

8 Terms of mandatory conversion

8.1 Mandatory conversion trigger events

Unless the losses of the Company can be fully absorbed prior to assumption of the losses by the Offshore Preference Shareholders, in accordance with the relevant requirements of the CBRC, upon the occurrence of the following trigger events, the Company shall have the right to convert, without the approval of the Offshore Preference Shareholders, all of the Offshore Preference Shares then issued and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares. Upon conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances.

A trigger event means the earlier of the following events: (a) the CBRC having concluded that without a decision on the conversion into Ordinary Shares, the Company would become non-viable, and (b) the relevant authorities such as the MOF and the People's Bank of China having concluded that without a decision on a public sector injection of capital or equivalent support, the Company would become non-viable.

2 Resumption of payment of dividends in full means that the Company decides to resume payment of dividends in full to the Offshore Preference Shareholders. However, as the Offshore Preference Shares have adopted a non-cumulative dividend approach, the Company will not pay any dividends which have been cancelled in previous years.

Upon the occurrence of the above mandatory conversion trigger events, the Company shall report to the CBRC for review and determination and shall fulfil its relevant information disclosure obligations such as making provisional reports or announcements in accordance with relevant regulatory requirements.

8.2 Mandatory conversion period

The mandatory conversion period of the Offshore Preference Shares commences on the first trading day immediately following the completion date of the issuance of the Offshore Preference Shares and ends on the date of redemption or conversion of all the Offshore Preference Shares.

8.3 Mandatory conversion price and method of adjustments of the mandatory conversion price

The initial mandatory conversion price of the Offshore Preference Shares will be equal to the net asset value per share attributable to equity holders of the parent company as disclosed in the Company's audited consolidated financial statements as at the end of 2016 and denominated in Hong Kong dollars (which shall be converted with reference to the RMB Central Parity Rate to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the Board Resolution Date on the Offshore Preference Share Issuance Plan and rounded up to the nearest 2 decimal places) or the average trading price of the H Shares of the Company for the 20 trading days preceding the Board Resolution Date in respect of the issuance of the Offshore Preference Share (whichever is higher).

In the event that the Company, among other things, distributes bonus shares with respect to its H Shares, makes capitalisation issues with respect to its H Shares, issues H Shares below the market price of the H Shares (excluding any increase in the share capital as a result of conversion of certain financial instruments issued by the Company that are convertible into Ordinary Shares) or makes any rights issues with respect to its H Shares, after the date the Board approves the Offshore Preference Share Issuance Plan, the Company will adjust the mandatory conversion price to reflect the above events on a cumulative basis and in the order of the occurrence of such events. The distribution of cash dividends to the Ordinary Shareholders will not result in any adjustment to the mandatory conversion price. The mandatory conversion price will be adjusted based on the following:

Bonus share issuance or capitalisation issue: $P1 = P0 \times N/(N + n)$;

Issuance of new H Shares below the market price of the H Shares or by way of a rights issue: $P1 = P0 \times (N + k)/(N + n)$; $k = n \times A/M$;

Where, "P1" denotes the effective mandatory conversion price after adjustment; "P0" denotes the effective mandatory conversion price before adjustment; "N" denotes the aggregate number of H Shares before such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "n" denotes the number of new H Shares issued as a result of such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "A" denotes the price for such issuance of new H Shares below the market price of the H Shares or rights issue; and "M" denotes the closing price of H Shares on the trading day preceding the date of announcement of such issuance of new H Shares below the market price of the H Shares or rights issue (namely, announcement containing the effective and irrevocable terms of such issuance or rights issue).

In the event that the rights and interests of the Offshore Preference Shareholders may be affected by any redemption of the Ordinary Shares by, or merger or division of, the Company or any other circumstance which causes changes in the Company's share class, number of shares and/or shareholders' equity, the Company shall have the right to adjust the mandatory conversion price based on the actual circumstances and in accordance with the principles of fairness, justice and equity as well as to fully protect the rights and interests of the Offshore Preference Shareholders and the Ordinary Shareholders. The adjustment mechanism for the mandatory conversion price in those circumstances will be determined in accordance with the relevant regulations.

8.4 Principles for determining the ratio and number for mandatory conversion

Upon the occurrence of a trigger event, the Board will, in accordance with the approval of the CBRC and the authorisation given by the Shareholders' general meeting, confirm the aggregate amount of the Offshore Preference Shares for mandatory conversion and implement mandatory conversion of all of the Offshore Preference Shares then issued and outstanding. The formula for determining the number of shares to be converted shall be: $Q = V/P \times \text{conversion exchange rate}$. Where: "Q" denotes the number of H Shares that shall be converted from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the amount of the Offshore Preference Shares held by each Offshore Preference Shareholder that is subject to mandatory conversion (namely, the number of the Offshore Preference Shares held by such Offshore Preference Shareholder multiplied by the issue price, similarly construed hereinafter); "P" denotes the effective mandatory conversion price for the Offshore Preference Shares; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the Offshore Preference Shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading day preceding the Board Resolution Date in respect of the Offshore Preference Share Issuance Plan. Any fractional share will be dealt with by the Company in accordance with relevant regulatory requirements. Where it is not specified in the regulatory requirements, any fractional share will be rounded down to the nearest integral number.

Upon the occurrence of a trigger event, all of the Offshore Preference Shares then issued and outstanding will be converted into corresponding number of H Shares based on the above formula.

8.5 Entitlement to dividends on Ordinary Shares in the year of mandatory conversion

The H Shares to be issued as a result of the mandatory conversion of the Offshore Preference Shares will rank *pari passu* with the existing issued H Shares, and all Ordinary Shareholders whose names appear on the register of members of the Company on the record date for dividend entitlement (including the H Shareholders as a result of the mandatory conversion of the Offshore Preference Shares) shall be entitled to receive the dividend for the current dividends period and enjoy the same rights.

9 Terms of conditional redemption

9.1 Redemption right

The Company shall have the right to redeem the Offshore Preference Shares subject to obtaining the approval of the CBRC. The Offshore Preference Shareholders do not have the right to require the Company to redeem the Offshore Preference Shares and should not expect that the Offshore Preference Shares will be redeemed. The Offshore Preference Shares will not contain any term allowing investors to put back the Offshore Preference Shares to the Company and the Offshore Preference Shareholders shall not have any right to require the Company to repurchase the Offshore Preference Shares held by them.

9.2 Redemption conditions and period

From the fifth year (inclusive) following the completion date of the issuance of the Offshore Preference Shares or as approved by the CBRC and other regulatory authorities, and subject to obtaining the approval of the CBRC and the compliance with the relevant requirements, the Company shall have the right to redeem all or part of the Offshore Preference Shares. The specific commencement date of redemption period shall be determined by the Board (as authorised by the Shareholders' general meeting) in accordance with market conditions. The redemption period ends on the date of conversion or redemption of all the Offshore Preference Shares.

The exercise by the Company of its right to redeem the Offshore Preference Shares shall be subject to the fulfilment of the following conditions:

- (i) the Company shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or
- (ii) the capital position of the Company immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBRC and other relevant regulatory authorities.

9.3 Redemption price and basis for determining the redemption price

The redemption price of the Offshore Preference Shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

10 Restrictions on voting rights and terms of restoration of voting rights**10.1 Restrictions on voting rights**

Under normal circumstances, the Offshore Preference Shareholders are not entitled to convene or attend any Shareholders' general meetings of the Company nor do the Offshore Preference Shares carry any voting rights in any Shareholders' general meeting. If any of the following matters occurs, the Offshore Preference Shareholders will be entitled to attend Shareholders' general meetings and vote as a separate class. Under such circumstance, each Offshore Preference Share will be entitled to one vote, but the Offshore Preference Shares held by the Company do not entitle the Company to vote:

- (i) amendments to the Articles of Association related to preference shares;
- (ii) reduction of the registered capital of the Company by more than 10% on a single or aggregate basis;
- (iii) merger, division, dissolution or change of corporate form of the Company;
- (iv) issuance of preference shares by the Company; or
- (v) other events specified in the laws, administrative regulations and departmental rules and the Articles of Association.

Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by the Ordinary Shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by the preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

10.2 Terms of restoration of voting rights

Following the issuance of the Offshore Preference Shares by the Company and so long as such Offshore Preference Shares remain outstanding, if the Company fails to pay the prescribed dividend to the Offshore Preference Shareholders for three financial years in aggregate or two consecutive financial years, the Offshore Preference Shareholders will have the right to attend and vote at the Shareholders' general meetings together with the Ordinary Shareholders from the day immediately after the Shareholders' general meeting resolves that the Company will not pay the prescribed dividend for the current dividend period. The formula for calculating the voting rights of the Offshore Preference Shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, with any fractional restored voting right rounded down to the nearest whole number.

Where: "Q" denotes the H Share voting rights restored from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the aggregate value of the Offshore Preference Shares with restored voting rights held by each Offshore Preference Shareholder; "P" denotes the conversion price, where the conversion price is equal to the initial mandatory conversion price; and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the Offshore Preference Shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading date preceding the Board Resolution Date in respect of the Offshore Preference Share Issuance Plan.

10.3 Cancellation of restoration of voting rights

After such restoration of the voting rights of the Offshore Preference Shares, such restored voting rights shall be cancelled from the date of full payment of the dividend on the Offshore Preference Shares for the current dividend period. After the cancellation of the restored voting rights, if the Company fails to make any scheduled dividend payment, then "10.2 Terms of restoration of voting rights" above shall apply again.

11 Order of distribution on liquidation and procedures for liquidation

In accordance with the Articles of Association, the residual assets of the Company will be distributed to Shareholders according to the class of shares and proportion to their respective shareholdings after the payment of the liquidation costs, employees' salaries, social insurance and statutory compensation and taxes in arrears, and the settlement of the Company's debts.

When the Company is in winding-up proceedings due to any of its dissolutions or bankruptcies or other reasons, the residual assets of the Company after the settlement under laws, administrative regulations, departmental rules and the aforesaid provisions of the Articles of Association, shall be preferentially distributed to the Offshore Preference Shareholders in an amount equal to the aggregate value of the Offshore Preference Shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient residual assets, the distribution will be made ratably according to the aggregate value of the Offshore Preference Shares held by each Offshore Preference Shareholder as a proportion of the aggregate value of all preference shares.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the Ordinary Shareholders in proportion to the shareholding of Ordinary Shares held by them.

12 Rating arrangements

The detailed rating arrangements for the Offshore Preference Shares will be determined in accordance with relevant laws, regulations and market conditions for issuance.

13 Security arrangements

The Offshore Preference Shares will not have any security arrangements.

14 Use of proceeds

Subject to the approvals of relevant regulatory authorities, after deduction of the commissions and expenses relating to the issuance, the net proceeds from the issuance of the Offshore Preference Shares will be used to replenish the Company's Additional Tier 1 Capital to support its business development.

15 Listing/trading arrangements

The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents.

16 Validity period of the resolution for the issuance of Offshore Preference Shares

The Offshore Preference Share Issuance Plan will be valid for 36 months from the date on which the resolution is approved at the Shareholders' general meeting.

17 Matters relating to authorisation

17.1 Matters authorised in connection with the issuance of Offshore Preference Shares

To ensure the successful implementation of the issuance of Offshore Preference Shares, it is proposed that the Shareholders' general meeting authorise the Board, and the Board delegate the authority to the Chairman and the person(s) authorised by the Chairman, to exercise, under the framework and principles approved at Shareholders' general meeting, the full power to jointly or individually deal with the matters in connection with the issuance of the Offshore Preference Shares within the validity period of the authorisation for the issuance of the Offshore Preference Shares, including but not limited to those set out below:

- (i) to formulate and implement the final Offshore Preference Share Issuance Plan, including but not limited to:
 - (1) to determine the actual issue number and issue size of the Offshore Preference Shares within the approved total issue number and issue size;
 - (2) to determine the method for determining the dividend rate and the specific dividend rate and adjusted dividend rate period of the Offshore Preference Shares;

- (3) to determine whether the Offshore Preference Shares will be issued at or above par value, the issue price of the Offshore Preference Shares, the denomination currency, the issuance method of the Offshore Preference Shares, and the specific commencement date of the redemption period, redemption conditions, with reference to market conditions before issuance;
 - (4) to determine the timing of issuance (including suspension, termination, etc.), the arrangements relating to issuance and target investors of the Offshore Preference Shares with reference to market conditions and subject to approval from regulatory authorities; and
 - (5) to determine other matters in relation to the issuance plan (including but not limited to rating arrangements, special account for the proceeds, the tax arrangements in relation to any dividend payment, and the listing of the Offshore Preference Shares) and to make necessary adjustments to the Offshore Preference Share Issuance Plan according to the latest regulatory requirements or opinions of regulatory authorities, except those matters that requires a separate vote at a Shareholders' general meeting in accordance with the relevant laws and regulations and the Articles of Association.
- (ii) if there are any new laws, regulations, regulatory rules or policies by relevant regulatory authorities on preference shares or any changes to market conditions occurring prior to the issuance of the Offshore Preference Shares, to amend the issuance plan accordingly to reflect such changes, except for amendments that requires a separate vote at a Shareholders' general meeting according to relevant laws, regulations and the Articles of Association;
 - (iii) to produce, amend, execute and file the application materials relating to the issuance and transfer of the Offshore Preference Shares, and the documents relating to the issuance and transfer of the Offshore Preference Shares (such as offering circular, issuance circular, prospectus and etc., as applicable) and to deal with related matters, such as approval, registration, filing, authorisation and consent by relevant regulatory authorities according to the requirements of such relevant regulatory authorities;
 - (iv) to amend, execute, implement, submit and publish all contracts, agreements and documents (including but not limited to underwriting agreements and other agreements entered into with intermediaries in respect of the issuance of the Offshore Preference Shares, agreements relating to the issuance proceeds, subscription agreements entered into with investors, announcements, circulars and other disclosure documents) in relation to the issuance of the Offshore Preference Shares;
 - (v) to make appropriate amendments, adjustments and supplements to the issuance terms of the Offshore Preference Shares (including but not limited to the relevant terms in relation to mandatory conversion) in accordance with the opinions of the relevant regulatory authorities and the actual circumstances of the Company to the extent permitted by laws and regulations; and
 - (vi) to deal with other matters relating to the issuance of the Offshore Preference Shares.

The authorisation for the issuance of the Offshore Preference Shares shall remain valid during the 12 months following the passing of the resolution at the Shareholders' general meeting. If the issuance of the Offshore Preference Shares is not completed before the expiration of the validity period of such authorisation, then such authorisation will lapse, but the Board has the right to seek approval at a Shareholders' general meeting to extend or renew the validity period of such authorisation.

17.2 Matters authorised in connection with Offshore Preference Shares that remain outstanding

So long as the Offshore Preference Shares remain outstanding, it is proposed that the Shareholders' general meeting authorise the Board to exercise full power to deal with, under laws and regulations, the Articles of Association, relevant regulatory rules and in accordance with the framework and principles approved at the Shareholders' general meeting, the following matters:

- (i) to deal with all matters relating to conversion of the Offshore Preference Shares during the conversion period upon occurrence of any trigger event for mandatory conversion of the Offshore Preference Shares, including but not limited to, determining the timing of conversion, conversion ratio and implementing the procedures for conversion, issuing related H Shares, amending the relevant provisions of the Articles of Association, dealing with regulatory approvals, registering with the administration for industry and commerce for the change in registered capital of the Company as well as other matters;
- (iv) to decide on matters relating to redemption of the Offshore Preference Shares during the redemption period with reference to market conditions and other factors, and to deal with all matters relating to redemption as approved by the CBRC and other regulatory authorities; and
- (iii) to determine and deal with matters in relation to dividend payment to Offshore Preference Shareholders in accordance with the requirements of the issuance documents. However, cancellation of preference share dividends in whole or in part shall still require the approval of the Shareholders' general meeting.

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

Proposed Amendments to the Articles of Association of China Huarong Asset Management Co., Ltd. for Issuance of Offshore Preference Shares and Implementing Party Building Requirements (Comparison Table)

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
1	<p>Article 2</p> <p>Under the consent of the State Council of the PRC (hereinafter referred to as the “State Council”) and upon approval by China Banking Regulatory Commission, China Huarong Asset Management Corporation has been reorganized as a joint stock company named China Huarong Asset Management Co., Ltd. The joint promoters of the Company are the Ministry of Finance of the PRC (hereinafter referred to as the “MOF”) and China Life Insurance (Group) Company (hereinafter referred to as “China Life”). The Company inherited all the assets, institutions, business, personnel and relevant policies of China Huarong Asset Management Corporation, and has undertaken registration with the State Administration for Industry and Commerce and obtained a business license on October 12, 2012. The code of the business license of the Company is 100000000032506.</p>	<p>Article 2</p> <p>Under the consent of the State Council of the PRC (hereinafter referred to as the “State Council”) and upon approval by China Banking Regulatory Commission, China Huarong Asset Management Corporation has been reorganized as a joint stock company named China Huarong Asset Management Co., Ltd. The joint promoters of the Company are the Ministry of Finance of the PRC (hereinafter referred to as the “MOF”) and China Life Insurance (Group) Company (hereinafter referred to as “China Life”). The Company inherited all the assets, institutions, business, personnel and relevant policies of China Huarong Asset Management Corporation, and has undertaken registration with the State Administration for Industry and Commerce and obtained a business license on October 12, 2012. The code of the business license of the Company is 100000000032506. <u>The Company holds a business license with unified social credit code of 911100007109255774.</u></p>
2		<p>Article 6</p> <p><u>In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, the Company shall establish an organization under the Communist Party of China (hereinafter the “Party”). The Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation. Meanwhile, the working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
3	<p>Article 7</p> <p>These Articles shall be passed at the shareholders' general meeting by resolution and approved by the banking regulatory authority of the State Council before becoming effective upon the initial public offering and listing date of the shares of the Company. The original articles of association shall automatically expire upon the effective date of these Articles. These Articles shall become a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.</p>	<p>Article 8</p> <p>These Articles shall be passed at the shareholders' general meeting by resolution and approved by the banking regulatory authority of the State Council before becoming effective upon the initial public offering and listing date of the shares of the Company approval by the China banking regulatory authority. The original articles of association shall automatically expire upon the effective date of these Articles. These Articles shall become a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.</p>
4	<p>Article 9</p> <p>The capital of the Company shall be divided into shares of equal value. The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be liable for its debts with all its assets.</p>	<p>Article 10</p> <p>The capital of the Company shall be divided into shares of equal value. The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be liable for its debts with all its assets.</p>
5	<p>Article 14</p> <p>The Company shall have ordinary shares at all times. The Company may create other classes of shares if necessary, upon approval by the examining and approving departments authorized by the State Council.</p>	<p>Article 15</p> <p>The Company shall have ordinary shares at all times. The Company may create <u>preference shares and</u> other classes of shares if necessary, upon approval by the examining and approving departments authorised by the State Council.</p>

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IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>In these Articles, “preference shares” refer to another class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Holders of preference shares shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company (such as voting rights) are restricted.</u></p> <p><u>Unless otherwise specified, references in Chapters 3 to 20 and 22 of these Articles to “share(s)” and “share certificate(s)” shall refer to ordinary share(s) and ordinary share certificate(s) and references to “shareholder(s)” in Chapters 3 to 20 and 22 of these Articles shall refer to ordinary shareholder(s).</u></p>
6	<p>The second paragraph of Article 20</p> <p>After its initial public offering and listing of shares, the share capital of the Company comprises: 39,070,208,462 ordinary shares in total, including 12,376,355,544 domestic shares held by the MOF, the promoter, and 1,650,000,000 domestic shares held by China Life, the promoter, representing 35.90% of the total ordinary shares that may be issued by the Company, and 25,043,852,918 overseas listed shares, representing 64.10% of the total ordinary shares that may be issued by the Company.</p>	<p>The second paragraph of Article 21</p> <p>After its initial public offering and listing of shares, the ordinary share capital of the Company comprises: 39,070,208,462 ordinary shares in total, including 12,376,355,544 domestic shares held by the MOF, the promoter, and 1,650,000,000 domestic shares held by China Life, the promoter, representing 35.90% of the total ordinary shares that may be issued by the Company, and 25,043,852,918 overseas listed shares, representing 64.10% of the total ordinary shares that may be issued by the Company.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
7	<p>Article 32</p> <p>Unless otherwise provided by laws, regulations and securities regulatory authorities of the place where the Company's shares are listed, fully paid-up shares in the Company are freely transferable and are not subject to any lien.</p> <p>To transfer the overseas listed shares listed in Hong Kong, the transferor shall carry out registration at the share registrar entrusted by the Company in Hong Kong.</p>	<p>Article 33</p> <p>Unless otherwise provided by laws, regulations and securities regulatory authorities of the place where the Company's shares are listed, fully paid-up shares in the Company are freely transferable and are not subject to any lien.</p> <p>To transfer the overseas listed shares listed in Hong Kong (only for ordinary shares), the transferor shall carry out registration at the share registrar entrusted by the Company in Hong Kong.</p>
8	<p>Paragraph 3 of Article 36</p> <p>This Article does not apply to the circumstances mentioned in Article 38 of this chapter.</p>	<p>Paragraph 3 of Article 37</p> <p>This Article does not apply to the circumstances mentioned in Article 3839 of this chapter.</p>
9	<p>Paragraph 1 of Article 38</p> <p>The following activities shall not be deemed to be prohibited for the purpose of Article 36 of this chapter:</p> <p>.....</p>	<p>Paragraph 1 of Article 39</p> <p>The following activities shall not be deemed to be prohibited for the purpose of Article 3637 of this chapter:</p> <p>.....</p>
10	<p>The first paragraph of Article 42</p> <p>The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong shall be maintained in Hong Kong.</p>	<p>The first paragraph of Article 43</p> <p>The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong (only for ordinary shares) shall be maintained in Hong Kong.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
11	<p>Article 43</p> <p>The Company shall maintain a complete register of members.</p> <p>The register of members shall include the following parts:</p> <p>(1) the register of members maintained in the domicile of the Company other than those described in items (2) and (3) of this article;</p> <p>(2) the register of holders of overseas listed shares maintained in the place of stock exchange where the shares are listed;</p> <p>(3) the register of members maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's shares.</p>	<p>Article 44</p> <p>The Company shall maintain a complete register of members.</p> <p>The register of members shall include the following parts:</p> <p>(1) the register of members maintained in the domicile of the Company other than those described in items (2), and (3) <u>and (4)</u> of this article;</p> <p>(2) the register of holders of overseas listed shares <u>(only for ordinary shares)</u> maintained in the place of stock exchange where the shares are listed;</p> <p>(3) the register of members maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's shares;;</p> <p><u>(4) the register of holders of preference shares maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's preference shares.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<u>Chapter 6 Party Organization (Party Committee)</u>
12		<p>Article 52</p> <p><u>The Company shall establish the Party Committee, which shall consist of one secretary, one to two deputy secretaries and several committee members. The chairman of the board of directors shall concurrently serve as the secretary of the Party Committee. One deputy secretary shall assist the secretary in carrying out Party building works. Eligible members of the Party Committee may assume the position of directors, supervisors and the senior management of the Company through legal procedures, and eligible Party members who are directors, supervisors and senior management may join the Party Committee in accordance with relevant rules and procedures. Meanwhile, the Company shall establish the Discipline Committee in accordance with relevant regulations.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
13		<p>Article 53</p> <p><u>The Party Committee of the Company shall perform the following duties in accordance with regulations of the Party including the Constitution of Communist Party of China and Working Regulations of the Group of Communist Party of China (for Trial Implementation):</u></p> <p><u>(1) Ensure and supervise the Company’s implementation of the principles and guidelines of the Party and the State, and to implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organizations.</u></p> <p><u>(2) Strengthen the leadership and gate-keeping role in the management of the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision, uphold the integration of the principle that the Party manages the officials with the function of the board of directors in the lawful selection of the senior management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the senior management.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(3) Research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and to provide comments and suggestions in this regard. To support the shareholders' general meeting, the board of directors, the board of supervisors and the senior management to in performing their duties in accordance with laws; to support the Congress of Employees in carrying out its work.</u></p> <p><u>(4) Assume the primary responsibility to run the Party comprehensively with strict discipline, lead the Company's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Company and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Party discipline inspection commissions in earnestly performing its supervisory responsibilities.</u></p> <p><u>(5) Strengthen the building of the Bank's grassroots Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank.</u></p> <p><u>(6) Other material matters that fall within the duty of the Party Committee.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
14	<p>Article 57</p> <p>.....</p> <p>If a shareholder owns 5% or more of the total shares of the Company without prior approval of the banking regulatory authority of the State Council, the exercise of rights of the shareholder under Article 52 in respect of the shares in excess of 5% of the total shares of the Company (“Excess Shares”) shall be subject to restrictions until approval is obtained from the banking regulatory authority of the State Council. The restrictions include (without limitation):</p> <p>(1) the Excess Shares shall have no voting rights at shareholders’ general meetings including class shareholders’ meetings; and</p> <p>(2) the Excess Shares shall have no rights in respect of the nomination of directors and supervisors as provided in these Articles.</p> <p>Notwithstanding the foregoing, holders of Excess Shares shall not be subject to any restrictions in exercising other shareholders’ rights pursuant to Article 52. If a shareholder fails to obtain approval from the banking regulatory authority of the State Council for the holding of Excess Shares, the shareholder shall dispose of the Excess Shares within a period prescribed by the banking regulatory authority of the State Council.</p>	<p>Article 60</p> <p>.....</p> <p>If a shareholder owns 5% or more of the total shares of the Company without prior approval of the banking regulatory authority of the State Council, the exercise of rights of the shareholder under Article 52<u>55</u> in respect of the shares in excess of 5% of the total shares of the Company (“Excess Shares”) shall be subject to restrictions until approval is obtained from the banking regulatory authority of the State Council. The restrictions include (without limitation):</p> <p>(1) the Excess Shares shall have no voting rights at shareholders’ general meetings including class shareholders’ meetings; and</p> <p>(2) the Excess Shares shall have no rights in respect of the nomination of directors and supervisors as provided in these Articles.</p> <p>Notwithstanding the foregoing, holders of Excess Shares shall not be subject to any restrictions in exercising other shareholders’ rights pursuant to Article 52<u>55</u>. If a shareholder fails to obtain approval from the banking regulatory authority of the State Council for the holding of Excess Shares, the shareholder shall dispose of the Excess Shares within a period prescribed by the banking regulatory authority of the State Council.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
15	<p>The first paragraph of Article 63</p> <p>The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws</p> <p>(20) to consider and approve all other matters which are required to be determined by shareholders' general meeting under the laws, regulations, regulatory documents, applicable requirements of the securities regulatory authorities of the place where the Company's shares are listed and these Articles.</p>	<p>The first paragraph of Article 66</p> <p>The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws</p> <p><u>(20) to determine the issuance of preference shares; to determine or authorise the board of directors to determine matters relating to preference shares issued by the Company, including but not limited to redemption, conversion and distribution of dividends;</u></p> <p>(20)(21) to consider and approve all other matters which are required to be determined by shareholders' general meeting under the laws, regulations, regulatory documents, applicable requirements of the securities regulatory authorities of the place where the Company's shares are listed and these Articles.</p>
16	<p>Article 78</p> <p>The shareholders' general meeting shall not vote or resolve on proposals not contained in the notice or supplementary notice of the shareholders' general meeting or not in compliance with Article 79.</p>	<p>Article 81</p> <p>The shareholders' general meeting shall not vote or resolve on proposals not contained in the notice or supplementary notice of the shareholders' general meeting or not in compliance with Article 7982.</p>
17	<p>Article 80</p> <p>When the Company is to convene a shareholders' general meeting, all shareholders shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the shareholders' general meeting shall send a written reply to the Company 20 days before the meeting.</p>	<p>Article 83</p> <p>When the Company is to convene a shareholders' general meeting, all shareholders <u>entitled to attend the shareholders' general meeting</u> shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the shareholders' general meeting shall send a written reply to the Company 20 days before the meeting.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
18	<p>The first paragraph of Article 82</p> <p>The Company shall, based on the written replies from shareholders received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the shareholders' general meeting after the public notice.</p>	<p>The first paragraph of Article 85</p> <p>The Company shall, based on the written replies from shareholders received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders <u>entitled to attend the shareholders' general meeting</u> again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the shareholders' general meeting after the public notice.</p>
19	<p>Article 84</p> <p>Notice of shareholders' general meeting shall be served to shareholders (whether or not entitled to vote at the shareholders' general meeting) by hand or by prepaid mail to their addresses as shown in the register of members. For holders of domestic shares of the Company, notice of the meeting may be issued by way of announcement....</p> <p>For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a general meeting may be published on the websites of the Company and Hong Kong Stock Exchange instead of delivery by hand or prepaid mail.</p>	<p>Article 87</p> <p>Notice of shareholders' general meeting shall be served to shareholders <u>entitled to attend the shareholders' general meeting</u> (whether or not entitled to vote at the shareholders' general meeting) by hand or by prepaid mail to their addresses as shown in the register of members. For holders of domestic shares of the Company, notice of the meeting may be issued by way of announcement....</p> <p>For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a general meeting <u>to holders of overseas listed shares entitled to attend the shareholders' general meeting</u> may be published on the websites of the Company and Hong Kong Stock Exchange instead of delivery by hand or prepaid mail.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
20	<p>Article 121</p> <p>If the Company proposes to modify or terminate the rights of a class of shareholders, it may do so only after such modification or abrogation has been adopted by a special resolution of the shareholders’ general meeting and a separate shareholders’ general meeting convened by the affected shareholders of that class under Articles 123 to 127.</p>	<p>Article 124</p> <p>If the Company proposes to modify or terminate the rights of a class of shareholders, it may do so only after such modification or abrogation has been adopted by a special resolution of the shareholders’ general meeting and a separate shareholders’ general meeting convened by the affected shareholders of that class under Articles 123<u>126</u> to 127<u>130</u>.</p>
21	<p>Article 123</p> <p>Class shareholders affected, whether or not otherwise having the right to vote at shareholders’ general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning items (2) to (8), (11) and (12) of Article 122, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” in prior provision shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase by means of public transaction at the stock exchange in accordance with Article 29 of these Articles, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 348 of these Articles;</p> <p>(2) if the Company has made a repurchase by means of agreement outside the stock exchange in accordance with Article 29 of these Articles, “interested shareholder(s)” shall refer to the shareholders who are parties to such agreements; or</p>	<p>Article 126</p> <p>Class shareholders affected, whether or not otherwise having the right to vote at shareholders’ general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning items (2) to (8), (11) and (12) of Article 122<u>125</u>, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” in prior provision shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase by means of public transaction at the stock exchange in accordance with Article 29<u>30</u> of these Articles, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 338<u>352</u> of these Articles;</p> <p>(2) if the Company has made a repurchase by means of agreement outside the stock exchange in accordance with Article 29<u>30</u> of these Articles, “interested shareholder(s)” shall refer to the shareholders who are parties to such agreements; or</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
	(3) in a restructuring plan of the Company, “interested shareholder(s)” refers to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy interests different from other shareholders of the same class.	(3) in a restructuring plan of the Company, “interested shareholder(s)” refers to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy interests different from other shareholders of the same class.
22	<p>Article 124</p> <p>Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders of that class present at the relevant meeting who are entitled to vote pursuant to Article 123.</p>	<p>Article 127</p> <p>Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders of that class present at the relevant meeting who are entitled to vote pursuant to Article 123126.</p>
23		<p>Article 192</p> <p><u>The opinions of the Party Committee shall be heard before the board of directors decides on material matters of the Company.</u></p>
24	<p>Article 224</p> <p>A supervisor may resign prior to the expiration of his/her term of office. To resign from office, a supervisor shall submit a written resignation to the board of supervisors. The resignation of supervisors shall follow the provisions on the resignation of directors under Section 1 of Chapter 8 herein.</p>	<p>Article 228</p> <p>A supervisor may resign prior to the expiration of his/her term of office. To resign from office, a supervisor shall submit a written resignation to the board of supervisors. The resignation of supervisors shall follow the provisions on the resignation of directors under Section 1 of Chapter 89 herein.</p>
25	<p>Article 270</p> <p>A director, supervisor or senior management of the Company may be relieved from liability for specific breaches of his duties by the informed consent of the shareholders’ general meeting, unless otherwise provided for in Article 60 herein.</p>	<p>Article 274</p> <p>A director, supervisor or senior management of the Company may be relieved from liability for specific breaches of his duties by the informed consent of the shareholders’ general meeting, unless otherwise provided for in Article 6063 herein.</p>

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IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
26	<p>The first paragraph of Article 281</p> <p>In the contract for emoluments entered into by the Company with a director or supervisor, it shall be provided that such director or supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office. A takeover of the Company means any of the following circumstances:</p> <p>(1) an offer is made to all shareholders of the Company; or</p> <p>(2) an offer is made such that the offeror will become the controlling shareholder of the Company. The definition of the controlling shareholder has the same meaning as defined in Article 338 herein.</p>	<p>The first paragraph of Article 285</p> <p>In the contract for emoluments entered into by the Company with a director or supervisor, it shall be provided that such director or supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office. A takeover of the Company means any of the following circumstances:</p> <p>(1) an offer is made to all shareholders of the Company; or</p> <p>(2) an offer is made such that the offeror will become the controlling shareholder of the Company. The definition of the controlling shareholder has the same meaning as defined in Article 338<u>352</u> herein.</p>
27	<p>Article 289</p> <p>The after-tax profits of the Company shall be distributed in the following order:</p> <p>(1) offsetting the losses in previous years;</p> <p>(2) 10% contribution to statutory reserve;</p> <p>(3) contribution to general reserves;</p> <p>(4) contribution to discretionary reserve;</p> <p>(5) distribution of dividends to shareholders.</p> <p>No further contribution to the statutory reserves is required when the statutory reserve exceeds 50% of the registered capital of the Company. No contribution to statutory reserve shall be made unless the losses of previous years are made good by the profits of the year.</p>	<p>Article 293</p> <p>The after-tax profits of the Company shall be distributed in the following order:</p> <p>(1) offsetting the losses in previous years;</p> <p>(2) 10% contribution to statutory reserve;</p> <p>(3) contribution to general reserves;</p> <p>(4) contribution to discretionary reserve;</p> <p>(5) distribution of dividends to shareholders.</p> <p>No further contribution to the statutory reserves is required when the statutory reserve exceeds 50% of the registered capital of the Company. No contribution to statutory reserve shall be made unless the losses of previous years are made good by the profits of the year.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
	<p>After contributions to statutory reserve and general reserve, the Company may also make contribution to discretionary reserve from after-tax profits if so approved by shareholders at general meeting. Any remaining after-tax profits after the offset of retained losses and contributions to statutory reserve, general reserve and discretionary reserve may be distributed to shareholders in proportion to their respective shareholdings in accordance with the resolution of shareholders' general meeting.</p> <p>Any distribution of the profits of the Company to any shareholders before offsetting losses or contributing to statutory reserves in violation of this Article shall be returned to the Company.</p> <p>The shares held by the Company shall not participate in the distribution of dividends.</p> <p>In the event of misappropriation of capital by shareholders, the Company shall deduct the cash dividends distributable to such shareholders to recover the misappropriated capital.</p>	<p>After contributions to statutory reserve and general reserve, the Company may also make contribution to discretionary reserve from after-tax profits if so approved by shareholders at general meeting. Any remaining after-tax profits after the offset of retained losses and contributions to statutory reserve, general reserve and discretionary reserve may be distributed to shareholders in proportion to their respective shareholdings in accordance with the resolution of shareholders' general meeting.</p> <p>Any distribution of the profits of the Company to any shareholders before offsetting losses or contributing to statutory reserves in violation of this Article shall be returned to the Company.</p> <p>The shares held by the Company shall not participate in the distribution of dividends.</p> <p>In the event of misappropriation of capital by shareholders, the Company shall deduct the cash dividends distributable to such shareholders to recover the misappropriated capital.</p> <p><u>The payment of dividends on preference shares shall be subject to laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed and where the preference shares are issued or listed, and these Articles.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
28	<p>Article 325</p> <p>After the liquidation committee has sorted out the property of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation scheme and report it to the shareholders' general meeting, the people's court or the relevant authorities of the State for confirmation.</p> <p>The remaining property of the Company shall be distributed to the shareholders in proportion of shares held by each of the shareholder after payments have been made of the liquidation fees, salaries of the employees, social security expenses and statutory compensation, taxes and debts of the Company.</p> <p>During the liquidation, the Company remains in existence but shall not carry out any operating activity which does not relate to the liquidation. The property of the Company shall not be distributed to the shareholders before the debts are settled pursuant to the preceding paragraph.</p>	<p>Article 329</p> <p>After the liquidation committee has sorted out the property of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation scheme and report it to the shareholders' general meeting, the people's court or the relevant authorities of the State for confirmation.</p> <p>The remaining property of the Company shall be distributed to the shareholders in proportion of shares according to the class of shares and proportion of their respective shareholdings held by each of the shareholder after payments have been made of the liquidation fees, salaries of the employees, social security expenses and statutory compensation, taxes and debts of the Company.</p> <p>During the liquidation, the Company remains in existence but shall not carry out any operating activity which does not relate to the liquidation. The property of the Company shall not be distributed to the shareholders before the debts are settled pursuant to the preceding paragraph.</p>
		<p><u>CHAPTER 21 SPECIAL PROVISIONS ON PREFERENCE SHARES</u></p>
29		<p>Article 342</p> <p><u>Unless otherwise specified in laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the place where the shares of the Company are listed and this Chapter, the rights and obligations of holders of preference shares and management of preference shares shall be governed by the provisions relating to ordinary shares in these Articles.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
30		<p>Article 343</p> <p><u>The number of preference shares issued by the Company shall not exceed 50% of the total number of ordinary shares of the Company, and the capital raised from the issuance of preference shares shall not be more than 50% of the net assets value of the Company prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).</u></p>
31		<p>Article 344</p> <p><u>The Company formulates terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Company shall convert the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares shall be mandatorily converted into ordinary shares, the Company shall report such conversion to banking regulatory authorities of the State Council for review and approval.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
32		<p>Article 345</p> <p><u>The preference shares issued by the Company shall not have any put option. Subject to the approval of the banking regulatory authorities of the State Council and upon compliance with the relevant requirements, the Company has the right to redeem all or part of the preference shares after the fifth year (inclusive) following the completion date of the relevant issuance of the preference shares or in circumstances acknowledged by such regulatory authorities as the banking regulatory authorities of the State Council. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Company shall write down the total amount of outstanding preference shares after the Company redeems the preference shares.</u></p> <p><u>The exercise by the Company of its right to redeem the preference shares shall be subject to the fulfilment of the following conditions:</u></p> <p><u>(1) the Company shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(2) the capital position of the Company after redemption of the preference shares will remain significantly higher than the regulatory capital requirements prescribed by the banking regulatory authorities of the State Council.</u></p> <p><u>The redemption price of preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.</u></p>
33		<p>Article 346</p> <p><u>Holder</u>s of preference shares of the Company shall enjoy the following rights:</p> <p><u>(1) to receive distribution of dividends in priority to ordinary shareholders;</u></p> <p><u>(2) to receive distribution of residual assets of the Company on liquidation in priority to ordinary shareholders;</u></p> <p><u>(3) upon the occurrence of the circumstances provided in Article 348, to attend and vote at shareholders' general meetings;</u></p> <p><u>(4) upon the occurrence of the circumstances provided in Article 349, to have its voting rights restored in accordance with the requirements of that article;</u></p> <p><u>(5) to make proposals or inquiries in relation to the business operations and activities of the Company;</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(6) to inspect these Articles, register of members, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial reports; and</u></p> <p><u>(7) other rights conferred to holders of preference shares by laws, administrative regulations, departmental rules and these Articles.</u></p>
34		<p>Article 347</p> <p><u>Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares held by the shareholders in the event of the following:</u></p> <p><u>(1) a request to convene an extraordinary general meeting of shareholders;</u></p> <p><u>(2) a request to convene and preside over a general meeting of shareholders;</u></p> <p><u>(3) a request to submit a proposal or an interim proposal to a general meeting of shareholders;</u></p> <p><u>(4) a request to nominate the directors and supervisors who are not employee representatives of the Company;</u></p> <p><u>(5) identifying controlling shareholder(s) according to the relevant provisions of these Articles;</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(6) identifying the restrictions relating to the appointment of independent directors of the Company according to the relevant provisions of these Articles;</u></p> <p><u>(7) identifying the ten largest shareholders of the Company and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Company in accordance with the Securities Law of the People’s Republic of China and relevant regulations; and</u></p> <p><u>(8) other circumstances provided under laws, administrative regulations, departmental rules and these Articles.</u></p>
35		<p>Article 348</p> <p><u>The holders of the preference shares are not entitled to attend any shareholders’ general meeting of the Company nor do the preference shares carry any voting rights in any shareholders’ general meeting other than in the following circumstances:</u></p> <p><u>(1) amendments to these Articles related to preference shares;</u></p> <p><u>(2) reduction of the registered capital of the Company by more than 10% on a single or aggregate basis;</u></p> <p><u>(3) merger, division, dissolution or change of corporate form of the Company;</u></p> <p><u>(4) issuance of preference shares by the Company; and</u></p> <p><u>(5) other events specified in laws, administrative regulations and departmental rules and these Articles.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>On the occurrence of any of the above circumstances, the Company shall notify holders of preference shares of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Articles. The holders of the preference shares are entitled to vote as a separate class with respect to the above matters and each preference share shall have one vote, however, preference shares held by the Company do not entitle the Company to vote.</u></p> <p><u>Resolutions relating to the above matters shall be approved by more than two-thirds of the votes held by ordinary shareholders present at the meeting (including holders of preference shares with restored voting rights) and by more than two-thirds of the votes held by holders of preference shares present at the meeting (excluding holders of preference shares with restored voting rights).</u></p>
36		<p>Article 349</p> <p><u>In the event that the Company fails to pay the prescribed dividend to the holders of preference shares for three financial years in aggregate or two consecutive financial years, the holders of preference shares shall have the right to attend and vote at the shareholders' general meetings together with ordinary shareholders from the day immediately after the shareholders' general meeting resolves that the Company will not pay the prescribed dividend for the current dividend period. The voting rights of the holders of preference shares will remain restored until the Company pays the current period dividend in full.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>The formula for calculating the voting rights of the preference shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, with any fractional restored voting right rounded down to the nearest whole number.</u></p> <p><u>Where: “Q” denotes the H share voting rights restored from the preference shares held by each preference shareholder; “V” denotes the aggregate value of the preference shares with restored voting rights held by each preference shareholder; “P” denotes the conversion price, which equals to the initial mandatory conversion price of the preference share; and the “conversion exchange rate” refers to the cross rate between Hong Kong dollars and the currency in which the preference shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the board of directors’ resolution in respect of the issuance plan for preference shares.</u></p> <p><u>The other provisions of these Articles concerning the restrictions on the shareholders’ voting rights shall prevail, if any.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
37		<p>Article 350</p> <p><u>The dividend rate for the issued and outstanding preference shares of the Company may be adjusted at different intervals and consists of the benchmark rate and the fixed spread. During a specified period after issuance of the preference shares, the dividend rate will remain the same and may be adjusted once every certain interval, and during any adjusted dividend rate period, the dividend rate will remain the same.</u></p> <p><u>Holders of the preference shares shall rank in priority to the ordinary shareholders in terms of distribution of the Company's profits and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the holders of the preference shares shall be payable in cash. Before the agreed dividends to preference shares are distributed and the discretionary reserves fund is withdrawn as determined by the shareholders' general meeting, no profit may be distributed to the ordinary shareholders in accordance with Article 293 hereof.</u></p> <p><u>After receiving the dividends at the prescribed dividend rate, the holders of preference shares shall not be entitled to any distribution of residual profits of the Company together with the ordinary shareholders. The Company shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends not paid to the holders of preference shares in full by the Company will not be accumulated to the following dividend period.</u></p>

**APPENDIX II PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES AND
IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
38		<p>Article 351</p> <p><u>In the event of liquidation of the Company as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Company after liquidation in accordance with laws, administrative regulations, departmental rules and these Articles shall be distributed first to the holders of preference shares. Holders of preference shares will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the preference shares held by each preference shareholder as a proportion of the aggregate value of all preference shares of the Company.</u></p>

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING
AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

**Proposed Amendments to the Articles of Association for Issuance of Offshore
Preference Shares, A Share Offering and Implementing Party Building Requirements
(Comparison Table)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
1.	<p>Article 1</p> <p>These Articles of Association (hereinafter referred to as the “Articles”) is formulated in accordance with the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Securities Law of the PRC, Special Provisions of the State Council on Stock Floatation and Listing Abroad by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Regulations on Financial Asset Management Companies, the Supervisory Rules for Financial Asset Management Companies, 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 relevant laws, regulations and regulatory documents, for the purpose of protecting the legitimate rights and interests of China Huarong Asset Management Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors, and regulating the organization and acts of the Company.</p>	<p>Article 1</p> <p>These Articles of Association (hereinafter referred to as the “Articles”) is formulated in accordance with the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Securities Law of the PRC, Special Provisions of the State Council on Stock Floatation and Listing Abroad by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, <u>the Guidelines for the Articles of Association of Listed Companies</u>, the Regulations on Financial Asset Management Companies, the Supervisory Rules for Financial Asset Management Companies, 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 relevant laws, regulations and regulatory documents, for the purpose of protecting the legitimate rights and interests of China Huarong Asset Management Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors, and regulating the organization and acts of the Company.</p>

APPENDIX III	<p style="text-align: center;">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
2.	<p>Article 2</p> <p>.....</p> <p>Under the consent of the State Council of the PRC (hereinafter referred to as the “State Council”) and upon approval by China Banking Regulatory Commission, China Huarong Asset Management Corporation has been reorganized as a joint stock company named China Huarong Asset Management Co., Ltd. (the “Company”). The joint promoters of the Company are the Ministry of Finance of the PRC (hereinafter referred to as the “MOF”) and China Life Insurance (Group) Company (hereinafter referred to as “China Life”). The Company inherited all the assets, institutions, business, personnel and relevant policies of China Huarong Asset Management Corporation, and has undertaken registration with the State Administration for Industry and Commerce and obtained a business license on 12 October 2012. The code of the business license of the Company is 100000000032506.</p>	<p>Article 2</p> <p>.....</p> <p>Under the consent of the State Council of the PRC (hereinafter referred to as the “State Council”) and upon approval by China Banking Regulatory Commission <u>via the Approval of the Restructuring of China Huarong Asset Management Corporation and the Establishment of China Huarong Asset Management Co., Ltd. (Yin Jian Fu [2012] No. 577)</u>, China Huarong Asset Management Corporation has been reorganized as a joint stock company named China Huarong Asset Management Co., Ltd. (the “Company”). The joint promoters of the Company are the Ministry of Finance of the PRC (hereinafter referred to as the “MOF”) and China Life Insurance (Group) Company (hereinafter referred to as “China Life”). The Company inherited all the assets, institutions, business, personnel and relevant policies of China Huarong Asset Management Corporation, and has undertaken registration with the State Administration for Industry and Commerce and obtained a business license on October 12, 2012. <u>The code of the business license of the Company is 100000000032506. The Company holds a business license with the unified social credit code of 911100007109255774.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
3.		<p>Article 6</p> <p><u>In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, the Company shall establish an organization under the Communist Party of China (hereinafter the “Party”). The Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation. Meanwhile, the working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</u></p>
4.	<p>Article 7</p> <p>These Articles shall be passed at the shareholders’ general meeting by resolution and approved by the banking regulatory authority of the State Council before becoming effective upon the initial public offering and listing date of the shares of the Company. The original articles of association shall automatically expire upon the effective date of these Articles. These Articles shall become a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.</p>	<p>Article 8</p> <p>These Articles shall be passed at the shareholders’ general meeting by resolution and approved by the banking regulatory authority of the State Council before becoming effective upon the initial public offering and listing date of the shares of the Company <u>the listing date of the domestic listed shares issued by the Company through initial public offering on Shanghai Stock Exchange.</u> The original articles of association shall automatically expire upon the effective date of these Articles. These Articles shall become a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.</p>
5.	<p>Article 9</p> <p>The capital of the Company shall be divided into shares of equal value. The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be liable for its debts with all its assets.</p>	<p>Article 10</p> <p>The capital of the Company shall be divided into shares of equal value: The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be liable for its debts with all its assets.</p>

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING
AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
6.	<p>Article 14</p> <p>The Company shall have ordinary shares at all times. The Company may create other classes of shares if necessary, upon approval by the examining and approving departments authorized by the State Council.</p>	<p>Article 15</p> <p>The Company shall have ordinary shares at all times. The Company may create preference shares and other classes of shares if necessary, upon approval by the examining and approving departments authorised by the State Council.</p>
		<p><u>In these Articles, “preference shares” refer to another class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Holders of preference shares shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company (such as voting rights) are restricted.</u></p> <p><u>Unless otherwise specified, references in Chapters 3 to 20 and 22 of these Articles to “share(s)” and “share certificate(s)” shall refer to ordinary share(s) and ordinary share certificate(s) and references to “shareholder(s)” in Chapters 3 to 20 and 22 of these Articles shall refer to ordinary shareholder(s).</u></p>
7.	<p>Article 18</p> <p>The shares issued by the Company for the subscription of investors within the PRC in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company for the subscription of investors outside the PRC in a foreign currency shall be referred to as “foreign shares”. Shares issued with the approval of issuance by departments authorized by the State Council and listed and traded on an overseas stock exchange with the approval of the overseas securities regulatory authorities shall be referred to as overseas listed shares.</p>	<p>Article 19</p> <p>The shares issued by the Company for the subscription of investors within the PRC in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company for the subscription of investors outside the PRC in a foreign currency shall be referred to as “foreign shares”. <u>Shares issued with the approval of issuance by departments authorized by the State Council and listed and traded on a domestic stock exchange with the approval of the domestic securities regulatory authorities shall be referred to as domestic listed shares.</u> Shares issued with the approval of issuance by departments authorized by the State Council and listed and traded on an overseas stock exchange with the approval of the overseas securities regulatory authorities shall be referred to as overseas listed shares.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
8.	<p>Article 19</p> <p>Upon approval by the examining and approving department authorized by the State Council, the total number of ordinary shares that may be issued by the Company shall be 39,070,208,462. The number of shares issued to the promoters, when the Company was reorganized as a joint stock limit company was 25,835,870,462, representing 66.13% of the total number of ordinary shares that may be issued by the Company.</p>	<p>Article 20</p> <p>Upon approval by the examining and approving department authorized by the State Council, the total number of ordinary shares that may be issued by the Company shall be 39,070,208,462 [•]. The number of shares issued to the promoters, when the Company was reorganized as a joint stock limit company was 25,835,870,462, representing 66.13 [•]% of the total number of ordinary shares that may be issued by the Company.</p>
9.	<p>Article 20</p> <p>The Company issued 6,374,338,000 overseas listed shares in the course of its initial public offering and listing of shares, representing 16.32% of the total ordinary shares that may be issued by the Company. After its initial public offering and listing of shares, the share capital of the Company comprises: 39,070,208,462 ordinary shares in total, including 12,376,355,544 domestic shares held by the MOF, the promoter, and 1,650,000,000 domestic shares held by China Life, the promoter, representing 35.90% of the total ordinary shares that maybe issued by the Company, and 25,043,852,918 overseas listed shares, representing 64.10% of the total ordinary shares that may be issued by the Company.</p>	<p>Article 21</p> <p>The Company issued 6,374,338,000 overseas listed shares in the course of its initial public offering and listing of overseas listed shares, representing 16.32 [•]% of the total ordinary shares that may be issued by the Company. After its initial public offering and listing of overseas listed shares, the ordinary share capital of the Company comprises: 39,070,208,462 ordinary shares in total, including 12,376,355,544 domestic shares held by the MOF, the promoter, and 1,650,000,000 domestic shares held by China Life, the promoter, representing 35.90 [•]% of the total ordinary shares that maybe issued by the Company, and 25,043,852,918 overseas listed shares, representing 64.10 [•]% of the total ordinary shares that may be issued by the Company.</p>

APPENDIX III	<p style="text-align: center;">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>With the approval of the securities regulatory authority of the State Council, the [•] domestic listed shares of the Company will be issued upon initial public offering and listed on Shanghai Stock Exchange. After the initial public offering and listing of domestic listed shares, the share capital of the Company comprises: [•] ordinary shares in total, including [•] domestic listed shares, representing approximately [•]% of the total ordinary shares that may be issued by the Company; and [•] overseas listed shares, representing approximately [•]% of the total ordinary shares that may be issued by the Company.</u></p>
10.	<p>Article 20</p> <p>.....</p> <p>Domestic shares issued by the Company are under centralized depository of China Securities Depository and Clearing Corporation Limited, whereas overseas listed shares issued by the Company are mainly under the depository of the custodian company of Hong Kong Securities Clearing Company Limited or held in the name of individual shareholders.</p>	<p>Article 22</p> <p>Domestic listed shares issued by the Company are under centralized depository of China Securities Depository and Clearing Corporation Limited, whereas overseas listed shares issued by the Company are mainly under the depository of the custodian company of Hong Kong Securities Clearing Company Limited or held in the name of individual shareholders.</p>

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
11.	<p>Article 21</p> <p>After the plan for issuing overseas listed shares and domestic shares has been approved by the securities regulatory authorities of the State Council, the board of directors of the Company may arrange for implementation of such plan by means of separate issuance. The Company's plan for separate issuance of overseas listed shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months upon the date of approval from the securities regulatory authorities of the State Council.</p> <p>Subject to approval by the securities regulatory authorities of the State Council, the shareholders who hold non-listed shares of the Company may arrange for the listing and trading of its shares on stock exchange outside PRC. Such shares listed and traded on overseas stock exchanges shall be subject to the regulatory procedures, rules and requirements of the foreign securities market. No approval of the meeting of class shareholders is required for the listing and trading of such shares on stock exchange outside the PRC.</p>	<p>Article 23</p> <p>After the plan for issuing overseas listed shares and domestic listed shares has been approved by the securities regulatory authorities of the State Council, the board of directors of the Company may arrange for implementation of such plan by means of separate issuance. The Company's plan for separate issuance of overseas listed shares and domestic listed shares in accordance with the preceding paragraph may be implemented separately within 15 months upon the date of approval from the securities regulatory authorities of the State Council.</p> <p>Subject to approval by the securities regulatory authorities of the State Council, the shareholders who hold non-listed shares of the Company may arrange for the listing and trading of its shares on stock exchange outside PRC. Such shares listed and traded on overseas stock exchanges shall be subject to the regulatory procedures, rules and requirements of the foreign securities market. No approval of the meeting of class shareholders is required for the listing and trading of such shares on stock exchange outside the PRC.</p>
12.	<p>Article 22</p> <p>If the Company issues overseas listed shares and domestic shares separately within the total number of shares specified in the issuance plan, such issuance shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for once due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of the State Council, be issued in several stages.</p>	<p>Article 24</p> <p>If the Company issues overseas listed shares and domestic listed shares separately within the total number of shares specified in the issuance plan, such issuance shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for once due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of the State Council, be issued in several stages.</p>
13.	<p>Article 23</p> <p>The registered capital of the Company: RMB39,070,208,462.</p>	<p>Article 25</p> <p>The registered capital of the Company: RMB39,070,208,462. [•].</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
14.	<p>Article 28</p> <p>Where the Company cancels the portion of shares due to repurchase shares, such portion of shares shall be cancelled within the period prescribed by the laws and regulations, and the Company shall file an application for the registration of a change of its registered capital with the original company registration authority.</p>	<p>Article 30</p> <p>Where the Company cancels the portion of shares due to repurchase shares, such portion of shares shall be cancelled within the period prescribed by the laws, regulations, and the Articles of Association, and the Company shall file an application for the registration of a change of its registered capital with the original company registration authority.</p>
15.	<p>Article 32</p> <p>Unless otherwise provided by laws, regulations and securities regulatory authorities of the place where the Company's shares are listed, fully paid-up shares in the Company are freely transferable and are not subject to any lien. To transfer the overseas listed shares listed in Hong Kong, the transferor shall carry out registration at the share registrar entrusted by the Company in Hong Kong.</p>	<p>Article 34</p> <p>Unless otherwise provided by laws, regulations and securities regulatory authorities of the place where the Company's shares are listed, fully paid-up shares in the Company are freely transferable and are not subject to any lien. To transfer the overseas listed shares listed in Hong Kong (<u>only for ordinary shares</u>), the transferor shall carry out registration at the share registrar entrusted by the Company in Hong Kong.</p>
16.	<p>Article 34</p> <p>Shares that are held by promoters shall not be transferred within one year from the date of establishment of the Company. Shares that have been issued before public offering of the Company shall not be transferred within one year from the date that the shares of the Company are listed on a stock exchange.</p> <p>Directors, supervisors and senior management members of the Company shall declare to the Company that their shareholdings in the Company and any alternation of such shareholdings. They shall not transfer more than 25% of all the shares held in the Company in any particular year during their tenure. They shall not transfer the shares held within one year from the date of the Company's listing on a stock exchange, or six months after they cease to hold their posts.</p>	<p>Article 36</p> <p>Shares that are held by promoters shall not be transferred within one year from the date of establishment of the Company. Shares that have been issued before public offering of the <u>domestic listed</u> shares of the Company (<u>except for the overseas listed shares</u>) shall not be transferred within one year from the date that the shares of the Company are listed on a stock exchange.</p> <p>Directors, supervisors and senior management members of the Company shall declare to the Company that their shareholdings in the Company and any alternation of such shareholdings. They shall not transfer more than 25% of all the shares held in the Company in any particular year during their tenure. They shall not transfer the shares held within one year from the date of the Company's listing on a stock exchange, or six months after they cease to hold their posts.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>If directors, supervisors, senior management members of the Company or any shareholders holding 5% or more of the Company’s shares, sell his/her domestic listed shares of the Company within 6 months of his/her purchase, or purchase such domestic listed shares again within 6 months after the sale, the profits thus made shall accrue to the Company and the board of directors shall collect all such profits. In the event otherwise provided by applicable laws and regulations, such laws and regulations shall be complied with.</u></p> <p><u>If the board of directors fails to act according to the preceding paragraph, the shareholders are entitled to request the board of directors to act within 30 days. If the board of directors still fails to act within the preceding period, the shareholders may bring legal action in the People’s Court for the interest of the Company. If the board of directors fails to act according to the preceding paragraph, the liable directors shall bear the joint liabilities.</u></p>
17.	<p>Paragraph 3 of Article 36</p> <p>This Article does not apply to the circumstances mentioned in Article 38 of this chapter.</p>	<p>Paragraph 3 of Article 38</p> <p>This Article does not apply to the circumstances mentioned in Article 38<u>41</u> of this chapter.</p>
18.	<p>Article 37</p> <p>“The financial assistance” referred to in this chapter includes (without limitation) the following means:</p> <p>(1) gift;</p> <p>.....</p>	<p>Article 39</p> <p>“The financial assistance” referred to in this chapter includes (without limitation) the following means:</p> <p>(1) gift, <u>advance or compensation</u>;</p> <p>.....</p>
19.	<p>Paragraph 1 of Article 38</p> <p>The following activities shall not be deemed to be prohibited for the purpose of Article 36 of this chapter:</p> <p>.....</p>	<p>Paragraph 1 of Article 41</p> <p>The following activities shall not be deemed to be prohibited for the purpose of Article 36<u>38</u> of this chapter:</p> <p>.....</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
20.	<p>The first paragraph of Article 42</p> <p>The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong shall be maintained in Hong Kong.</p>	<p>The first paragraph of Article 45</p> <p>The Company may, pursuant to the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain the register of holders of overseas listed shares overseas, and engage overseas agent(s) to manage such register of members. The original copy of the register of holders of overseas listed shares listed in Hong Kong <u>(only for ordinary shares)</u> shall be maintained in Hong Kong.</p>
21.	<p>Article 43</p> <p>The Company shall maintain a complete register of members. The register of members shall include the following parts:</p> <p>(1) the register of members maintained in the domicile of the Company other than those described in items (2) and (3) of this article;</p> <p>(2) the register of holders of overseas listed shares maintained in the place of stock exchange where the shares are listed;</p> <p>(3) the register of members maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's shares.</p>	<p>Article 46</p> <p>The Company shall maintain a complete register of members. The register of members shall include the following parts:</p> <p>(1) the register of members maintained in the domicile of the Company other than those described in items (2), and (3) <u>and (4)</u> of this article;</p> <p>(2) the register of holders of overseas listed shares <u>(only for ordinary shares)</u> maintained in the place of stock exchange where the shares are listed;</p> <p>(3) the register of members maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's shares;;</p> <p><u>(4) the register of holders of preference shares maintained in other places as the board of directors may consider necessary for the purpose of the listing of the Company's preference shares.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
22.	<p>Article 47</p> <p>.....</p> <p>Application by a holder of domestic shares who has his/her/its share certificate lost or destroyed and applies for reissuance shall be dealt with in accordance with the Company Law.</p> <p>.....</p>	<p>Article 50</p> <p>.....</p> <p>Application by a holder of <u>domestic listed shares</u> who has his/her/its share certificate lost or destroyed and applies for reissuance shall be dealt with in accordance with the Company Law.</p> <p>.....</p>
		<u>Chapter 6 Party Organization (Party Committee)</u>
23.		<p>Article 54</p> <p><u>The Company shall establish the Party Committee, which shall consist of one secretary, one to two deputy secretaries and several committee members. The chairman of the board of directors shall concurrently serve as the secretary of the Party Committee. One deputy secretary shall assist the secretary in carrying out Party building works. Eligible members of the Party Committee may assume the position of directors, supervisors and the senior management of the Company through legal procedures, and eligible Party members who are directors, supervisors and senior management may join the Party Committee in accordance with relevant rules and procedures. Meanwhile, the Company shall establish the Discipline Committee in accordance with relevant regulations.</u></p>

APPENDIX III	<p style="text-align: center;">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
24.		<p>Article 55</p> <p><u>The Party Committee of the Company shall perform the following duties in accordance with regulations of the Party including the Constitution of Communist Party of China and Working Regulations of the Group of Communist Party of China (for Trial Implementation):</u></p> <p><u>(1) Ensure and supervise the Company’s implementation of the principles and guidelines of the Party and the State, and to implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organizations.</u></p> <p><u>(2) Strengthen the leadership and gate-keeping role in the management of the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision, uphold the integration of the principle that the Party manages the officials with the function of the board of directors in the lawful selection of the senior management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the senior management.</u></p>

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(3) Research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and to provide comments and suggestions in this regard. To support the shareholders' general meeting, the board of directors, the board of supervisors and the senior management to in performing their duties in accordance with laws; to support the Congress of Employees in carrying out its work.</u></p> <p><u>(4) Assume the primary responsibility to run the Party comprehensively with strict discipline, lead the Company's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Company and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Party discipline inspection commissions in earnestly performing its supervisory responsibilities.</u></p> <p><u>(5) Strengthen the building of the Bank's grassroots Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank.</u></p> <p><u>(6) Other material matters that fall within the duty of the Party Committee.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
25.	<p>Article 57</p> <p>.....</p> <p>If a shareholder owns 5% or more of the total shares of the Company without prior approval of the banking regulatory authority of the State Council, the exercise of rights of the shareholder under Article 52 in respect of the shares in excess of 5% of the total shares of the Company (“Excess Shares”) shall be subject to restrictions until approval is obtained from the banking regulatory authority of the State Council. The restrictions include (without limitation):</p> <p>(1) the Excess Shares shall have no voting rights at shareholders’ general meetings including class shareholders’ meetings; and</p> <p>(2) the Excess Shares shall have no rights in respect of the nomination of directors and supervisors as provided in these Articles.</p> <p>Notwithstanding the foregoing, holders of Excess Shares shall not be subject to any restrictions in exercising other shareholders’ rights pursuant to Article 52. If a shareholder fails to obtain approval from the banking regulatory authority of the State Council for the holding of Excess Shares, the shareholder shall dispose of the Excess Shares within a period prescribed by the banking regulatory authority of the State Council.</p>	<p>Article 62</p> <p>.....</p> <p>If a shareholder owns 5% or more of the total shares of the Company without prior approval of the banking regulatory authority of the State Council, the exercise of rights of the shareholder under Article 52<u>57</u> in respect of the shares in excess of 5% of the total shares of the Company (“Excess Shares”) shall be subject to restrictions until approval is obtained from the banking regulatory authority of the State Council. The restrictions include (without limitation):</p> <p>(1) the Excess Shares shall have no voting rights at shareholders’ general meetings including class shareholders’ meetings; and</p> <p>(2) the Excess Shares shall have no rights in respect of the nomination of directors and supervisors as provided in these Articles.</p> <p>Notwithstanding the foregoing, holders of Excess Shares shall not be subject to any restrictions in exercising other shareholders’ rights pursuant to Article 52<u>57</u>. If a shareholder fails to obtain approval from the banking regulatory authority of the State Council for the holding of Excess Shares, the shareholder shall dispose of the Excess Shares within a period prescribed by the banking regulatory authority of the State Council.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
26.	<p>Article 60</p> <p>The controlling shareholders and de facto controllers shall have fiduciary duties to the Company. The controlling shareholder shall only participate in the policy making and legal operation of the Company in accordance with the laws, regulations and these Articles. They shall not seek improper interests or impair the legal rights of the Company by making use of their controlling position.</p>	<p>Article 65</p> <p>The controlling shareholders and de facto controllers shall have fiduciary duties to the Company <u>and the public shareholders of the Company</u>. The controlling shareholder shall only participate in the policy making and legal operation of the Company in accordance with the laws, regulations and Articles. They shall not seek improper interests or impair the legal rights of the Company <u>and the public shareholders of the Company</u> by making use of their controlling position.</p>
27.	<p>Article 63</p> <p>The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:</p> <p>.....</p> <p>(17) to consider and approve any purchase, disposal of major assets or provision of guarantee with aggregate value of more than 30% of the total assets of the Company within a period of a year;</p> <p>.....</p>	<p>Article 68</p> <p>The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:</p> <p>.....</p> <p>(17) to consider and approve any purchase, disposal of major assets or provision of guarantee with aggregate value of more than 30% of the <u>latest audited</u> total assets of the Company within a period of a year;</p> <p>.....</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(20) to determine the issuance of preference shares; to determine or authorise the board of directors to determine matters relating to preference shares issued by the Company, including but not limited to redemption, conversion and distribution of dividends;</u></p> <p>(20)(21) to consider and approve all other matters which are required to be determined by shareholders' general meeting under the laws, regulations, regulatory documents, applicable requirements of the securities regulatory authorities of the place where the Company's shares are listed and these Articles.</p>
28.	<p>Article 64</p> <p>.....</p> <p>Where the election of directors and supervisors are to be discussed at a general meeting, the notice of the general meeting shall disclose all information about the director and supervisor candidate(s) as required by the laws, regulations, regulatory documents, requirements of the securities regulatory authorities of the place where the Company's shares are listed and these Articles, including at least the following:</p> <p>.....</p>	<p>Article 69</p> <p>.....</p> <p>Where the election of directors and supervisors are to be discussed at a general meeting, the notice of the general meeting shall disclose all information about the director and supervisor candidate(s) as required by the laws, regulations, regulatory documents, requirements of the securities regulatory authorities of the place where the Company's shares are listed and these Articles, including at least the following:</p> <p>.....</p> <p><u>Except for the election of directors and supervisors through cumulative voting, each candidate for the director or supervisor shall be nominated by a separate proposal.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
29.	<p>Article 66</p> <p>An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:</p> <p>.....</p> <p>(2) the uncovered losses of the Company are equal to or more than one third of the total share capital of the Company;</p> <p>.....</p>	<p>Article 71</p> <p>An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:</p> <p>.....</p> <p>(2) the uncovered losses of the Company are equal to or more than one third of the total <u>paid-up</u> share capital of the Company;</p> <p>.....</p>
30.	<p>Article 67</p> <p>When holding a general meeting, the Company shall engage lawyers to provide legal opinion on the following matters:</p> <p>.....</p>	<p>Article 72</p> <p>When holding a general meeting, the Company shall engage lawyers to provide legal opinion on the following matters and <u>make public announcement:</u></p>
31.	<p>Article 70</p> <p>.....</p> <p>If the board of directors agrees to convene an extraordinary general meeting, a notice of such meeting shall be issued within 5 days from the date on which a relevant resolution of the board of directors is passed. If the board of directors does not agree to convene the extraordinary general meeting, it shall give an explanation.</p>	<p>Article 75</p> <p>.....</p> <p>If the board of directors agrees to convene an extraordinary general meeting, a notice of such meeting shall be issued within 5 days from the date on which a relevant resolution of the board of directors is passed. If the board of directors does not agree to convene the extraordinary general meeting, it shall give an explanation <u>and make public announcement.</u></p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
32.	<p>Article 73</p> <p>The board of supervisors or the Convening Shareholders shall notify the board of directors in writing if they decide to convene the shareholders' general meeting. Where the Convening Shareholders convene the shareholders' general meeting, the shareholding of the Convening Shareholders prior to announcement of the resolution of the shareholders' general meeting shall not be less than 10% of the shares with voting rights of the Company.</p>	<p>Article 78</p> <p>The board of supervisors or the Convening Shareholders shall notify the board of directors in writing <u>and file with the branch office of the CSRC where the Company is located and the relevant stock exchange(s)</u> if they decide to convene the shareholders' general meeting.</p> <p>Where the Convening Shareholders convene the shareholders' general meeting, the shareholding of the Convening Shareholders prior to announcement of the resolution of the shareholders' general meeting shall not be less than 10% of the shares with voting rights of the Company.</p> <p><u>The Convening Shareholders shall submit the relevant certificates to the branch office of the CSRC where the Company is located and the relevant stock exchange(s) when issuing notice of shareholders' general meeting and making announcement on resolution(s) of shareholders' general meeting.</u></p>
33.	<p>Article 78</p> <p>The shareholders' general meeting shall not vote or resolve on proposals not contained in the notice or supplementary notice of the shareholders' general meeting or not in compliance with Article 79.</p>	<p>Article 83</p> <p>The shareholders' general meeting shall not vote or resolve on proposals not contained in the notice or supplementary notice of the shareholders' general meeting or not in compliance with Article 7984.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
34.	<p>Article 80</p> <p>When the Company is to convene a shareholders' general meeting, all shareholders shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the shareholders' general meeting shall send a written reply to the Company 20 days before the meeting.</p>	<p>Article 85</p> <p>When the Company is to convene a shareholders' general meeting, all shareholders <u>entitled to attend the shareholders' general meeting</u> shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the shareholders' general meeting shall send a written reply to the Company 20 days before the meeting.</p>
35.	<p>Article 82</p> <p>The Company shall, based on the written replies from shareholders received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the shareholders' general meeting after the public notice.</p>	<p>Article 87</p> <p>The Company shall, based on the written replies from shareholders received 20 days before the date of the shareholders' general meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders <u>entitled to attend the shareholders' general meeting</u> again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the shareholders' general meeting after the public notice.</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
36.	<p>Article 83</p> <p>A notice of shareholders’ general meeting shall meet the following requirements:</p> <p>.....</p> <p>(2) it shall specify the place, date and time of the meeting;</p> <p>.....</p>	<p>Article 88</p> <p>A notice of shareholders’ general meeting shall meet the following requirements:</p> <p>.....</p> <p>(2) it shall specify the place, date, time <u>and duration of the meeting</u>;</p> <p>.....</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
37.	<p>Article 84</p> <p>Notice of shareholders' general meeting shall be served to shareholders (whether or not entitled to vote at the shareholders' general meeting) by hand or by prepaid mail to their addresses as shown in the register of members. For holders of domestic shares of the Company, notice of the meeting may be issued by way of announcement.</p> <p>The announcement aforementioned in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council within a period between 45 days and 50 days before the date of the meeting. After the announcement, the holders of domestic shares of the Company shall be deemed to have received the notice of the shareholders' general meeting.</p> <p>For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a general meeting may be published on the websites of the Company and Hong Kong Stock Exchange instead of delivery by hand or prepaid mail.</p> <p>.....</p>	<p>Article 89</p> <p>Notice of shareholders' general meeting shall be served to shareholders <u>entitled to attend the shareholders' general meeting</u> (whether or not entitled to vote at the shareholders' general meeting) by hand or by prepaid mail to their addresses as shown in the register of members. For holders of <u>domestic listed shares</u> of the Company, notice of the meeting may be issued by way of announcement.</p> <p>The announcement aforementioned in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council within a period between 45 days and 50 days before the date of the meeting. After the announcement, the holders of <u>domestic listed shares</u> of the Company shall be deemed to have received the notice of the shareholders' general meeting.</p> <p>For holders of overseas listed shares <u>entitled to attend the shareholders' general meeting</u>, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a general meeting may be published on the websites of the Company and Hong Kong Stock Exchange instead of delivery by hand or prepaid mail.</p> <p>.....</p>

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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
38.		<p>Article 90</p> <p><u>After issuing the notice of the shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled, and the proposals set out in the notice shall not be cancelled without valid reasons. In case of any postponement or cancellation, the convener shall make a public announcement and provide reasons at least 2 working days prior to the scheduled holding date.</u></p>
39.		<p>Article 91</p> <p><u>The board of directors and other conveners shall take necessary measures to ensure the normal order of the shareholders' general meeting. Any conduct that disturbs the shareholders' general meeting, creates troubles or infringes on the legal rights and interests of the shareholders shall be stopped and reported to the relevant authorities in time for further investigation.</u></p>
40.	<p>Article 91</p> <p>The convener and the lawyer appointed by the Company shall jointly verify the qualification of shareholders based on the register of members provided by the securities registration institutions.</p>	<p>Article 98</p> <p>The convener and the lawyer appointed by the Company shall jointly verify the qualification of shareholders based on the register of members provided by the securities registration institutions, <u>and register the names of the shareholders and the number of shares that they hold with voting rights.</u></p>
41.	<p>Article 96</p> <p>Directors, supervisors and the secretary to the board of the directors of the Company shall attend shareholders' general meetings and senior management members shall be present at shareholders' general meetings.</p>	<p>Article 103</p> <p>Directors, supervisors and the secretary to the board of the directors of the Company shall attend shareholders' general meetings and senior management members <u>shall</u> be present at shareholders' general meetings.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
42.	<p>Article 100</p> <p>The minutes of shareholders’ general meetings shall be signed by the directors, supervisors, the board secretary, the convener or their representatives who attend the meetings and the chairman of the meetings. The minutes together with the attendance records of shareholders, the instruments of proxy and the valid records of voting on resolutions through internet or otherwise shall be kept by the board secretary according to the filing system of the Company.</p>	<p>Article 107</p> <p><u>The convener shall ensure the authenticity, accuracy and completeness of the contents of the meeting minutes.</u> The minutes of shareholders’ general meetings shall be signed by the directors, supervisors, the board secretary, the convener or their representatives who attend the meetings and the chairman of the meetings. The minutes together with the attendance records of shareholders, the instruments of proxy and the valid records of voting on resolutions through internet or otherwise shall be kept by the board secretary according to the filing system of the Company.</p>
43.		<p>Article 108</p> <p><u>The convener shall ensure the continuation of the shareholders’ general meeting, until the final resolutions are made. If the shareholders’ general meeting is suspended or resolutions cannot be made due to special reasons such as force majeure, necessary measures shall be taken to resume the shareholders’ general meeting as soon as possible or directly terminate the current shareholders’ general meeting and make a timely announcement. Meanwhile, the convener shall report to the dispatch office of the CSRC agency where the Company is located and the relevant stock exchange(s).</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
44.	<p>Article 101</p> <p>Shareholders and their proxies can exercise the voting rights of their shares with voting rights at the shareholders' general meeting on the basis of one vote for each share. Shares held by the Company shall have no voting rights and shall not be included in the total number of shares with voting rights present at shareholders' general meetings.</p>	<p>Article 109</p> <p>Shareholders and their proxies can exercise the voting rights of their shares with voting rights at the shareholders' general meeting on the basis of one vote for each share, <u>except for the situation where the cumulative voting shall be used according to the Articles of Association.</u> Shares held by the Company shall have no voting rights and shall not be included in the total number of shares with voting rights present at shareholders' general meetings.</p> <p><u>When material issues that affect the interests of minority investors are considered at the shareholders' general meeting, the votes of the minority investors that hold the domestic listed shares shall be separately counted. The separate counting result shall be timely and publicly disclosed.</u></p> <p><u>Board of directors, independent directors and shareholders of the Company that meet the specified conditions may publicly solicit shareholder voting rights. When soliciting shareholder voting rights, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting shareholder voting rights with compensation or disguised compensation is prohibited. The Company shall not impose minimum holding proportion limit on the solicited votes.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
45.	<p>Article 103</p> <p>The following matters shall be adopted by shareholders' general meeting by special resolution:</p> <p>.....</p> <p>(7) purchase, disposal of major assets or provision of guarantee with aggregate value of more than 30% of the total assets of the Company within a year;</p> <p>.....</p>	<p>Article 111</p> <p>The following matters shall be adopted by shareholders' general meeting by special resolution:</p> <p>.....</p> <p>(7) purchase, disposal of major assets or provision of guarantee with aggregate value of more than 30% of the latest audited total assets of the Company within a year;</p> <p>.....</p>
46.	<p>Article 104</p> <p>Representatives of shareholders and supervisors shall be elected to participate in vote counting and scrutinizing for resolutions voted at a shareholders' general meeting.</p> <p>Lawyers, representatives of shareholders and supervisors shall jointly count and scrutinize the votes at shareholders' general meeting. Voting results shall be announced immediately. Voting results shall be recorded in the minutes of the meeting.</p>	<p>Article 112</p> <p><u>Two</u> shareholder representatives and <u>one</u> supervisor representative shall be elected to participate in vote counting and scrutinizing for resolutions voted at a shareholders' general meeting.</p> <p>Lawyers, representatives of shareholders and supervisors shall jointly count and scrutinize the votes at shareholders' general meeting. Voting results shall be announced immediately. Voting results shall be recorded in the minutes of the meeting.</p> <p><u>The shareholder of the Company or its proxy that votes via Internet or other means is entitled to check the voting result through the corresponding voting system.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
47.	<p>Article 107</p> <p>The nomination of directors and supervisors who are not representative of the employees of the Company shall be proposed to shareholders' general meeting for voting by resolutions.</p>	<p>Article 115</p> <p>The nomination of directors and supervisors who are not representative of the employees of the Company shall be proposed to shareholders' general meeting for voting by resolutions. <u>When voting on the election of directors and supervisors at the shareholders' general meeting, cumulative voting can be adopted according to the provisions of the Articles of Association or the resolution of the general meeting.</u></p>
48.	<p>Article 108</p> <p>The shareholders' general meeting shall vote on all proposals presented one by one. If different proposals are made on the same matter, votes shall be cast in accordance with the sequence of presenting of the proposals. Unless the shareholders' general meeting is suspended or fails to resolve due to exceptional reasons such as force majeure, the general meeting shall not lay aside or refuse the voting of proposals.</p>	<p>Article 116</p> <p><u>Except for the cumulative voting,</u> the shareholders' general meeting shall vote on all proposals presented one by one. If different proposals are made on the same matter, votes shall be cast in accordance with the sequence of presenting of the proposals. Unless the shareholders' general meeting is suspended or fails to resolve due to exceptional reasons such as force majeure, the general meeting shall not lay aside or refuse the voting of proposals.</p>
49.	<p>Article 114</p> <p>Shareholders attending the shareholders' general meeting shall give their opinions on every resolution put forward at the meeting for resolution in the form of any one of the following: "for", "against" or "abstention".</p>	<p>Article 122</p> <p>Shareholders attending the shareholders' general meeting shall give their opinions on every resolution put forward at the meeting for resolution in the form of any one of the following: "for", "against" or "abstention". <u>This will not include the situation where the securities registration and clearing institution is the nominal shareholder of Shanghai-Hong Kong Stock Connect shares and declares in accordance to the instructions of the beneficial owners.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
50.	<p>Article 118</p> <p>The resolutions of a shareholders' general meeting shall be promptly announced. The announcement shall set forth the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion of shares with voting rights held by them to the total number of shares with voting rights of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the securities regulatory authorities of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the form of voting method, the voting result of each resolution and the vote scrutinizers' identity.</p>	<p>Article 126</p> <p>The resolutions of a shareholders' general meeting shall be promptly announced. The announcement shall set forth the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion of shares with voting rights held by them to the total number of shares with voting rights of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the securities regulatory authorities of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the form of voting method, the voting result of each resolution and the vote scrutinizers' identity.</p> <p><u>Where the resolutions are not passed or the general meeting has revised a resolution reached at the previous general meeting, it should be particularly noted in the poll results announcement of the general meeting.</u></p>
51.		<p>Article 128</p> <p><u>For any proposal concerning cash dividend, share dividend or converting capital reserve into share capital, the Company shall implement the specific scheme within 2 months after the shareholders' general meeting.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
52.	<p>Article 121</p> <p>If the Company proposes to modify or terminate the rights of a class of shareholders, it may do so only after such modification or abrogation has been adopted by a special resolution of the shareholders' general meeting and a separate shareholders' general meeting convened by the affected shareholders of that class under Articles 123 to 127.</p>	<p>Article 130</p> <p>If the Company proposes to modify or terminate the rights of a class of shareholders, it may do so only after such modification or abrogation has been adopted by a special resolution of the shareholders' general meeting and a separate shareholders' general meeting convened by the affected shareholders of that class under Articles 123<u>132</u> to 127<u>136</u>.</p>
53.	<p>Article 123</p> <p>Class shareholders affected, whether or not otherwise having the right to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning items (2) to (8), (11) and (12) of Article 122, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” in prior provision shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase by means of public transaction at the stock exchange in accordance with Article 29 of these Articles, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 348 of these Articles;</p> <p>(2) if the Company has made a repurchase by means of agreement outside the stock exchange in accordance with Article 29 of these Articles, “interested shareholder(s)” shall refer to the shareholders who are parties to such agreements;</p>	<p>Article 132</p> <p>Class shareholders affected, whether or not otherwise having the right to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning items (2) to (8), (11) and (12) of Article 122<u>131</u>, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>“Interested shareholder(s)” in prior provision shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on pro rata basis or made a repurchase by means of public transaction at the stock exchange in accordance with Article 29<u>31</u> of these Articles, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 348<u>361</u> of these Articles;</p> <p>(2) if the Company has made a repurchase by means of agreement outside the stock exchange in accordance with Article 29<u>31</u> of these Articles, “interested shareholder(s)” shall refer to the shareholders who are parties to such agreements;</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
	(3) in a restructuring plan of the Company, “interested shareholder(s)” refers to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy interests different from other shareholders of the same class.	(3) in a restructuring plan of the Company, “interested shareholder(s)” refers to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy interests different from other shareholders of the same class.
54.	<p>Article 124</p> <p>Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders of that class present at the relevant meeting who are entitled to vote pursuant to Article 123.</p>	<p>Article 133</p> <p>Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders of that class present at the relevant meeting who are entitled to vote pursuant to Article 123<u>132</u>.</p>
55.	<p>Article 129</p> <p>Directors shall have relevant expertise and experience to perform his/her duties and shall satisfy the requirements of the banking regulatory authority of the State Council.</p>	<p>Article 138</p> <p>Directors shall have relevant expertise and experience to perform his/her duties and shall satisfy the requirements of the banking regulatory authority of the State Council.</p> <p><u>A person may not serve as the director of the Company in any of the following circumstances:</u></p> <p><u>(1) a person without legal capacity or with restricted legal capacity;</u></p> <p><u>(2) a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or sabotaging social economic orders or who has been deprived of his/her political rights for crime, and it has been less than 5 years since the completion of execution of the sentence;</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, and it has been less than 3 years since the completion of the bankruptcy liquidation of the company or enterprise;</u></p> <p><u>(4) a person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to close down its business due to a violation of law and who had personal liability, and it has been less than 3 years since the revocation of the business license of the company or enterprise;</u></p> <p><u>(5) a person who has relatively large amount of debts due and outstanding;</u></p> <p><u>(6) A person who has been subject to the punishment of banning the entry into the securities market by the CSRC, and the prescribed term of banning has not expired;</u></p> <p><u>(7) Other circumstances prescribed by the laws, administrative regulations or departmental rules.</u></p> <p><u>The election, appointment or engagement of directors against this provision shall be invalid. The Company shall remove or dismiss a director if any of the aforesaid circumstances applies to him/her during his/her term of office.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
56.	<p>Article 139</p> <p>A director may resign before the expiry of his/her term of office. The resigning director shall submit a written resignation to the board of directors. Unless otherwise stipulated in these Articles, the resignation of a director shall take effect upon receipt of the resignation letter by the board of directors.</p>	<p>Article 148</p> <p>A director may resign before the expiry of his/her term of office. The resigning director shall submit a written resignation to the board of directors. Unless otherwise stipulated in these Articles, the resignation of a director shall take effect upon receipt of the resignation letter by the board of directors. <u>The board of directors will disclose the relevant information within 2 days.</u></p>
57.	<p>Article 155</p> <p>Independent directors shall provide objective, fair and independent opinions on the matters discussed at shareholder's general meetings and board meetings, in particular the following matters:</p> <p>(1) material related party transactions;</p> <p>(2) profit distribution plans;</p> <p>(3) appointment and dismissal of senior management members;</p> <p>(4) matters that may jeopardize the interests of minority shareholders in the opinion of independent directors;</p> <p>(5) matters that may cause significant loss to the Company in the opinion of independent directors;</p> <p>(6) appointment of external auditors;</p> <p>.....</p>	<p>Article 163</p> <p>Independent directors shall provide objective, fair and independent opinions on the matters discussed at shareholder's general meetings and board meetings, in particular the following matters:</p> <p>(1) material related party transactions;</p> <p>(2) profit distribution plans;</p> <p>(3) appointment and dismissal of senior management members;</p> <p>(4) matters that may jeopardize the interests of minority shareholders in the opinion of independent directors;</p> <p>(5) matters that may cause significant loss to the Company in the opinion of independent directors;</p> <p><u>(6) impacts of the issuance of preference shares on the rights and interests of each class of shareholders;</u></p> <p>(6)<u>(7)</u> appointment of external auditors;</p> <p>.....</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
58.		<p>Article 178</p> <p><u>The board of directors shall provide explanation to the shareholders' general meeting for the non-standard audit opinions issued by the registered accountant on the financial report of the Company.</u></p>
59.	<p>Article 173</p> <p>In the event that the chairman is unable or fails to perform his/her duties, the vice chairman shall perform his/her functions on his/her behalf;</p> <p>.....</p>	<p>Article 183</p> <p><u>The vice chairman shall assist the chairman in performing his/her duties.</u> In the event that the chairman is unable or fails to perform his/her duties, the vice chairman shall perform his/her functions on his/her behalf;</p> <p>.....</p>
60.		<p>Article 199</p> <p><u>If any matters of the Company to be resolved by the Board involve material matters, the board of directors shall seek advice from the Party Committee in advance.</u></p>
61.	<p>Article 191</p> <p>The major duties of the board secretary include the following:</p> <p>.....</p> <p>(3) to organize and prepare the documents of shareholders' general meetings, board meetings and special committees of the board of directors, prepare minutes of meetings and ensure the procedures of such meetings are in compliance with the legal requirements, and monitor the execution of the resolution by the board of directors;</p> <p>.....</p>	<p>Article 202</p> <p>The major duties of the board secretary include the following:</p> <p>.....</p> <p>(3) to organize and prepare the documents of shareholders' general meetings, board meetings and special committees of the board of directors, prepare minutes of meetings and ensure the procedures of such meetings are in compliance with the legal requirements, and monitor the execution of the resolution by the board of directors; <u>and report and provide suggestions to the board of directors for material issues in the execution;</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
	<p>(9) to maintain the shareholders' register, the register of directors, supervisors and senior management members and the information regarding the shareholding of controlling shareholders and directors, supervisors and senior management members of the Company;</p> <p>.....</p>	<p><u>(4) To ensure the execution of the important decisions of the board strictly in accordance with the established procedures; to participate in and organize the consultation and analysis of the decision matters of the board according to the requirements of the board, and propose corresponding opinions and suggestions; to carry out the daily tasks assigned by the board and its committees;</u></p> <p>.....</p> <p>(10) to maintain the shareholders' register, the register of directors, supervisors and senior management members and the information regarding the shareholding of controlling shareholders and directors, supervisors and senior management members of the Company; <u>and disclose the shareholding change of the directors, supervisors and senior management of the Company according to the requirements of the regulatory authorities;</u></p> <p>.....</p>
62.	<p>Article 224</p> <p>A supervisor may resign prior to the expiration of his/her term of office. To resign from office, a supervisor shall submit a written resignation to the board of supervisors. The resignation of supervisors shall follow the provisions on the resignation of directors under Section 1 of Chapter 8 herein.</p>	<p>Article 235</p> <p>A supervisor may resign prior to the expiration of his/her term of office. To resign from office, a supervisor shall submit a written resignation to the board of supervisors. The resignation of supervisors shall follow the provisions on the resignation of directors under Section 1 of Chapter 89 herein.</p>
63.		<p>Article 237</p> <p><u>The supervisors shall ensure the authenticity, accuracy and completeness of the information disclosed by the Company.</u></p>

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING
AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
64.	<p>Article 263</p> <p>A person may not serve as a director, supervisor or any senior management of the Company in any of the following circumstances: (1) (10)</p> <p>The Company shall remove or dismiss a director, supervisor or senior management according to the procedures stipulated by these Articles if item (1) applies to him/her during his/her term of office.</p>	<p>Article 275</p> <p>A person may not serve as a director, supervisor or any senior management of the Company in any of the following circumstances: (1) (10)</p> <p>The Company shall remove or dismiss a director, supervisor or senior management according to the procedures stipulated by these Articles if item (1) <u>any of the aforesaid</u> circumstances applies to him/her during his/ her term of office.</p>
65.	<p>Article 270</p> <p>A director, supervisor or senior management of the Company may be relieved from liability for specific breaches of his duties by the informed consent of the shareholders' general meeting, unless otherwise provided for in Article 60 herein.</p>	<p>Article 282</p> <p>A director, supervisor or senior management of the Company may be relieved from liability for specific breaches of his duties by the informed consent of the shareholders' general meeting, unless otherwise provided for in Article 6065 herein.</p>
66.	<p>The first paragraph of Article 281</p> <p>In the contract for emoluments entered into by the Company with a director or supervisor, it shall be provided that such director or supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office. A takeover of the Company means any of the following circumstances:</p> <p>(1) an offer is made to all shareholders of the Company; or</p> <p>(2) an offer is made such that the offeror will become the controlling shareholder of the Company. The definition of the controlling shareholder has the same meaning as defined in Article 338 herein.</p>	<p>The first paragraph of Article 293</p> <p>In the contract for emoluments entered into by the Company with a director or supervisor, it shall be provided that such director or supervisor has the right to receive, in connection with the takeover of the Company and subject to the prior approval of the shareholders' general meeting, compensation or other payments for loss of office or retirement from office. A takeover of the Company means any of the following circumstances:</p> <p>(1) an offer is made to all shareholders of the Company; or</p> <p>(2) an offer is made such that the offeror will become the controlling shareholder of the Company. The definition of the controlling shareholder has the same meaning as defined in Article 33860 herein.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
67.	<p>Article 288</p> <p>The Company shall publish its financial reports twice in each fiscal year, i.e. the interim financial report within 60 days after the end of the first six months of a fiscal year and the annual financial report within 120 days after the end of a fiscal year.</p> <p>Any additional requirements of the securities regulatory authorities of the place where the shares of the Company are listed shall also be followed.</p>	<p>Article 300</p> <p>The Company shall publish its financial reports twice in each fiscal year, i.e. the interim financial report within 60 days after the end of the first six months of a fiscal year and the annual financial report within 120 days after the end of a fiscal year.</p> <p><u>The Company shall submit the annual financial accounting report to the CSRC and the stock exchange and make announcement within 4 months after the end of each fiscal year; submit the semi-annual financial accounting report to the dispatch office of the CSRC where the Company is located and relevant stock exchange(s) and make announcement within 2 months after the end of the first six months of each fiscal year; and submit the quarterly financial accounting report to the dispatch office of the CSRC where the Company is located and relevant stock exchange(s) within 1 months after the end of the first 3 months and first 9 months respectively of each fiscal year.</u></p> <p>Any additional requirements of the securities regulatory authorities of the place where the shares of the Company are listed shall also be followed.</p>
68.	<p>Article 289</p> <p>The after-tax profits of the Company shall be distributed in the following order:</p> <ol style="list-style-type: none"> (1) offsetting the losses in previous years; (2) 10% contribution to statutory reserve; (3) contribution to general reserves; (4) contribution to discretionary reserve; (5) distribution of dividends to shareholders. <p>No further contribution to the statutory reserves is required when the statutory reserve exceeds 50% of the registered capital of the Company. No contribution to statutory reserve shall be made unless the losses of previous years are made good by the profits of the year.</p>	<p>Article 301</p> <p>The after-tax profits of the Company shall be distributed in the following order:</p> <ol style="list-style-type: none"> (1) offsetting the losses in previous years; (2) 10% contribution to statutory reserve; (3) contribution to general reserves; (4) contribution to discretionary reserve; (5) distribution of dividends to shareholders. <p>No further contribution to the statutory reserves is required when the statutory reserve exceeds 50% of the registered capital of the Company. No contribution to statutory reserve shall be made unless the losses of previous years are made good by the profits of the year.</p>

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
	<p>After contributions to statutory reserve and general reserve, the Company may also make contribution to discretionary reserve from after-tax profits if so approved by shareholders at general meeting. Any remaining after-tax profits after the offset of retained losses and contributions to statutory reserve, general reserve and discretionary reserve may be distributed to shareholders in proportion to their respective shareholdings in accordance with the resolution of shareholders' general meeting.</p> <p>Any distribution of the profits of the Company to any shareholders before offsetting losses or contributing to statutory reserves in violation of this Article shall be returned to the Company.</p> <p>The shares held by the Company shall not participate in the distribution of dividends.</p> <p>In the event of misappropriation of capital by shareholders, the Company shall deduct the cash dividends distributable to such shareholders to recover the misappropriated capital.</p>	<p>After contributions to statutory reserve and general reserve, the Company may also make contribution to discretionary reserve from after-tax profits if so approved by shareholders at general meeting. Any remaining after-tax profits after the offset of retained losses and contributions to statutory reserve, general reserve and discretionary reserve may be distributed to shareholders in proportion to their respective shareholdings in accordance with the resolution of shareholders' general meeting.</p> <p>Any distribution of the profits of the Company to any shareholders before offsetting losses or contributing to statutory reserves in violation of this Article shall be returned to the Company.</p> <p>The shares held by the Company shall not participate in the distribution of dividends.</p> <p>In the event of misappropriation of capital by shareholders, the Company shall deduct the cash dividends distributable to such shareholders to recover the misappropriated capital.</p> <p><u>The payment of dividends on preference shares shall be subject to laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed and where the preference shares are issued or listed, and the Articles.</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
69.		<p>Article 305</p> <p><u>The Company may distribute annual and interim dividends in cash or in specie.</u> <u>The Company adopts cash dividend in priority to share dividend in terms of profit distribution.</u></p> <p><u>(1) Specific conditions for cash dividend: on the premises that the normal operation of the Company will not be affected, positive net profit is achieved in the current year, the accumulated undistributed profit at the year end is positive and the capital reserve is positive, the Company shall mainly make cash dividend distribution, except in special circumstances. Special circumstances include: the Company has material investment plan or incurs large cash disbursement; the capital adequacy ratio is lower than the threshold set by the banking regulatory authority of State Council and other regulatory authorities; the banking regulatory authority of State Council and other regulatory authorities take regulatory measures to impose restrictions on the cash dividend of the Company; other situations prescribed by laws and regulations where cash dividend is not appropriate.</u></p> <p><u>(2) Conditions for releasing share dividend: If the Company makes profit distribution through share dividend, it shall provide reasonable cash dividend return to the shareholders and at the same time maintain the appropriate share capital, taking into account factors such as company growth and dilution of net assets per share.</u></p>

APPENDIX III	<p>PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(3) On the premise of meeting the profit distribution principle, and ensuring the normal operation and long term development of the Company, the Company shall make profit distribution (including by means of cash dividend) once a year in principle. The board of directors may propose the semi-annual profit distribution (including by means of cash dividend) according to the profit status and capital needs of the Company.</u></p> <p><u>(4) Minimum amount or ratio of cash dividend: The profits distributed cumulatively in cash each year (including annual distribution and semi-annual distribution) shall be no less than 10% of the consolidated distributable net profit of the Group attributable to the shareholders of the Company for the current year.</u></p> <p><u>(5) Differentiated cash dividend policy: The board of directors shall propose a differentiated cash dividend policy according to the requirements of the applicable laws and regulations and the Listing Rules as well as the procedures set out in the Articles of Association.</u></p>

APPENDIX III	<p style="text-align: center;">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(6) Decision-making procedures and mechanism for cash dividend: When formulating the specific cash dividend schemes, the Company shall listen to the opinion of the independent directors, board of supervisors and public investors. The board of directors shall carefully study and verify the rationality of the profit distribution scheme, include it into resolution and submit to the shareholders' general meeting for consideration and approval as an ordinary resolution. The scheme shall be implemented after being approved by the shareholders' general meeting, and the independent directors shall provide explicit opinions. Independent directors may solicit the opinions of minority shareholders to propose dividend scheme, which shall be directly submitted to the board for consideration. Before the shareholders' general meeting considers the specific cash dividend scheme, the Company shall communicate with the shareholders, especially the minority shareholders, through multiple ways (including public solicitation of opinions, holding discussion meeting, etc.), listen to and respect the opinions and demands of the minority shareholders, and provide timely response to the concerns of the minority shareholders.</u></p>

**APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR
ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING
AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)**

No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(7) Conditions, decision making procedures and mechanism for modification of cash dividend policy: In the case of force majeure (such as war, natural disaster), or if the external environment change imposes material influence on the production and operation of the Company, or there is significant change to operation or financial status of the Company, or the relevant laws, regulations or regulatory provisions are changed or adjusted, or when the board of directors considers necessary, the Company may modify the aforesaid profit distribution policy. If the Company decides to modify the profit distribution policy, the board of directors shall demonstrate the reason for modification in detail, include it into resolution and submit to the shareholders' general meeting for consideration as a special resolution, and the independent directors shall provide express opinions. The convening of the shareholders' general meeting shall meet the regulatory requirements of the listing place of the Company. When proposing profit distribution policy modification scheme, the board of directors shall listen to the opinions of the independent directors and board of supervisors, communicate with the shareholders, especially the minority shareholders, through multiple ways (including public solicitation of opinions, holding discussion meeting, etc.), and provide careful response to the concerns of the shareholders. When the Company holds the shareholders' general meeting to consider the profit distribution policy modification scheme, in addition to the onsite meeting, network voting method shall be provided to the holders of domestic shares.</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<u>(8) If the Company decides not to make cash dividend or decides to make cash dividend at a ratio lower than the prescribed one in special circumstances, the Company shall implement the relevant decision-making procedures and make disclosure according to the applicable laws, administrative regulations, departmental rules and the provisions of the stock exchange at the listing place as well as the Articles of Association.</u>
70.	<p>Article 293</p> <p>The Company may distribute annual and interim dividends in cash or in specie. The distribution of dividends shall provide reasonable returns to shareholders. The dividend policy of the Company shall be sustainable and steady.</p>	<p>Article 306</p> <p>The distribution of profits shall provide reasonable returns to shareholders. The dividend policy of the Company shall be sustainable and steady.</p> <p><u>When resolution on the profit distribution scheme is passed by the shareholders' general meeting, the board of directors shall complete the distribution of the dividends (or shares) within 2 months after the shareholders' general meeting.</u></p>
71.	<p>Article 296</p> <p>The Company shall appoint an independent accounting firm which is qualified under relevant regulations of the PRC to audit the annual financial reports and other financial reports of the Company.</p>	<p>Article 309</p> <p>The Company shall appoint an independent accounting firm which is qualified under relevant regulations of the PRC and has <u>obtained the "qualification for practicing securities related services"</u> to audit the annual financial reports and other financial reports of the Company.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
72.	<p>Article 325</p> <p>After the liquidation committee has sorted out the property of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation scheme and report it to the shareholders' general meeting, the people's court or the relevant authorities of the State for confirmation.</p> <p>The remaining property of the Company shall be distributed to the shareholders in proportion of shares held by each of the shareholder after payments have been made of the liquidation fees, salaries of the employees, social security expenses and statutory compensation, taxes and debts of the Company.</p> <p>During the liquidation, the Company remains in existence but shall not carry out any operating activity which does not relate to the liquidation. The property of the Company shall not be distributed to the shareholders before the debts are settled pursuant to the preceding paragraph.</p>	<p>Article 338</p> <p>After the liquidation committee has sorted out the property of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation scheme and report it to the shareholders' general meeting, the people's court or the relevant authorities of the State for confirmation.</p> <p>The remaining property of the Company shall be distributed to the shareholders <u>according to the class of shares and proportion of their respective shareholdings</u> held by each of the shareholder after payments have been made of the liquidation fees, salaries of the employees, social security expenses and statutory compensation, taxes and debts of the Company.</p> <p>During the liquidation, the Company remains in existence but shall not carry out any operating activity which does not relate to the liquidation. The property of the Company shall not be distributed to the shareholders before the debts are settled pursuant to the preceding paragraph.</p>
73.	<p>Article 330</p> <p>.....</p> <p>The foregoing corporate communication refers to any document sent or to be sent by the Company for its shareholders' reference or actions, including but not limited to annual report (including annual financial report), interim report (including interim financial report), report of the board of directors (including balance sheet and income statement), notice of the shareholders' general meeting, circular and other communication documents.</p>	<p>Article 343</p> <p>.....</p> <p>The foregoing corporate communication refers to any document sent or to be sent by the Company for its shareholders' reference or actions, including but not limited to annual report (including annual financial report), <u>interim semi-annual</u> report (including <u>interim semi-annual</u> financial report), report of the board of directors (including balance sheet and income statement), notice of the shareholders' general meeting, circular and other communication documents.</p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
74.	<p>Article 334</p> <p>The Company shall amend these Articles in any of the following circumstances:</p> <p>.....</p>	<p>Article 347</p> <p>The Company shall amend these Articles in <u>any of</u> the following circumstances:</p> <p>.....</p>
75.	<p>Article 337</p> <p>The Company follows the following rules for settlement of disputes:</p> <p>(1) Any dispute or claim of rights relating to the affairs of the Company and arising between holders of overseas listed shares and the Company, or between holders of overseas listed shares and directors, supervisors or senior management members of the Company, or between holders of overseas listed shares and holders of domestic shares, and arising as a result of the rights and obligations provided for in these Articles, the Company Law and other applicable laws, administrative regulations, shall be referred to arbitration by the parties involved.</p> <p>.....</p>	<p>Article 350</p> <p>The Company follows the following rules for settlement of disputes:</p> <p>(1) Any dispute or claim of rights relating to the affairs of the Company and arising between holders of overseas listed shares and the Company, or between holders of overseas listed shares and directors, supervisors or senior management members of the Company, or between holders of overseas listed shares and <u>holders of domestic listed shares</u>, and arising as a result of the rights and obligations provided for in these Articles, the Company Law and other applicable laws, administrative regulations, shall be referred to arbitration by the parties involved.</p> <p>.....</p>
		<u>CHAPTER 21 SPECIAL PROVISIONS ON PREFERENCE SHARES</u>
76.		<p>Article 351</p> <p><u>Unless otherwise specified in laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the place where the shares of the Company are listed and this Chapter, the rights and obligations of holders of preference shares and management of preference shares shall be governed by the provisions relating to ordinary shares in these Articles.</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
77.		<p>Article 352</p> <p><u>The number of preference shares issued by the Company shall not exceed 50% of the total number of ordinary shares of the Company, and the capital raised from the issuance of preference shares shall not be more than 50% of the net assets value of the Company prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).</u></p>
78.		<p>Article 353</p> <p><u>The Company formulates terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Company shall convert the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares shall be mandatorily converted into ordinary shares, the Company shall report such conversion to banking regulatory authorities of the State Council for review and approval.</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
79.		<p>Article 354</p> <p><u>The preference shares issued by the Company shall not have any put option. Subject to the approval of the banking regulatory authorities of the State Council and upon compliance with the relevant requirements, the Company has the right to redeem all or part of the preference shares after the fifth year (inclusive) following the completion date of the relevant issuance of the preference shares or in circumstances acknowledged by such regulatory authorities as the banking regulatory authorities of the State Council. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Company shall write down the total amount of outstanding preference shares after the Company redeems the preference shares.</u></p> <p><u>The exercise by the Company of its right to redeem the preference shares shall be subject to the fulfilment of the following conditions:</u></p> <p><u>(1) the Company shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Company has a sustainable income generating capability; or</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(2) the capital position of the Company after redemption of the preference shares will remain significantly higher than the regulatory capital requirements prescribed by the banking regulatory authorities of the State Council.</u></p> <p><u>The redemption price of preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.</u></p>
80.		<p>Article 355</p> <p><u>Holders of preference shares of the Company shall enjoy the following rights:</u></p> <p><u>(1) to receive distribution of dividends in priority to ordinary shareholders;</u></p> <p><u>(2) to receive distribution of residual assets of the Company on liquidation in priority to ordinary shareholders;</u></p> <p><u>(3) upon the occurrence of the circumstances provided in Article 344, to attend and vote at shareholders' general meetings;</u></p> <p><u>(4) upon the occurrence of the circumstances provided in Article 345, to have its voting rights restored in accordance with the requirements of that article;</u></p> <p><u>(5) to make proposals or inquiries in relation to the business operations and activities of the Company;</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(6) to inspect these Articles, register of members, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial reports; and</u></p> <p><u>(7) other rights conferred to holders of preference shares by laws, administrative regulations, departmental rules and these Articles.</u></p>
81.		<p>Article 356</p> <p><u>Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares held by the shareholders in the event of the following:</u></p> <p><u>(1) a request to convene an extraordinary general meeting of shareholders;</u></p> <p><u>(2) a request to convene and preside over a general meeting of shareholders;</u></p> <p><u>(3) a request to submit a proposal or an interim proposal to a general meeting of shareholders;</u></p> <p><u>(4) a request to nominate the directors and supervisors who are not employee representatives of the Company;</u></p> <p><u>(5) identifying controlling shareholder(s) according to the relevant provisions of these Articles;</u></p> <p><u>(6) identifying the restrictions relating to the appointment of independent directors of the Company according to the relevant provisions of these Articles;</u></p>

APPENDIX III	<p style="text-align: center;">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>(7) identifying the ten largest shareholders of the Company and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Company in accordance with the Securities Law of the People’s Republic of China and relevant regulations; and</u></p> <p><u>(8) other circumstances provided under laws, administrative regulations, departmental rules and these Articles.</u></p>
82.		<p>Article 357</p> <p><u>The holders of the preference shares are not entitled to attend any shareholders’ general meeting of the Company nor do the preference shares carry any voting rights in any shareholders’ general meeting other than in the following circumstances:</u></p> <p><u>(1) amendments to these Articles related to preference shares;</u></p> <p><u>(2) reduction of the registered capital of the Company by more than 10% on a single or aggregate basis;</u></p> <p><u>(3) merger, division, dissolution or change of corporate form of the Company;</u></p> <p><u>(4) issuance of preference shares by the Company; and</u></p> <p><u>(5) other events specified in laws, administrative regulations and departmental rules and these Articles.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>On the occurrence of any of the above circumstances, the Company shall notify holders of preference shares of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Articles. The holders of the preference shares are entitled to vote as a separate class with respect to the above matters and each preference share shall have one vote, however, preference shares held by the Company do not entitle the Company to vote.</u></p> <p><u>Resolutions relating to the above matters shall be approved by more than two-thirds of the votes held by ordinary shareholders present at the meeting (including holders of preference shares with restored voting rights) and by more than two-thirds of the votes held by holders of preference shares present at the meeting (excluding holders of preference shares with restored voting rights).</u></p>
83.		<p>Article 358</p> <p><u>In the event that the Company fails to pay the prescribed dividend to the holders of preference shares for three financial years in aggregate or two consecutive financial years, the holders of preference shares shall have the right to attend and vote at the shareholders' general meetings together with ordinary shareholders from the day immediately after the shareholders' general meeting resolves that the Company will not pay the prescribed dividend for the current dividend period. The voting rights of the holders of preference shares will remain restored until the Company pays the current period dividend in full.</u></p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
		<p><u>The formula for calculating the voting rights of the preference shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, with any fractional restored voting right rounded down to the nearest whole number.</u></p> <p><u>Where: “Q” denotes the H share voting rights restored from the preference shares held by each preference shareholder; “V” denotes the aggregate value of the preference shares with restored voting rights held by each preference shareholder; “P” denotes the conversion price, which equals to the initial mandatory conversion price of the preference share; and the “conversion exchange rate” refers to the cross rate between Hong Kong dollars and the currency in which the preference shares are denominated based on the RMB Central Parity Rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the board of directors’ resolution in respect of the issuance plan for preference shares.</u></p> <p><u>The other provisions of these Articles concerning the restrictions on the shareholders’ voting rights shall prevail, if any.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
84.		<p>Article 359</p> <p><u>The dividend rate for the issued and outstanding preference shares of the Company may be adjusted at different intervals and consists of the benchmark rate and the fixed spread. During a specified period after issuance of the preference shares, the dividend rate will remain the same and may be adjusted once every certain interval, and during any adjusted dividend rate period, the dividend rate will remain the same.</u></p> <p><u>Holders of the preference shares shall rank in priority to the ordinary shareholders in terms of distribution of the Company's profits and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the holders of the preference shares shall be payable in cash. Before the agreed dividends to preference shares are distributed and the discretionary reserves fund is withdrawn as determined by the shareholders' general meeting, no profit may be distributed to the ordinary shareholders in accordance with Article 301 hereof.</u></p> <p><u>After receiving the dividends at the prescribed dividend rate, the holders of preference shares shall not be entitled to any distribution of residual profits of the Company together with the ordinary shareholders. The Company shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends not paid to the holders of preference shares in full by the Company will not be accumulated to the following dividend period.</u></p>

APPENDIX III	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
85.		<p>Article 360</p> <p><u>In the event of liquidation of the Company as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Company after liquidation in accordance with laws, administrative regulations, departmental rules and these Articles shall be distributed first to the holders of preference shares. Holders of preference shares will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the preference shares held by each preference shareholder as a proportion of the aggregate value of all preference shares of the Company.</u></p>
86.	<p>Article 338</p> <p>Definitions</p> <p>(1) Controlling shareholders shall be any person who meets any of the following conditions:</p> <p>.....</p> <p>(6) Reference to any article stated herein shall mean the corresponding article of the Articles of Association unless the context otherwise requires.</p>	<p>Article 361</p> <p>Definitions</p> <p>(1) Controlling shareholders shall be any person who meets any of the following conditions:</p> <p>.....</p> <p><u>(6) “Domestic shares” in the Chapter 8 of the Articles of Association shall refer to the domestic listed shares.</u></p> <p><u>(7)</u> Reference to any article stated herein shall mean the corresponding article of the Articles of Association unless the context otherwise requires.</p>

APPENDIX III	<p align="center">PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES, A SHARE OFFERING AND IMPLEMENTING PARTY BUILDING REQUIREMENTS (COMPARISON TABLE)</p>
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No.	Terms of Existing Articles of Association	Terms of Amended Articles of Association
87.	<p>Article 340</p> <p>The Articles of Association have been prepared in Chinese. If there is any discrepancy between the articles written in another language or of a version different from that of the Articles of Association, the Chinese version approved by the banking regulatory authority of the State Council and registered with the State Administration for Industry & Commerce of the PRC shall prevail.</p>	<p>Article 363</p> <p>The Articles of Association have been prepared in Chinese. If there is any discrepancy between the articles written in another language or of a version different from that of the Articles of Association, <u>the latest</u> Chinese version approved by the banking regulatory authority of the State Council and registered with the State Administration for Industry & Commerce of the PRC shall prevail.</p>
88.		<p>Article 366</p> <p><u>The attachments to the Articles of Association include procedural rules of general meetings, procedural rules of board meetings and procedural rules of meetings of the board of supervisors.</u></p>

**Proposed Amendments to the Procedural Rules of General Meetings for Issuance of
Offshore Preference Shares (Comparison Table)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
1.	<p>Article 5</p> <p>Any shareholder who holds the shares of the Company shall be entitled to attend or authorize a proxy to attend a General Meeting, and shall have various legal rights including the rights to be informed, to speak, enquire and vote according to the laws, regulations, regulatory documents, the Articles of Association and these Rules.</p> <p>.....</p>	<p>Article 5</p> <p>Any shareholder who holds the shares of the Company shall be entitled to attend or authorize a proxy to attend a General Meeting, and shall have various legal rights including the rights to be informed, to speak, enquire and vote according to the laws, regulations, regulatory documents, the Articles of Association and these Rules-, <u>except as otherwise stipulated in these rules.</u></p> <p>.....</p>
2.	<p>Article 7</p> <p>The General Meeting is the Company's organ of authority, and shall exercise the following functions and powers in accordance with law:</p> <p>.....</p> <p>(19) to consider and approve other matters which shall be determined by the General Meeting pursuant to laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed as well as the Articles of Association.</p>	<p>Article 7</p> <p>The General Meeting is the Company's organ of authority, and shall exercise the following functions and powers in accordance with law:</p> <p>.....</p> <p>(19) <u>to determine the issuance of preference shares; to determine or authorize the board of directors to determine matters relating to preference shares issued by the Company, including but not limited to redemption, conversion and distribution of dividends, etc.;</u></p> <p><u>(20)</u> to consider and approve other matters which shall be determined by the General Meeting pursuant to laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed as well as the Articles of Association.</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF
OFFSHORE PREFERENCE SHARES (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
3.	<p>Article 25</p> <p>When the Company is to convene a General Meeting, all shareholders shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the General Meeting shall send a written reply to the Company 20 days before the meeting.</p>	<p>Article 25</p> <p>When the Company is to convene a General Meeting, all shareholders <u>who are entitled to attend the General Meeting</u> shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the General Meeting shall send a written reply to the Company 20 days before the meeting.</p>
4.	<p>Article 27</p> <p>The Company shall, based on the written replies from Shareholders received 20 days before the date of the General Meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the Shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the General Meeting. Otherwise, the Company shall within five days notify the Shareholders again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the General Meeting after the public notice.</p> <p>.....</p>	<p>Article 27</p> <p>The Company shall, based on the written replies from Shareholders received 20 days before the date of the General Meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the Shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the General Meeting. Otherwise, the Company shall within five days notify the Shareholders <u>who are entitled to attend the General Meeting</u> again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the General Meeting after the public notice.</p> <p>.....</p>

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
5.	<p>Article 29</p> <p>The notice of a General Meeting shall be sent to Shareholders (whether or not entitled to vote at the General Meeting) by designated person or by prepaid mail to their addresses as shown in the register of members. For holders of domestic shares, such notice of the General Meeting may also be given by way of announcement.</p> <p>.....</p> <p>For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a General Meeting may be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) instead of delivery by hand or prepaid mail.</p> <p>.....</p>	<p>Article 29</p> <p>The notice of a General Meeting shall be sent to Shareholders <u>who are entitled to attend the General Meeting</u> (whether or not entitled to vote at the General Meeting) by designated person or by prepaid mail to their addresses as shown in the register of members. For holders of domestic shares, such notice of the General Meeting may also be given by way of announcement.</p> <p>.....</p> <p>For holders of overseas listed shares <u>who are entitled to attend the General Meeting</u>, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a General Meeting may be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) instead of delivery by hand or prepaid mail.</p> <p>.....</p>
6.	<p>Article 67</p> <p>.....</p> <p>“Interested shareholder(s)” in the prior paragraph shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on the same pro rata basis or made a repurchase of its shares by means of public transaction at the stock exchange in accordance with Article 29 of the Articles of Association, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 338 of the Articles of Association;</p> <p>.....</p>	<p>Article 67</p> <p>.....</p> <p>“Interested shareholder(s)” in the prior paragraph shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on the same pro rata basis or made a repurchase of its shares by means of public transaction at the stock exchange in accordance with Article 29 of the Articles of Association, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 33448 of the Articles of Association;</p> <p>.....</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF
OFFSHORE PREFERENCE SHARES (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
		Newly added: Chapter 6 <u>Appendix Special requirements for preference shareholders to attend the General Meeting</u>
7.		<p>Article 77</p> <p><u>Except for restoration of voting rights, preference shareholders are entitled to attend the General Meeting, vote separately from ordinary shareholders and pass resolutions of preference shareholders' class meeting only under circumstances stipulated under Article 344 of the Articles of Association.</u></p> <p><u>Resolutions of preference shareholders' class meeting shall be approved by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).</u></p>
8.		<p>Article 78</p> <p><u>If the Company fails to pay preference dividends as agreed for three accounting years in aggregate or two consecutive accounting years, the preference shareholders of the Company shall have the right to attend and vote at the General Meetings together with ordinary shareholders from the date immediately following the General Meeting resolves that the Company will not pay the prescribed dividend for the current year. The voting rights of the preference shareholders will remain restored until the Company pays the dividends then outstanding in full.</u></p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF
OFFSHORE PREFERENCE SHARES (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
		<p><u>The calculation method for the voting rights of preference shareholders with restored voting rights shall be specifically determined by the board of directors pursuant to the prevailing laws, administrative regulations, department rules, the Articles of Association and agreement at the time of issuance of the preference shares.</u></p> <p><u>The laws, administrative regulations, department rules, the Articles of Association and these rules which are equivalent to rules of procedure for ordinary shareholders shall apply to preference shareholders with restored voting rights regarding their attendance in the General Meeting.</u></p>
9.		<p>Article 79</p> <p><u>Preference shareholders' class meetings should be held in procedure equivalent to the General Meeting to the extent possible. The provisions regarding the procedures of the General Meeting in these rules shall apply to preference shareholders' class meetings and resolutions.</u></p>
10.		<p>Article 80</p> <p><u>Only the ordinary shares and preference shares with restored voting rights shall be calculated for the calculation of shareholding proportions regarding request for convening the extraordinary general meeting, convening and presiding General Meeting, tabling proposals or interim proposals to the General Meeting.</u></p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF
OFFSHORE PREFERENCE SHARES (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
11.	<p>Article 77</p> <p>Unless as otherwise specified, the terms used in these rules shall have the same meaning as those used in the Articles of Association.</p>	<p>Article 78<u>Article 81</u></p> <p>Unless as otherwise specified, the terms used in these rules shall have the same meaning as those used in the Articles of Association. <u>Unless otherwise specified, references to share(s) and stock(s) in Chapter 2 to Chapter 5 of these rules shall refer to ordinary share(s) and ordinary stock(s) and references to shareholders in Chapter 2 to Chapter 5 of these rules shall refer to ordinary shareholders.</u></p>
12.	<p>Article 78</p> <p>These rules shall be effective upon approval at the General Meeting, on and after the listing date of shares under the initial public offering. Any changes and amendments to these rules shall be subject to the approval at the General Meeting by ordinary resolution.</p>	<p>Article 78<u>Article 82</u></p> <p>These rules shall be effective upon approval at the General Meeting, on and after the listing date of shares under the initial public offering<u>upon the date of approval of amendments to the Articles of Association for the purpose of the non-public issuance and listing of offshore preference shares by the CSRC.</u> Any changes and amendments to these rules shall be subject to the approval at the General Meeting by ordinary resolution.</p>

**Proposed Amendments to the Procedural Rules of General Meetings for Issuance of
Offshore Preference Shares and A Share Offering (Comparison Table)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
1.	<p>Article 1</p> <p>To safeguard our Shareholders' legitimate rights to the exercise of power, to ensure the efficient and standard operations and scientific decision-making of the General Meetings and to perfect our corporate governance structure, the Company has formulated these rules in accordance with the Company Law of the People's Republic of China (the "Company Law"), the State Council's Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Regulations on Financial Asset Management Companies, the Measures for Regulation of Financial Asset Management Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and relevant laws, regulations and regulatory documents as well as the Articles of Association of China Huarong Asset Management Co., Ltd. (the "Articles of Association") and based on our actual situations.</p>	<p>Article 1</p> <p>To safeguard our Shareholders' legitimate rights to the exercise of power, to ensure the efficient and standard operations and scientific decision-making of the General Meetings and to perfect our corporate governance structure, the Company has formulated these rules in accordance with the Company Law of the People's Republic of China (the "Company Law"), the State Council's Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Regulations on Financial Asset Management Companies, the Measures for Regulation of Financial Asset Management Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), <u>the Guidelines for the Articles of Association of Listed Companies (the "Guidelines for the Articles of Association"), the Rules of the General Meetings of Listed Companies (the "Rules of the General Meetings")</u> and relevant laws, regulations and regulatory documents as well as the Articles of Association of China Huarong Asset Management Co., Ltd. (the "Articles of Association") and based on our actual situations.</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
2.	<p>Article 5</p> <p>Any shareholder who holds the shares of the Company shall be entitled to attend or authorize a proxy to attend a General Meeting, and shall have various legal rights including the rights to be informed, to speak, enquire and vote according to the laws, regulations, regulatory documents, the Articles of Association and these Rules.</p> <p>.....</p>	<p>Article 5</p> <p>Any shareholder who holds the shares of the Company shall be entitled to attend or authorize a proxy to attend a General Meeting, and shall have various legal rights including the rights to be informed, to speak, enquire and vote according to the laws, regulations, regulatory documents, the Articles of Association and these Rules-, <u>except as otherwise stipulated in these rules</u></p> <p>.....</p>
3.	<p>Article 6</p> <p>The Company shall engage lawyers to provide legal opinions as to the matters set out below when a General Meeting is convened:</p> <p>(1) whether the procedures to convene and hold such a General Meeting are in compliance with the requirements of laws, administrative regulations and the Articles of Association;</p> <p>.....</p>	<p>Article 6</p> <p>The Company shall engage lawyers to provide legal opinions as to the matters set out below when a General Meeting is convened:</p> <p>(1) whether the procedures to convene and hold such a General Meeting are in compliance with the requirements of laws, administrative regulations, <u>Rules of the General Meetings</u> and the Articles of Association;</p> <p>.....</p>
4.	<p>Article 7</p> <p>The General Meeting is the Company's organ of authority, and shall exercise the following functions and powers in accordance with law:</p> <p>(17) to consider and approve connected transactions which shall be subject to consideration and approval by the General Meeting pursuant to laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed as well as the Articles of Association;</p>	<p>Article 7</p> <p>The General Meeting is the Company's organ of authority, and shall exercise the following functions and powers in accordance with law:</p> <p>(17) <u>to consider and approve any purchase, disposal of major assets or provision of guarantee with aggregate value of more than 30% of the total assets of the Company within a period of a year;</u></p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
	<p>(18) to consider and approve the liability insurance matters of directors and supervisors;</p> <p>(19) to consider and approve other matters which shall be determined by the General Meeting pursuant to laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed as well as the Articles of Association.</p>	<p>(18) to consider and approve connected transactions which shall be subject to consideration and approval by the General Meeting pursuant to laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed as well as the Articles of Association;</p> <p>(18)(19) to consider and approve the liability insurance matters of directors and supervisors;</p> <p>(19)(20) to determine the issuance of preference shares; to determine or authorize the Board to determine matters relating to preference shares issued by the Company, including but not limited to redemption, conversion and distribution of dividends, etc.;</p> <p>(21) to consider and approve other matters which shall be determined by the General Meeting pursuant to laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed as well as the Articles of Association.</p>
5.	<p>Article 11</p> <p>The Company shall convene an extraordinary general meeting within two months from the date of occurrence of the following circumstance:</p> <p>.....</p> <p>(2) the unrecovered losses of the Company amount to one third of the total amount of the Company's share capital;</p> <p>.....</p>	<p>Article 11</p> <p>The Company shall convene an extraordinary general meeting within two months from the date of occurrence of the following circumstance:</p> <p>.....</p> <p>(2) the unrecovered losses of the Company amount to one third of the total amount of the Company's paid-up share capital;</p> <p>.....</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
6.	<p>Article 20</p> <p>.....</p> <p>If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. If the Board does not agree to convene the extraordinary general meeting, it shall give the reasons.</p>	<p>Article 20</p> <p>.....</p> <p>If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. If the Board does not agree to convene the extraordinary general meeting, it shall give the reasons <u>and publish an announcement.</u></p>
7.	<p>Article 22</p> <p>Where the board of Supervisors or Shareholders decide to convene a General Meeting by itself/themselves, it/they shall notify the Board in writing. Where Shareholders convene a General Meeting by themselves, the shareholding of Shareholders who convene the General Meeting shall be no less than 10% of the Company's total shares with voting rights before a resolution of the General Meeting is announced.</p>	<p>Article 22</p> <p>Where the board of Supervisors or Shareholders decide to convene a General Meeting by itself/themselves, it/they shall notify the Board in writing <u>and file with the local office of the CSRC in the place where the Company is located and the relevant stock exchange(s).</u></p> <p>Where Shareholders convene a General Meeting by themselves, the shareholding of Shareholders who convene the General Meeting shall be no less than 10% of the Company's total shares with voting rights before a resolution of the General Meeting is announced.</p> <p><u>The convening Shareholders shall file relevant evidentiary materials with the local office of the CSRC in the place where the Company is located and the relevant stock exchange(s) when a notice of General Meeting is served and a resolution of the General Meeting is announced.</u></p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
8.	<p>Article 25</p> <p>When the Company is to convene a General Meeting, all shareholders shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the General Meeting shall send a written reply to the Company 20 days before the meeting.</p>	<p>Article 25</p> <p>When the Company is to convene a General Meeting, all shareholders <u>who are entitled to attend the General Meeting</u> shall be notified of the time and place of the meeting and matters to be considered 45 days before the meeting. Shareholders who intend to attend the General Meeting shall send a written reply to the Company 20 days before the meeting.</p>
9.	<p>Article 27</p> <p>The Company shall, based on the written replies from Shareholders received 20 days before the date of the General Meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the Shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the General Meeting. Otherwise, the Company shall within five days notify the Shareholders again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the General Meeting after the public notice.</p> <p>.....</p>	<p>Article 27</p> <p>The Company shall, based on the written replies from Shareholders received 20 days before the date of the General Meeting, calculate the number of shares with voting rights represented by shareholders who intend to attend. If the number of shares with voting rights represented by the Shareholders who intend to attend is not less than half of the Company's total shares with voting rights, the Company may hold the General Meeting. Otherwise, the Company shall within five days notify the Shareholders <u>who are entitled to attend the General Meeting</u> again by public notice of the matters to be considered, the date and the place of the meeting. The Company may then convene the General Meeting after the public notice.</p> <p>.....</p>

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
10.	<p>Article 29</p> <p>The notice of a General Meeting shall be sent to Shareholders (whether or not entitled to vote at the General Meeting) by designated person or by prepaid mail to their addresses as shown in the register of members. For holders of domestic shares, such notice of the General Meeting may also be given by way of announcement.</p> <p>The announcement aforementioned in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council within a period between 45 days and 50 days prior to the convening of the meeting. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the General Meeting.</p> <p>For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a General Meeting may be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) instead of delivery by hand or prepaid mail.</p> <p>.....</p>	<p>Article 29</p> <p>The notice of a General Meeting shall be sent to Shareholders <u>who are entitled to attend the General Meeting</u> (whether or not entitled to vote at the General Meeting) by designated person or by prepaid mail to their addresses as shown in the register of members. For holders of domestic <u>listed</u> shares, such notice of the General Meeting may also be given by way of announcement.</p> <p>The announcement aforementioned in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council within a period between 45 days and 50 days prior to the convening of the meeting. Once such an announcement is made, all holders of the domestic <u>listed</u> shares shall be deemed to have received the relevant notice of the General Meeting.</p> <p>For holders of overseas listed shares <u>who are entitled to attend the General Meeting</u>, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a General Meeting may be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) instead of delivery by hand or prepaid mail.</p> <p>.....</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
11.	<p>Article 32</p> <p>A Shareholder may attend the General Meeting in person and may appoint proxies to attend and vote at the meeting on his/her/ its behalf. All Directors, Supervisors and secretary of the Board of the Company shall attend the General Meetings, and other senior management may be present at the meetings when necessary. The auditors shall be present at the Annual General Meeting, and reply to any questions in relation to audits, audit reports, accounting policies, the independence of auditors and so on. To ensure the solemnity and normal order of the General Meeting, the Company is entitled to refuse persons other than abovementioned persons to enter into the venue of the Shareholders' General Meeting in accordance with law.</p>	<p>Article 32</p> <p>A Shareholder may attend the General Meeting in person and may appoint proxies to attend and vote at the meeting on his/her/ its behalf. All Directors, Supervisors and secretary of the Board of the Company shall attend General Meetings, and the senior management <u>shall</u> be present at the meetings. The auditors shall be present at the Annual General Meeting, and reply to any questions in relation to audits, audit reports, accounting policies, the independence of auditors and so on. To ensure the solemnity and normal order of the General Meeting, the Company is entitled to refuse persons other than abovementioned persons to enter into the venue of the Shareholders' General Meeting in accordance with law.</p>
12.	<p>Article 37</p> <p>The convener and the lawyer engaged by the Company shall jointly examine legality of the Shareholders' qualifications according to the register of members provided by the securities registration institution.</p>	<p>Article 37</p> <p>The convener and the lawyer engaged by the Company shall jointly examine legality of the Shareholders' qualifications according to the register of members provided by the securities registration institution <u>and register the names of Shareholders and the number of their shares with voting rights.</u></p>
13.	<p>Article 46</p> <p>.....</p> <p>Except for the resolutions on procedures of the General Meeting and administrative matters on which the chairman may decide to vote by show of hands, voting at a General Meeting shall be conducted by poll. The Company shall publish the voting results in such a way as stated in Article 74 of these rules.</p>	<p>Article 46</p> <p>.....</p> <p>Each of Shareholders (including their proxies) can exercise the voting rights on the amount of the shares they represent at the General Meeting on the basis of one vote for each share <u>(except for such situations where cumulative voting system is applicable according to the Articles of Association).</u> Shares held by the Company shall have no voting rights and shall not be included in the total number of shares with valid voting rights present at the General Meetings.</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
	Each of Shareholders (including their proxies) can exercise the voting rights on the amount of the shares they represent at the General Meeting on the basis of one vote for each share. Shares held by the Company shall have no voting rights and shall not be included in the total number of shares with valid voting rights present at the General Meetings.	<p><u>When material matters affecting the interests of minority investors are considered at a General Meeting, the votes of minority investors holding domestic listed shares shall be counted separately. The separate vote counting results shall be disclosed publicly in a timely manner.</u></p> <p><u>The Board, independent directors and Shareholders who meet the relevant requirements may collect voting rights from Shareholders publicly. Information including the specific voting preference shall be fully disclosed to the Shareholders whose voting rights are being solicited. Payment or de facto payment for collecting Shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limit for collecting voting rights.</u></p>
14.	<p>Article 48</p> <p>Voting at extraordinary general meetings can be conducted in a non-on-site way pursuant to Article 13 of these rules.</p>	<p>Article 48</p> <p>Voting at extraordinary general meetings can be conducted in a non-on-site way, pursuant to <u>Article 12 and</u> Article 13 of these rules.</p>
15.	<p>Article 49</p> <p>The nomination of directors or supervisors who are not representatives of the employees on the General Meetings shall be proposed to the General Meeting for voting by resolutions. The resolutions on election of directors or supervisors shall be considered and voted at the General Meeting one by one.</p>	<p>Article 49</p> <p>The nomination of directors and supervisors who are not representatives of the employees on the General Meetings shall be proposed to the General Meeting for voting by resolutions. <u>When a nomination of directors or supervisors is resolved at a General Meeting, the cumulative voting system may be adopted in accordance with the requirements of the Articles of Association or the resolution of the General Meeting.</u> The resolutions on election of directors or supervisors shall be considered and voted at the General Meeting one by one.</p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
16.	<p>Article 50</p> <p>.....</p> <p>Special resolution at a General Meeting shall be passed by two-thirds or above of the voting rights held by Shareholders (including their proxies) attending the General Meeting. The following matters shall be passed by special resolutions at a General Meeting:</p> <p>.....</p> <p>(7) any purchase or disposal of major assets or provision of guarantee with aggregate value of more than 30% of the total assets of the Company within a period of a year;</p> <p>.....</p>	<p>Article 50</p> <p>.....</p> <p>Special resolution at a General Meeting shall be passed by two-thirds or above of the voting rights held by Shareholders (including their proxies) attending the General Meeting. The following matters shall be passed by special resolutions at a General Meeting:</p> <p>.....</p> <p>(7) any purchase or disposal of major assets or provision of guarantee with aggregate value of more than 30% of the latest audited total assets of the Company within a period of a year;</p> <p>.....</p>
17.	<p>Article 52</p> <p>Before a proposed resolution is resolved at the General Meeting, the Company shall appoint the following persons to take part in vote counting and scrutinizing:</p> <p>.....</p> <p>When votes are cast on proposals at the General Meeting, the persons and lawyers appointed pursuant to first paragraph of this article shall be jointly responsible for vote counting and scrutinizing. Voting results shall be announced on the spot. Voting results shall be recorded in the minutes of the meeting.</p>	<p>Article 52</p> <p>Before a proposed resolution is resolved at the General Meeting, the Company shall appoint the following persons to take part in vote counting and scrutinizing:</p> <p>.....</p> <p>When votes are cast on proposals at the General Meeting, the persons and lawyers appointed pursuant to first paragraph of this article shall be jointly responsible for vote counting and scrutinizing. Voting results shall be announced on the spot. Voting results shall be recorded in the minutes of the meeting.</p> <p><u>Corporate shareholders or their proxies, who have cast their votes by online voting or by other means, shall have the right to check their voting results in the system through which they casted their votes.</u></p>

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
18.	<p>Article 56</p> <p>The General Meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be resolved in the order of time at which they are submitted and resolutions shall be made for the issue. Unless the General Meeting is suspended or no resolution can be made for special reasons such as force majeure, voting on such proposals shall neither be shelved nor refused at the General Meeting.</p> <p>.....</p>	<p>Article 56</p> <p><u>In addition to the cumulative voting system applicable according to the Articles of Association,</u> the General Meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be resolved in the order of time at which they are submitted and resolutions shall be made for the issue. Unless the General Meeting is suspended or no resolution can be made for special reasons such as force majeure, voting on such proposals shall neither be shelved nor refused at the General Meeting.</p> <p>.....</p>
19.	<p>Article 63</p> <p>The General Meeting shall be held continuously in reasonable working hours until final resolutions are reached.</p>	<p>Article 63</p> <p><u>The convener shall ensure that the General Meeting</u> is held continuously in reasonable working hours until final resolutions are reached. <u>In the event that the General Meeting is suspended or no resolution can be made for special reasons such as force majeure, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement shall be published timely. Meanwhile, the convener shall report it to the relevant competent authorities according to applicable rules.</u></p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
20.	<p>Article 67</p> <p>.....</p> <p>“Interested shareholder(s)” in the prior paragraph shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on the same pro rata basis or made a repurchase of its shares by means of public transaction at the stock exchange in accordance with Article 29 of the Articles of Association, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 338 of the Articles of Association;</p> <p>(2) if the Company has made a repurchase of its shares by means of agreement outside the stock exchange in accordance with Article 29 of the Articles of Association, “interested shareholder(s)” shall refer to the shareholders who are parties related to such agreements;</p> <p>.....</p>	<p>Article 67</p> <p>.....</p> <p>“Interested shareholder(s)” in the prior paragraph shall have the following meaning:</p> <p>(1) if the Company has made a repurchase offer to all shareholders on the same pro rata basis or made a repurchase of its shares by means of public transaction at the stock exchange in accordance with Article 29<u>30</u> of the Articles of Association, “interested shareholder(s)” shall refer to the controlling shareholders as defined in Article 338<u>357</u> of the Articles of Association;</p> <p>(2) if the Company has made a repurchase of its shares by means of agreement outside the stock exchange in accordance with Article 29<u>30</u> of the Articles of Association, “interested shareholder(s)” shall refer to the shareholders who are parties related to such agreements;</p> <p>.....</p>
21	<p>Except holders of other classes of shares of the Company, holders of domestic shares and holders of overseas listed shares are considered as shareholders of different classes.</p> <p>The special voting procedures at a class meeting shall not apply in the following circumstances:</p> <p>(1) where the Company issues domestic shares and overseas listed shares, either separately or concurrently, once every 12 months not more than 20% of each of its domestic shares and overseas listed shares that are already issued pursuant to approval by a special resolution of shareholders’ general meeting;</p> <p>(2) where the Company issues domestic shares and overseas listed shares under a plan adopted at the time of its establishment within 15 months from the date when the plan is approved by the securities regulatory authorities of State Council; or</p> <p>(3) where shareholders of domestic share of the Company arrange for the listing and trading of their shares on an overseas stock exchange pursuant to approval of the securities regulatory authorities of the State Council.</p>	<p>Except holders of other classes of shares of the Company, holders of domestic shares and holders of overseas listed shares are considered as shareholders of different classes.</p> <p>The special voting procedures at a class meeting shall not apply in the following circumstances:</p> <p>(1) where the Company issues domestic shares and overseas listed shares, either separately or concurrently, once every 12 months not more than 20% of each of its domestic shares and overseas listed shares that are already issued pursuant to approval by a special resolution of shareholders’ general meeting;</p> <p>(2) where the Company issues domestic shares and overseas listed shares under a plan adopted at the time of its establishment within 15 months from the date when the plan is approved by the securities regulatory authorities of State Council; or</p> <p>(3) where shareholders of domestic share<u>unlisted shares</u> of the Company arrange for the listing and trading of their shares on an overseas stock exchange pursuant to approval of the securities regulatory authorities of the State Council.</p>

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
		Newly added: Chapter 6 <u>Appendix-Special requirements for preference Shareholders to attend the General Meeting</u>
22.		<p>Article 77</p> <p><u>Except for restoration of voting rights, preference shareholders are entitled to attend the General Meeting, vote separately from ordinary shareholders and make resolutions of preference shareholders' class meeting only under circumstances stipulated under Article 353 of the Articles of Association.</u></p> <p><u>Resolutions of preference shareholders' class meeting shall be approved by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference Shareholders with restored voting rights).</u></p>

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
23.		<p>Article 78</p> <p><u>If the Company fails to pay preference dividends as agreed for three accounting years in aggregate or two consecutive accounting years, the preference Shareholders of the Company shall have the right to attend and vote at the General Meetings together with ordinary Shareholders from the date immediately following the General Meeting resolves that the Company will not pay the prescribed dividend for the current year. The voting rights of the preference Shareholders will remain restored until the Company pays the dividends then outstanding in full.</u></p> <p><u>The calculation method for the voting rights of preference Shareholders with restored voting rights shall be specifically determined by the Board of Directors pursuant to the prevailing laws, administrative regulations, department rules, the Articles of Association and agreement at the time of issuance of the preference shares.</u></p> <p><u>The laws, administrative regulations, department rules, the Articles of Association and these rules which are equivalent to rules of procedure for ordinary shareholders shall apply to preference Shareholders with restored voting rights regarding their attendance in the General Meeting.</u></p>
24.		<p>Article 79</p> <p><u>Preference Shareholders' class meetings should be held in procedure equivalent to the General Meeting to the extent possible. The provisions regarding the procedures of the General Meeting in these rules shall apply to preference Shareholders' class meetings and resolutions.</u></p>

**PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF
GENERAL MEETINGS FOR ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND A SHARE OFFERING (COMPARISON TABLE)**

No.	Terms of Existing Procedural Rules of General Meetings	Terms of Amended Procedural Rules of General Meetings
25.		<p>Article 80</p> <p><u>Only the ordinary shares and preference shares with restored voting rights shall be calculated for the calculation of shareholding proportions regarding request for convening the extraordinary general meeting, convening and presiding General Meeting, tabling proposals or interim proposals to the General Meeting.</u></p>
26.		<p>Article 81</p> <p><u>“Domestic shares” in section 6 of these rules shall refer to the domestic listed shares stipulated in the Articles of Association.</u></p>
27.	<p>Article 77</p> <p>Unless as otherwise specified, the terms used in these rules shall have the same meaning as those used in the Articles of Association.</p>	<p>Article 78<u>Article 82</u></p> <p>Unless as otherwise specified, the terms used in these rules shall have the same meaning as those used in the Articles of Association. <u>Unless otherwise specified, references to share(s) and stock(s) in Chapter 2 to Chapter 5 of these rules shall refer to ordinary share(s) and ordinary stock(s) and references to Shareholders in Chapter 2 to Chapter 5 of these rules shall refer to ordinary shareholders.</u></p>
28.	<p>Article 78</p> <p>These rules shall be effective upon approval at the General Meeting, on and after the listing date of shares under the initial public offering. Any changes and amendments to these rules shall be subject to the approval at the General Meeting by ordinary resolution.</p>	<p>Article 78<u>Article 83</u></p> <p>These rules shall be effective upon approval at the General Meeting, on and after the listing date of shares under the initial public offering <u>on and after the listing date of RMB ordinary shares under the initial public offering on Shanghai Stock Exchange.</u> Any changes and amendments to these rules shall be subject to the approval at the General Meeting by ordinary resolution.</p>



中國華融
CHINA HUARONG

中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

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

(Stock Code: 2799)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third extraordinary general meeting for 2017 (the “**EGM**”) of China Huarong Asset Management Co., Ltd. (the “**Company**”) will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Monday, 7 August 2017 at 9:30 a.m., for considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve item by item of the proposal on non-public issuance of Offshore Preference Shares:
 - (1) type of preference shares to be issued
 - (2) number of preference shares to be issued and issue size
 - (3) par value and issue price
 - (4) maturity
 - (5) method of issuance and target investors
 - (6) lock-up period
 - (7) dividend distribution terms
 - (8) terms of mandatory conversion
 - (9) terms of conditional redemption
 - (10) restrictions on voting rights and terms of restoration of voting rights
 - (11) order of distribution on liquidation and procedures for liquidation
 - (12) rating arrangements
 - (13) security arrangements
 - (14) use of proceeds

NOTICE OF EGM

- (15) listing/trading arrangements
- (16) validity period of the resolution for the issuance of Offshore Preference Shares
- (17) matters relating to authorisation
- 2. To consider and approve the proposed amendments to the Articles of Association for issuance of Offshore Preference Shares and implementing Party building requirements
- 3. To consider and approve the proposed amendments to the Articles of Association for issuance of Offshore Preference Shares, A Share Offering and implementing Party building requirements

ORDINARY RESOLUTIONS

- 1. To consider and approve the proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares
- 2. To consider and approve the proposed amendments to the Procedural Rules of General Meetings for issuance of Offshore Preference Shares and A Share Offering

Closure of Register of Members

The register of members of the Company will be closed from Saturday, 8 July 2017 to Monday, 7 August 2017 (both dates inclusive), during which period no transfer of Shares will be registered. H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 July 2017 will be entitled to attend the EGM. Any H Shareholder who wishes to attend the EGM shall deposit the share certificates together with the transfer documents at the H Share registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Friday, 7 July 2017.

The address of the H Share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Details of the above resolutions are set out in the circular published by the Company on 23 June 2017. Unless otherwise stated, terms used in this notice shall have the same meaning as defined in the circular.

By order of the Board
China Huarong Asset Management Co., Ltd.
LAI Xiaomin
Chairman

Beijing, the PRC
23 June 2017

NOTICE OF EGM

As at the date of this announcement, the Board comprises Mr. LAI Xiaomin, Mr. KE Kasheng and Mr. WANG Lihua as executive directors of the Company; Mr. WANG Keyue, Mr. LI Yi, Ms. WANG Cong, Ms. DAI Lijia and Mr. ZHOU Langlang as non-executive directors of the Company; Mr. SONG Fengming, Mr. TSE Hau Yin, Mr. LIU Junmin and Mr. SHAO Jingchun as independent non-executive directors of the Company.

Note:

1. The register of members of the Company will be closed from Saturday, 8 July 2017 to Monday, 7 August 2017 (both dates inclusive). H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 July 2017 shall be entitled to attend and vote at the EGM. H Shareholders who wish to attend and vote at the EGM shall deposit the share certificates together with the transfer documents with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 7 July 2017.
2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the EGM in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, director(s) or duly authorised attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
4. In order to be valid, the proxy form, the notarised power of attorney or other authorisation document (if any) must be delivered to the Board office of the Company at No. 8, Financial Street, Xicheng District, Beijing, the PRC for Domestic Shareholders and to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders not less than 24 hours before the time scheduled for the holding of the EGM (i.e. before 9:30 a.m. on Sunday, 6 August 2017) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if he/she so wishes.
5. Domestic Shareholders and H Shareholders who intend to attend the EGM in person or by proxy should deliver the reply slip to the Board office of the Company, at No. 8, Financial Street, Xicheng District, Beijing, the PRC, and to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, respectively, on or before Tuesday, 18 July 2017 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the EGM will be voted on by poll.
7. The EGM is expected to last for half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.



中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

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

(Stock Code: 2799)

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the first domestic shareholders' class meeting for 2017 (the **"Domestic Shareholders' Class Meeting"**) of China Huarong Asset Management Co., Ltd. (the **"Company"**) will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Monday, 7 August 2017 immediately after the conclusion or adjournment of the third extraordinary general meeting for 2017 (whichever is later), for considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve item by item of the proposal on non-public issuance of Offshore Preference Shares:
 - (1) type of preference shares to be issued
 - (2) number of preference shares to be issued and issue size
 - (3) par value and issue price
 - (4) maturity
 - (5) method of issuance and target investors
 - (6) lock-up period
 - (7) dividend distribution terms
 - (8) terms of mandatory conversion
 - (9) terms of conditional redemption
 - (10) restrictions on voting rights and terms of restoration of voting rights
 - (11) order of distribution on liquidation and procedures for liquidation
 - (12) rating arrangements
 - (13) security arrangements

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

- (14) use of proceeds
- (15) listing/trading arrangements
- (16) validity period of the resolution for the issuance of Offshore Preference Shares
- (17) matters relating to authorisation

Details of the above resolutions are set out in the circular published by the Company on 23 June 2017. Unless otherwise stated, terms used in this notice shall have the same meaning as defined in the circular.

By order of the Board
China Huarong Asset Management Co., Ltd.
LAI Xiaomin
Chairman

Beijing, the PRC
23 June 2017

As at the date of this announcement, the Board comprises Mr. LAI Xiaomin, Mr. KE Kasheng and Mr. WANG Lihua as executive directors of the Company; Mr. WANG Keyue, Mr. LI Yi, Ms. WANG Cong, Ms. DAI Lijia and Mr. ZHOU Langlang as non-executive directors of the Company; Mr. SONG Fengming, Mr. TSE Hau Yin, Mr. LIU Junmin and Mr. SHAO Jingchun as independent non-executive directors of the Company.

Notes:

1. The register of members of the Company will be closed from Saturday, 8 July 2017 to Monday, 7 August 2017 (both dates inclusive). Domestic Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 July 2017 shall be entitled to attend and vote at the Domestic Shareholders' Class Meeting.
2. A Shareholder entitled to attend and vote at the Domestic Shareholders' Class Meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the Domestic Shareholders' Class Meeting in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, director(s) or duly authorised attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
4. In order to be valid, the proxy form, the notarised power of attorney or other authorisation document (if any) must be delivered to the Board office of the Company at No. 8, Financial Street, Xicheng District, Beijing, the PRC for Domestic Shareholders not less than 24 hours before the time scheduled for the holding of the Domestic Shareholders' Class Meeting (i.e. before 9:30 a.m. on Sunday, 6 August 2017) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the Domestic Shareholders' Class Meeting or any adjournment thereof if he/she so wishes.
5. Domestic Shareholders who intend to attend the Domestic Shareholders' Class Meeting in person or by proxy should deliver the reply slip to the Board office of the Company, at No. 8, Financial Street, Xicheng District, Beijing, the PRC, on or before Tuesday, 18 July 2017 by hand, by post or by fax.

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the Domestic Shareholders' Class Meeting will be voted on by poll.
7. The Domestic Shareholders' Class Meeting is expected to last for half a day. Shareholders (in person or by proxy) attending the Domestic Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the Domestic Shareholders' Class Meeting shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.



中國華融資產管理股份有限公司

China Huarong Asset Management Co., Ltd.

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

(Stock Code: 2799)

NOTICE OF H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the first H shareholders' class meeting for 2017 (the "**H Shareholders' Class Meeting**") of China Huarong Asset Management Co., Ltd. (the "**Company**") will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC on Monday, 7 August 2017 immediately after the conclusion or adjournment of the first domestic shareholders' class meeting for 2017 (whichever is later), for considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve item by item of the proposal on non-public issuance of Offshore Preference Shares:
 - (1) type of preference shares to be issued
 - (2) number of preference shares to be issued and issue size
 - (3) par value and issue price
 - (4) maturity
 - (5) method of issuance and target investors
 - (6) lock-up period
 - (7) dividend distribution terms
 - (8) terms of mandatory conversion
 - (9) terms of conditional redemption
 - (10) restrictions on voting rights and terms of restoration of voting rights
 - (11) order of distribution on liquidation and procedures for liquidation
 - (12) rating arrangements
 - (13) security arrangements
 - (14) use of proceeds

NOTICE OF H SHAREHOLDERS' CLASS MEETING

(15) listing/trading arrangements

(16) validity period of the resolution for the issuance of Offshore Preference Shares

(17) matters relating to authorisation

Details of the above resolutions are set out in the circular published by the Company on 23 June 2017. Unless otherwise stated, terms used in this notice shall have the same meaning as defined in the circular.

By order of the Board
China Huarong Asset Management Co., Ltd.
LAI Xiaomin
Chairman

Beijing, the PRC
23 June 2017

As at the date of this announcement, the Board comprises Mr. LAI Xiaomin, Mr. KE Kasheng and Mr. WANG Lihua as executive directors of the Company; Mr. WANG Keyue, Mr. LI Yi, Ms. WANG Cong, Ms. DAI Lijia and Mr. ZHOU Langlang as non-executive directors of the Company; Mr. SONG Fengming, Mr. TSE Hau Yin, Mr. LIU Junmin and Mr. SHAO Jingchun as independent non-executive directors of the Company.

Notes:

1. The register of members of the Company will be closed from Saturday, 8 July 2017 to Monday, 7 August 2017 (both dates inclusive). H Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 July 2017 shall be entitled to attend and vote at the H Shareholders' Class Meeting. H Shareholders who wish to attend and vote at the H Shareholders' Class Meeting shall deposit the share certificates together with the transfer documents with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 7 July 2017.
2. A Shareholder entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not to be a Shareholder, but he/she must attend the H Shareholders' Class Meeting in person to represent the relevant Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, director(s) or duly authorised attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
4. In order to be valid, the proxy form, the notarised power of attorney or other authorisation document (if any) must be delivered to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders not less than 24 hours before the time scheduled for the holding of the H Shareholders' Class Meeting (i.e. before 9:30 a.m. on Sunday, 6 August 2017) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the H Shareholders' Class Meeting or any adjournment thereof if he/she so wishes.

NOTICE OF H SHAREHOLDERS' CLASS MEETING

5. H Shareholders who intend to attend the H Shareholders' Class Meeting in person or by proxy should deliver the reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, respectively, on or before Tuesday, 18 July 2017 by hand, by post or by fax (fax no: (852) 2865 0990 for Computershare Hong Kong Investor Services Limited).
6. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the H Shareholders' Class Meeting will be voted on by poll.
7. The H Shareholders' Class Meeting is expected to last for half a day. Shareholders (in person or by proxy) attending the H Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the H Shareholders' Class Meeting shall produce their identity documents.
8. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.