

Articles of Association of Harbin Bank Co., Ltd.

Harbin, China

Amended at the 2021 annual general meeting

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Instructions:

Prerequisite Clauses	Prerequisite Clauses for Articles of Association of Companies to Be Listed Overseas jointly issued by the former State Council Securities Policy Committee and the former State Commission for Restructuring the Economic System
Letter of Opinion on Amendment	Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong issued by Overseas Listing Department of CSRC and Production System Department of the former State Commission for Restructuring the Economic System
Original Articles of Association	Articles of Association of Harbin Bank Co., Ltd. as amended in October 2020
Guidance for the Independent Director and External Supervisor	Guidance for the Independent Director and External Supervisor Systems for Joint Stock Commercial Banks etc. published by the People's Bank of China
Dividends Distribution Notice	Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies issued by CSRC in 2012
Governance Code	Notice of the CBIRC on the Issue of Corporate Governance Code of Banking and Insurance Institutions (Yin Bao Jian Fa [2021] No.14) issued by China Banking and Insurance Regulatory Commission on 2 June 2021
Measures for Major Shareholders	Notice of the CBIRC on the Issue of Supervision of the Behavior of Major Shareholders of Banking and Insurance Institutions (Trial) issued by China Banking and Insurance Regulatory Commission (Yin Bao Jian Fa [2021] No.43) on 30 September 2021
Measures for the Equity	Interim Measures for the Equity Management of Commercial Banks (Order No. 1 [2018] of the China Banking Regulatory Commission) issued by the former China Banking Regulatory Commission on 5 January 2018
Measures for the Affiliated Transactions	Administrative Measures for the Affiliated Transactions of Banking and Insurance Institutions (Order No. 1 [2022] of the China Banking and Insurance Regulatory Commission) issued by the China Banking and Insurance Regulatory Commission on 10 January 2022
Measures on Performance	Measures on Assessment of the Performance of Duties of Directors and Supervisors of Banking and Insurance Institutions (Trial) (Order No. 5 [2021] of the China Banking and Insurance Regulatory Commission) issued by the China Banking and Insurance Regulatory Commission on 20 May 2021
Listing Rules of The Hong Kong Stock Exchange	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited

Chapter I General Provisions

Article 1 Harbin Bank Co., Ltd. (hereinafter referred to as the “Company”) is a joint-stock limited liability company established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) and other relevant laws and administrative regulations of the PRC.

Article 2 For the purposes of maintaining the legitimate rights and interests of the Company, its shareholders and creditors, and of standardizing the organization and behaviour of the Company, the Articles of Association is hereby formulated in combination with the actual circumstance of the Company and according to the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Law of the People’s Republic of China on Commercial Banks (hereinafter referred to as the “Commercial Banking Law”), the Prerequisite Clauses for Articles of Association of Companies to Be Listed Overseas, the Special Provisions of the State Council on the Offering and Listing of Shares Overseas by Joint Stock Limited Companies and other relevant laws, administrative regulations, departmental rules and relevant regulations by securities regulatory authorities of the jurisdiction where the Company’s shares are listed.

Article 3 The Company is a joint-stock commercial bank established by means of promotion in accordance with the Company Law, the Commercial Banking Law and other relevant laws and regulations, and upon approval of the Reply on Harbin’s Carrying out the Formation of Urban Cooperative Commercial Banks (Y.F. No. [1995]363), the Approval on Establishing Harbin Urban Cooperative Banks (Y.F. No. [1996]423) and the Approval on the Opening of Harbin Urban Cooperative Banks (Y.F. No. [1997]69) issued by the People’s Bank of China and the Approval on the Opening of Harbin Urban Cooperative Banks by the People’s Bank of China Harbin Branch (Y.H.Y.Z. [1997] No. 66) issued by the People’s Bank of China Harbin Branch. It was registered with the Municipal Administration for Industry and Commerce of Harbin on 25 July 1997, and obtained the Business License for an Enterprise as a Legal Person on the same day (Registration No.: 12759211-1).

Article 4 Promoters of the Company consist of state-owned shareholders, other legal person shareholders and natural person shareholders. Promoters have subscribed for all shares issued by the Company upon its establishment by way of net asset and cash contributions.

Article 5 Registered name of the Company:

Chinese name: 哈爾濱銀行股份有限公司, in short form: 哈爾濱銀行.

English name: HARBIN BANK CO., LTD., in short form: HARBIN BANK.

Article 6 The domicile of the Company: No. 888 Shangjiang Street, Daoli District, Harbin City; postal code: 150010; Tel: (86) 0451-86779933; Fax number: (86) 0451-86779829.

Article 7 The Company is a joint stock limited company of permanent existence.

Article 8 The Chairman of the Board of Directors shall be the legal representative of the Company.

Article 9 The total asset of the Company shall be divided into shares of equal value. The respective liability of the shareholders of the Company shall be limited to the shares held by them. The Company shall be held liable for its debts with all its assets.

Article 10 Upon approval by the shareholders' general meeting of the Company and by the banking and insurance regulatory authority of the State Council, the Articles of Association of the Company shall come into force. From the date that the Articles of Association takes effect, the original Articles of Association of the Company shall automatically lose effectiveness. From the effective date, the Articles of Association shall become a legally binding document that regulates the organization and behaviours of the Company, the rights and obligations relationship between the Company and its shareholders and among the shareholders.

Article 11 The Articles of Association shall be binding upon the Company, its shareholders, directors, supervisors, president and other senior management personnel, all of whom are entitled to claim their rights in relation to the Company's affairs in accordance with the Articles of Association.

In accordance with the Articles of Association, shareholders shall have the right to take legal proceedings against the Company; the Company shall have the right to take legal proceedings against shareholders; shareholders shall have the right to take legal proceedings against other shareholders; and shareholders shall have the right to take legal proceedings against directors, supervisors, president and other of the Company.

The "legal proceedings" referred to in the preceding paragraph shall include filing suits to a court or applying for arbitration to an arbitration organization.

Article 12 Other under the Articles of Association shall refer to the vice presidents, assistants to the president, the chief financial officer, secretary to the Board and other members determined by the Board of the Company.

Article 13 The governing subjects such as shareholders, directors, supervisors and senior management personnel, or relevant personnel of the Company shall not obstruct the normal operation of the corporate governance mechanism by such means as interfering in the normal convening of shareholders' general meetings, board meetings or supervisor meetings, or impair the Company's interests.

Article 14 Based on the need of business development and subject to approval by the banking and insurance regulatory authority of the State Council, the Company may set up branches in domestic and overseas in conformity to the stipulations of laws and regulations of China or other relevant countries.

Article 15 Subject to approval by the banking and insurance regulatory authority of the State Council, the Company may invest in other limited liability companies and joint stock limited companies in accordance with the laws, and shall assume responsibilities to the invested corporation with limitation to its capital contribution.

The Company implements management system of first-grade legal person and hierarchical grades of operations. The Head Office shall carry out management mode of unified accounting, unified capital allocation, unified management and classified assessment for its branch offices.

Article 16 The Company shall accept supervision and administration of the banking and insurance regulatory authority of the State Council and other regulatory authorities in accordance with laws.

Article 17 In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, organizations of the Communist Party of China (hereinafter the “Party”) shall be established; the Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation. The Party Committee shall carry on activities pursuant to the Constitution of the Communist Party of China, and the Company shall provide necessities needed for such activities. 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.

Article 18 The labour union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, working hours, welfare, insurance, work safety and sanitation and other matters. To make a decision on restructuring or any important issue related to business operation, or to formulate any important regulation, the Company shall solicit the opinions of its labour union, and shall solicit the opinions and proposals of the employees through the meeting of the representatives of the employees or in any other way.

Chapter II Purpose and Scope of Business

Article 19 The purpose of the Company is: to operate prudently in accordance with laws, regulations and financial policies of the State; and to provide comprehensive financial services for the development of economic and social undertakings of the country based on the local situations; and to create the maximum value for shareholders on the basis of achieving the sustainable development of the Company with the guidance of Scientific Outlook on Development and the idea of “universally benefiting finance, achieving harmonious and common prosperity”.

Article 20 The scope of business of the Company, as registered in accordance with the laws, covers:

- (1) Absorbing public deposits;
- (2) Issuing short-term, medium-term and long-term loans;
- (3) Handling the domestic and international settlement;
- (4) Handling the acceptance and discount of bill;
- (5) Issuing financial bonds;
- (6) Proxy for issuing, cashing, and underwriting government bonds;
- (7) Transaction of government bonds and financial bonds;
- (8) Interbank borrowing;
- (9) Foreign exchange transactions of self-operation or on behalf of customers;

- (10) Bank card business;
- (11) Provision of L/C service and guarantee;
- (12) Collection and payment proxy services and proxy for insurance by-business;
- (13) Provision of safety-deposit box service;
- (14) Handling entrusted loan business of local financial working funds;
- (15) Foreign exchange deposit;
- (16) Foreign exchange loans;
- (17) Foreign exchange remittance;
- (18) Foreign currency exchange;
- (19) Interbank foreign exchange borrowing;
- (20) Credit investigation, consulting and attestation business;
- (21) Business of settlement and sale of exchange; and
- (22) Other businesses approved by the banking regulatory authority of the State Council and other regulatory authorities.

Chapter III Shares and Registered Capital

Section I Issuance of Shares

Article 21 The shares of the Company shall be in the form of stock. All shares issued by the Company shall be ordinary shares. Subject to approval of the approval authorities authorised by the State Council, the Company may have other kinds of shares according to its needs.

Article 22 The issuance of shares shall comply with the principle of openness, fairness and impartiality, and each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall be issued on the same conditions and at the same price. All entities and individuals shall pay the same price for each share of the same category they subscribe for.

Article 23 All the shares issued by the Company shall have a par value which shall be RMB1.00 for each share.

Article 24 Subject to the examination and approval of the banking and insurance regulatory authority and the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan that subscribe for shares issued by the Company; and the term “domestic investors” shall refer to investors within the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 25 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as foreign shares listed overseas.

The “foreign currency” referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognised by the foreign exchange administration authority of the State and can be used for subscription payment of the company’s shares.

Foreign shares listed overseas (H shares) issued by the Company and listed in Hong Kong shall refer to shares listed in the Stock Exchange of Hong Kong upon approval, the par value of stock of which is indicated by Renminbi and the subscription and transaction of which is made by Hong Kong dollars.

Subject to the permission of relevant laws, administrative regulations and departmental rules and the approval of the securities regulatory authority of the State Council, shareholders of the domestic shares may list shares held by them on overseas market for transactions. The listing of such shares for transactions on overseas securities exchanges shall also abide by the regulatory procedures, regulations and requirements of the overseas securities market but no approval is required from category shareholders’ meeting.

Article 26 Domestic shares issued by the Company shall be collectively deposited China Securities Depository & Clearing Co., Ltd. Foreign shares listed overseas issued by the Company may be kept by trustee escrow companies in accordance with laws and requirements of securities registration and depository of the place where the Company’s shares are listed, or may also be held by shareholders in their own name.

Article 27 With the approval of authorities authorised by the State Council, the Company issued 221,932,900 shares (domestic shares) upon establishment, which accounted for 100% of the total amount of the ordinary shares issued by the Company at that time.

With the approval of the securities regulatory authority of the State Council, the Company may issue 2,748,700,000 shares of foreign shares listed overseas (H shares), which accounts for around 25.00% of the total amount of ordinary shares the Company may issue.

With the approval of authorities authorised by the State Council, after the Company issues the foreign shares listed overseas (H shares) (and after the over-allotment option is implemented), a total of 274,870,000 domestic shares are converted into foreign shares listed overseas (H shares).

Article 28 As of 31 March 2014, the share capital structure of the Company is as follow: a total of 10,995,599,553 ordinary shares have been issued, of which 7,972,029,553 domestic shares have been issued, representing approximately 72.50% of the entire ordinary shares the Company may issue; and 3,023,570,000 H shares have been issued, representing approximately 27.50% of the entire ordinary shares the Company may issue.

The above-mentioned share capital includes shares rationed, presented and increased over the years by the Company as of 31 March 2014.

Article 29 After the Company's plan of issuing of overseas listed shares and domestic shares being approved by the securities regulatory authority of the State Council, the Board of the Company may make implementation arrangements for such plan by means of separate issuance.

The Company's plan of separate issuance of overseas listed shares and domestic shares pursuant to the preceding paragraph may be implemented respectively within fifteen (15) months from the date of approval by the securities regulatory authority of the State Council.

Article 30 Where the Company issues foreign overseas listed shares and domestic shares respectively within the total number of shares defined in the issuance plan, the respective shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several stages subject to the approval of the securities regulatory authority of the State Council.

Article 31 The Company's registered capital shall be RMB10,995,599,553.

Section II Increase and Reduction of Shares and Their Redemption

Article 32 The Company may, based on its demands of operation and business development and in accordance with the relevant laws and regulations or listing rules of the stock exchanges on which the Company's shares are listed and subject to the resolutions approved by the general meeting as well as approval by the banking and insurance regulatory authority of the State Council, approve an increase of capital in the following ways:

- (1) public offering of new shares to non-specific investors;
- (2) placing new shares to its existing shareholders;
- (3) allotting new shares to its existing shareholders;
- (4) capitalizing its capital reserve; and
- (5) any other means which is permitted by the laws, administrative regulations and approved by the regulatory authorities.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of the State.

Article 33 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital. The Company's reduction of its registered capital shall be approved by the banking and insurance regulatory authority of the State Council and shall follow procedures set out in the Company Law, the Commercial Banking Law, the listing rules of the stock exchanges on which the Company's shares are listed, the Articles of Association and other relevant regulations.

Article 34 The Company must prepare a balance sheet and an inventory of assets when it to reduce its registered capital.

The Company shall notify its creditors within ten (10) days from the date of adoption of the Company's resolution on reduction of registered capital and shall publish an announcement in the newspaper within thirty (30) days from the date of such resolution. A creditor shall, within thirty (30) days of receiving the notice from the Company, or within forty-five (45) days since the date of the first public announcement for those who have not received the notice, be entitled to require the Company to repay its debts in full or provide a corresponding guarantee for such debts.

The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article 35 The Company may, in accordance with stipulations of laws, administrative regulations, departmental rules and the Articles of Association, repurchase its outstanding shares under the following circumstances:

- (1) reducing its registered capital;
- (2) merging with another company that holds shares of the Company;
- (3) granting shares to the Company's employees as a reward;
- (4) acquiring shares held by shareholders who vote against any resolution proposed in any general meeting on the merger or division of the Company upon their request; and
- (5) other circumstances as permitted by laws and administrative regulations.

The Company shall not engage in the trading of its shares save for the circumstances specified above.

Article 36 The Company may, with the examination and approval of relevant regulatory authorities, repurchase its shares in one of the following manners:

- (1) to make a repurchase offer pro rata to all of its shareholders;
- (2) to repurchase shares through open transaction at a stock exchange;
- (3) to repurchase shares through agreement outside a securities exchange; and
- (4) other means as permitted by the laws, administrative regulations and the regulatory authorities.

Article 37 Where the Company repurchases its shares through agreement outside a securities exchange, it shall seek prior approval of the shareholders' general meeting in accordance with the Articles of Association. Upon the prior approval by the shareholders' general meeting obtained in the same manner, the Company may rescind or change a contract so entered into by the Company or waive any of its rights thereunder shareholders' general meeting.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, agreements whereby redemption obligations are undertaken and redemption rights are acquired.

The Company shall not assign a contract for repurchasing its shares or any of its rights thereunder.

Where the Company has the right to repurchase redeemable shares, repurchases not made through the market or by tender shall be limited to a maximum price; if repurchases are made by tender, invitation for tenders shall be made to all shareholders alike.

Article 38 Shares repurchased in accordance with the laws by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered capital.

The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled shares.

Article 39 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its outstanding shares:

- (1) Where the Company repurchases its shares at par value, payment shall be deducted from the book balance of the distributable profits of the Company and the proceeds of a fresh issuance of shares made for that purpose;
- (2) Where the Company repurchases its shares at a premium over their par value, the portion corresponding to the par value shall be made out of the book balance of distributable profits of the Company and the proceeds of a fresh issuance of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 1. If the shares repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company; and
 2. If the shares repurchased were issued at a premium over their par value, payment shall be made out of the book balance of the distributable profits of the Company and the proceeds of a fresh issue of shares made for that purpose; However, the amount deducted from the proceeds of the fresh issuance of shares shall not exceed the aggregate of premiums received by the Company from the original shares issuance, nor exceed the balance of the Company's capital reserve account (including the premiums on the issuance of new shares);

- (3) Payment by the Company for the following purposes shall be paid from the Company's distributable profits:
 1. obtaining rights to repurchase shares of the Company;
 2. modifying of any contract for repurchasing shares of the Company; and
 3. release of its obligation under any contract for repurchasing its shares.
- (4) After the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's capital reserve account.

Section III Transfer of Shares

Article 40 Unless otherwise provided by the laws, administrative regulations, departmental rules, laws of the locality where the Company's shares are listed and relevant requirements of the Stock Exchange of Hong Kong, the shares of the Company may be transferred freely without any lien being attached.

Article 41 Foreign shares listed overseas (H shares) listed on the Hong Kong Stock Exchange which was fully paid can be transferred freely pursuant to the Articles of Association. However, unless the transfer complies with the following conditions, the Board may refuse to recognise any transfer documents without stating any reasons therefor:

- (1) any transfer documents and other documents relating to or affecting the title to any shares shall be registered and the fee levied pursuant to the Listing Rules of the Hong Kong Stock Exchange shall be paid to the Company;
- (2) the transfer documents only involve the foreign shares listed overseas (H shares) listed on the Hong Kong Stock Exchange;
- (3) the stamp duty payable on the transfer documents has been paid according to legal requirements of Hong Kong;
- (4) relevant share certificate(s) and the evidences certifying the right to transfer shares as reasonably required by the Board shall be provided;
- (5) if the share is to be transferred to joint owners, the number of the joint owners shall not exceed four (4); and
- (6) relevant shares are free from all liens of the Company.

If the Board refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of transfer of shares to the transferor and transferee within two (2) months from the date of the formal application for transferring the shares.

Article 42 Shareholders of foreign shares listed overseas (H shares) listed in Hong Kong shall transfer all or part of the shares by an instrument in writing in any usual or common form or any other form which the Board may approve or standard transfer form specified by the stock exchange in the place where the Company's shares are listed. The instrument of transfer of the share shall be executed by hand. If the transferor or transferee is a recognised clearing institution as defined in the Securities and Futures Ordinance of Hong Kong or its agent, the share transfer form may be executed by hand or in mechanically-printed form. All instruments of transfer shall be placed at the legal address of the Company or other places that the Board may designate.

Article 43 The Company shall not accept any shares of the Company as the subject of a pledge.

Article 44 The total capital of the Company held by the transferee and related parties in the share transfer of the Company shall not exceed the maximum statutory limit stipulated by the banking and insurance regulatory authority of the State Council. Acquisition and change of stock rights of the Company shall be implemented in accordance with the banking and insurance regulatory authority of the State Council.

Section IV Financial Assistance for Acquisition of the Company's Shares

Article 45 The Company (including branches of the Company) or its subsidiaries shall not, by any means including bestowal, underwriting, guarantee, compensation or loans and at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The aforesaid acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

The Company (including the branches of the Company) or its subsidiaries shall not, by any means and at any time, provide financial assistance to the aforesaid acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 47 of the Articles of Association.

Article 46 The financial assistance referred to in this section includes (but not limited to) the following means:

- (1) Gift;
- (2) Guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (but excluding compensation arising from the Company's own default) or relief or waiver of any rights;
- (3) Provision of loans or any other agreements under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under such loans or agreements; and
- (4) any other forms of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would be reduced to a material extent.

The expression “assuming an obligation” referred to in this section includes the assumption of obligations by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by the changing of the obligor’s financial position by any other means.

Article 47 The following activities shall not be deemed to be activities as prohibited under Article 45 of the Articles of Association:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith for the interest of the Company, and the principal purpose of provision the financial assistance is not for the acquisition of shares of the Company, or the provision of the financial assistance is an incidental part of certain master plan of the Company;
- (2) the lawful distribution of the Company’s assets as dividend;
- (3) distribution of dividends in form of shares;
- (4) a reduction of registered capital, a repurchase of shares or adjustment of the shareholding structure of the Company effected in accordance with the Articles of Association;
- (5) the lending of money by the Company within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company); and
- (6) The provision of fund by the Company for contributions to employee shareholding schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

Chapter IV Share Certificates and Register of Shareholders

Article 48 Shares of the Company shall be in registered form.

The items specified on the share certificates of the Company shall, in addition to those provided in the Company Law, contain the following items required to be specified by the stock exchange(s) on which the shares of the Company are listed:

- (1) name of the Company;
- (2) date of establishment of the Company;
- (3) the category of share, par value and number of share it represents;
- (4) the serial number of share; and
- (5) other items required to be specified by Company Law and other relevant laws, administrative regulations, departmental rules and stock exchange on which shares of the Company are listed.

Article 49 The share certificates shall be signed by the Chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by the Company's other senior management personnel, the share certificates shall also be signed by other relevant senior management personnel. The share certificates shall take effect after being affixed with the seal of the Company or the seal of the Company in printed form. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Company or other relevant senior management personnel on the share certificates may also be in printed form.

Article 50 The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name, address (domicile), occupation or nature of each shareholder;
- (2) the category and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which a person is registered as a shareholder; and
- (6) the date on which a person ceases to be a shareholder.

The register of shareholders shall be the sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 51 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of shareholders of overseas-listed foreign shares outside the PRC for shareholders' inspection and appoint overseas agent(s) to manage such register. The original register of holders of H shares shall be maintained in Hong Kong. The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's domicile; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas-listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of foreign shares listed overseas, the original shall prevail.

Article 52 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) the register of shareholders maintained at the Company's domicile, other than those as described in items (2) and (3) of this article;
- (2) the register of shareholders in respect of the holders of overseas-listed foreign shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located; and
- (3) the register of shareholders maintained at such other places as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 53 Each part of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

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

Transfer of shift of shares shall be registered in the stock registration institute appointed by the Company.

The Company shall instruct and urge its share transfer registration agency to refuse the registration of subscription, purchase or transfer of shares in the name of any individual shareholder, unless or until such an individual shareholder submits a signed transfer form of the relevant shares to the share transfer registration agency.

Article 54 If the relevant laws, administrative regulations, department rules and the listing rules of the stock exchange where the Company's shares are listed stipulate that registration of change in the H share register of members due to shares transfer prior to the date of a general meeting or the record date set by the Company for the purpose of distribution of dividends shall not be allowed, such provisions shall prevail. The aforesaid period when registration of change of the register of shareholders is suspended shall not amount to over 30 days within a year, but can be extended for another 30 days at most upon approval by the shareholders' general meeting through deliberation. Upon receipt of an application for inquiry of the register of shareholders during the aforesaid period, the Company shall issue the certificate signed by the secretary of the Company to the applicant to specify the approval authority and duration of the abovementioned suspension.

Article 55 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate or engage in other activities that involve determination of shareholdings, the Board shall decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.

Article 56 Any person who objects to the register of shareholders and requests to have his name registered in or removed from the register of shareholders may apply to a court of competent jurisdiction for correction of the register.

Article 57 Any shareholder who is registered in, or any person who requests to have his name registered in, the register of shareholders may, if his share certificates (the "original certificates") are lost, apply to the Company for a replacement share certificate in respect of such shares (the "relevant shares").

If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with regulations in the Article 143 of the Company Law.

If a holder of overseas-listed foreign shares loses his share certificates and applies for their replacements, it may be dealt with in accordance with the laws of the place where the original register of holders of foreign shares listed overseas is maintained, the rules of the stock exchange or other relevant regulations.

The issuance of replacement share certificates which are lost, stolen or ruined to holders of H shares who apply for a replacement shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarization document or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss, steal or ruin of the share certificates as well as the declaration that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares;
- (2) No declaration has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company decides to issue the replacement share certificate;
- (3) The Company shall, if it decides to issue a replacement new share certificate to the applicant, make an announcement of its intention to issue the replacement new share certificate in such newspapers designated by the Board. The announcement shall be made at least once every thirty (30) days for a period of ninety (90) days;
- (4) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days;

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published;

- (5) If, upon expiration of the 90-day period referred to in Items (3) and (4) of this article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application;
- (6) Where the Company issues a replacement share certificate under this article, it shall forthwith cancel the original certificate and register the cancellation and the issuance in the register of shareholders accordingly; and
- (7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 58 Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 59 The Company shall not be liable for any loss suffered by any person due to the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company acted fraudulently.

Chapter V Party Organization (Party Committee)

Article 60 The Committee of the Communist Party of Harbin Bank Co., Ltd. (hereinafter the “Party Committee”) shall be established and the commission for discipline inspection of the Communist Party of Harbin Bank Co., Ltd. (hereinafter the “Discipline Inspection Committee”) shall be established within the Bank. The Party Committee shall consist of one secretary and the number of deputy secretaries as well as other members of the Party Committee shall be established according to the approval by higher-level Party organizations. One secretary to the Discipline Inspection Committee shall be established, and the number of deputy secretaries and other members of the Discipline Inspection Committee shall be established according to the approval by higher-level Party organizations. The secretary to the Party Committee and the chairman of the Board of Directors of the Bank shall be the same person, and a deputy secretary or a member of the Party Committee may be designated to assist the secretary to the Party Committee in carrying out Party-building work. The deputy secretary is generally assumed by the president who is a Party member. By insisting on and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee can become members of the Board of Directors, the Board of Supervisors and the senior management through legal procedures, while eligible members of the Board of Directors, the Board of Supervisors and the senior management can also join the Party Committee in accordance with relevant rules and procedures.

Article 61 The Party committee shall perform the core leadership and core political functions, pursuant to the principle of “provide directions, manage overall situations and ensure implementation”, to fulfill its duty following party regulations including the Communist Party of China:

- (1) to enhance the building of politics of the Party, exercise strict administrative discipline and political rules, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path.
- (2) to thoroughly study, implement and promote strategy of the Party, ensure and supervise the Company’s implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Communist Party of China Central Committee and the State Council, as well as important work arrangements of the superior Party Committee.

- (3) to study and discuss significant matters concerning reform, development and steady, major operation and management issues of the Company, as well as major issues concerning immediate interests of the employees, and propose opinions and suggestions; support the shareholders' general meetings, the Board of Directors, Board of Supervisors and senior management in performing duties according to laws, and instructs and procures the senior management to implement the decisions of the shareholders' general Meeting and the Board of Directors.
- (4) to adapt to the needs of modern corporate system and market competition, strengthen leadership and control of talent selection and appointment of the Company, manage the standards, procedures, investigation, recommendation and supervision, and insist on the principle of the Party managing the cadres and talents, and combination of the Board of Directors selecting the managers according to laws and the managers exercising rights according to laws, strengthen the building of the leading team, cadre and talents team and adhere to preventing and rectifying wrongful behaviors in the selection and deployment of staff.
- (5) to undertake the main responsibility improving Party conduct and upholding integrity, lead the construction of the Party's honest administration of the Company and support Discipline Inspection Committee to fulfil its supervisory and disciplinary responsibilities.
- (6) to strengthen the building of grassroots Party organization and Party member team, and unite and lead officials and employees to devote themselves into the reform and development of the Company.
- (7) to undertake the main responsibility to overall and strictly administer the party, lead the Company's ideological and political work, spiritual civilization building, united front work, corporate culture building, work of mass organizations including labor union, Communist Youth League and women's organization, stimulate the creativity of the staff and create strong cohesive and centripetal force.
- (8) other important matters within the scope of the Party committee.

Article 62 Significant operation and management matters of the Company shall be decided by the Board of Directors or senior management after study and discussion of the Party Committee; members of the Party committee who also serve as members of the Board of Directors and senior management shall implement the opinions or decisions of the Party organization. Matters that are subject to the study and discussion of the Party committee mainly include:

- (1) thorough implementation of the decisions and deployments of the Party Central Committee and important measures of national development strategies;
- (2) the development strategies, medium – and long-term development plans and important reform proposals of the Company;
- (3) the establishment of and the adjustment to the Company's organizational structure and the formulation and amendment of the Company's important rules and systems;

- (4) important matters regarding the Company's safe production, maintenance of stability, interests of employees and social responsibilities;
- (5) Three Major and One Significant matters involving major decision-making matters, major recruitment or dismissal, major project arrangement, and Significant capital operation;
- (6) other material matters required to be studied and decided by the Party Committee.

For Three Major and One Significant matters within the scope of power and responsibilities, the Party Committee, the Board of Directors and senior management shall collectively discuss and determine, unless in emergency, decisions shall not be made by inquiry into only one or two of the aforementioned authorities.

Article 63 The Party Committee shall focus on the political direction, leading team, basic system, major decisions and Party building, fully undertake the responsibility to strengthen Party self-discipline and governance, adhere to govern the Party with strict discipline, build the Party with thoughts and regulate the Party with systems, strength the ideology of regulating the Party, build and improve the accountability system in Party construction, focus on Party building to achieve a responsible and accountable end; the Party committee shall strengthen the building of grassroots Party organization and Party member team, enhance the guarantee basis of grassroots Party building, and fully implement the role of grassroots Party organization as militant bastions and to the role of Party members as vanguard and exemplary.

Article 64 The Party Committee shall support the Company to abide by laws and regulations of the State, supervision and management system of banking and insurance regulatory authority of the State Council, support and promote the lawful operation of the Company.

Article 65 The Party Committee shall abide by the Articles of Association and safeguard the interests of investors, customers, the Company and employee's legitimate rights and interests.

The Company shall constantly improve the democratic management system in the basic form of the staff representatives assembly under the leadership of the Party Committee, and listen to employees' opinions when making major decisions. Major issues concerning immediate interests of the employees must be deliberated by the staff representatives assembly to guarantee that staff representatives can participate in the corporate governance in a legal and orderly manner.

Chapter VI Shareholders and Equity Management

Section I Rights and Obligations of Shareholders

Article 66 A shareholder of the Company is a person who lawfully holds the shares of the Company and whose name is registered in the register of shareholders.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

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

- (1) the Company shall not register more than four (4) persons as the joint shareholders for any shares;
- (2) the joint shareholders of any shares shall assume the joint and several liabilities for all the amounts payable for the relevant shares;
- (3) in case one of the joint holders has deceased, only other living persons of the joint shareholders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right to demand a death certificate of such shareholder which it deems appropriate for the purpose of amending the register of shareholders;
- (4) for joint shareholders of any shares, only the joint shareholder whose name appears first in the register of shareholders is entitled to receive the certificate for the relevant shares, to receive the Company's notices, and to attend and exercise all the voting rights concerning the relevant shares in the general meetings of the Company. Any notice delivered to the aforesaid shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares.

Article 67 The ordinary shareholders of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and benefit distributions in other forms in proportion to the number of shares held;
- (2) the right to request, convene, preside over, attend or entrust proxy to attend general meetings in accordance with the law and to deliver speeches and exercise the corresponding voting right thereat;
- (3) The right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations, rules, the relevant requirements of the securities regulatory authority in the place of listing of the shares of the Company and the provisions of the Articles of Association;

- (5) The right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
1. to obtain a copy of the Articles of Association, subject to payment of relevant costs;
 2. to inspect free of charge and copy, subject to payment of a reasonable charge:
 - (1) all parts of the register of shareholders;
 - (2) personal particulars of each of the Company's directors, supervisors, president and other senior management staff, including:
 - (a) present and former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and duties;
 - (e) identification document and its number.
 - (3) the status of the Company's share capital;
 - (4) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year and the aggregate amount incurred by the Company for this purpose;
 - (5) minutes of shareholders' general meeting.
 - (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
 - (7) with respect to shareholders who vote against any resolution on the merger or division of the Company proposed at the general meeting, the right to demand the Company to repurchase the shares held by them;
 - (8) the right to maintain their legitimate rights and interests through civil proceedings or other legal means in accordance with laws and regulations, and report relevant situations to the regulatory authority;
 - (9) other rights conferred by laws, administrative regulations, department rules and the Articles of Association.

The Company shall not exercise any right against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

Article 68 When the credit extension of a shareholder of the Company is overdue, his/her voting right in the general meeting and voting right of the Board member nominated by him/her in the Board of Directors shall be limited.

Article 69 Shareholders demanding inspection of the relevant information aforesaid in the Article 67 of the Articles of Association or copies of the materials shall provide to the Company the written documents certifying the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Shareholders shall keep the commercial secrets of the Company when exercising the aforesaid right to know, properly using the information of the Company. Shareholders who violate the duty of confidentiality and thereby cause damage to the Company shall be liable for such damage.

Article 70 If any resolution made by the general meeting and the Board of Directors of the Company violates the laws and administrative regulations, the shareholders are entitled to apply to the People's Court to affirm it as invalid.

If the convening procedures and voting ways of the general meeting and the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of resolution is in violation of the Articles of Association, shareholders are entitled to apply to the People's Court for revocation of such resolutions within 60 days upon the date of adopting the resolution.

Where shareholders file lawsuits in accordance with the provisions of the preceding paragraph, the Company can apply to the People's Court for requiring the shareholders to provide corresponding guarantee.

If the change of registration has been made by the Company in accordance with the resolution of the general meeting, after the People's Court announces such a resolution be void or rescinded, the Company shall apply to the Company's registration authority for revocation of the change of registration.

Article 71 If Board members and senior management personnel violate laws, administrative regulations or stipulations of the Articles of Association when performing duties of the Company and thereby cause damage to the Company, shareholders who independently or jointly hold one percent (1%) or more of the shares of the Company for more than one hundred and eighty (180) days are entitled to apply in writing to the Board of Supervisors to file a suit to the People's Court; if the Board of Supervisors violates laws, administrative regulations or stipulations of the Articles of Association when performing duties of the Company thereby causing damage to the Company, aforesaid shareholders are entitled to apply in writing to the Board of Directors to file a suit to the People's Court.

Where the Board of Directors and the Board of Supervisors refuse to file a suit after receiving the written request of shareholders aforesaid in the preceding paragraph, or don't file a suit within thirty (30) days from the date of receiving the request, or if the suit is not filed immediately, irreparable damage to the benefit of the Company may be caused due to urgent situations, shareholders specified in the preceding paragraph are entitled to directly file a suit to the People's Court in his own name for the benefit of the Company.

If another person infringes upon the legitimate interest of the Company and thereby causes damage to the Company, shareholders specified in the first paragraph may file a suit to the People's Court in accordance with provisions of the first two paragraphs.

Article 72 When the Board members and senior management personnel infringe on legitimate interests of shareholders in violation of laws, administrative regulations or stipulations in this Articles of Association, then the shareholders have the right to file suit to the People's Court.

Article 73 Shareholders of the Company shall perform the following obligations:

- (1) to abide by laws, administrative regulations, regulatory authorities and the provisions under the Articles of Association;
- (2) to pay share capital according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw the shares unless required by the laws and regulations;
- (4) the Company, in strict accordance with relevant regulations of the Core Indicators for the Risk Regulation of Commercial Banks (on trial), Guidance for the Stress Test of Commercial Banks and Measures on Liquidity Risk Management of Commercial Bank formulated by the banking and insurance regulatory authority of the State Council, defines and determines the state of "liquidity problem" of the Company and carries out the stress test. When liquidity problem of the Company may occur, shareholders who bear loans to the Company shall repay the due or undue loans immediately; when the capital adequacy ratio of the Company is lower than the mandatory standard and the supervision requirement of the banking and insurance regulatory authority of the State Council, shareholders shall support measures put forward by the Board of Director to improve the capital adequacy ratio;
- (5) where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;
- (6) shareholders shall safeguard interests of the Company. Conditions for credit extension to the shareholders by the company shall not be superior to those for other money lenders of the same kind. If shareholders make use of its status as a shareholder to maliciously hinder the legal business activities of the Company or impair interests of the Company, the Company shall be entitled to file a suit to the People's Court to stop such unlawful acts;

- (7) shareholders shall lawfully fulfil the fiduciary duty to the Company, and shall ensure the truthfulness, completeness and validity of the submitted information on shareholder qualification; shareholders shall report to the Company timely, truly and completely the financial information, shareholding structure, source of contributed funds, controlling shareholder, actual controller, related parties, person acting in concert, ultimate beneficiary, investment in other financial institutions, and situations of its affiliated/connected transaction with the Company and other information in accordance with laws, regulations and regulatory requirements; shareholders shall promptly notify the Company of any changes in writing in accordance with laws, regulations and regulatory requirements;
- (8) shareholders shall forthwith notify the Company of relevant situations in writing in accordance with laws, regulations and regulatory requirements where they are merged, divided, ordered to suspend business for rectification, have custodians appointed, taken over, revoked or have other measures imposed, or enter into dissolution, bankruptcy or liquidation procedures, or have material changes in the legal representative, name of the Company, premises, business scope and other important matters; shareholders who fail to apply to the regulatory authority for approval or fail to report to the regulatory authority, despite being required to do so, are not permitted to exercise the right to request convening of a general meeting of shareholders, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;
- (9) shareholders shall abide by laws, regulations and regulatory requirements, and shall not impair the interests of other shareholders and the Company when they transfer or pledge their shares of the Company, or have affiliated transactions with the Company; shareholders shall forthwith notify the Company of relevant situations in writing in accordance with laws, regulations and regulatory requirements where their shares of the Company are involved in litigations, arbitrations or legal compulsory measures by judicial organs, pledged or the pledge is released;
- (10) shareholders and their controlling shareholders and actual controllers shall not abuse shareholders' rights or make use of their connected relationship to impair the legitimate interests of the Company, other shareholders and stakeholders, interfere with the decision making power and the rights of management enjoyed by the Board of Directors and the senior management pursuant to the Articles of Association, bypass the Board of Directors and senior management to interfere directly with the operation and management of the Company; shareholders of the Company who abuse their shareholder's rights and thereby cause losses on the Company or other shareholders shall be liable for indemnity according to the law; should shareholders fail to do so, the Company will take relevant measures to maintain its rights and interests, and report relevant situations to the banking and insurance regulatory authority of the State Council;
- (11) shareholders shall comply with laws and regulations and relevant provisions issued by the banking and insurance regulatory authority of the State Council in respect of affiliated transactions, and shall not be allowed to conduct inappropriate affiliated transactions with the Company, or exert its influence on the operation and management of the Company to gain illegitimate benefits;

- (12) for a shareholder that makes any false statement, abuses shareholders' rights or otherwise damages the interests of the Company, the banking and insurance regulatory authority of the State Council may restrict or prohibit affiliated transactions between the Company and the shareholder, restrict the limit of equity held in the Company, and equity pledge ratio, etc., and restrict its right to request convening of a general meeting of shareholders, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;
- (13) the relationships between a shareholder and its controlling shareholder, actual controller, related parties, person acting in concert, ultimate beneficiary and other parties shall be clear and transparent, the shareholding ratio shall be calculated on a consolidated basis, and the shareholding ratio and number of shareholding institutions shall comply with regulatory requirements; shareholders shall not entrust or be entrusted by others to hold the Company's shares. Shareholders shall fulfill the obligation of capital contribution in strict accordance with the laws and regulations and the provisions issued by the banking and insurance regulatory authority of the State Council, and subscribe shares of the Company with their own funds and ensure the funds are obtained from legal sources, and shall not subscribe shares with entrusted funds, debt funds and other funds not owned by themselves, unless otherwise provided by laws, regulations or regulatory requirements;
- (14) if the Company is subject to risk disposal, takeover or other measures taken by the banking and insurance regulatory authority of the State Council or its dispatched offices due to the occurrence of a major risk event or major violation of laws or regulations, shareholders shall actively cooperate with the banking and insurance regulatory authority of the State Council or its dispatched offices to conduct on-site inspection, investigation, risk disposal or other work, strictly implement relevant regulatory measures and requirements, proactively maintain the stable operation of the Company, and bear the shareholders' responsibilities and obligations in accordance with the law;
- (15) other obligations of shareholders imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

Article 74 Where a shareholder pledges his equity interests in the Company, he shall comply with the following provisions:

- (1) Where a shareholder pledges his equity in the Company as guarantee for the benefit of his own or that of any third parties, he shall strictly comply with laws and regulations and the relevant requirements on pledge of equity of commercial banks of the banking and insurance regulatory authority of the State Council, shall not damage the interests of any other shareholders or the Company, and shall notify the Board of Directors of the Company in advance. The Company's Board of Directors office or other department designated by the Board of Directors shall be responsible for the daily work of collecting, collating and reporting of the Company's equity pledge information;

- (2) Where a shareholder who has representative on the Board of Directors or the Board of Supervisors, or directly, indirectly or jointly holds or controls more than 2% of shares or voting rights in the Company pledges his equity interests in the Company, it shall make prior filing to the Board of Directors of the Company, stating the basic information of the pledge including the reasons for the pledge, the number of shares involved, the term of pledge and the particulars of the pledgees. Where the Board of Directors considers the pledge to be materially adverse to the stability of the Company's shareholding structure, the corporate governance as well as the risk and affiliated transaction control and others, the filing shall not be accepted. The director(s) nominated by a shareholder proposing to pledge his shares in the Company shall abstain from voting at the meeting of the Board of Directors at which such proposal is considered;
- (3) Upon the registration of pledge of equity, the shareholders involved shall provide the Company with the relevant information in relation to the pledged equity in a timely manner, so as to in compliance with the Company's risk management and information disclosure requirements;
- (4) A shareholder shall not make any pledge of its shares in the Company if the outstanding amount of its borrowing from the Company exceeds the audited net value of the equities it held in the Company in the previous year;
- (5) Where the number of shares of the Company pledged by a shareholder reaches or exceeds 50% of the shares held by such shareholder in the Company, its voting rights at the general meeting of shareholders and the voting rights of its dispatched/nominated directors at the meetings of the board of directors will be restricted.

Article 75 The controlling shareholder and the actual controller shall not use their connected relationship to act in detriment to the interests of the Company; if they have violated this provision and caused damage to the Company, they shall bear the liability for such damages.

The controlling shareholders, the actual controllers and related parties of the Company shall not interfere with the normal appointment procedures of the senior management, or bypass the Board of Directors to directly appoint or dismiss the senior management.

The controlling shareholder and the actual controller of the Company shall have fiduciary duties towards the Company and public shareholders of the company. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholder shall not do harm to the legitimate interests of the Company and public shareholders of the company through means such as profit distribution, asset restructuring, overseas investment, possession of capital and lending guarantees and shall not make use of its controlling status against the interests of the Company and public shareholders of the company.

Article 76 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person), by any means, of the Company's assets, including (but not limited to) opportunities beneficial to the Company;
- (3) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) any rights to distributions and voting rights save for the restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

Article 77 The Company supports the establishment of the communication and negotiation mechanism between shareholders, and encourages the proper communication and negotiation between shareholders on exercising rights.

The Company shall establish a smooth and effective communication mechanism with shareholders, fairly treat all the shareholders, and guarantee the right of information, participation in decision making and supervision of shareholders, especially medium and minor shareholders, concerning major issues of the Company.

Large shareholders shall encourage and support all the shareholders, especially medium and minor shareholders, to carry out proper communication and negotiation on exercising shareholders' rights, and coordinate and cooperate with medium and minor shareholders to exercise legitimate rights such as right of information or right of inquiry in accordance with the law.

Section II Management of Large Shareholders and Major Shareholders

Article 78 Major shareholders of the Company are those who hold or control 5% or more of the shares or voting rights of the Company, or hold less than 5% of the total capital or total shares of the Company but have a significant impact on the operation and management of the Company.

The aforementioned "significant impact" shall include, but is not limited to, nominating or dispatching directors, supervisors or senior management personnel to the Company, exerting an impact on the financial and operation management decision-making of the Company by way of agreement or through other means, and other circumstances as determined by banking and insurance regulatory of the State Council or its dispatched offices.

Article 79 An investor and its related parties and persons acting in concert, either separately or jointly, intending to initially or cumulatively hold 5% or more of total capital or total shares of the Company, shall make an application to the banking and insurance regulatory authority of the State Council or its dispatched offices for approval in advance. The official reply for the administrative licensing of proposed holding of 5% or more of total shares of the Company through a domestic or overseas stock market shall be valid for six months. The specific requirements and procedures for approval shall be subject to relevant provisions issued by the banking and insurance regulatory authority of the State Council.

An investor and its related parties and persons acting in concert that hold, either separately or jointly, more than 1% but less than 5% of the total capital or total shares of the Company shall, within ten working days of the date of obtaining corresponding equities, report to banking and insurance regulatory authority of the State Council or its dispatched offices. The specific requirements and procedures for reporting shall be subject to relevant provisions issued by the banking and insurance regulatory authority of the State Council.

A shareholder that holds more than 5% of the total shares of the Company without obtaining the approval from the banking and insurance regulatory authority of the State Council shall be ordered to take corrective action by the banking and insurance regulatory authority of the State Council in accordance with the relevant provisions under Article 79 of the Commercial Banking Law.

Article 80 Large shareholders of the Company refer to those who satisfy any of the following conditions:

- (1) holding 10% or more of the shares of the Company;
- (2) actually holding the most shares of the Company with the shareholding ratio no less than 5% (including shareholders with the same number of shares of the Company they hold);
- (3) nominating more than two directors;
- (4) having controlling influence on the operation and management of the Company in the opinion of the Board of Directors;
- (5) other circumstances recognized by CBIRC or its dispatched offices.

The shareholding ratio of a shareholder and its related party and person acting in concert shall be calculated on a consolidated basis. Relevant shareholders with the total shareholding ratio satisfying the above requirements will be under management as large shareholders.

Article 81 Large shareholders shall support the establishment of an independent and sound corporate governance structure with effective balance in the Company, and encourage the organic integration of the Party leadership and corporate governance.

Article 82 Large shareholders shall fully understand the industry attributes, risk features and prudent operation rules of the banking industry, as well as the rights and obligations of large shareholders, proactively maintain the stable operation of the Company and stability of the financial market, protect consumers' rights and interests, support the Company to provide better service for the real economy, prevent and control financial risks.

Article 83 When large shareholders and major shareholders subscribe shares of the Company, they shall make a written commitment to comply with laws and regulations, regulatory requirements and the Articles of Association, and proactively fulfill their commitments. Large shareholders and major shareholders shall report the following information to the Company in a timely, accurate and complete manner:

- (1) Their own operating status, financial information and shareholding structure;
- (2) The sources of their funds used to subscribe shares of the Company; large shareholders shall also provide active cooperation in the examination of sources of funds by the banking and insurance regulatory authority of the State Council and the Company;
- (3) Their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries and any changes therein;
- (4) Information related to investments in other financial institutions;
- (5) Litigation, arbitration or preservation measures taken against, or enforcement compulsory measures carried out by judicial organs on, the shares of the Company held by them;
- (6) Any information of their shares of the Company that is pledged or the pledge being released;
- (7) Any change in their names;
- (8) Any mergers and spin-offs;
- (9) They are ordered to suspend business for rectification, have had custodians appointed, were taken over or revoked or have other regulatory measures imposed, or entered into dissolution, bankruptcy or liquidation procedures;
- (10) Changes in the legal representative, name of company, premises, business scope and other materials changes;
- (11) Any other circumstances that may affect changes in the qualifications of shareholders or cause changes in the shares of the Company held by them.

Article 84 Large shareholders of the Company shall strengthen the capital restriction, maintain moderate level of leverage, and make scientific layout on the investment in banking and insurance institutions, in order to guarantee that the investment behavior matches its capital scale, continuous capital contribution capability and operation and management level. The amount of investment in banking and insurance institutions shall comply with relevant regulatory requirements.

Article 85 Large shareholders and major shareholders shall make a long-term commitment of capital replenishment to the Company in written form, which shall be treated as a part of the capital planning of the Company; major shareholders shall supply additional capital to the Company when necessary, and shall make report on their capacity of capital replenishment annually through the Company to the banking and insurance regulatory authority of the State Council or its dispatched offices.

Article 86 Large shareholders and major shareholders shall state its shareholding structure level by level up to its actual controller and ultimate beneficiary, as well as its relationship as a related party or a person acting in concert with any other shareholder, in order to guarantee that the equity relationship is authentic and transparent, and prohibit any illegal behavior such as hiding actual controllers, concealing connected relationship, holding equity on a commission basis and making agreements in private.

Large shareholders and major shareholders shall disclose the information on its related parties to the Board of Directors in a complete, timely and accurate manner, and undertake to report any changes in such related relationship to the Board of Directors.

Article 87 Director indirect cross shareholding between large shareholders and the Company is prohibited, unless otherwise stipulated by the State Council.

Where large shareholders are investment institutions such as private equity, they shall disclose their corporate governance and voting policies of the Company to the ultimate beneficiary of the shares of the Company held by them and the Company, including relevant procedures for deciding upon the use of voting right.

Article 88 Large shareholders and major shareholders shall not transfer any equity they hold within five years from the date of obtaining the equity of the Company.

Large shareholders shall focus on long-term investment and value investment rather than speculation or cashing; they shall maintain the relevant stability of the Company's equity structure, and shall not transfer the shares of the Company held by them actually or in any disguised form within the period when equity transfer is limited.

As to equity transfer as a result of risk disposal measures approved by the banking and insurance regulatory authority of the State Council or its dispatched offices, or ordered by the banking and insurance regulatory authority of the State Council or its dispatched offices, or involving judicial enforcement, or made between different entities controlled by the same investor, or under any other particular circumstance, the provisions of the preceding paragraph shall not apply.

Article 89 Large shareholders, major shareholders and the controlling shareholders and actual controllers of the aforesaid entities shall properly exercise their shareholders' rights through corporate governance procedures, maintain the independent operation of the Company, fulfill shareholders' obligations stipulated in the Article 73 of the Articles of Association. Improper intervention or limitation on the Company is strictly prohibited unless otherwise stipulated by laws and regulations or recognized by CBIRC. Specific requirements are as follows:

- (1) exercise their rights and fulfill their obligations as capital contributors in strict accordance with laws, regulations, regulatory requirements and the Articles of Association, participate in the corporate governance in a diligent, legal and effective manner; and shall not make improper gains;
- (2) support the formulation and implementation of the medium and long-term capital planning by the Company according to the Company's development strategy, business planning and risk status, promote the consistency between Company's capital demands and capital replenishment capability, and guarantee the Company's capital can continuously satisfy the regulatory requirements;
- (3) support the continuous capital replenishment via various channels by the Company, optimize the capital structure, and enhance the capability to serve the real economy and resist risks; should the Company fail to replenish the capital through other means than capital increase when ordered to do so by CBIRC and its dispatched offices, large shareholders shall fulfill the obligation of capital replenishment, and when they are not capable of capital replenishment or fail to participate in the capital increase, they shall not obstruct other shareholders or investors in capital increase with reasonable schemes;
- (4) not establish prior approval procedures of resolutions of the shareholders' general meetings and board meetings;
- (5) not intervene in the performance evaluation on the directors, supervisors and other staff of the Company;
- (6) not interfere in the financial and accounting activities of the Company such as financial accounting, funds allocation, asset management and expense management;
- (7) not issue operation plans or orders to the Company;
- (8) not ask the Company to grant loans or provide guarantee in violation of requirements;
- (9) not impair the legitimate rights and interests of financial consumers, the Company and other shareholders by any other means, or intervene in the Company's independent operation by other means.

Article 90 Large shareholders shall prudently exercise the right to nominate the Company's directors, in order to guarantee the nominated candidate complies with relevant regulatory requirements. Large shareholders are encouraged to select the candidates for directors in marketized ways to constantly enhance the professional level of directors.

Large shareholders shall strengthen supervision on the performance of directors and supervisors nominated by them, and make prompt adjustments on the staff who fail to perform their duties effectively in accordance with laws, regulations, provisions of the Articles of Association and regulatory requirements.

Article 91 Major shareholders shall establish an effective risk isolation mechanism to prevent risk contagion and transfer among shareholders, the Company and other related parties.

Large shareholders shall not provide their shares of the Company to people other than themselves and related parties for guarantee, hold the shares in the form of equity pledge, hold shares through connected relationship in violation of regulations or transfer shares in a disguised form.

The Company shall persist in independent operation, establish an effective risk isolation mechanism, and take prudent measures on equity isolation, assets, debts, management, finance, business and personnel, in order to realize respective and independent accounting and risk bearing with large shareholders, and effectively prevent interest conflicts and risk infection. The provisions of the banking and insurance regulatory authority of the State Council if any shall prevail.

Article 92 Financial products may hold shares of the Company. However, the shares accumulatively held in the Company by financial products controlled by a single investor, issuer or manager and their actual controllers, related parties and persons acting in concert shall not exceed 5% of total shares of the Company.

Major shareholders shall not hold shares of the Company through financial products issued, managed or in any other means controlled by it.

Section III Equity Management

Article 93 The Board of Directors shall be diligent and fulfil duties, and assume ultimate responsibility for the equity management affairs. The chairman of the Board of Directors is the first responsible person for handling the equity affairs of the Company. The board secretary shall assist the chairman of the Board of Directors with his/her works, and is directly responsible for handling the equity affairs. The chairman of the Board of Directors and board secretary shall faithfully, honestly and diligently perform their duties. Those who fail to fulfil their duties with due diligence shall undertake legal liabilities according to the law.

Article 94 The Company shall establish and improve an equity information management system and equity management rules, and effectively conduct equity information registration, management of affiliated transactions, information disclosure and other works.

The Company shall strengthen communication with its shareholders and investors, and be responsible for work including applying for administrative approval relating to equity affairs, reporting of shareholders' information and relevant matters, and submission of materials.

The Company shall strengthen the management of equity and affiliated transactions, focus on the behavior of large shareholders, take prompt measures to prevent the further aggravation where large shareholders and their actual controllers are found to have illegal behavior related to the Company, and forthwith report to the CBIRC or its dispatched offices.

Article 95 Where a member of the Board of Directors of the Company fails to raise an objection to any violation of law or regulation in equity management when performing his/her duties, he/she shall not be deemed as competent in the latest performance assessment.

Article 96 The CBIRC and its dispatched offices shall establish a database of commercial banks' equity management and shareholders' misconduct records, and share such information with relevant departments or government bodies through the national credit information sharing platform.

A shareholder who commits any violation of laws or regulations and refuses to take corrective action may be subject to disciplinary actions imposed by the CBIRC and its dispatched offices, separately or jointly with the relevant departments and entities, and be subject to circulation of a notice of criticism, public reprimand, or prohibition from purchasing shares of the commercial bank for a certain period of time or even lifetime prohibition.

Article 97 Where the Company's shareholder or its controlling shareholder, actual controller, related party, person acting in concert or ultimate beneficiary, among others, falls under any of the following circumstances, and causes the Company's violation of the rules for prudential operations, the CBIRC or its dispatched offices may, in accordance with the provision of Article 37 of the Banking Supervision Law of the People's Republic of China, order the controlling shareholder of the Company to transfer equity, and restrict the relevant rights of the said shareholder of the Company to participate in the operation management, including the right to request convening of a general meeting of shareholders, voting right, right of nomination, right of submitting proposals, and right of disposition, etc.:

- (1) making false or insufficient capital contribution, withdrawing paid-in capital or withdrawing paid-in capital in any disguised form;
- (2) using entrusted funds, debt funds or any other funds not owned by it to invest in the Company in violation of regulations;
- (3) holding equity on a commission basis in violation of regulations;
- (4) failing to report as required;
- (5) refusing to provide documents and materials to the Company or the CBIRC or its dispatched offices, providing false documents and materials, concealing important information, or delaying the provision of relevant documents and materials;
- (6) violating any commitment or the Articles of Association;
- (7) a major shareholder or its controlling shareholder or actual controller fails to meet regulatory requirements prescribed in these Measures;
- (8) conducting affiliated transactions in violation of any regulation;

- (9) conducting equity pledge in violation of any regulation;
- (10) refusing or impeding the investigation and verification by the CBIRC or its dispatched offices;
- (11) failing to cooperate with the CBIRC or its dispatched offices in risk disposal;
- (12) otherwise abusing shareholders' rights or failing to fulfill shareholders' obligations and thus damaging the interests of the Company, any depositor or any other shareholder.

Article 98 The Company shall disclose its equity information on its official website or through other channels via interim reports or annual reports in a truthful, accurate and complete manner. The information to be disclosed shall cover:

- (1) total number of shares and shareholders at the end of the reporting period and changes in shares during the reporting period;
- (2) shareholdings of the Company's top ten shareholders at the end of the reporting period;
- (3) information on major shareholders and their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries at the end of the reporting period;
- (4) affiliated transactions with the major shareholders and their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries during the reporting period;
- (5) information on the pledge of the Company's equity by major shareholders;
- (6) information on directors and supervisors nominated by shareholders;
- (7) other information as required by the CBIRC.

As to equity affairs which shall be submitted to the CBIRC or its dispatched offices for approval but have not yet been approved, the Company shall make an explanation at the time of information disclosure.

Article 99 The Board of Directors shall evaluate the qualification, financial status, shares held, affiliated transactions of previous year, exercise of shareholders' rights, fulfillment of responsibilities, obligations and commitments, implementation of the Articles of Association and agreements, and observation of laws, regulations and regulatory requirements of large shareholders and major shareholders at least once a year, make notifications at the shareholders' general meeting or in writing, and copy to the banking and insurance regulatory authority of the State Council.

During the aforesaid evaluation, the Company may carry out simultaneous evaluation on other shareholders that shall be evaluated in accordance with relevant regulatory requirements, and relevant evaluation reports may be submitted to the banking and insurance regulatory authority of the State Council together.

Chapter VII Shareholders' General Meeting

Section I General Provisions of Shareholders' General Meeting

Article 100 The shareholders' general meeting is the organ of power of the Company which exercises the following functions and powers within the scope stipulated by laws, regulations and the provisions of the Articles of Association:

- (1) determining the Company's business policies and investment plans;
- (2) electing and replacing directors, and determining matters concerning remunerations to directors;
- (3) electing and replacing the supervisors not appointed from employee representatives, and determining remunerations to supervisors;
- (4) examining and approving reports of the Board of directors;
- (5) examining and approving reports of the Board of supervisors;
- (6) examining and approving the Company's annual financial budget and final account proposals;
- (7) examining and approving the Company's profit distribution plans and losses making up plans;
- (8) adopting resolutions concerning the increase or decrease of the Company's registered capital;
- (9) adopting resolutions on issuing bonds of the Company;
- (10) adopting resolutions on the listing of the Company;
- (11) make resolution on merger, division, dissolution and liquidation or form change of the Company;
- (12) adopting resolutions on the acquisition of the Company's shares that shall be submitted to the shareholders' general meeting in accordance with the law and provisions of the securities regulatory authority of the place in which the Company's shares are listed;
- (13) modifying the Articles of Association;
- (14) adopting resolution on engagement, dismissing or discontinuing the appointment of an accounting firm which offers regular legal audits on the financial reports of the Company;

- (15) examining fixed assets investments, external guarantees, external investments, and affiliated/connected transaction matters which should be submitted to the shareholders' general meeting for examination in accordance with the relevant laws, administrative regulations, departmental regulations, provisions of the securities regulators where the Company's stocks are listed for trading as well as the Company's Articles of Association and other internal system rules;
- (16) examining temporary proposals put forward by the shareholders who hold more than 3% of the total voting shares of the Company individually or jointly;
- (17) examining and approving changes in use of the raised capital;
- (18) examining and approving equity incentive plans and schemes;
- (19) examining and approving the rules of procedures of the shareholders' general meetings, board meetings and supervisors' meetings; and
- (20) examining other matters which shall be decided by the shareholders' general meeting according to the laws, administrative regulations, departmental rules, securities regulatory body where the Company's stocks are listed for trading, the Articles of Association, and the Company's other internal rules.

The powers of the shareholders' general meeting stipulated in the Company Law and the Articles of Association shall not be granted to the Board of Directors, other institutions or individuals.

Article 101 Without the prior approval of the shareholders' general meeting, the Company shall not conclude any contract with any person other than a director, president or other senior management personnel of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.

Article 102 The shareholders' general meeting consists of the annual meeting and temporary meetings. The annual meeting shall be held once every year within six (6) months upon conclusion of every fiscal year.

Article 103 The Company shall convene a special shareholders' meeting within two (2) months since the date of the occurrence of any of the following circumstances:

- (1) The number of directors is less than the statutory minimum number prescribed by the Company Law or two thirds (2/3) of the number prescribed in the Articles of Association;
- (2) The Company's loss not made up reaches one third (1/3) of the total paid-in equity;
- (3) Written request has been put forward by the shareholders who have more than ten percent (10%) of the total voting shares of the Company individually or jointly held;
- (4) The Board of directors deems it as necessary;
- (5) The Board of supervisors proposes to convene;

- (6) More than half (1/2) and no less than two independent directors propose to convene; and
- (7) Other circumstances stipulated by laws, administrative regulations, departmental regulations or the Articles of Association.

The number of shares of the aforesaid Item (3) shall be calculated as of the date when shareholders put forward a written request.

Article 104 Should the annual general meeting or special shareholders' meeting fail to be convened within the period stipulated by laws, regulations, regulatory requirements and the provisions of the Articles of Association, the Company shall make a report and explain reasons to the banking and insurance regulatory authority of the State Council.

Article 105 The location for the Company to convene a shareholders' general meeting shall be the Company's domicile or other places specified in the notice of the shareholders' general meeting.

The shareholders' general meeting will set up an assembly room and be held by way of live meeting. The Company may also provide safe, economical and convenient network or other means for the convenience of shareholders to attend the general meeting according to the relevant provisions. Shareholders attend the general meeting through the aforesaid means shall be considered as present.

Section II Convening of Shareholders' General Meeting

Article 106 More than half of and no less than two (2) independent directors shall have the right to propose for a special shareholders' meeting to the board of directors. The board of directors shall give a written reply on agreeing or disagreeing to convene a special shareholders' meeting according to the provisions of the laws, administrative regulations and the Articles of Association within 10 days after receiving a proposal put forward by independent directors on convening a special shareholders' meeting.

Article 107 The board of supervisors shall have the right to propose for a special shareholders' meeting to the board of directors, and shall put forward its proposal to the board of directors in written form. The board of directors shall give a written reply on whether to agree or disagree to convene a special shareholders' meeting according to the provisions of the laws, administrative regulations and the Articles of Association within 10 days after receiving the proposal.

Article 108 The board of directors will issue a notice to convene a shareholders' general meeting within 5 days after making the resolution where it agrees to convene a special shareholders' meeting, any changes made to the original proposal in the notice shall obtain consents of the board of supervisors.

Where the board of directors disagrees to convene a special shareholders' meeting or fails to give a feedback after receiving the proposal within 10 days, the board of directors shall be regarded as unable to perform or fail to perform its duty to convene a shareholders' general meeting, the board of supervisors can convene and preside over a shareholders' general meeting on its own initiative.

Article 109 The following procedures shall be followed where shareholders require to convene a special shareholders' meeting or a classified shareholder meeting:

- (1) The shareholders that solely or collectively hold ten percent (10%) or more shares of the Company can sign one or several written requests in the same form and contents to submit to the board of directors to require the latter to convene a special shareholders' meeting or a classified shareholders' meeting and explain the subject of the meeting. The board of directors shall give a written reply on agreeing or disagreeing to convene a special shareholders' meeting or a classified shareholders' meeting within 10 days upon receipt of the request in accordance with the laws, administrative regulations and the Articles of Association;
- (2) Where the board of directors agrees to hold a special shareholders' meeting or a classified shareholders meeting, it shall send out a notice within 5 days after the resolution of the board of directors is made, any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders;
- (3) Where the board of directors does not agree to hold a special shareholders' meeting or classified shareholders' meeting or fails to give a reply within ten (10) days upon receipt of the proposal, the shareholders that solely or collectively hold ten percent (10%) or more shares of the Company shall have the right to propose the board of supervisors to hold a special shareholders' meeting or classified shareholders' meeting, and shall put forward the request to the board of supervisors in written form;
- (4) Where the board of supervisors agrees to hold a special shareholders' meeting or a classified shareholders' meeting, it shall send out a notice within 5 days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders; and
- (5) Where the board of supervisors fails to send out a notice on the special shareholders' meeting or classified shareholders meeting within the prescribed time limit, it shall be regarded that the board of supervisors will not convene or preside over the meeting, and the shareholders that solely or collectively hold ten percent (10%) or more shares of the Company for consecutively ninety (90) or more days may hold or preside over the meeting on their own initiatives.

Article 110 In respect to the shareholders' general meeting convened by the board of supervisors or shareholders on its/their own initiative, the board of directors and its secretary shall show cooperation. The board of directors shall provide the register of shareholders on the date of equity registration.

Article 111 The expenses necessary for holding the shareholders' general meeting convened by the board of supervisors or shareholders shall be born by the Company.

Section III Proposal and Notice of the Shareholders' General Meeting

Article 112 Where the Company convenes a shareholders' general meeting, the board of directors, the board of supervisors and the shareholders that solely or collectively hold three percent (3%) or more of the shares of the Company may put forward a proposal to the Company.

The shareholders that solely or collectively hold three percent (3%) or more of the shares of the Company may put forward an interim proposal and submit it to the Board of Directors in written form within ten (10) days before the meeting is held. The Board of Directors shall notify other shareholders and submit the proposal to the shareholders' general meeting for deliberation within two (2) days upon receipt of the aforesaid proposal. The contents of a proposal shall be within the duty of the shareholders' general meeting, have definite topics and specific matters for resolution. If the listing rules of the place where the Company's stocks are listed state otherwise, the contents shall meet the rules as well.

Unless it is prescribed by the preceding paragraph, the convener shall, after sending out a notice on the shareholders' general meeting, not amend the proposal as mentioned in the aforesaid notice or add any new proposal.

The shareholders' general meeting shall not vote on or make a resolution for any proposal that is not listed in the notice on the general meeting of shareholders or that is inconsistent with the Articles of Association.

Article 113 Where the Company shall convene a shareholders' general meeting, the convener shall send out a written notice to all registered shareholders on the matters to be examined as well as the assembly date and location twenty (20) days before the annual general meeting (excluding the date of the meeting), or fifteen (15) days before the special shareholders' meeting (excluding the date of the meeting). If the listing rules of the stock exchange where the Company's shares are listed have other provisions, the longer notice period shall prevail.

The Company shall notify the banking and insurance regulatory authority of the State Council at least three working days before the shareholders' general meeting is convened. If the aforesaid period cannot be satisfied under special circumstances, the Company shall forthwith notify the banking and insurance regulatory authority of the State Council and specify the reasons.

Article 114 A special shareholders' meeting may not decide any matters not stated in the notice.

Article 115 A notice of the shareholders' general meeting shall include the following contents:

- (1) be in writing;
- (2) state the time, venue, duration and form of the meeting;
- (3) state the matters to be considered at the meeting and the proposals;

- (4) provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them; this principle includes (but not limited to) the terms of the proposed transaction must be provided in detail together with the proposed contract (if any), and the cause and effect of such proposal must be properly explained while the Company proposes a merger, repurchase of shares, reorganising the share capital or restructuring the Company in any other way;
- (5) contain a disclosure of the nature and extent of any material interest of a director, supervisor, president or other senior management personnel in the matters for discussion and the effect of interest on his/her capacity as a shareholder in so far as it is different from the interest of the shareholders of the same class;
- (6) contain the full text of any proposed special resolution to be voted at the meeting;
- (7) contain a prominent statement that a shareholder entitled to attend and vote shall be entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not to be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) specify the record date on which the shareholders are eligible to attend the shareholders' general meeting; and
- (10) list the name and the phone number of the permanent contact person of the meeting.

Article 116 In case the shareholders' general meeting plans to discuss the election of directors and supervisors, the notice of the general meeting shall fully disclose the detailed information about the candidates for directors or supervisors.

Except for directors and supervisors who are elected by way of cumulative voting system, a single proposal shall be put forward for each candidate of director and supervisor.

Article 117 Unless otherwise required by relevant laws, regulations, listing rules of place(s) where the Company's shares are listed or the Articles of Association, the notice, information or written statement for the shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the general meeting) by special appointed person or prepaid mail, or publication on our website or other methods stipulated in the Articles of Association. The recipient address in the register of shareholders shall prevail. For the holders of domestic shares, the notice of the shareholders' general meeting may be issued in the form of public notice.

The public notice in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 118 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive the notice shall not invalidate the proceedings at that meeting.

Article 119 After the notice on convening the shareholders' general meeting sent out, the shareholders' general meeting shall not be postponed or cancelled and the proposal listed in the notice on the shareholders' general meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the meeting, the convener shall make an announcement and explain the reasons at least two (2) working days before the date for the planned shareholders' general meeting.

Section IV Holding of the General Meeting of Shareholders

Article 120 The Board of Directors and any other convener shall take necessary measures to guarantee the normal order of the shareholders' general meeting, and shall take measures to deter any act of disturbing the shareholders' general meeting, picking quarrels and provoking troubles or damaging the lawful rights and interests of any shareholder, and shall timely report it to the relevant department for investigation and punishment.

Article 121 Any shareholder entitled to attend and vote at the shareholders' general meeting shall be entitled to appoint one or more other persons (who may not be shareholders) as his/her proxy to attend and vote on his/her behalf. The shareholder proxy can exercise the following rights according to the entrustment of the shareholder:

- (1) have the same right as the shareholders to speak at the shareholders' general meeting;
- (2) have authority to demand a poll or join in such a demand; and
- (3) have the right to vote by hand or on a poll, except that, where a shareholder has appointed more than one proxy, his/her proxies may only exercise the voting rights when a poll is taken.

Article 122 A shareholder shall entrust the proxy in writing, which shall be signed by the entrusting party or by the proxy entrusted by the entrusting party in writing; if the shareholder is a legal entity, the written entrustment file shall be sealed by the legal entity's stamp or signed by its directors or the proxy officially appointed by the shareholder.

Large shareholders may entrust the proxy to attend the shareholders' general meeting, and such proxy can only be a shareholder and his related party, person acting in concert, nominated director and supervisor. Large shareholders shall not attend the shareholders' general meeting as entrusted by non-related parties or persons acting in concert.

Article 123 A shareholder shall attend the meeting upon the strength of his/her ID card or other valid certificates or proof or stock account certificate that can prove his/her identity; a proxy who attends the meeting entrusted by a shareholder shall show his/her valid ID card and the letter of attorney issued by the shareholder.

Institutional shareholders should assign his/her legal representative or a proxy authorised by the legal representative to attend the meeting. Where a legal representative attends the meeting, he/she should show the ID card, and a valid certification to prove the qualification of the legal representative; where an entrusted proxy attends the meeting, the proxy should show his/her ID card and a written letter of attorney issued by the legal representative of the institutional shareholder unit in accordance with the laws.

Article 124 The letter of attorney issued by a shareholder to entrust a proxy to attend the shareholders' general meeting shall be in writing and include the following contents:

- (1) the name of the proxy;
- (2) whether have the voting right or not;
- (3) the instructions which respectively vote consent, objection and abstention over each item to be examined by the shareholders' general meeting;
- (4) the issuance date and expiry date of the letter of attorney;
- (5) whether have the voting right over temporary proposal which may be included in the agenda of the shareholders' general meeting or not, and specific instructions shall be given over what voting right shall be exercised if the proxy does have the voting right; and
- (6) the signature (or seal) of entrusting party. Where the entrusting party is an institutional shareholder, the legal entity shall seal on the letter of attorney.

The letter of attorney shall indicate that the shareholder proxy can vote according to his/her own opinions if the shareholder does not make specific instructions.

Article 125 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within twenty-four (24) hours prior to the meeting at which the proxy is authorised to vote or within twenty-four (24) hours prior to the specified time for the voting. Where the instrument is signed by another person authorised by the entrusting party, the power of attorney or other authorization document shall be notarised. The notarised power of attorney or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the entrusting party is a legal person, its legal representative or the person authorised by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' general meeting as the representative of such legal person.

Where the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong Securities and Futures Ordinance, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at any shareholders' general meeting or any category shareholders meeting; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

Article 126 Where the entrusting party dies, loses its capacity for action, has revoked the authorisation of signing instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of the power of attorney shall remain valid as long as the Company has not received a written notice of the event prior to the relevant meeting.

Article 127 Large shareholders shall support medium and minor shareholders to obtain effective opportunities to attend and vote at the shareholders' general meetings, and shall not obstruct or instigate the Company to obstruct medium and minor shareholders to attend the shareholders' general meetings, or set up other barriers to medium and minor shareholders to attend shareholders' general meetings.

Article 128 When a shareholders' general meeting is held, all the directors and supervisors and the secretary of the Board of Directors shall attend the meeting, and the president and other senior management personnel shall attend the meeting as nonvoting delegates.

The banking and insurance regulatory authority of the State Council and its dispatched offices may dispatch staff to be present at the shareholders' general meetings of the Company.

Article 129 The general meeting of shareholders shall be held by the chairman of the Board of Directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, the deputy chairman of the Board of Directors shall preside over the meeting; where the deputy chairman also can not perform his duties or fails to perform his duties, half of the directors or more shall jointly recommend one director to preside over the meeting.

Where the Board of Supervisors convene the shareholders' general meeting by themselves, the chairman of the Board of Supervisors shall preside over the meeting. Where the chairman of the Board of Supervisors cannot perform his duties or fails to perform his duties, the deputy chairman of the Board of Supervisors shall preside over the meeting; where the deputy chairman of the Board of Supervisors can not perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.

Where the shareholders convene the shareholders' general meeting by themselves, the convener shall recommend one representative to preside over the meeting.

When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of not less than half of the voting shareholders that are present at the meeting, and continue the meeting.

Article 130 The Company shall formulate the rules of procedures for the shareholders' general meeting, which shall provide detailed provisions for the convening and voting procedures. The rules of procedures for the shareholders' general meeting shall be made as an appendix to the Articles of Association, prepared by the Board of Directors and approved by the shareholders' general meeting.

Article 131 At an annual shareholders' general meeting, the Board of Directors and the Board of Supervisors shall report their respective work of the previous year to the general meeting of shareholders.

Article 132 The directors, supervisors and senior management personnel shall explain the inquiries and suggestions of shareholders at the shareholders' general meeting except for the information involving the Company's business secrets which can't be made public at the shareholders' general meeting.

Section V Voting and Resolution of the Shareholders' General Meeting

Article 133 Resolutions of the shareholders' general meeting include ordinary and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than half (1/2) of the voting rights held by shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds (2/3) of the voting rights held by the shareholders (including proxies) present at the meeting.

Article 134 The following matters shall be passed by ordinary resolution by the shareholders' general meeting:

- (1) The work report of the Board of Directors and the Board of Supervisors;
- (2) The profit distribution plan and loss make-up plan proposed by the Board of Directors;
- (3) Appointment and removal and remuneration and payment methods of the members of the Board of Directors and the Board of Supervisors;
- (4) The Company's annual budget and final accounts report, balance sheet, profits statement and other financial statements;
- (5) The Company's annual report;
- (6) Examination of changes in the way of using raised capital; and
- (7) Other matters other than those stated to be passed by special resolutions by the laws, administrative regulations or the Articles of Association.

Article 135 The following matters shall be passed by way of special resolutions of the shareholders' general meeting:

- (1) Increase or reduction of the Company's registered capital and issuance of any category of shares, warrants or other similar securities;
- (2) Issuance of the Company's bonds or listing;
- (3) Division, merger, dissolution and liquidation or form change of the Company;
- (4) Amendment of the Articles of Association of the Company;

- (5) Fixed assets investment, external guarantee, external investment matters which shall be submitted to the shareholders' general meeting for examination in accordance with the relevant laws, administrative regulations and departmental rules, the provisions of the securities regulatory authority of the locality where the Company's stocks are listed as well as the provisions of the Articles of Association and other internal system;
- (6) Examining and approving the equity incentive plans and schemes;
- (7) Dismissing independent directors; and
- (8) Other matters prescribed in the laws and administrative regulations, departmental regulations, provisions of securities regulatory authority of the locality where the Company shares are listed or the Articles of Association, as well as other matters, as determined by way of an ordinary resolution of the shareholders' general meeting, which may have a significant impact on the Company and require adoption by way of a special resolution.

Article 136 The shareholders (including proxies) shall exercise their voting rights according to the number of voting shares that they hold at the shareholders' general meeting, each share shall carry one voting right.

The Company has no voting right for the shares it holds, and such part of shares shall not be included in the total amount of voting shares of the shareholders that attend the shareholders' general meeting.

When any shareholder is not allowed to exercise any voting right or is restricted to cast either affirmative or negative vote, then the vote of the shareholder or its proxy in violation of the aforesaid rules or restrictions shall not be included in the voting result.

The Board of Directors, independent directors and shareholders conforming to the relevant prescribed requirements can solicit shareholders' voting rights.

Article 137 In case the shareholders' general meeting examines matters relating to affiliated/connected transactions, the associated shareholder shall withdraw from the voting, its voting shares shall not be included in the total amount of valid voting shares. The resolution announcement of the shareholders' general meeting shall be given full disclosure of non-related shareholders' vote.

While the shareholders' general meeting examines affiliated/connected transactions matters, the related shareholders shall withdraw from the voting; where the meeting need the connected shareholders to give explanations, the connected shareholders bear the duty and obligation to make truthful explanation in the meeting.

The meeting presider shall announce at the beginning of the meeting where there are matters that connected shareholders shall withdraw from voting.

Connected shareholder can withdraw by himself/herself, or any other shareholder attending the shareholders' general meeting can put forward withdrawing requests.

Article 138 The Company can provide convenience for shareholders to attend the shareholders' general meeting through all kinds of means and methods, including providing modern information technology means such as network voting platform under the premise of guaranteeing the conformity to laws and effectiveness of the shareholders' general meeting.

Article 139 The list of directors and supervisors candidates shall be submitted to the shareholders' general meeting for voting in the form of proposal.

When the shareholders' general meeting votes on the election of directors, the cumulative voting system may be implemented according to the provisions in the Articles of Association of the Company or the resolution of the shareholders' general meeting.

The cumulative voting system means that each share has the number of voting right equal to the number of directors to be elected, and the voting right owned by a shareholder may all be used toward one director candidate at the shareholders' general meeting for election of directors.

Article 140 Except for the cumulative voting system, the shareholders' general meeting shall vote on all the proposals item by item, and shall vote on the proposals on the basis of the time sequence of the proposals if there are various proposals for one matter. Unless the shareholders' general meeting is suspended or no resolution can be made due to special reasons such as force majeure, the shareholders' general meeting shall not shelve the proposals or suspend the voting of proposals.

Article 141 When the shareholders' general meeting examines a proposal, it shall not amend the proposal, otherwise, the relevant modification shall be regarded as a new proposal and shall not be voted on at the present shareholders' general meeting.

Article 142 Votes of the shareholders' general meeting shall be taken by raising hands for resolutions voting, unless relevant regulations of the securities regulatory authority of the locality where the shares of the Company are listed require voting by poll, or the following persons require voting by ballot before or after voting by raising hands:

- (1) The meeting presider;
- (2) At least two (2) shareholders having voting rights or proxies of shareholders having voting rights; and
- (3) One or several shareholders (including their proxies) holding individually or jointly ten percent (10%) (inclusive) or more of the voting shares at the meeting.

Unless the securities regulatory authority of the locality where the shares of the Company are listed requires otherwise or somebody proposes voting by ballot, the presider of the meeting shall declare whether the resolution has been adopted according to the results of the vote by raising hands, and shall record the content in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against the resolution adopted at the meeting.

The request for voting by ballot may be withdrawn by the person who made it.

Article 143 The same voting right can only be exercised by means of one of the following: vote at the scene, through network or other voting methods. The same voting right with duplicate voting will be subject to the outcome of the first voting.

Article 144 Where the matter requested to be voted upon by ballot is the election of the presider or the adjournment of the meeting, a ballot shall be taken immediately; where a ballot is requested for any other matter, such ballot shall be taken at the time decided upon by the presider and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution adopted at that meeting.

Article 145 When a ballot is held, shareholders (including their proxies) with two (2) or more votes need not cast all their votes as affirmative or negative.

Article 146 Before the shareholders' general meeting votes on proposals, it shall recommend two (2) shareholders to take part in the calculation and monitoring of the cast of ballots. In case any matter for deliberation is associated/connected with any shareholder, such shareholder and his/her proxy shall not take part in the calculation and monitoring of the cast of ballots.

When the shareholders' general meeting is voting on the proposals, the lawyers, representatives of shareholders and supervisors shall be jointly responsible for the calculation and monitoring of ballots, the voting results shall be announced on the site and shall be recorded in the minute of the meeting.

The shareholders or their proxies that vote through network or by any other means shall have the right to check their voting results through the corresponding voting system.

Article 147 The live meetings of the shareholders' general meeting shall not end any earlier than that held through network or by any other means. The presider of the meeting shall declare the voting and result of each proposal at the meeting, and announce whether the proposal has been adopted in light of the voting result.

Before the voting result is formally announced, relevant parties including the Company, vote counters, vote monitors, main shareholders and the network service provider, etc. involved in the voting of the shareholders' general meeting on the site, through network or by any other means, shall bear the obligation of keeping the confidentiality of the voting.

Article 148 The shareholders attending the shareholders' general meeting shall deliver one of the following kinds of opinion on the proposals put forward for voting: consent, objection or abstention.

Voters, whose ballots are not filled in, wrongly filled in or unintelligible shall be regarded as having abandoned their voting rights and the voting results of their shares shall be regarded as "abstention".

Article 149 The presider of the meeting shall be responsible for deciding whether or not a resolution of the shareholders' general meeting has been passed. His/her decision shall be final and shall be announced at the meeting and recorded in the minute of the meeting.

Article 150 Where the presider of the meeting has any doubts over the results of a resolution put forward for voting, he/she may organise the counting of the number of vote cast; where the presider of the meeting does not count the votes, a shareholder or its proxy attending the meeting who challenges the result announced by the presider of the meeting shall have the right to request counting of votes to be conducted immediately after such announcement, and the presider of the meeting shall immediately organise the counting of the votes.

Article 151 Where counting of votes is held at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance records signed by the attending shareholders and proxies' power of attorneys shall be permanently kept at the Company's domicile.

The Company shall forthwith submit documents such as the minutes and resolutions of shareholders' general meetings to the banking and insurance regulatory authority of the State Council.

Article 152 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests from the Company a photocopy of relevant minutes of meetings, the Company shall send such photocopies within 7 days of receiving payment of reasonable charges.

Article 153 The resolutions of the shareholders' general meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total amount of their voting shares and its proportion to the total voting shares of the Company, the voting method, the voting result of each proposal and detailed contents of each resolution.

Article 154 Where a proposal is not adopted or the shareholders' general meeting changes the resolution of any previous shareholders' general meeting, it shall give a special notice in the announcement on the resolution of the shareholders' general meeting.

Article 155 Where the shareholders' general meeting adopts the proposal on profit distribution, cash dividends, rights issue or capitalisation of capital reserves, the Company shall implement the specific scheme within two (2) months upon conclusion of the shareholders' general meeting.

Chapter VIII Special Procedures for Voting by Classified Shareholders

Article 156 Shareholders who hold different categories of shares shall be classified shareholders.

Classified shareholders enjoy rights and assume obligations according to laws, administrative regulations and the provisions of the Articles of Association.

Article 157 Where the Company proposes to change or abrogate the rights of classified shareholders, the proposal shall be implemented only after it has been approved by a special resolution of the shareholders' general meeting and by the shareholders' meetings convened separately by affected classified shareholders according to Article 159 to Article 163 of the Articles of Association.

Article 158 In the following conditions, the rights of a certain classified shareholders shall be deemed to be changed or abrogated:

- (1) an increase or decrease in the number of shares of such category, or an increase or decrease in the number of shares of a category which enjoys equal or more voting rights, distribution rights and other privileges to those of the shares of such category;
- (2) a conversion of all or part of the shares of such category to the shares of another category, or a conversion of all or part of the shares of another category to the shares of such category, or the grant of such conversion right;
- (3) a cancellation or reduction of the right of the shares of such category to gain accrued dividends or cumulative dividends;
- (4) a reduction or cancellation of the priority of the shares of such category to in obtaining dividends, or property distribution in the Company's liquidation;
- (5) an increase, cancellation or reduction in the share conversion rights, options, voting rights, transfer rights, pre-emptive rights, and rights to acquire the Company's securities attached to the shares of such category;
- (6) a cancellation or reduction of rights to receive amounts payable of the Company in a particular currency attached to shares of such class;
- (7) a creation of a new category of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such category;
- (8) an imposition of restrictions or increase of restrictions on the transfer or ownership of shares of such category;
- (9) a right to subscribe for such class or another category of shares, or convert into another category of shares;
- (10) an increase in the rights and privileges of shares of another category;
- (11) restructuring plan of the Company will cause shareholders of different categories to bear liability disproportionately during the restructuring; and
- (12) an amendment or cancellation of the provisions in this chapter.

Article 159 Affected classified shareholders, regardless of whether they originally have voting rights in the shareholders' general meeting, have the voting rights on the classified shareholders' meeting for issues stated in (2) to (8) and (11) to (12) of Article 158, except for the interested.

The interested shareholders mentioned in the preceding paragraph are defined as follows:

- (1) in the case of a repurchase of its own shares by the Company by making repurchase offers to all shareholders on a same pro rata basis in accordance with Article 36 of the Articles of Association or through public dealing on a stock exchange, "interested shareholder" shall refer to the controlling shareholder as defined in Articles of Association;
- (2) when the Company buys back its own shares by agreement outside a stock exchange in accordance with Article 36 of this Articles of Association, the interested shareholders refer to the shareholders which are related to the agreement; and
- (3) in the Company's restructuring plan, the interested shareholders refers to those shareholders who undertake liability in a lower proportion than other shareholders under this category or refers to the shareholders who own interests different from other shareholders under this category.

Article 160 The resolutions of classified shareholders' meeting shall be passed by more than two – thirds (2/3) of voting shares of shareholders who attend classified shareholders' meeting and have the voting rights according to Article 159 of the Articles of Association.

When any shareholder is not allowed to exercise any voting right on a proposal or is restricted to casting affirmative vote or negative vote, the vote that the shareholder or its agent casts in violation of the foregoing stipulation or restriction shall not be included in the voting result.

Article 161 If the Company intends to convene a meeting of classified shareholders, it should issue a written notice to inform all registered shareholders of the relevant class about the issues to be reviewed at the meeting, meeting date and meeting place in accordance with the relevant requirements of the notice period for convening a shareholders' general meeting in Article 113 of the Articles of Association.

Article 162 The notice on meeting of classified shareholders only needs to be sent to shareholders entitled to vote at the meeting.

Meetings of classified shareholders should be held in the procedure, to the extent possible, same as that of the shareholders' general meeting. The provisions on procedures of shareholders' general meeting as stated in the Articles of Association apply to the meeting of classified shareholders.

Article 163 In addition to other classified shareholders, shareholders of domestic shares and shareholders of foreign shares listed overseas are regarded as shareholders under different categories.

The following circumstances shall not apply to special procedures for voting by classified shareholders:

- (1) upon approval of the general meeting of shareholders by special resolution, the Company issues domestic listed shares and overseas listed shares every other twelve (12) months, either separately or simultaneously, and the domestic listed shares and overseas listed shares to be issued do not exceed twenty percent (20%) of the total number of such category of shares already issued to the public;
- (2) the plan on issuing domestic listed shares and overseas listed shares at the incorporation of the Company is accomplished within fifteen (15) months from the date of obtaining approval from the securities regulatory authority of the State Council; and
- (3) shares of the Bank held by its promoters are converted into overseas listed shares upon approval by the securities regulatory authority of the State Council or the securities approval authority authorised by the State Council.

Chapter IX Board of Directors

Section I Director

Article 164 The directors of the Company are natural persons, who shall be elected and dismissed by the shareholders' general meeting. The directors of the Company must have the service qualifications serving as directors required by the banking and insurance regulatory authority of the State Council, who shall be elected by the shareholders' general meeting, and only serve as directors of the Company after their service qualifications are examined and approved by the banking and insurance regulatory authority of the State Council.

Article 165 The directors has a term of no more than three (3) years. A director may, if re-elected upon expiration of the term of office, serve consecutive terms. Before the expiration of the term, the shareholders' general meeting cannot remove a director from his/her post without cause. The directors of the Company need not hold shares of the Company.

The term of office of directors is from the date of the resolution passed by the shareholders' general meeting, until the expiration of the term of office of the current Board. Where no election is conducted in time before the expiration of the term of office of a director, the existing director shall, before the director-elected takes office, continue to perform his duty as a director in accordance with laws, administrative regulations, and departmental rules and the Articles of Association.

The president or other senior management personnel can concurrently serve as a director, but the total number of directors concurrently serving as the president or other senior management personnel positions and the directors serving as the representatives of the employees shall be no more than half (1/2) of directors of the Company.

Under the prerequisite to abide by relevant laws and administrative regulations, the shareholders' general meeting may remove any non-independent director before the expiration of his/her term of office by way of an ordinary resolution (but claims made by the director pursuant to any contract are not affected).

Article 166 The way and procedures for the nomination, approval and election of non-independent directors are as follows:

- (1) The Nomination and Remuneration Evaluation Committee of the Board of Directors, shareholders that individually or jointly hold more than 3 percent (3%) of the total voting shares of the Company are entitled to nominate candidates for non-independent directors, and such directors are elected by the shareholders' general meeting of the Company;
- (2) The Nomination and Remuneration Evaluation Committee should be in charge of preliminary assessment on the qualifications and conditions of the candidates of directors and recommend the qualified candidates to the Board of Directors for its review. The candidates of directors after being approved by the Board of Directors shall be submitted to the general meeting of shareholders in the form of a proposal in writing;
- (3) The director candidate shall make a written commitment before the shareholders' general meeting to accept the nomination, and undertake that the information provided is true and complete, and ensure that he/she will earnestly discharge his/her duties as a director upon being appointment;
- (4) Detailed information regarding the candidates of directors shall be disclosed to shareholders according to the laws, regulations and the Articles of Association prior to the convening of the general meeting of shareholders to ensure adequate understanding of the candidates by shareholders at the time of voting;
- (5) The general meeting of shareholders shall vote for each candidate of director individually;
- (6) A shareholder and its related parties shall not simultaneously nominate directors and supervisors; if a director (supervisor) nominated by a shareholder and its related parties has been appointed as a director (supervisor), and before the expiration or replacement of the term of office of the director (supervisor), the shareholder is not allowed to nominate any supervisor (director) candidate.

The number of directors nominated by the same shareholder and its associates, in principle, shall not exceed one third (1/3) of the total number of members of the Board of Directors, unless otherwise prescribed by the State.

- (7) In case of temporarily supplementing Directors, he/she should firstly be nominated by the Nomination and Remuneration Evaluation Committee of the Board of Directors or by the qualified shareholders to the Board of Directors, thereby being elected or replaced in the shareholders' general meeting;

- (8) The intention of the director candidate and the written notice to indicate the willingness of candidate to accept the nominations shall be issued to the Company within seven (7) days before the convening of the shareholders' general meeting; and
- (9) The period for the nominators and the nominee to submit the aforesaid notice and commitment (such period shall start from the second day of the issuance of the notice of the shareholders' general meeting) shall be not less than seven (7) days.

Article 167 The directors shall comply with the laws, administrative regulations and the Articles of Association, and bear the following faithful obligations to the Company:

- (1) shall not take bribes or other illegal income by making use of position, and not seize the properties of the Company;
- (2) shall not misappropriate funds of the Company;
- (3) shall not save the assets or funds of the Company into the accounts opened in his own name or other personal name;
- (4) shall not violate the provisions of the Articles of Association, or without the consent of the shareholders' general meeting or the Board of Directors, to loan funds of the Company to others or provide the properties of the Company to others for guarantee;
- (5) shall not violate the provisions of the Articles of Association, or without the consent of the shareholders' general meeting, enter into a contract or transaction with the Company;
- (6) without the consent of the shareholders' general meeting, shall not take advantage of the position, to seek business opportunities that shall belong to the Company for himself or others, and engage in the business similar to the Company by himself or with others;
- (7) shall not accept and occupy the commissions in transactions with the Company;
- (8) shall not disclose the secrets of the Company without approval;
- (9) shall not impair the interests of the Company by making use his associate relationship;
- (10) exercise the powers within the limits of their responsibilities, and shall not abuse powers;
- (11) shall not reap benefits for him or others by making use of inside information;
- (12) shall not maliciously harm the interests of the Company in other ways; and
- (13) other faithful obligations stipulated by laws, administrative regulations, and departmental rules and the Articles of Association.

The revenues obtained by the director in violation of this Article shall belong to the Company; in the event of causing losses to the Company, the director shall be liable for compensation.

Article 168 The directors shall comply with the laws, administrative regulations and the Articles of Association, and bear the following responsibilities or obligations in addition to the obligation of fidelity specified in the Article 167 of the Articles of Association:

- (1) shall cautiously, carefully and diligently exercise the rights conferred by laws and the Articles of Association, in order to ensure the Company's business practices comply with national laws, administrative regulations and the requirements of the national economic policies, and commercial activities shall not exceed the business range stipulated on the business license;
- (2) shall carefully read the business, financial reports of the Company, constantly focus on the business operations and management of the Company, and be entitled to ask the senior management to provide materials related to the Company's operation and management in a comprehensive, prompt and accurate manner, and make explanations on relevant issues;
- (3) shall sign a written confirmation to the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;
- (4) personally exercise the legally conferred disposal right of the Company, shall not be manipulated by others; without the permit of laws, regulations or without the approval of shareholders' general meeting upon informed circumstances, shall not grant the disposal right to others for exercise;
- (5) shall attend the board meetings on time, fully examine the items deliberated at the board meetings, issue independent, professional and objective opinions, and vote independently on the basis of prudent judgement;
- (6) shall bear liabilities for resolutions of the board meetings;
- (7) shall supervise the implementation of resolutions of the shareholders' general meetings and the Board of Directors by the senior management;
- (8) shall truthfully provide relevant information and data to the Board of Supervisors, and shall not prevent the exercise of functions and powers of the Board of Supervisors or the supervisors;
- (9) actively participate in relevant trainings, understand the rights, obligations and responsibilities of directors, be familiar with relevant laws, regulations and regulatory requirements, and constantly grasp relevant professional knowledge and capabilities required for the fulfillment of responsibilities;
- (10) be diligent and fulfil duties, and maintain the financial security of the Company;
- (11) shall be liable for the Company and all the shareholders and fairly treat all the shareholders during the fulfillment of responsibilities;

- (12) shall implement high-standard code of professional ethics, and consider the legitimate rights and interests of stakeholders;
- (13) shall bear the faithful and diligence obligations to the Company, fulfil the responsibilities in a prudent manner, and guarantee sufficient time and energy for performance of duties; and
- (14) shall abide by laws, administrative regulations, and departmental rules and the Articles of Association.

Article 169 Directors nominated by large shareholders shall perform the duties on basis of professional judgment, fairly treat all the shareholders, make independent, professional and objective decisions following the principle of maintaining the maximum benefits of the Company, and bear liabilities for the decisions made without impairing the legitimate rights and interests of the Company and other stakeholders.

Article 170 Directors shall attend at least more than 2/3 of the on-site board meetings in person every year. The director unable to attend can entrust another director to attend the meeting in a written form, and the power of attorney shall state the director's individual opinions and voting intentions on the proposal. Where a director neither personally attends the board meeting for two (2) consecutive times, nor entrusts another director to attend the board meeting, he/she shall be deemed not to perform the duties, and the Board of Directors shall recommend the shareholders' general meeting to dismiss and replace him.

Independent directors shall not entrust non-independent directors to attend the meeting. In principle, one director can only accept the entrustment of two directors at the most that fail to attend the meeting in person. When matters related to affiliated transactions are deliberated, non-related directors shall not entrust the related directors to attend the meeting.

Article 171 The director may resign before the expiration of his term. The director shall submit a written resignation to the Board of Directors to resign. The Board of Directors will disclose the situation in two (2) days.

Article 172 Where the number of the directors in the Board of Directors of the Company is less than the statutory number or 2/3 of the number stipulated in the Articles of Association due to the failure of election in time before the expiration of the term of office of a director or resignation of a director within his term of office, the Company will promptly launch the director election procedures; the resigning director shall, until a new director is elected, continue to perform his responsibilities as a director in accordance with laws, administrative regulations, and departmental rules and the Articles of Association. Where the Company is currently disposing of major risks, the directors of the Company shall not resign without the approval of the regulatory authority.

Except as provided in the preceding clauses, the resignation of directors shall come into force upon the delivery of the resignation report to the Board of Directors.

Article 173 Where directors fail to perform their duties due to dismissal by the shareholders' general meeting, death, loss of independence by independent directors or other circumstances, leading to the number of directors in the Board of Directors less than the statutory number or the minimum number required for the voting by the Board of Directors, the powers and functions of the Board of Directors shall be exercised by the shareholders' general meeting till the number of directors in the Board of Directors complies with requirements.

Article 174 Where a director violates the provisions of laws, regulations or the Articles of Association, infringes the interest of the shareholders, other directors, supervisors and senior management personnel of the Company, and constitutes a crime, and such facts have been adjudicated by the competent court upon final judgment, from the date of the effectiveness of such judgment, the director is accordingly dismissed from office, and the dismissal is announced by the chairman of Board of Directors on the next board meeting.

Article 175 A director that violates laws, administrative regulations, departmental rules or the Articles of Association and causes losses to the Company in performing duties of the Company shall be liable for compensations.

Article 176 Upon the effective resignation or the expiration of the term of office, the director shall complete all transfer procedures to the Board of Directors, and the faithful obligations borne to the Company and shareholders are not accordingly released and shall be still effective within a reasonable period specified in the Articles of Association, his/her confidentiality obligation to conserve trade secret of the Company is still effective after the end of his term of office, until the secret becomes public information. The duration of the obligations shall be decided based on the principle of fairness, depending on the length of the event and the time of departure, and the circumstances and conditions under which the relationship between the directors and the Company comes to the end.

Article 177 Without the provisions of the Articles of Association and the lawful authority of the Board of Directors, any director shall not act on behalf of the Company or the Board of Directors in his own name. When a director acts in his own name, under the circumstances that the third party may reasonably believe that the director acts on behalf of the Company or the Board of Directors, the director shall declare his position and identity in advance.

Article 178 The Board of Directors shall develop standards and procedures for assessing the performance of directors, to strengthen the management of the duty fulfilment of directors.

Article 179 A Director in one of the following circumstances shall not be assessed as competent for the year:

- (1) Unable to attend at least two-thirds(2/3) of the on-site board meetings in person during the year;
- (2) The board of directors considers and adopts matters that violate laws and regulations or seriously violate regulatory provisions or the articles of association, and the director votes in favor of them;
- (3) Where the Board of Directors considers a material matter in violation of the Articles of Association, the Rules of Procedure and the decision-making procedures, and the Director does not raise an objection;
- (4) The Board of Directors functions inefficiently and has corporate governance problems such as long-term failure to hold an election and long-term failure to convene a meeting normally, and the director fails to report the situation in a timely manner and promotes corrective action;

- (5) Equity and affiliated transactions are managed in serious violation of provisions, there is a material deviation in the operations strategy, there is a material error in risk management policies, or there is obvious vulnerability in the internal control system, and the director fails to give an opinion or amendment requirements in a timely manner;
- (6) Where key regulatory indicators such as capital adequacy ratio and asset quality do not meet regulatory requirements and the directors fail to make timely comments and recommendations and promote effective rectification in accordance with their responsibilities;
- (7) they are aware, or should be aware, of the circumstances that qualify them for recusal from the performance of their duties and fail to comply with the provisions;
- (8) Where the Directors have failed to promote effective rectification in accordance with their duties in respect of material breaches of the law identified and pointed out by supervision;
- (9) Director who has been administratively sanctioned or disciplined by regulatory authorities;
- (10) Other cases of improper performance of duties as determined by the CBIRC.

Article 180 A director in one of the following circumstances shall be rated as incompetent for the year:

- (1) disclosing the secrets and impair the legal interests of the Company;
- (2) accepting illegitimate benefits in the course of the performance of duties, or use the position of directors for personal gain;
- (3) participating in or assisting a shareholder to interfere improperly with the Company, resulting in significant risk and loss to the Company;
- (4) Concealing an important fact, providing false materials, or participating in the Company's fabricating false materials;
- (5) Concealing and failing to report an issue of material violation of laws, regulations and discipline by the Company or any of its related personnel;
- (6) resolutions of the Board of Directors that violate laws, regulations, regulatory provisions and the Articles of Association of the Company, resulting in significant risks and serious losses to the Company, and where the Directors have not raised objections;
- (7) refusal to rectify serious problems discovered in the evaluation of performance of duties;
- (8) any other serious dereliction of duty as determined by the CBIRC.

Section II Independent Directors

Article 181 The independent directors of the Company shall be implemented in accordance with the related provisions of laws, administrative regulations and departmental rules.

Article 182 Independent directors of the Company refer to the directors that do not hold any position other than the directors and the members of the special committee of the Board of Directors, and have no relationship with the Company or any of its shareholders and actual controllers which possibly impedes his independent and objective judgment on affairs of the Company. Independent directors shall meet the following basic requirements:

- (1) in accordance with the laws, regulations and other relevant regulations, have the qualifications to be serving as directors of the Company;
- (2) perform the duties independently, not affected by the shareholders, actual controllers, or other units or individuals that have interests with the Company;
- (3) have a basic knowledge for the operation of listed companies, familiar with relevant laws, administrative regulations, departmental rules and regulations;
- (4) have more than five (5) years of legal, economic, financial or other working experiences beneficial for performing duties of independent directors;
- (5) have a university diploma or related intermediate professional titles;
- (6) ensure sufficient time and effort to effectively perform the duties of independent directors, and work no less than fifteen (15) working days for the Company in each year;
- (7) serve as an independent director (including employment with the Company) in at most five domestic and foreign enterprises at the same time, and such enterprises or institutions shall neither be affiliated with each other nor have conflicting interest;
- (8) not take office as an independent director in more than two commercial banks at the same time (including employment with the Company);
- (9) familiar with laws and regulations related to commercial bank management;
- (10) able to read, understand and analyse the credit statistics reports and financial statements of commercial banks;
- (11) meet the relevant requirements on independent directors stipulated in the Listing Rules of the Hong Kong Stock Exchange; and
- (12) meet other requirements stipulated by laws, administrative regulations, departmental rules or regulatory authority.

Article 183 Except the persons that shall not serve as directors of the Company, the following persons shall not serve as independent directors of the Company:

- (1) the persons who hold more than 1% of the shares of the Company or take office in the companies of the shareholders;
- (2) persons taking office in the Company, or in the enterprises which are held the controlling shares by the Company or actually controlled by the Company;
- (3) persons who have ever taken office in the Company, or in the enterprises which are held the controlling shares by the Company or actually controlled by the Company within three (3) years prior to taking office;
- (4) persons taking office in enterprises which fail to return the money borrowed from the Company;
- (5) persons taking office in institutions that has legal, accounting, auditing, management consulting and other business contacts or interest relations with the Company;
- (6) any other person who can be controlled or significantly affected through a variety of ways by the Company;
- (7) close relatives of above-mentioned persons (close relatives mentioned in this article mean husband and wife, parents, children, paternal grandparents, maternal grandparents, brothers and sisters, paternal and maternal grandchildren);
- (8) persons working part-time in other commercial banks;
- (9) persons working in state organs;
- (10) persons taking offices as independent directors in more than two commercial banks at the same time shall not serve as independent directors of the Company; and
- (11) other persons that shall not serve as independent directors stipulated by laws, administrative regulations, departmental rules or the securities regulatory body and the banking and insurance regulatory authority of the State Council, and Hong Kong Stock Exchange.

Article 184 The number of independent directors of the Company shall not be less than 1/3 of the total number of members of the Board of Directors of which at least one shall be 1 accounting professional.

Article 185 The way and procedures for nomination and election of independent directors:

- (1) the Nomination and Remuneration Evaluation Committee of the Board of Directors, a shareholder(s) individually or jointly hold(s) more than 1% of the total number of voting shares of the Company and the Board of Supervisors may propose candidates qualified for independent directors to the Board of Directors, and independent directors shall be elected by the shareholders' general meeting;
- (2) The same shareholder may only nominate one independent director candidate, and is not allowed to nominate independent director and external supervisor at the same time; the shareholder who has nominated non-independent directors and his related parties shall not be allowed to nominate the independent director;
- (3) The nominator of independent director shall obtain prior consent of the nominee before the nomination. The nominator shall fully understand the occupation, education, job title, detailed work experience, and all of the part-time work of the nominee, and comment on the qualifications and independence of the nominee to serve as independent director; the nominee shall make a public statement that no relationship exists between him/her and the Company which may affect his/her independence and objective judgment;
- (4) The term of office of the independent directors is the same as the term of office of the directors of the Company. The term of independent directors in the Company shall comply with the provisions of laws and regulatory authority, and an independent director may, if re-elected upon expiration of the term of office, serve consecutive terms, and the terms served shall not exceed six years cumulatively.

Article 186 An independent director may resign before the expiration of the term of office. Before the shareholders' general meeting or the Board of Directors approves the resignation of an independent director, the independent director shall continue to perform his/her duties. The independent director shall submit a written resignation report to the Board of Directors for resignation, and explain any circumstance related to the resignation or which he/she considers necessary to be noticed by shareholders and creditors of the Company.

Where the resignation of the independent director during his term of office results in that the number of independent directors of the Board of Directors of the Company is below 1/3 of the total members of the Board of Directors, the resigning independent director shall continue to perform his duties before a new independent director takes office, except the resignation due to losing independence or dismissal.

Article 187 Where an independent director is in one of the following circumstances, the Board of Directors of the Company shall apply to the shareholders' general meeting for dismissal within three months, and elect a new independent director:

- (1) not meets the service qualifications for an independent director due to position change and not resign personally;
- (2) the number of board meetings attended in person in one year is less than two thirds (2/3) of the total number of board meetings;
- (3) fails to attend in person the board meeting for three (3) consecutive times;
- (4) other circumstances not suitable to serve as an independent director stipulated by the laws and regulations.

Article 188 The independent director whose service qualifications are cancelled by the banking and insurance regulatory authority of the State Council due to serious misconduct shall not serve as the independent director of the Company. His/her post is accordingly removed from the date of the cancellation of service qualifications, and the Company shall promptly elect a new independent director. The following conducts shall be deemed as serious misconducts of independent directors:

- (1) disclose the trade secrets of the Company, and impair the legal interests of the Company;
- (2) accept improper benefits in the course of the performance of duties, or use the position of independent director for personal gain;
- (3) clearly know the resolution of the Board of Directors violates laws, regulations or the Articles of Association of the Company, and not propose objections;
- (4) an independent director doesn't exercise the veto for affiliated/connected transactions that result in a significant loss to the Company, which shall be submitted to the Board of Directors for deliberation according to laws, administrative regulations, departmental rules, the related regulations of the stock exchange in which the shares of the Company are listed, the Articles of Association, and other internal systems; and
- (5) other serious misconducts identified by the regulatory authority.

Article 189 Independent directors bear fiduciary obligations and shall fulfill duties in a credible, independent and diligent manner, and protect the legitimate rights and interests of the Company, medium and minor shareholders and financial consumers without being influenced by shareholders, actual controllers, senior management or other units or individuals that have interests with the Company.

In case of major defects or dysfunction of the corporate governance mechanism of the Company, independent directors shall promptly report relevant situations to the banking and insurance regulatory authority of the State Council, and keep the circumstance confidential. The dysfunction of the corporate governance mechanism of the Company includes but is not limited to:

- (1) Failure to elect the Board of Directors for over one consecutive year;
- (2) Failure to make effective resolutions by the Board of Directors due to long term conflict between directors, and such conflict cannot be solved at the shareholders' general meeting;
- (3) Failure to convene the shareholders' general meeting for over one consecutive year;
- (4) Failure to reach the proportion stipulated by the law or the Articles of Association for the voting by the shareholders' general meeting, and failure to make effective resolutions of the shareholders' general meeting for over one consecutive year;
- (5) Failure to adopt the proposal for a capital increase as a result of capital inadequacy or insolvency;
- (6) Serious difficulty in the Company's operation and management due to failure of normal operation of the existing governance mechanism;
- (7) Other circumstances recognized by the regulatory authority.

Article 190 Independent directors may choose an independent director to be responsible convening special meetings attended by independent directors to study relevant issues of performance of duties.

Article 191 Independent directors may express objective and impartial independent opinions on the matters deliberated on the shareholders' general meetings or the Board of Directors, and independent opinions shall be particularly issued on following issues to the shareholders' general meetings or the Board of Directors:

- (1) the affiliated/connected transactions that shall be submitted to the Board of Directors or the shareholders' general meeting for deliberation in accordance with laws, administrative regulations, departmental rules, the provisions of the securities regulatory authority of the place where the shares of the Company are listed, the Articles of Association and other internal systems of the Company;
- (2) Nomination, engagement of directors, and appointment and dismissal of the senior management;
- (3) Remuneration of directors and the senior management;
- (4) profit distribution plans;

- (5) engagement or dismissal of an accounting firm providing regular legal audits on the financial reports of the Company;
- (6) other matters that may have important impacts on the legitimate rights and interests of the Company, medium and minor shareholders, financial consumers or medium and minor shareholders;
- (7) matters that may result in significant losses to the Company;
- (8) Other matters stipulated in laws, administrative regulations, departmental rules, the provisions of the securities regulatory authority of the place where the shares of the Company are listed, and the Articles of Association.

Independent directors shall express one of the following categories of opinions on the abovementioned matters: consent; reserved opinions and the reasons; objections and the reasons; inability to issue opinions and the obstacles.

Article 192 The opinions expressed by independent directors on the Company's decisions shall be stated in the records of the board meetings. Independent directors not proposing objections on the resolutions of the board meetings that violate laws, regulations or the Articles of Association of the Company and result in serious losses to the Company shall be liable for compensations according to laws.

Article 193 In order to ensure the effective functioning of independent directors, the Company shall provide the necessary conditions for independent directors:

- (1) the Company shall ensure that the independent directors are entitled to the same right of information as other directors, and promptly and completely provide necessary information for the independent directors to participate in the decision-making;
- (2) the Company shall provide independent directors with the necessary working conditions to perform their duties;
- (3) when independent directors exercise their functions and powers, the relevant personnel of the Company shall actively cooperate and shall not refuse, obstruct, conceal, or interfere with the independent exercise of the functions and powers;
- (4) the fees of the intermediary hired by independent directors and other costs for the exercise of functions and powers shall be borne by the Company; and
- (5) the Company gives proper allowances to independent directors. The plan of allowance standard shall be made by the Board of Directors, passed through the consideration and discussion of the shareholders' general meeting, and disclosed in the annual report of the Company. In addition to the above-mentioned allowances, the independent directors shall not obtain any other additional, undisclosed interests from the Company and the major shareholders or interested organizations and personnel of the Company.

Section III Board of Directors

Article 194 The Company sets up the Board of Directors, which is responsible for the shareholders' general meeting.

Article 195 The board of directors consists of 11 directors, including three executive directors and eight non-executive directors (including independent directors).

Executive directors, apart from serving as directors of the Company, also undertake the duties of senior management; and non-executive directors do not hold any other office in the Company other than their office as directors and do undertake the duties of senior management.

The Board of Directors shall have no less than four independent directors, with at least one of the independent directors must be ordinarily resident in Hong Kong, China, and the total number of independent directors shall be not less than one third of all directors.

Article 196 The board of directors shall exercise the following functions and powers:

- (1) convene the general meeting and report to the general meeting;
- (2) implement the resolutions of the shareholders' meeting; consider and approve the external investment, acquisition of assets, disposal and write-off of assets, asset mortgaging, affiliated/connected transactions and data governance of the Company within the scope of authorisation by the general meeting of the Company in accordance with laws, regulations and regulatory requirements;
- (3) decide the Company's operation plan, formulate scientific, reasonable and stable development strategy of the Company and supervise the implementation thereof, and determine the market positioning and development objective which reflect the differentiation and specialisation;
- (4) formulate the Company's risk tolerance level and risk management and internal control policies, and have the ultimate responsibility for the comprehensive risk management;
- (5) continue to focus on the internal control of the Company, establish good internal control culture and carry out regular research and evaluation on the adequacy, reasonableness and effectiveness of the internal control;
- (6) have the ultimate responsibility for the establishment, operation and maintenance of internal audit system, and the independence and effectiveness of internal audit;
- (7) formulate the Company's annual financial budget plan and final account plan;
- (8) formulate the Company's profit distribution plan and plan for recovery of losses;
- (9) formulate the Company's plans for increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (10) formulate capital plan and have the ultimate responsibility for capital management;

- (11) formulate the Company's plans for major acquisitions, acquisitions of the Company's shares or merger, division, dissolution and change of corporate form;
- (12) regularly evaluate and improve the Company's corporate governance, and protect the legitimate rights and interests of financial consumers and other stakeholders;
- (13) determine the arrangement of the Company's internal management structure;
- (14) according to the nomination of the chairman of board of directors, appoint or dismiss the Company's president and secretary of the board of directors; and upon the nomination of the president, appoint or dismiss the vice president, assistant president, financial director and other senior management personnel;
- (15) establish and implement the responsibility performance accountability system of the senior management, supervise the effective performance of responsibilities by the senior management, decide the remuneration matters and disciplinary matters of senior management and specify the specific way for accountability of malfunction and improper performance of responsibilities;
- (16) review and approve the work rules for the president, listen to the work report and check the work of the Company's president;
- (17) formulate proposed amendments to the Articles of the Company, formulate the rules of procedures of the general meetings, the rules of procedures of the board of directors; and review and approve the working rules of the special committees of the board of directors;
- (18) Requesting the shareholders' meeting to retain or dismiss an accounting firm that conducts regular statutory audit of the Company's financial reports;
- (19) determine the green credit development strategies, review and approve the green credit objectives made and the green credit reports submitted by senior management, and supervise and appraise the Company's implementation of the green credit development strategies;
- (20) establish the mechanism for identification, review and management of the conflict of interests between the Company and shareholders, especially major shareholders; and have the ultimate responsibility for the management of shareholders' affairs;
- (21) review the Company's compliance with the Corporate Governance Code specified in Listing Rules of Hong Kong Stock Exchange and the information disclosed in the Corporate Governance Report;
- (22) in charge of the Company's information disclosure matters and have the ultimate responsibility for the truthfulness, accuracy, completeness and promptness of the Company's accounting and financial reporting;
- (23) other functions and powers conferred by laws, administrative regulations, rules or these Rules.

The powers and functions of the board of directors shall be collectively exercised by the board of directors. The powers and functions of the board of directors stipulated in the Company Law shall not be authorised to be exercised by the chairman of board of directors, directors, other institutions or individuals in principle. When necessary, some specific decision-making matters shall be authorised with resolutions of the board of directors in accordance with the law. Separate authorisation shall be given to specific matter and the functions and powers of the board of directors shall not be authorised generally or permanently to certain other institutions or individuals.

Article 197 The Board of Directors shall explain the non-standard audit opinions issued by certified public accountants on the financial report of the Company to the shareholders' general meeting.

Article 198 The Board of Directors shall regularly or irregularly report work to the Board of Supervisors, to accept the supervision from the Board of Supervisors.

Article 199 The Board of Directors formulates Rules and Procedures of Board of Directors and the organization rules of all professional committees and related working agencies, to ensure the Board of Directors implements resolutions of the shareholders' general meeting, improve work efficiency, and ensure scientific decision-making.

Article 200 At the time of disposal of fixed assets, if the sum of the expected value of the fixed assets to be disposed and the value of fixed assets disposed within four (4) months before this disposal exceeds 33% of the value of fixed assets revealed in the balance sheet recently adopted by the shareholders' general meeting, the Board of Directors shall not dispose or agree to dispose the fixed assets without the prior approval of shareholders' general meeting.

The disposal of fixed assets referred in this article includes the transfer of certain assets and interests, but does not include the guarantee provided with fixed assets.

The effectiveness of transactions of the Company to dispose fixed assets is not affected by the violation of the first clause of this article.

Article 201 In order to strengthen the management of the Company's investment in village and township banks, the Company sets up specialized agencies for management of Village and Township Banks responsible for the Board of Directors.

Article 202 The board meetings can be divided into regular meetings and interim meetings. The regular board meeting shall be convened at least four times per year, convened by the chairman of Board of Directors, and noticed all directors and supervisors before fourteen (14) days prior to the meeting.

Article 203 The proposal review of our Board of Directors implements centralized management and proposals shall be compiled by the department of proposals of the Company; thereby proposals shall be submitted to the Board of Directors after being reviewed and passed in accordance with the stipulated procedures.

Article 204 Upon any of the following circumstances, the chairman of Board of Directors convenes and presides over an interim board meeting within 10 days after receiving the proposal:

- (1) proposed by shareholders representing more than one tenth (1/10) of the voting rights;
- (2) proposed by more than one third (1/3) of directors;
- (3) proposed by the Board of Supervisors;
- (4) the chairman of Board of Directors considers necessary;
- (5) proposed by more than two independent directors;
- (6) the regulatory department requires to hold the meeting;
- (7) other circumstances stipulated in the Articles of Association.

Article 205 The ways of notice for an interim board meeting are: issue the notice to each director in the form of fax, express mail, hand delivery, e-mail or other electronic media; the notice period is: three (3) working days before the meeting. Where the interim board meeting is needed to be held as soon as possible under emergency situation, the meeting notice may be issued by telephone or other oral ways, but the convener shall give an explanation at the meeting.

Article 206 The meeting notice of the board meeting includes the following:

- (1) the time and place of the meeting;
- (2) duration of the meeting;
- (3) the subject and issues;
- (4) the date of the notice.

The banking and insurance regulatory authority of the State Council and its dispatched offices may dispatch staff to be present at the board meetings of the Company. The Company shall notify the banking and insurance regulatory authority of the State Council at least 3 working days before the board meeting is convened. If the aforesaid period cannot be satisfied under special circumstances, the Company shall forthwith notify the banking and insurance regulatory authority of the State Council and specify the reasons.

Article 207 The board meeting shall be held upon the attendance of more than half of directors. The resolutions of the Board of Directors must be passed upon the approval of more than half of all the directors.

Article 208 The director that has associated relationship with the enterprise involved in the resolution of the board meeting shall not exercise the right to vote on the resolution, nor exercise voting rights on behalf of other directors. The board meeting could be held upon the attendance of more than half (1/2) of the directors without associated relationship, and the resolution of the board meeting shall be passed upon the approval of more than half (1/2) of the directors without associated relationship. The aforementioned matters that shall be passed upon the approval of more than two thirds (2/3) of the directors of the Board must be passed upon the approval of more than two thirds (2/3) of the directors without associated relationship. In the event of less than three (3) attending directors without associated relationship, the matter shall be submitted to the shareholders' general meeting for deliberation.

Article 209 The resolution of the Board of Directors may be voted at on-site meetings or via written signature. Each director shall have one vote at the board meeting, and vote by open ballot.

The profit distribution plans, remuneration plans, major investment, major asset disposal plans, engagement and dismissal of senior management personnel, capital supplement plans, major equity changes and financial restructuring and other major matters that shall be submitted to the Board of Directors for deliberation in Item (7), (8), (10), (13) and (16) in Article 196 of the Articles of Association and the provisions of the internal systems of the Company shall not be voted in a written signature way and shall be passed by the affirmative votes of more than two thirds (2/3) of directors in the Board of Directors.

Article 210 The board meeting shall be attended by directors personally. Board meeting may be held by communications equipment, as long as the participating directors can attend the meeting via telephone or video and fully express their opinions and suggestions, all the participating directors shall be deemed to have personally attended the meeting. The director unable to attend can entrust another director to attend the meeting in a written form, the power of attorney shall clearly state the agent's name, ID number, the reason why the principal cannot attend, entrusted task, the scope and validity of authorization, the brief comments of the principal on each proposal, and the instructions of the principal on the voting intention for each proposal, and signed or sealed by the principal.

The director who attends the meeting on behalf of another director shall exercise the rights of directors within the authority. The director not attending the board meeting and not entrusting a representative to attend the meeting shall be deemed to have waived the right to vote.

Article 211 The Board of Directors shall make minutes of meeting for all decisions of matters discussed at the on-site meeting, and the attending directors shall sign on the minutes of meeting. The directors with different opinions on the minutes of meeting may make additional remarks when affixing signatures. The Company shall record the situations of the on-site board meetings in the audio and video form. The minutes of meeting shall be kept permanently.

The Company shall promptly submit the minutes and resolutions and other documents of the board meetings to the banking and insurance regulatory authority of the State Council.

Article 212 The directors shall be responsible for resolution of the Board of Directors. Where the board resolutions violate laws, administrative regulations or the Articles of Association, resulting in losses to the Company, the directors involved in the resolution shall be liable for compensations to the Company. But the director whose vote is proved to express dissent and is recorded in the minutes may be exempted from liability.

Article 213 The office of Board of Directors is a working body established by the Board of Directors of the Company, with 1 (one) manager and is mainly responsible for the preparation and information disclosure of the shareholders' general meeting, the board meeting, and the meetings of the special committees of the Board of Directors, and other daily affairs of the Board of Directors and the special committees of the Board of Directors.

Article 214 The Company shall forthwith report the governance regulation and evaluation results and regulatory opinions issued by the banking and insurance regulatory authority of the State Council and its dispatched offices, as well as the rectifications of the Company to directors, the Board of Directors, supervisors and the Board of Supervisors, and make prompt rectifications according to the regulatory requirements.

Section IV Chairman of Board of Directors

Article 215 The Board of Directors shall have 1 chairman of Board of Directors and 1 vice chairman of Board of Directors. The chairman of Board of Directors and vice chairman of Board of Directors shall be elected by more than half of all the directors, and have a term of office for three (3) years and may be re-elected.

Article 216 The chairman of the Board of Directors and the president of the Company shall be divided and the chairman of Board of Directors shall not be undertaken by the legal representative or the main person in charge of the controlling shareholders.

Article 217 The chairman of the Board of Directors leads the Company to strengthen the development of the Board of Directors, and enhance the operation quality and efficiency of the Board of Directors. In addition to general responsibilities as a director, the chairman shall also fulfill other responsibilities in accordance with laws, regulations, regulatory requirements and the Articles of Association, and exercise the following functions and powers:

- (1) preside over the shareholders' general meeting and convene and preside over board meetings;
- (2) supervise and inspect the implementation of resolutions of board meetings;
- (3) sign the corporate bonds and other negotiable securities;

- (4) propose the president candidate and the board secretary of the Company to the Board of Directors and other candidates that shall be engaged or dismissed by the Board of Directors proposed by the chairman of Board of Directors;
- (5) propose member candidates of the special committees of the Board of Directors;
- (6) sign important documents of the Board of Directors and other documents that shall be signed by the legal representative of the Company;
- (7) in emergency situations such as natural disasters and other force majeure, exercise the special handling right on the affairs of the Company in compliance with the law and the interests of the Company, and report to the Board of Directors or shareholders' general meeting afterwards;
- (8) exercise the functions and powers of the Company's legal representative;
- (9) other matters authorised by the Board of Directors.

Article 218 The chairman of Board of Directors exercises functions and powers conferred by the Board of Directors in the closing period of board meetings.

Article 219 The vice chairman of Board of Directors assists the chairman of Board of Directors to work, where the chairman of Board of Directors is unable to perform duties or fails to perform duties, the vice chairman of Board of Directors shall perform duties; where the vice chairman of Board of Directors is unable to perform duties or fails to perform duties, more than half of the directors shall elect one director to perform duties.

Section V Special Committee of the Board of Directors

Article 220 In order to fully perform duties, the Board of Directors sets up the Board Nomination and Remuneration Evaluation Committee, Board Risk Management and Related Transactions Control Committee, Board Development Strategy Committee, Board Audit Committee and Board Consumer Rights and Interests Protection Committee, may also set up other special committees according to laws, regulations, regulatory requirements and the needs of the Company. The Board of Directors may decide the merge and establishment of relevant committees according to the actual circumstances.

The special committees of the Board of Directors are responsible for the Board of Directors. The special committees of the Board of Directors shall be composed of directors with professional knowledge or working experience matching the responsibilities of the special committees. The members are nominated by the chairman of Board of Directors and elected by the Board of Directors, and the number of people is not less than three (3). The term of office of committees is the same as the Board of Directors, and members may, if re-elected upon expiration of the term of office, serve consecutive terms.

The chairman of Board Risk Management and Related Transactions Control Committee, Board Nomination and Remuneration Evaluation Committee and Board Audit Committee are undertaken by independent directors. The chairmen of the Board Risk Management and Related Transactions Control Committee and Board Audit Committee shall work for no less than 20 working days per year for the Company.

In principle, independent directors shall account for no less than 1/3 in the Board Risk Management and Related Transactions Control Committee, and occupy the majority of Board Nomination and Remuneration Evaluation Committee and Board Audit Committee. The directors nominated by controlling shareholders shall not be the members of Board Risk Management and Related Transactions Control Committee, Board Nomination and Remuneration Evaluation Committee.

Members of the Audit Committee of the Board of Directors shall have professional knowledge and work experience in such areas as finance, audit, accounting or law. Members of the Risk Management and Related Transactions Control Committee of the Board of Directors shall have the experience of making judgment and management to all kinds of risks.

The special committees of the Board of Directors shall each have one (1) secretary, responsible for the daily work contact of committees and the meeting preparation of committees.

Article 221 The Board Nomination and Remuneration Evaluation Committee are primarily responsible for:

- (1) formulating the conditions of service, criteria and selection procedures for directors and senior management personnel, and putting forward suggestions to the Board of Directors;
- (2) performing preliminary assessment on the service qualifications and conditions of directors and senior management personnel, and make recommendations to the Board of Directors;
- (3) putting forward qualified candidates of independent directors to the Board of Directors;
- (4) formulating, implementing remuneration and incentive measures and schemes of directors and senior management personnel of the Company, and putting forward suggestions to the Board of Directors;
- (5) developing performance review standards of the Company's senior management personnel, and report assessment results to the Board of Directors;
- (6) checking and deciding the amount of annual incentive salaries distributed to the Company's senior management personnel, operating and management personnel and employees;
- (7) reviewing and approving the compensation paid to the executive directors and the senior management for their loss or termination of duties or entrustment, and putting forward suggestions to the Board of Directors;
- (8) reviewing and approving the compensation paid due to the dismissal of relevant directors due to their improper acts, and putting forward suggestions to the Board of Directors;
- (9) other matters authorised by relevant laws, administrative regulations, departmental rules, the securities regulatory authority in the place of listing of the shares of the Company and the Board of Directors.

The Board Nomination and Remuneration Evaluation Committee shall exercise the right of nomination of directors in an independent and prudent manner without being affected by shareholders.

Article 222 Board Risk Management and Related Transactions Control Committee are primarily responsible for:

- (1) supervising the risk control in terms of the credit, market, and operations of the Company's senior management personnel;
- (2) making regular assessment of the risk status of the Company;
- (3) putting forward a sound advice on risk management and internal control;
- (4) collecting, compiling lists and information of related parties of the Company;
- (5) inspecting and supervising the control of the Company's affiliated/connected transactions, and the implementation of affiliated/connected transactions control system by the Company's directors, senior management personnel, the related parties, and report to the Board of Directors;
- (6) approving or making preliminary review on matters that shall be approved or preliminary reviewed by Board Risk Management and Related Transactions Control Committee in accordance with the Articles of Association and other internal rules of the Company, keeping records of the relevant matters, and submitting to the Board of Directors for approval as required;
- (7) other matters authorised by the Board of Directors.

Article 223 The Board Development Strategy Committee is primarily responsible for:

- (1) Researching and providing advice on the long and medium term development strategies of the Company;
- (2) Researching and providing advice on material investment and financing programmes, material capital operations and asset operating projects that shall be approved by the Board of Directors according to the Articles of Association;
- (3) Researching and providing advice on other significant matters affecting the development of the Company;
- (4) formulating the annual business targets of the Company;
- (5) supervising and inspecting the implementation of senior management personnel on the long and medium term development plan, annual business targets, investment and financing programmes, and capital operation programmes;
- (6) communicating with senior management and departments regularly about the Company's operation and risk status, and providing advice and suggestions thereon;
- (7) researching and providing advice on the strategies, policies and objectives of green credit and supervising senior management to implement green credit and fulfil social responsibilities;
- (8) other matters authorised by the Board of Directors.

Article 224 The Board Audit Committee is primarily responsible for:

- (1) examining the accounting policies, financial condition and financial reporting procedures of the Company;
- (2) reviewing the financial information and its disclosure of the Company;
- (3) overseeing the internal control system and its implementation of the Company;
- (4) supervising and evaluating the Internal Audit Department;
- (5) Proposing the appointment or replacement of the accounting firm;
- (6) Coordinating the internal and external audit work of the Company; and
- (7) other matters authorised by the Board of Directors.

Article 225 The Board Consumer Rights and Interests Protection Committee is primarily responsible for:

- (1) formulating strategies, policies and objectives for the Company's works in protecting consumers' rights and interests, guiding senior management to strengthen the corporate culture cultivation for protecting consumers' rights and interests from the perspective of overall planning, and incorporating contents relating to the protection of consumers' rights and interests into corporate governance, corporate culture cultivation and business development strategies;
- (2) supervising senior management to carry out the works relating to the protection of consumers' rights and interests effectively, listen to senior management's special reports regularly on the Company's works in protecting consumers' rights and interests, considering and approving relevant special reports, and submitting relevant special reports to the Board of Directors with relevant works as an important part of information disclosure;
- (3) supervising and evaluating the comprehensiveness, promptness and effectiveness of the Company's works in protecting consumers' rights and interests and the performance by senior management of their related duties;
- (4) in line with the Company's overall strategy, considering and providing advice to the Board of Directors on resolutions proposed to be submitted to the Board of Directors for consideration in respect of the protection of consumers' rights and interests;
- (5) other matters authorised by the Board of Directors.

Article 226 The Board of Directors formulates the rules of procedure and working procedures of all the special committees, and all the special committees formulate the annual working plan and hold meetings regularly.

Article 227 All special committees may engage external agencies to offer professional opinions, and related fees are borne by the Company.

Section VI Secretary of the Board of Directors

Article 228 The Board of Directors shall have board secretary to be responsible for the Board of Directors. The board secretary is the senior management personnel of the Company.

The board secretary shall comply with the relevant provisions of laws and administrative regulations, departmental rules and the Articles of Association.

Article 229 The board secretary shall be a natural person that has the necessary professional expertise and experience, commissioned by the Board of Directors.

Article 230 The board secretary of the Company shall meet the following conditions:

- (1) having good work ethic and personal qualities;
- (2) having the financial, management, legal and other expertise necessary for performing duties;
- (3) having the working experiences necessary for performing duties, including but not limited to company management experiences and the experiences working in banks;
- (4) meeting the conditions to serve as the board secretary required by the Stock Exchange in which the shares are listed;
- (5) meeting the service qualifications required by the banking and insurance regulatory authority of the State Council.

Article 231 The directors or other senior management personnel can concurrently serve as the board secretary. The accountants of the accounting firm engaged by the Company shall not concurrently serve as the board secretary.

When a director concurrently serves as the board secretary, if an act should be done by a director and board secretary separately, the person acting as the director and board secretary shall not act in double identities.

Article 232 The primary duties of the board secretary are:

- (1) ensuring that the Company has complete organizational documents and records;
- (2) ensuring that the Company prepares and submits reports and documents required by competent authorities in accordance with laws;
- (3) ensuring that the register of shareholders of the Company is properly maintained to ensure that the person entitled to obtaining the relevant records and documents of the Company can get the relevant records and documents in a timely manner;
- (4) responsible for the information release of the Company, and preparing and submitting the reports and documents issued by the Board of Directors and shareholders' general meeting required by related national authorities;

- (5) organizing and preparing the board meetings and shareholders' general meeting, and is responsible for organizing the custody of the meeting documents and records;
- (6) responsible for drafting board documents and related rules and regulations;
- (7) responsible for organizing and coordinating information disclosure of the Company, and taking effective measures to ensure that the information disclosure is timely, accurate, legitimate, true and complete;
- (8) assisting the Board of Directors of the Company to strengthen the construction of corporate governance;
- (9) responsible for the investor relations management of the Company, improving the communication, reception and service mechanism of the Company with investors;
- (10) responsible for the equity management affairs of the Company, including safekeeping shareholding materials of the shareholders of the Company, urging the directors, supervisors, senior management personnel and other relevant personnel to comply with the relevant provisions about the shares trading of the Company etc.;
- (11) assisting the Board of Directors of the Company to develop the capital market development strategy, assist in planning or implementing the capital market refinancing or mergers and acquisitions transactions of the Company;
- (12) responsible for the normal operation of the training affairs, organizing the directors, supervisors, senior management personnel and other relevant personnel to receive trainings on relevant laws and regulations and other normative documents;
- (13) urging the directors, supervisors and senior management personnel of the Company to fulfill the faithful and diligence obligations. When knowing the foresaid personnel violating relevant laws and regulations, or other normative documents or the Articles of Association to make or possibly make the relevant decisions, shall give cautions and immediately report to the Stock Exchange;
- (14) other matters authorised by the Board of Directors;
- (15) other duties that shall be performed required by the Company Law, the securities regulatory authority of the State Council, the banking and insurance regulatory authority under the State Council, and the Stock Exchange in which the shares are listed.

Article 233 The board secretary is nominated by the chairman of Board of Directors, and appointed or dismissed by the Board of Directors after receiving the approval of his/her service qualification permission from the banking and insurance regulatory authority under the State Council. The term of office of the board secretary is the same as the Board of Directors.

Article 234 The board secretary could concurrently serve as the manager of the office of Board of Directors.

Article 235 The Board of Directors of the Company may engage securities affairs representative, to assist the board secretary to perform duties.

Chapter X President and Other Senior Management Personnel

Article 236 The senior management shall be accountable to the Board of Directors, and accept the supervision by the Board of Supervisors. They shall report the Company's operation and management situations in a prompt, accurate and complete manner and provide relevant materials as required by the Board of Directors and the Board of Supervisors.

Article 237 The Company shall have one (1) president, nominated by the chairman of Board of Directors, and appointed or dismissed by the Board of Directors. The chairman of the Board of Directors shall not serve concurrently as the president.

The Company shall have a number of vice presidents, nominated by the president, appointed or dismissed by the Board of Directors.

The president, vice president, assistant to the president, financial officer, board secretary and other persons determined by the Board of Directors are the senior management personnel of the Company.

The Company shall have one (1) chief risk officer or appoint one (1) senior management personnel as the person in charge of risks, nominated by the president, and appointed or dismissed by the Board of Directors. The chief risk officer or person in charge of risks shall maintain sufficient independence, and shall not concurrently take charge of any work having interest conflicts with risk management.

The service qualifications of senior management personnel should be reported to the banking and insurance regulatory authority of the State Council for approval.

Article 238 The senior management personnel shall abide by laws, regulations, regulatory requirements and the Articles of Association, have good professional virtues, follow high-standard code of professional ethics, bear faithful and diligence obligations to the Company, perform duties in a faithful, diligent and prudent manner, guarantee sufficient time and energy for performance of duties, and shall not be remiss in performance of duties or go beyond the scope of authority.

The faithful obligations stipulated in the Article 167 and the diligence obligations stipulated in the Item (4), (9), (14) of Article 168 of the Articles of Association shall also apply to senior management personnel.

Article 239 Staffs of Large shareholders, controlling shareholders and actual controllers of the Company and the enterprise group shall not concurrently serve as the senior management personnel of the Company in principle.

Article 240 Each term of office of the president and other senior management personnel is three (3) years, and may serve consecutive terms if re-elected, and must have off-office auditing when leaving.

Article 241 The president is responsible for the Board of Directors, and shall exercise the following functions and powers:

- (1) presiding over the Company's daily operation management, organizing and implementing the board resolutions, and report to the Board of Directors;
- (2) organizing and implementing the annual operation plan and investment plan approved by the Board of Directors;
- (3) preparing the establishment and dissolution and merger of the internal management departments and outlets of the Company;
- (4) formulating the basic management system of the Company, developing specific regulations, procedures;
- (5) proposing the appointment or dismissal of other senior management personnel to the Board of Directors other than those who should be appointed or dismissed by Board of Directors upon the proposal of the chairman of Board of Directors;
- (6) appointing or dismissing the management personnel other than those who should be appointed or dismissed by the Board of Directors or whose appointment or dismissal should be approved by the Board of Directors;
- (7) authorizing senior management members, internal functional departments and personnel in charge of branches to be engaged in business activities;
- (8) determining the emoluments, welfares, and the imposition of any disciplinary measures of employees of the Company;
- (9) determining the employment and dismissal of employees of the Company;
- (10) other functions and powers conferred by the Articles of Association, the Board of Directors, and the chairman of Board of Directors.

The non-director president could attend board meetings, but has no voting right at board meetings.

Article 242 The senior management personnel should establish a system to report the information to the Board of Directors and its special committees and Board of Supervisors and its special committees, to promptly, accurately and completely report the signing and implementation of material contracts of the Company, and the use of funds, financial status, risk condition, operation performance, business prospects, as well as material litigation, and guarantee matters and clarify the category, content, time and manner of the reporting information in order to ensure the directors and supervisors can acquire all kinds of information timely and accurately. The president must ensure the authenticity of the reports. The president must ensure the authenticity of the reports.

Senior management personnel shall carry out operation and management activities in accordance with the Article of Association and the authorization of the Board of Directors, and shall proactively implement the resolutions of the shareholders' general meeting and the Board of Directors. The operation and management activities conducted by the senior management personnel within the scope of authority shall not be improperly interfered in by shareholders and the Board of Directors.

Article 243 The president shall establish working rules that shall be implemented after the approval of the Board of Directors.

Article 244 The working rules of the president includes the following:

- (1) the condition, procedures and participating personnel of the president meeting;
- (2) the specific responsibilities and work division of the president and other senior management personnel;
- (3) the authority of funds and asset utilization, and signing material contracts, and the reporting system to the Board of Directors and the Board of Supervisors;
- (4) other matters that the Board of Directors considers necessary.

Article 245 The senior management personnel shall accept the supervision of the Board of Supervisors, and regularly provide the operation management and financial status and other information of the Company to the Board of Supervisors, and shall not obstruct and impede the inspection, auditing and other activities of the Board of Supervisors according to its functions and powers. When the Board of Supervisors undertakes the performance of duties, the senior management personnel shall give cooperation, and give responsible treatment for matters which are doubted or are ordered to rectify by the Board of Supervisors.

Article 246 The senior management personnel may resign before the expiration of the term of office. The specific procedures and measures about the resignation of senior management personnel are stipulated by the labour contracts between the senior management personnel and the Company. The senior management personnel could leave only after finishing the off-office auditing conducted by the Board of Supervisors.

Article 247 The senior management of the Company should establish and improve the internal control mechanisms with internal rules and regulations, operational risk control system, credit approval system as the main contents based on the needs of the business activities of the Company. The president of the Company shall not be a member of the Credit Review Committee, but has the veto power on the credit decision passed by the Credit Review Committee

Article 248 At the end of the operation year or upon the necessity considered by the Board of Directors, the senior management should report on his work to the Board of Directors.

Article 249 At the time of major emergencies such as a bank run that may occur in the Company, the president should take urgent measures, and immediately report to the local government, the People's Bank of China, the banking and insurance regulatory authority of the State Council, and the Board of Directors and Board of Supervisors.

Article 250 The senior management personnel that violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company in performing duties of the Company shall be liable for compensations.

Chapter XI Board of Supervisors

Section I Supervisor

Article 251 The supervisors of the Company shall be natural persons. The shareholder supervisors and external supervisors are elected, removed from office or replaced from the shareholders' general meeting; staff supervisors are elected, removed from office or replaced by the staff representatives assembly, the general staff meeting or other forms of democratic elections. The directors and senior management personnel shall not concurrently serve as supervisors.

Supervisors should have expertise or work experience in law, accounting and other aspects. The personnel and structure of Board of Supervisors should be able to ensure the Board of Supervisors' independent and effective exercise of the supervision and inspection on directors and senior management personnel and the finance personnel of the Company.

Article 252 The way and procedures for nomination, approval and election of supervisions are as follows:

- (1) The shareholder supervisor candidates are nominated by the Board of Supervisor or the shareholders that individually or jointly hold more than three percent (3%) voting shares of the Company, external supervisor candidates are nominated by the Board of Supervisor or the shareholders that individually or jointly hold more than one percent (1%) voting shares of the Company, and staff supervisor candidates are nominated by the Board of Supervisor and the labour union of the Company;
- (2) The Nomination Committee of Board of Supervisors shall conduct preliminary assessment on the qualifications of candidates of shareholder supervisors and external supervisors, and submit qualified candidates to the Board of Supervisors for deliberation; propose the candidates of supervisors to the shareholders' general meeting in the form of written proposal upon approval by the Board of Supervisors through deliberation;
- (3) The supervisor candidate shall make a written commitment before the shareholders' general meeting to accept the nomination, and undertake that the information provided are true and complete, and ensure that he/she will earnestly discharge his duties as a supervisor upon the appointment;

- (4) A shareholder and its related parties shall not simultaneously nominate directors and supervisors to the shareholders' general meeting; if a supervisor (director) candidate nominated by one shareholder and its related parties has held the office as a supervisor (director), before the expiration of his/her term of office or replacement, the shareholder shall not nominate any director (supervisor) candidate;

The number of supervisors nominated by the same shareholders and their related parties, in principle, shall not exceed one third (1/3) of the total number of members of the Board of Supervisors, and if exemption is needed due to special ownership structure, such application should be submitted to the banking and insurance regulatory authority of the State Council and explain the reasons;

- (5) The shareholders' general meeting shall vote for each candidate of director individually;
- (6) The temporary supplement of supervisors shall be proposed by the Nomination Committee of the Board of Supervisors or shareholders qualified for nomination and submitted to the Board of Supervisors for deliberation, and then elected or replaced at the shareholders' general meeting.

Article 253 Supervisors shall perform following responsibilities or obligations:

- (1) attend board meetings, and inquire about or put forth proposals on resolutions adopted by the Board of Directors;
- (2) attend supervisor meetings on time, fully review the resolutions adopted by the Board of Supervisors, issue independent, professional and objective opinions, and make independent voting on the basis of prudent judgement;
- (3) bear liability for the resolutions adopted by the Board of Supervisors;
- (4) actively participate in trainings organized by the Company and the banking and insurance regulatory authority of the State Council and its dispatched offices, understand the rights and obligations of supervisors, be familiar with relevant laws and regulations, and grasp professional knowledge and capability required for the performance of duties;
- (5) bear the faithful and diligence obligations to the Company, fulfil the responsibilities in a diligent and prudent manner, and guarantee sufficient time and energy for performance of duties;
- (6) shall not take illegitimate benefits by making use of the position, and not seize the properties of the Company;
- (7) actively participate in the supervision and inspection organized by the Board of Supervisors, conduct independent investigation and evidence collection, and put forward questions and supervision opinions realistically;
- (8) Abide by laws, regulations, regulatory requirements and the Articles of Association.

Article 254 Where supervisors have the following serious misconducts, the Board of Supervisors should recommend the shareholders' general meeting, the staff representatives assembly for removal:

- (1) deliberately disclosing the trade secrets of the Company, and impair the legal interests of the Company;
- (2) accepting illegitimate benefits in the course of the performance of duties, or use the position of supervisors for personal gain;
- (3) should find problems but be unable to find in supervision or hidden problems that are found, resulting in significant losses to the Company;
- (4) other serious misconducts stipulated in laws and the Articles of Association of the Company.

Article 255 The term of office of the shareholder supervisors and external supervisors shall be based on the commencement from the date of adoption of the resolution at the shareholders' general meeting and the term of office of the employee supervisors from the effective date of election at the staff representatives assembly until the expiration of the current term of office of the Supervisory Board. The term of office of supervisors shall not exceed three (3) years. A supervisor may, if re-elected upon expiration of the term of office, serve consecutive terms. Before the expiration of the term, the shareholders' general meeting and the staff representatives assembly cannot dismiss the supervisor from his post without cause.

Article 256 Supervisors shall attend at least more than 2/3 of the onsite supervisor meetings in person every year. The supervisor unable to attend can entrust another supervisor to attend the meeting in a written form, and the power of attorney shall state the supervisor's individual opinions and voting intentions on the proposal. Where a supervisor neither personally attends the supervisor meeting for two (2) consecutive times without special reasons, nor appoints another supervisor to attend the supervisor meeting, he/she shall be deemed not to perform the duties, and the shareholders' general meeting or the staff representatives assembly, the general staff meeting or other bodies democratically electing staff supervisors shall replace him. A shareholder supervisor shall not work for the Company less than 15 working days per year.

Employee supervisors shall enjoy the right to be involved in formulating rules and regulations concerning the vital interests of the employees and shall be actively involved in the supervision and inspection of the implementation of such rules and regulations.

Article 257 The supervisor may resign before the expiration of his/her term, and the provisions about the resignation of directors in Chapter IX of the Articles of Association shall apply to supervisors.

Article 258 Where no election is conducted in time before the expiration of the term of office of a supervisor, or the number of the supervisors in the Board of Supervisors of the Company is less than the statutory number due to the resignation of a supervisor within his/her term of office, the existing supervisor shall, before the supervisor elected takes office, continue to perform his/her duty as a supervisor in accordance with laws, regulations, regulatory requirements and departmental rules and the Articles of Association.

After a supervisor is elected by the shareholders' general meeting, his/her service qualifications should be approved by the banking and insurance regulatory authority of the State Council in accordance with the requirements of relevant laws and regulations and the banking and insurance regulatory authority of the State Council.

Article 259 Supervisors shall ensure that the disclosed information of the Company is true, accurate and complete.

Article 260 The supervisor shall not use their connected relationship to impair the interests of the Company, in the event of losses to the Company, the supervisor shall be liable for compensations.

Article 261 The supervisors that violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company in performing duties of the Company shall be liable for compensations.

Article 262 Where a supervisor has any of the following circumstances, shall not be appraised as competent in the current year:

- (1) failure to attend more than two thirds of on-site meetings of the Board of Supervisors in person for the year;
- (2) Where the Board of Directors and senior management has made decisions in violation of laws and regulations, or has seriously violated regulatory requirements or the Articles of Association, and the Supervisors know or should know, but have not raised questions or brought the matter to the attention of the Supervisory of Board in a timely manner and rectified it;
- (3) The Board of Directors and senior management violate the Articles of Association, rules of agenda and decision-making procedures to decide major matters, or the resolutions of the general meeting, the Board of Directors and the Board of Supervisors are not implemented properly, and the supervisors know or should know, but fail to question or promptly bring it to the attention of the Supervisory of Board and rectify it;
- (4) Inefficient operation of the Board of Supervisors, serious weakening of supervision over the performance of the Board of Directors, senior management and their members, and failure of the Supervisors to make recommendations timely and promote effective rectification;
- (5) The Board of Supervisors fails to effectively perform its supervisory duties in the areas of business strategy, risk management, internal control, financial accounting and incentive colligation mechanism in accordance with the requirements, and the supervisors fail to make recommendations timely and promote effective rectification;
- (6) if the capital adequacy ratio, quality of assets and other key regulatory indicators do not meet the regulatory requirements, and the supervisors fail to make recommendations timely and promote effective rectification in accordance with the responsibilities;
- (7) be aware or should be aware that the circumstances that meet the abstaining from the performance of duties, but the fail to meet the provisions of the implementation;

- (8) the major violations of laws and regulations that shall be identified and pointed out during regulatory inspections and the supervisors fail to make recommendations timely and promote effective rectification;
- (9) supervisor individuals are subject to administrative penalties or disciplinary actions by the regulatory authorities;
- (10) circumstances from the unsuitable performance of duties shall be determined by China Banking and Insurance and Insurance Regulatory Commission.

Article 263 Where a supervisor has any of the following circumstances, shall not be appraised as competent in the current year:

- (1) disclose the trade secrets of the Company, and impair the legal interests of the Company;
- (2) accept improper benefits in the course of the performance of duties, or use the position of supervisor for personal gain;
- (3) participating in or assisting a shareholder to interfere improperly with the Company, resulting in significant risk and loss to the Company;
- (4) concealing material facts, providing false information or participating in the fabrication of false information by the Company;
- (5) concealing and failing to report the Company and relevant personnel major violations of law and discipline;
- (6) resolutions of the Board of Supervisors that violate laws, regulations, regulatory provisions and the Articles of Association, resulting in significant risks and serious losses to the Company, and where the Supervisors have not raised objections;
- (7) refusal to rectify serious problems identified during the performance evaluation;
- (8) other serious misconducts as identified by China Banking and Insurance and Insurance Regulatory Commission.

Section II External Supervisor

Article 264 External supervisors shall meet the conditions of the banking and insurance regulatory authority of the State Council. The election procedures for external supervisors refer to the provisions about the election procedures for independent directors in Article 185 of the Articles of Association.

The same shareholder can only nominate one (1) external supervisor candidate, and shall not nominate independent director and external supervisor at the same time.

The duration for an external supervisor to hold the post in the Company cannot exceed an accumulation of six (6) years.

Article 265 The working hours of an external supervisor for the Company shall not be less than fifteen (15) working days every year. Where an external supervisor attends less than 2/3 of the total meetings of the Board of Supervisors in one year, nor personally attends the meeting of the Board of Directors or appoints another supervisor to attend the meeting of the Board of Supervisors for two (2) consecutive times, or has serious misconducts, the Board of Supervisors shall recommend the shareholders' general meeting for dismissal.

An external supervisor shall make declaration to the Board of Supervisors before the inauguration, to ensure he/she has sufficient time and effort to perform his/her duties, and promise to be diligent and fulfil the duties. An external supervisor shall not concurrently serve in more than two (2) commercial banks, and shall not serve as an external supervisor in a financial institution that may have a conflict of interest.

Article 266 External supervisors shall not be affected by shareholders, senior management and other entities and individuals who have interests in the Company in the decision-making and supervision process, and shall focus on safeguarding the legitimate rights and interests of minority shareholders and other stakeholders.

Article 267 The following circumstances of external supervisors should be considered as serious misconducts:

- (1) disclosing the trade secrets of the Company, and impair the legal interests of the Company;
- (2) accepting illegitimate benefits in the course of the performance of duties;
- (3) using the position of external supervisor for personal gain;
- (4) should find problems but be unable to find in supervision or hidden problems that are found, resulting in significant losses to the Company;
- (5) other serious misconducts considered by the banking and insurance regulatory authority of the State Council.

Article 268 When all the external supervisors of the Company agree unanimously, it entitled to a written proposal to the Board of Supervisors to submit a proposal to the Board of Directors to hold a shareholders' general meeting or a special shareholders' meeting. The Board of Supervisors shall give a feedback of agreement or disagreement in a written form after the receipt of the proposal.

Article 269 The Company shall pay allowances to external supervisors. The expenses needed by external supervisor in the performance of duties shall be borne by the Company.

Section III Board of Supervisors

Article 270 The Company shall have a Board of Supervisors. The Board of Supervisors is the Company's supervision body, and independently exercises supervision functions, responsible for the shareholders' general meeting.

Article 271 The Board of Supervisors consists of seven (7) supervisors, including one (1) shareholder supervisor, three (3) external supervisors and three (3) staff supervisors.

External supervisors shall not serve as other posts than supervisors in the Company, and shall not have such relationship as may probably affect their independent and objective judgements with the Company and its shareholders and actual controllers. The Board of Supervisors has one (1) chairman, one (1) vice chairman, and the number of external supervisors shall be not less than one third (1/3) of the total number of supervisors, and the proportion of staff supervisors shall not be less than one third (1/3) of the total number of supervisors.

Article 272 The Board of Supervisors shall perform duties and exercise the following functions and powers in accordance with laws and regulations, regulatory requirements such as the Company Law and the Articles of Association:

- (1) formulating the rules of procedures of the supervisor meeting;
- (2) reviewing the regular reports formulated by the Board of Directors of the Company and putting forth written review opinions on the truth, accuracy and completeness of reports;
- (3) supervising the Board of Directors to establish steady business philosophy and value criterion, formulate the scientific strategy of development which conform to the practical situations of the Company; evaluating the scientificity, rationality and stability of the strategy of development formulated by the Board of Directors and submitting the assessment reports;
- (4) the Board of Supervisors shall bear the ultimate liability for the performance appraisal of the directors and supervisors of the Company;
- (5) supervising and evaluating the performance of directors and senior management personnel of the Company on their duties, reporting the assessment results and reasons for the performance of duties of the directors and senior management personnel to the banking and insurance regulatory authority of the State Council within four (4) months after the end of each year, and reporting the assessment results for the performance of duties of the directors and senior management personnel to the shareholders' general meeting; the performance assessment work is carried out at least once a year; proposing dismissal advice for the directors and senior management personnel that violate laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meeting;
- (6) when the acts of directors and senior management personnel impair the interests of the Company, requiring the directors and senior management personnel to rectify, and entitled to report to the shareholders' general meeting or the relevant regulatory authority according to laws;

- (7) making self-assessment on the work of the supervisors and the Board of Supervisors and making assessment on the performance of duties of supervisors, reporting the results and reasons for self assessment of the Board of Supervisors and the assessment of the performance of duties of the supervisors to the banking and insurance regulatory authority of the State Council within four (4) months after the end of each year, and reporting the assessment results to the shareholders' general meeting;
- (8) proposing to hold a special shareholders' meeting, and convening and presiding over shareholders' general meeting when the Board of Directors doesn't perform its duties to convene and preside over the shareholders' general meeting in accordance with the Company Law;
- (9) putting forth proposals to shareholders' general meeting;
- (10) attending the board meetings and the meetings of special committees of the Board of Directors, and may inquire about or put forth proposals on matters on resolutions of the meetings;
- (11) conducting off-office auditing on senior management personnel;
- (12) inquiring into the directors, Board of Directors, and senior management personnel;
- (13) reviewing the Company's profit distribution programme, and putting forth written review opinions on the compliance and rationality of the profit distribution programme;
- (14) supervising the compliance, engagement terms of the appointment, dismissal, reappointment of the accounting firm and the fairness of remunerations as well as the independence and effectiveness of the external audit work;
- (15) supervising and inspecting the Company's business decisions, risk management and internal control and urging for modifications;
- (16) providing guidance and supervision on the internal audit, and entitled to ask the Board of Directors and the senior management to provide relevant audit information;
- (17) supervising the election and employment procedure of the directors of the Company;
- (18) supervising the scientificity and rationality of the implementation of the remuneration rules of the Company and the remuneration solution for the senior management personnel;
- (19) taking legal proceedings against directors and senior management personnel in accordance with Article 152 of the Company Law;
- (20) investigating any irregularities in the operations of the Company; when necessary, may engage accounting firms, law firms and other professional firms to assist the work;
- (21) regularly communicating with the banking and insurance regulatory authority about the circumstances of the Company; and
- (22) other matters stipulated by laws, regulations, regulatory requirements and the Articles of Association.

Article 273 All reasonable expenses for the engagement of lawyers, certified accountants, auditors and other professionals when the Board of Supervisors exercises functions and powers shall be borne by the Company.

Article 274 When finding the Board of Directors and senior management personnel do not exercise the accountant prudence principle, the Board of Supervisors shall order to rectify. When finding abnormal fluctuation in the business of the Company, the Board of Supervisors shall inquire into the Board of Directors or senior management personnel.

Article 275 When finding the Board of Directors, senior management and their members violate laws, administrative regulations, the Articles of Association and other circumstances, the Board of Supervisors shall recommend disciplinary actions against those who are responsible, and issue timely notice of the rectification within a definite time; the Board of Directors and senior management personnel shall perform timely disciplinary actions or rectification, and report the results to the Board of Supervisors in a written form.

Article 276 The Board of Supervisors discusses matters in the form of the meeting of Board of Supervisors. The Board of Supervisors shall hold a meeting at least four times per year. Supervisors may propose to hold an interim meeting of Board of Supervisors.

The motions on the meeting of Board of Supervisors is discussed and voted by Board of Supervisors term by term. The resolutions of the Board of Supervisors may be voted at on-site meetings or via written signature. The resolutions of the Board of Supervisors shall be passed by more than half of all the supervisors, unless otherwise required by the place where the Company's stocks are listed.

When all external supervisors of the Company consider the motion materials on the meeting of Board of Supervisors are insufficient or unclear, they may jointly request to postpone to convene the meeting of Board of Supervisors or postpone the deliberation on relevant motions, and the Board of Supervisors shall adopt it.

The supervisor meeting shall be attended by supervisors personally. Supervisor meeting may be held by communications equipment, as long as the participating supervisors can attend the meeting via telephone or video and fully express their opinions and suggestions, all the participating supervisors shall be deemed to have personally attended the meeting.

Article 277 Under any case hereafter, the Board of Supervisors shall convene an interim meeting within 10 days:

- (1) when any supervisor proposes to convene the interim meeting;
- (2) when shareholders' general meeting or the Board of Directors meeting have passed any resolution in violation of laws, regulations and administrative rules, requirements from the supervisory authorities, the Articles of Association, resolution of the Shareholders' General Meeting, and other relevant regulations;
- (3) when the misconduct of directors or senior management personnel may cause significant damage to the Company or exert adverse influence on the market;
- (4) when the Company, the directors, supervisors and senior management personnel of the Company are involved in lawsuits brought by shareholders;

- (5) when the Company, the directors, supervisors and senior management personnel of the Company are punished by the securities regulatory authority or publicly condemned by the stock exchange;
- (6) when the securities regulatory authority requires to convene the interim meeting; and
- (7) other circumstances prescribed by the Article of Association.

Article 278 When the regular meeting and interim meeting of the Board of Supervisors are to be held, the office of the Board of Supervisors shall submit the written meeting notice ten (10) and five (5) days in advance before the meeting, respectively, by direct delivery, fax, email or other means to all the supervisors. If not delivered directly, it shall be confirmed by phone calls and the corresponding records shall be made.

In any event of urgency, which an interim meeting of Board of Supervisors is required to be convened as soon as possible, the notice of the meeting can be made at any time by verbal or telephone, but the convener shall make statements to explain it at the meeting.

The banking and insurance regulatory authority of the State Council and its dispatched offices may dispatch staff to be present at the supervisor meeting of the Company. The Company shall notify the banking and insurance regulatory authority of the State Council at least three (3) working days before the supervisor meeting is convened. If the aforesaid period cannot be satisfied under special circumstances, the Company shall forthwith notify the banking and insurance regulatory authority of the State Council and specify the reasons.

Article 279 The office of the Board of Supervisors shall solicit proposals from all supervisors before a notice convening a regular meeting of the Board of Supervisors is given. The office of the Board of Supervisors shall state that the Board of Supervisors should focus on supervising the normal operation of the Company and the performance of the directors and the senior management, not the decisions made for the operation and management of the Company when the Board of Supervisors solicits proposals and seeks advice.

Article 280 Meetings of the Board of Supervisors shall be held upon the attendance of more than half of the supervisors. When the quorum requirement is not met as relevant supervisors refuse or fail to attend the meeting, other supervisors shall report it to the regulatory department in a timely manner.

When the meeting of the Board of Supervisors discusses a motion on matters that a supervisor has vested interest or has a connected relationship, such supervisor shall avoid attending the meeting.

Article 281 The Board of Supervisors formulates the rules of procedure of Board of Supervisors, clearly indicates the discussion rules and voting procedures of the Board of Supervisors, to ensure the work efficiency and scientific decision-making of the Board of Supervisors.

Article 282 The Board of Supervisors shall make minutes of meeting for all decisions of matters discussed at the meeting, and the attending supervisors and the recorder shall sign on the minutes. The meeting minutes shall be kept permanently.

The supervisors shall have the rights to require making explanatory notes on the minutes on their speech at the meeting.

The Company shall promptly submit documents such as the minutes and resolutions and other documents of the supervisor meeting to the banking and insurance regulatory authority of the State Council and/or its dispatched offices.

Article 283 The meeting notice of the meeting of Board of Supervisors includes the following:

- (1) the time, place and duration of the meeting;
- (2) the subject matter and topics;
- (3) the date of the notice; and
- (4) other matters stipulated in the rules of procedure of the Board of Supervisors of the Company.

Article 284 The office of Board of Supervisors is a working body under the Board of Supervisors of the Company, as a daily working body of the Board of Supervisors, it is mainly responsible for the preparation of the meeting of the Board of Supervisors and the special committees, and files management and so on.

Article 285 The Board of Supervisors has one (1) office chief, responsible for the daily management work of the office of Board of Supervisors and secretaries of all special committees.

Article 286 The Board of Supervisors shall report work to the shareholders' general meeting at least one (1) time each year, and the report contents include:

- (1) the supervision on the performance of duties, financial activities, internal control, and risk management of Board of Directors and senior management personnel of the Company and their members;
- (2) performance of work of the Board of Supervisors;
- (3) issuance of independent opinions on relevant matters; and
- (4) other matters that the Board of Supervisors considers necessary to report to shareholders' general meeting.

Article 287 When the Board of Directors and senior management personnel and their members refuse or delay to take appropriate measures on the resolutions, comments and suggestions of Board of Supervisors, the Board of Supervisors shall have the right to report to shareholders' general meeting, or propose to convene a special shareholders' meeting, if necessary, report to the regulatory authority.

Article 288 The staff supervisors shall proactively give play to their superiority in operation and management, and promote the better work of the Board of Supervisors for the long-term interests of the Company. Employee supervisors shall listen to employees' opinions and suggestions on rules, regulations or major issues involving the vital interests of employees, make authentic, accurate and comprehensive reflection at the supervisor meeting, and protect the legitimate rights and interests of employees.

The staff supervisors shall regularly report on their work to the staff representatives assembly and actively accept the supervision by employees. They shall issue opinions on relevant resolutions adopted by the staff representatives assembly and exercise the right of voting at the supervisor meeting.

Section IV Chairman of Board of Supervisors

Article 289 The chairman and vice chairman of Board of Supervisors shall be elected by more than half (1/2) of all the supervisors, unless otherwise required by the place where the Company's stocks are listed. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors; and where the chairman of the Board of Supervisors cannot perform such functions or fails to do so, the vice chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors; and where the vice chairman of the Board of Supervisors cannot perform such functions or fails to do so, a supervisor jointly elected by more than half (1/2) of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

Article 290 In addition to the general conditions as supervisors, the chairman and vice chairman of Board of Supervisors must have professional knowledge and work experience in at least one aspect of accounting, audit, finance, and law.

Article 291 The chairman of Board of Supervisors shall lead the Company to strengthen the development of the Board of Supervisors, and enhance the operation quality and efficiency of the Board of Supervisors. In addition to general responsibilities as a supervisor, the chairman of the Board of Supervisors shall also fulfill other responsibilities in accordance with laws, regulations, regulatory requirements and the Articles of Association, and exercise the following functions and powers:

- (1) convening and presiding over the meeting of Board of Supervisors;
- (2) supervising and inspecting the implementation of resolutions of Board of Supervisors;
- (3) examining and signing documents related to the Board of Supervisors;
- (4) reporting the work of Board of Supervisors to shareholders' general meeting on behalf of the Board of Supervisors;
- (5) organizing the performance of duties of Board of Supervisors, and organizing the formulation of work plan of Board of Supervisors and the implementation of decisions of Board of Supervisors;
- (6) other functions and powers conferred by the Board of Supervisors; and
- (7) other duties stipulated in laws, regulations, and the Articles of Association.

Article 292 The chairman of Board of Supervisors exercises functions and powers conferred by the Board of Supervisors when the meeting of Board of Supervisors is not in session.

Section V Special Committee of the Board of Supervisors

Article 293 In order to intensify the supervision, the Board of Supervisors sets up the Nomination Committee of Board of Supervisors and Supervision Committee of Board of Supervisors, and may also set up other special committees as needed. The special committees of the Board of Supervisors are responsible for the Board of Supervisors, the members are nominated by the chairman of Board of Supervisors and elected by the Board of Supervisors, and the number of people is not less than three (3). The term of office of committees is the same as the Board of Supervisors, and the members may, if re-elected upon expiration of the term of office, serve consecutive terms.

The chiefs of the Nomination Committee of Board of Supervisors and Supervision Committee of Board of Supervisors shall be external supervisors. All special committees of the Board of Supervisors shall have one (1) secretary, responsible for the daily work contact of committees and the meeting preparation of committees.

Article 294 The Nomination Committee of Board of Supervisors is primarily responsible for:

- (1) preparing the conditions of service, criteria and selection procedures for supervisors;
- (2) conducting preliminary assessment on the qualifications of the candidates of supervisors, and proposing to the Board of Supervisors thereafter;
- (3) supervising the election and employment procedure of directors;
- (4) comprehensively evaluating and reporting to the Board of Supervisors on the performance of directors, supervisors and senior management personnel;
- (5) according to the operational and management status, total asset value and share holding structure of the Company, making recommendations to the Board of Supervisors on the size and composition of the Board of Supervisors;
- (6) supervising the scientificity and rationality of the Company's remuneration management system and policy and senior management personnel's remuneration plan; and
- (7) other matters authorised by the Board of Supervisors.

Article 295 The Supervision Committee of Board of Supervisors is primarily responsible for:

- (1) formulating and implementing the off-office auditing programme on senior management personnel of the Company and submitting it to the Board of Supervisors for approval and then organizing the implementation;
- (2) tracking the formulation of regular reports of the Board of Directors and relevant material adjustments, and reporting to the Board of Supervisors;
- (3) supervising the Board of Directors to establish steady business philosophy and value criterion and formulating development strategy in accordance with the practice of the Company, and supervising the financial activities, the decision-making management, risk management and internal control, etc.;
- (4) making recommendations on the supervision of the accounting firm engaged by the Company based when necessary;
- (5) formulating supervisory plans for financial activities of the Company and conducting relevant inspections; and
- (6) other matters authorised by the Board of Supervisors.

Chapter XII Qualifications and Obligations of Directors, Supervisors, President and Other Senior Management Personnel

Article 296 None of the following persons shall serve as a director, supervisor, president or other senior management personnel of the Company:

- (1) a person who has no or limited capacity for civil conduct;
- (2) a person has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market economy and five (5) years have not passed since the completion date of the execution of the penalty; or a person has ever been deprived of his political rights due to any crime and five (5) years have not passed since the completion date of the execution of the penalty;
- (3) a person who, being a director or the head or manager of a company or enterprise that went into bankruptcy and liquidation, was personally liable for the bankruptcy of the said company or enterprise, where less than three (3) years have passed since the completion date of liquidation of the company or enterprise;
- (4) a person who, being the legal representative of a company or an enterprise, the business license of which was revoked for violation of laws and which was ordered to close down, was personally liable for the above, where less than three (3) years have passed from the date the business license of the company or enterprise was revoked;
- (5) a person who fails to liquidate a relatively large amount of personal debts due;

- (6) a person who is subject to investigation by judicial body for violation of criminal law where the said investigation has not yet been concluded;
- (7) a person who is not eligible for enterprise leadership according to the laws and administrative regulations;
- (8) a person who is not a natural person;
- (9) a person who has been convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five (5) years have passed since the date of the conviction;
- (10) a person who is subject to a penalty of prohibition from engaging in stock market activities imposed by the securities regulatory authority of the State Council, where the term of the penalty has not yet expired;
- (11) a person who is subject to a prohibition from engaging in market activities imposed by the banking and insurance regulatory authority of the State Council, where the prohibition has not yet removed; and
- (12) any other circumstances as prescribed by the laws, administrative regulations, and departmental rules.

Where the Company elects or appoints the directors in violation of the provisions of this article, such election, appointment or engagement shall be invalid. Where, during his/her term of office, a director, supervisor, president or other senior management personnel is found to be a person as specified in this article, the Company shall remove him from office.

Article 297 The validity of an act of the director, president, and any other senior management personnel on behalf of the Company to any bona fide third party is not affected by any irregularity in his term of office, election or qualification.

Article 298 In addition to obligations imposed by the laws, administrative regulations or listing rules of the stock exchanges on which the Company's shares are listed, the Company's directors, supervisors, president and other senior management personnel shall owe the following duties to each shareholder, in the exercise of the functions and powers of the Company granted to him/her:

- (1) Not to cause the Company to carry out any business outside the scope of business stipulated in its business license;
- (2) To act honestly in the best interests of the Company;
- (3) Not to expropriate the Company's property in any way, including (but not limited to) opportunities advantageous to the Company; and
- (4) Not to expropriate individual rights of shareholders, including (but not limited to) rights of distribution and voting rights, but not including a restructuring of the Company submitted to shareholders' general meeting for approval in accordance with the Articles of Association.

Article 299 The Company's director, supervisor, president and other senior management personnel shall owe a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 300 The Company's director, supervisor, president and other senior management personnel shall exercise his/her powers or carry out his/her duties in accordance with the principle of honesty and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. Such principle includes (but not limited to) fulfilling the following obligations:

- (1) To act honestly in the best interests of the Company;
- (2) To exercise rights within the scope of his/her functions and powers and not to exceed;
- (3) To exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by the laws, administrative regulations or with the informed consent of shareholders given in a shareholders' general meeting, not to delegate his/her power of discretion;
- (4) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) Except in accordance with the Articles of Association or with the informed consent of shareholders given in shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) Without the informed consent of shareholders given in shareholders' general meeting, not to use the Company's property for his/her own benefit by any means;
- (7) Not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;
- (8) Without the informed consent of shareholders given in shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (9) To abide by the Articles of Association, faithfully perform his/her duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;
- (10) Not to compete with the Company in any form without the consent of shareholders given in shareholders' general meeting;
- (11) Not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to use the Company's assets to guarantee the shareholders of the Company and other personal debts; and

- (12) Unless otherwise permitted by informed shareholders in shareholders' general meeting, to keep information relating to the Company acquired by him/her in the course of and during his/her tenure in confidence and not to use such information for purposes even in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
1. the disclosure is made pursuant to the law;
 2. public interests require the disclosure;
 3. the interests of the relevant director, supervisor, president and other senior management personnel require disclosure.

Article 301 The director, supervisor, president and other senior management personnel of the Company shall not cause the following persons or entities ("associates") to do what he/she is prohibited from doing:

- (1) The spouse or minor child of that director, supervisor, president and other senior management personnel of the Company;
- (2) The director, supervisor, president and other senior management personnel of the Company or a trustee of any persons referred to in item (1) of this article;
- (3) The director, supervisor, president and other senior management personnel of the Company or any person has partnership with those referred to in item (1) and (2) of this article;
- (4) A company controlled by the director, supervisor, president and other senior management personnel of the Company solely or jointly with those persons referred to in item (1), (2), (3) above in fact; and
- (5) The director, supervisor, president, and other senior management personnel of the controlled company referred to in item (4) of this article.

Article 302 The fiduciary duties of the director, supervisor, president, and other senior management personnel of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to business of the Company survives after the termination of their tenure. Other duties may continue for such period as fairness depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions of the termination of the relationship with the Company.

Article 303 Except for circumstances prescribed in Article 76 of the Articles of Association, a director, supervisor, president and other senior management personnel of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of shareholders given at a shareholders' general meeting.

Article 304 Where a director, supervisor, president and other senior management personnel of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement made or proposed to be made with the Company (other than the employment contracts of the director, supervisor, president and other senior management personnel with the Company), he/she shall declare the nature and extent of his/her interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors.

Unless the interested director, supervisor, president and other senior management personnel has disclosed his/her interests in accordance with this article, and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested director, supervisor, president and other senior management personnel concerned are not counted in the quorum and refrained from voting, the Company is entitled to rescind the contract, transaction or arrangement except as against a bona fide third party thereto acting without knowing the breach of duty by the interested director, supervisor, president and other senior management personnel.

A director, supervisor, president and other senior management personnel of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of the director, supervisor, president and other senior management personnel is interested.

Article 305 Before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company, a director, supervisor, president and other senior management personnel of the Company gives to the Board of Directors a general notice in writing stating that, due to the contents specified in the notice, he/she is interested in such contract, transaction or arrangement of the Company, the director, supervisor, president and other senior management personnel shall be deemed as the completion of disclosures specified in the Article 302 of the Articles of Association within the scope of the declarations of such notice.

Article 306 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, president, and other senior management personnel.

Article 307 The Company shall not directly or indirectly make a loan or a loan guarantee to a director, supervisor, president and other senior management personnel of the Company under lower business conditions than the normal, or any of the respective associates of the aforementioned persons.

However, the preceding stipulations shall not apply to the following:

- (1) A loan or a loan guarantee offered by the Company to its subsidiary to the subsidiary of the Company; and
- (2) In accordance with the terms of an employment contract approved by the shareholders' general meeting, a loan or a loan guarantee or any other funds provided to a director, supervisor, president and other senior management personnel of the Company, to meet expenditure incurred for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties;

Article 308 If a loan made by the Company in breach of the above provision, the receiver of the loan shall repay it immediately regardless of the terms of the loan.

Article 309 For the purposes of the foregoing provisions of this Chapter, a guarantee includes undertaking the liability or property provided to secure the performance of obligations by the obligor.

Article 310 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president and other senior management personnel of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (1) Claim damages from the directors, supervisors, president, and other senior management personnel for losses caused to the Company as a result of such breach;
- (2) Rescind any contract or transaction entered into by the Company with the director, supervisor, president and other senior management personnel or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor, president and other senior management personnel);
- (3) Demand the director, supervisor, president and other senior management personnel to surrender the profits made by him/her in breach of his/her duties;
- (4) Recover any fund received by the director, supervisor, president and other senior management personnel which should have been otherwise received by the Company, including (but not limiting to) commissions; and
- (5) Demand repayment of the interest earned or which may have been earned by the director, supervisor, president and other senior management personnel on the funds that should have been paid to the Company.

Article 311 The Company shall, with the prior approval of shareholders in shareholders' general meeting, enter into a contract in writing with a director or supervisor wherein his/her remunerations are stipulated, including:

- (1) remunerations in respect of his/her service as director, supervisor and other senior management personnel of the Company;
- (2) remunerations in respect of his/her service as director, supervisor and other senior management personnel of any subsidiary of the Company;
- (3) remunerations in respect of the provision of other services in connection with the management of the Company or any of its subsidiaries; and
- (4) compensation for loss of the position or retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought to a court by a director or supervisor against the Company for any benefits in respect of the matters above mentioned.

Article 312 The contract for remunerations entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the directors and supervisors shall, subject to the prior approval of the shareholders in shareholders' general meeting, have the right to receive compensation or other payment for loss of the position or retirement. A takeover of the Company as referred to above means:

- (1) Takeover offer made by any person to all shareholders; and
- (2) An offer made by any person with a view to rendering the offer or a "controlling shareholder".

If the relevant director or supervisor does not comply with this Article 312 of the Articles of Association, any sum so received by him/her shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata among those persons shall be borne by the relevant director or supervisor and shall not be paid out of that sum.

Chapter XIII Affiliated Transactions

Article 313 Where the Company's major shareholder or its controlling shareholder, actual controller, related party, person acting in concert, or ultimate beneficiary, among others, is a financial institution, the Company shall, when conducting interbank business with it, comply with laws and regulations and the relevant requirements of relevant regulatory departments on the interbank business. The Company shall regard the major shareholders and its controlling shareholders, actual controllers, related parties, persons acting in concert, and ultimate beneficiaries as its own related parties for management according to the penetration principle.

Article 314 The Company shall not evade the approval or regulatory requirements of major affiliated transactions in hidden ways such as concealing connected relationship and splitting transactions.

The Company shall not extend the financing chain, obscure the business nature or evade regulatory requirements by making use of nested transaction, or finance, transfer assets, make arbitrage or conceal risks for shareholders and the related parties in violation of relevant regulations.

Article 315 Directors, supervisors, senior management personnel and personnel of the Company with the right to approve or make decisions on the core business such as large-amount credit granting, asset transfer and utilization of insurance funds, shall report their related parties to the Company according to relevant provisions of the Articles of Association within 15 working days from commencing their terms of office.

Natural persons, legal persons or nonlegal-person organizations who hold more than 5% of the shares of the Company or hold less than 5% of the shares of the Company but have a significant impact on the operation and management of the Company, shall report the related parties to the Company according to relevant provisions of the Articles of Association the day when the share holding ratio reaches 5% or within 15 working days from the day when they can exert significant impacts.

In case of changes in any of the reporting matters as listed in the paragraphs hereof, it shall be reported to the Company within 15 working days upon the occurrence of such change, and the situation of the related parties shall be updated.

Article 316 Affiliated transactions shall conclude written agreements, and be conducted under terms no better than similar transactions with non-related parties according to the business principle. Where necessary, the Risk Management and Related Transactions Control Committee of the Board of Directors may appoint independent third parties such as financial consultants to issue reports as the basis for judgment.

Article 317 The Company shall improve the internal control mechanism of affiliated transactions, optimize the management procedures of affiliated transactions, and clearly document the review opinions of key links, resolutions and minutes of the meetings of the Risk Management and Related Transactions Control Committee of the Board of Directors.

Article 318 The ordinary affiliated transactions shall be subject to examination according to the internal management system and authorization procedure of the Company, and shall report to the Risk Management and Related Transactions Control Committee of the Board of Directors for records. The Risk Management and Related Transactions Control Committee of the Board of Directors shall examine each major affiliated transaction, which, shall be then submitted to the Board of Directors for approval. The resolutions deliberated at the board meeting shall be passed upon the approval of more than two thirds (2/3) of the directors without associated relationship. In the event of less than three (3) attending directors without associated relationship, the matter shall be submitted to the shareholders' general meeting for deliberation.

Article 319 In case the Risk Management and Related Transactions Committee of the Board of Directors of the Company, the Board of Directors and the shareholders' general meeting vote or make decisions on any affiliated transaction, the interested person of such affiliated transaction shall abstain from voting.

Where the Company is unable to convene the shareholders' general meeting due to avoiding principle, the Board of Directors shall be responsible for deliberation and it shall not be applicable to provisions on avoiding in the first paragraph hereof. However, the related directors shall issue a statement for non-existence of tunneling.

Article 320 The independent directors shall issue written opinions on the fairness and compliance of the major affiliated transactions one by one and the performance of the internal examination and approval procedure. Where the independent director deems it necessary, he may appoint an independent third party such as an intermediary organization to provide opinions at the expense of the Company.

Article 321 In case of failure to report related parties as stipulated or engagement of affiliated transactions in violation of regulations, the Company shall investigate the responsibility of relevant personnel according to the internal accountability system, and report the investigation situation to the Risk Management and Related Transactions Committee of the Board of Directors.

Article 322 The credit balance granted by the Company to a single related party shall not exceed 10% of the net capital of the Company at the end of last quarter; the total credit balance granted by the Company to a single group, to whom a related legal person or non-legal-person organization belongs, shall not exceed 15% of the net capital of the Company at the end of last quarter; the credit balance granted to all related parties shall not exceed 50% of the net capital of the Company at the end of last quarter.

The credit granted as mentioned in the preceding paragraph includes loans (including trade financing), bill acceptance and discounts, overdrafts, bond investments, investments by specific purpose vehicles, issuance of letters of credit, factoring, guarantees, letters of guarantee, loan commitments, securities repurchases, lending and other on – and off-balance sheet business of which the credit risk is essentially borne by the Company.

When calculating the credit balance, the Company may deduct the amount of the deposits as security and the certificates of bank deposits and treasury bonds as pledge provided by the related parties at the time of granting credit.

Article 323 The Company shall not grant unsecured loans to related parties, nor provide guarantee for financing activities of related parties, except where the related parties provide certificates of bank deposits and treasury bonds as sufficient counter guarantee.

Article 324 In the case of the purchase and sale or lease of any self-use movable property or immovable property, purchase and sale of credit assets; receipt and disposition of capital for debt payment; credit enhancement, credit evaluation, asset appraisal, legal, information, technology, infrastructure and other service transactions; sale on commission and other transactions conducted by the Company with any of its major shareholders or its controlling shareholders, actual controllers, related parties, persons acting in concert or ultimate beneficiaries, the Company shall comply with laws and regulations, and relevant provisions issued by the banking and insurance regulatory authority of the State Council and follow the commercial principles, and provide transaction conditions no favorable than those provided for non-related parties, so as to prevent risk contagion and tunneling.

Article 325 Where the Company’s directors, supervisors, senior management personnel or other relevant employees violate the provisions hereof on the affiliated transaction, the CBIRC or its dispatched offices may take following measures for relevant persons in charge:

- (1) order to make corrections;
- (2) record into the performance record and make an announcement in the industry;
- (3) order the Company to investigate;
- (4) other measures that may be taken by the CBIRC or its dispatched offices in accordance with the law.

Should the related parties of the Company violate the relevant provisions on affiliated transactions hereof, the CBIRC or its dispatched offices may make public censure or take other measures.

Article 326 Where the Company's shareholders and its controlling shareholders or actual controllers force the Company to engage in following acts through exerting influence on the Company, the CBIRC or its dispatched offices may order them to make corrections within the stipulated period; in case of failure to do so, the shareholder's right may be restricted; the controlling shareholder with severe circumstances may be ordered to transfer shares.

- (1) conducted affiliated transactions in violation of Article 312 of the Articles of Association;
- (2) did not conduct affiliated transactions in accordance with the business principle stipulated in Article 316 of the Articles of Association;
- (3) did not review the affiliated transactions in accordance with Article 317 of the Articles of Association;
- (4) provided guarantee for the financing activities of related parties in violation of the provisions of the Articles of Association;
- (5) provided credit with the pledged shares of the Company;
- (6) appointed an accounting firm controlled by related parties to provide service therefor;
- (7) the balance of credit or financing to the related parties exceeding the proportion stipulated herein;
- (8) did not disclose information in accordance with the provisions of the Articles of Association.

Article 327 The CBIRC or its dispatched offices may order the directors and senior management personnel of the Company in any one of the following circumstances to make corrections within a prescribed period of time; if they fail to make corrections within the prescribed period of time or in serious cases, CBIRC or its dispatched offices may order the Company to change its directors and senior management personnel or restrict their rights.

- (1) did not report according to Article 315 of the Articles of Association;
- (2) made false reports or reports with major omissions;
- (3) did not abstain from voting according to Article 319 of the Articles of Association;
- (4) in case of independent directors, did not issue written opinions according to Article 320 of the Articles of Association.

Article 328 Large shareholders shall abide by laws, regulations and relevant provisions of the CBIRC on affiliated transactions to guarantee the transparency and fairness of transactions with the Company. Large shareholders are prohibited to conduct improper affiliated transactions with the Company by following means, or utilize their influence on the Company to obtain improper benefits:

- (1) obtain credit granted by banks including loans, bill acceptance and discounts, bond investments, investments by specific purpose vehicles under such terms as better than the similar transactions with non-related parties;
- (2) illegally occupy or allocate the Company's funds or other rights and interests by means of borrowings or guarantee;
- (3) the Company bears the unreasonable expenses or relevant expenses that shall be borne by large shareholders or its related parties;
- (4) purchase or rent the Company's assets under terms better than the similar transactions with non-related parties, or sell or lease bad assets to the Company;
- (5) use the Company's intangible assets for free or under terms better than the similar transactions with non-related parties, or charge high royalties of intangible assets against the Company;
- (6) seek for business opportunities for the Company by making use of the status as a large shareholder;
- (7) seek for benefits by making use of information or business secrets of the Company that are not made public;
- (8) conduct improper affiliated transactions or obtain improper benefits in other ways.

Article 329 Large shareholders shall fully evaluate the necessity and rationality of the affiliated transactions with the Company, and shall not evade the review of affiliated transactions by concealing the connected relationship, splitting transactions and extending the financing chain by nested transactions.

Article 330 When conducting major affiliated transactions with the Company, large shareholders and its related parties shall provide relevant materials in accordance with relevant regulations and regulatory requirements, which shall be reported and disclosed by the Company in accordance with relevant regulations.

Large shareholders shall provide cooperation for the Company in the dynamic management of affiliated transactions, promptly summarize the accumulative amount of affiliated transactions, monitor whether relevant provisions on the concentration ratio of affiliated transactions are satisfied, reflect the overall situation of the affiliated transactions with the Company on a regular basis, and promptly take measures according to the early warning of the Company.

In case large shareholders make private placement of bonds, the Company shall not provide guarantee therefor or make purchase directly or via financial products.

Article 331 The Board of Directors of the Company shall make an annual special report regarding the overall situation of affiliated transactions to the shareholders' general meeting, and submit it to CBIRC or its dispatched offices. The Company shall timely report information on related parties, significant affiliated transactions and quarterly affiliated transactions to the CBIRC or its dispatched offices through the information system related to the supervision of affiliated transactions, and ensure the truthfulness, accuracy of the data and shall not conceal or omit such information.

Chapter XIV Financial and Accounting System, Profit Distribution and Audit

Section I Financial and Accounting System

Article 332 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and related rules made by regulatory authority.

Article 333 The Company shall announce the financial report for two (2) times in each fiscal year, that is: to prepare a financial report within one hundred and twenty (120) days upon expiration of each fiscal year and submit it for examination and verification in accordance with the law; the Company shall prepare an interim financial report within sixty (60) days from the end of the first six (6) months of each fiscal year.

The financial reports above mentioned shall be prepared in accordance with relevant laws, administrative regulations, departmental regulations, and the provisions of Listing Rules, and submitted to the securities regulatory authority of the State Council and the stock exchange in which the shares of the Company are listed.

Article 334 The Board of Directors of the Company shall submit financial reports prepared by the Company as are required by any laws, administrative regulations or normative documents promulgated by local government and competent department, to the shareholders at every annual shareholders' general meeting.

Article 335 The Company shall deposit its financial reports at the Company for inspection by the shareholders at least twenty (20) days before the convening of the annual shareholders' general meeting. Each shareholder of the Company is entitled to obtain financial reports mentioned in this chapter.

The Company shall send the aforementioned report to each H-shareholder by prepaid mail or releasing on the website of the Company or other ways stipulated in the Articles of Association at least twenty-one (21) days before the convening of the annual shareholders' general meeting, and the addresses of the recipients shall be the registered addresses as shown on the register of shareholders.

Article 336 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits for that financial year, the lower of the after-tax profits as shown in the two financial statements shall be adopted. If other provisions in applicable laws, administrative regulations or the Listing Rules shall prevail.

Article 337 The Company shall not keep accounting books other than those acquired by law. Any account shall not be opened for the Company's assets under an individual's name.

Section II Profit Distribution

Article 338 The profits after income tax paid by the Company shall be distributed in the following order:

- (1) To make up the losses of the previous years;
- (2) To extract ten percent (10 %) of the statutory accumulation fund;
- (3) To extract fund for general (risk) preparation;
- (4) To extract the any accumulation fund by the resolutions of shareholders' general meeting; and
- (5) To distribute profits to shareholders.

To distribute the profits in light of the proportions of shares held by shareholders, unless it is instructed by the Articles of Association to not distribute profits according to the proportions of shares held by shareholders.

If the shareholder's meeting distributes the profits by violating the provisions of the preceding paragraph before the item (1) to (4), the profits distributed must be refunded to the Company.

No profit may be distributed for the Company's shares held by the Company.

Article 339 The accumulation fund of the Company can be used making up losses, expanding the Company's operation or increasing the capital of the Company, provided that capital accumulation fund shall not be used for making up the losses sustained by the Company.

When the statutory accumulation fund is converted into capital, the balance of the statutory accumulation fund shall not fall below twenty-five percent (25%) of the Company's registered capital before being converted to increase.

Article 340 Capital accumulation fund includes the following items:

- (1) Premium proceeded from the shares issued over their par value; and
- (2) Any other income required to be included in the capital accumulation fund by the competent finance department of the State Council.

Article 341 Dividends shall be distributed in the following forms:

- (1) Cash; and
- (2) Shares.

The profit distribution of the Company attaches the emphasis on the reasonable return on the investment of investors. The Company's profit distribution policy should maintain a certain continuity and stability, and the Company shall distribute dividends in the profitable year. On the premise of meeting regulatory requirements, the profits distributed by the Company in the form of cash shall not be less than ten percent (10%) of the achieved profits available for distribution in each year.

When power is granted to forfeit unclaimed dividends, the power may be exercised only in six (6) years after the date of declaring dividend date or six (6) years later.

The Company shall pay cash dividends and other amounts to holders of domestic shares in Renminbi. The Company shall calculate and declare cash dividends and other payments which are payable to holders of H shares in Renminbi, and shall pay such amounts in Hong Kong dollar. The Company shall pay cash dividends and other amounts to holders of overseas listed foreign shares in foreign currency in accordance with the relevant foreign exchange control regulations of the State.

Dividends distributed in shares shall be upon resolutions of the shareholders' general meeting and reported to the banking and insurance regulatory authority for approval.

Article 342 The Company shall engage a receiving agent on behalf of the holders of overseas listed foreign shares, to receive dividends of overseas listed foreign shares and all other monies owing by the Company in respect of such shares on behalf of such shareholders.

The receiving agent engaged by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed. The receiving agent on behalf of holders of H shares engaged by the Company shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Section III Internal Audit

Article 343 The Company shall implement an internal audit system, establish an independent and vertical audit management system, and the internal audit department is responsible for the chief auditor or person in charge of audit, and reports thereto. The internal audit department shall engage full-time auditors to conduct internal audit of income and expenditure of its finances and economic activities.

The Company has a chief auditor or person in charge of audit, who is responsible for the Board of Directors. The chief auditor or person in charge of audit shall be appointed and dismissed by the Board of Directors, and shall report work to the Board of Directors and the Audit Committee of the Board of Directors on a regular basis.

Article 344 The internal audit system and duties of the internal auditors of the Company shall be implemented upon approval by the Board of Directors. The chief auditor shall be accountable and report to the Board of Directors.

Section IV Engagement of Accounting Firm

Article 345 The Company shall engage an independent, professional and qualified accounting firm the relevant regulations of the State to audit the Company's annual financial statements, review the Company's other financial reports, conduct regular evaluation on the internal control of the Company. The external audit institutions shall incorporate the design and implementation of the Company's remuneration system into the audit scope.

The Company shall promptly submit external audit reports and the audit opinions of the audit institutions on the validity of the internal control of the Company to the banking and insurance regulatory authority of the State Council and/or its dispatched offices. Where external audit institutions issue nonstandard audit reports to financial reports, the Board of Directors of the Company shall make special explanations and public disclosure of the audit opinions and involved matters.

Article 346 The accounting firm engaged by the Company shall hold the term of office from the conclusion of this annual shareholders' general meeting to the conclusion of the next annual shareholders' general meeting.

Article 347 External audit institutions shall perform audit responsibilities in an independent, objective, impartial and prudent manner; the accounting firm engaged by the Company shall have the following rights:

- (1) To inspect at any time the accounting books, records and vouchers of the Company, and to require the directors, president and other senior management personnel of the Company to provide any relevant information and explanation thereof;
- (2) To require the Company to take all reasonable steps to obtain all necessary information and explanation for the performing the duties from its subsidiaries; and
- (3) To attend shareholders' general meeting and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.

Article 348 Before the convening of the shareholders' general meeting, the Board of Directors may fill the vacancy in the office of the accounting firm by engaging other accounting firm but while there is still any such vacancy, the surviving or continuing accounting firm, if any, may continue to act.

Article 349 The shareholders' general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its office, regardless the stipulations in the contract clauses between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 350 The remuneration of an accounting firm or the manner in which such remuneration is to be fixed shall be determined by the shareholders' general meeting. The remuneration of an accounting firm engaged by the Board of Directors to fill in vacancy shall be determined by the Board of Directors and submitted to be approved by the shareholders' general meeting.

Article 351 The Company's engagement, removal and non-reengagement of an accounting firm shall be resolved by shareholders' general meeting and filed with the securities regulatory authority and the banking and insurance regulatory authority of the State Council. Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the engagement of an accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accountants' firm, or to reengage an accounting firm which was engaged by the Board of Directors to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the proposal about the engagement or the removal shall be sent to the firm proposed to be engaged or proposing to cease to act or the firm which has ceased to act in the relevant accounting year before notice of meeting is given to the shareholders.

Ceasing to act includes leaving by removal, resignation and retirement.

- (2) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, unless the representations are received too late, the Company shall:
 1. In any notice given to shareholders about a resolution to be made, state the representations that have been made by such accounting firm;
 2. Attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.
- (3) If the firm's representations are not sent in accordance with item (2) above, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints; and
- (4) An accounting firm which is about to cease to act shall be entitled to attend:
 1. the shareholders' general meeting relating to the expiry of its term of office;
 2. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. any shareholders' general meeting convened on its resignation.

The accounting firm ceasing to act has the right to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting in relation to matters concerning its role as the former accountants' firm of the Company.

Article 352 In dismissing or discontinuing the engagement of an accounting firm, the Company shall notify the accounting firm in advance and the accounting firm has the right to make representations to the shareholders' general meeting. If an accounting firm resigns, it shall clarify to the shareholders at a shareholders' general meeting whether or not there is any improper affair.

An accounting firm may resign from its position by depositing its written notice of resignation at the legal address of the Company. The notice shall take effect from the date of deposit at the legal address of the Company or any later date specified in such written notice. Such notice shall contain following statements:

1. declaration that its resignation does not involve any circumstances which should be brought to the attention of the shareholders or creditors of the Company; or
2. a description of such circumstances.

The Company shall send a copy of the written notice specified in the preceding paragraph to the relevant competent authority within fourteen (14) days after receiving such notice. If the notice contains the representations referred to in the preceding item 2, the Company shall deposit the aforesaid copy at the Company for inspection by the shareholders. The Company shall also send it to each holder of overseas listed foreign shares by pre-paid mail or by releasing on the website of the Company or other ways stipulated in the Articles of Association, and the addresses of addressees shall be those recorded in the register of shareholders.

If the resignation notice of an accounting firm contains any statement of explaining the affair, the accounting firm may request the Board of Directors to convene a special shareholders' meeting for presenting the explanations regarding the resignation given by the accounting firm.

Chapter XV Notice and Announcement

Article 353 The Company's notice, communication or other written material shall be issued in the following form:

- (1) By personal delivery;
- (2) By post;
- (3) By e-mail or other electronic format or information carrier;
- (4) By fax;
- (5) By notice;
- (6) Subject to laws, administrative regulations and the listing rules of the place where the Company's shares are listed, by publishing on the websites designated by the Company and Stock Exchange; and
- (7) Other forms recognised by the securities regulatory authority of the place where the Company's shares are listed or as required under the Articles of Association.

Article 354 Any notice of the Company given by public notice shall be deemed to be received by all relevant persons once the public notice is published.

Article 355 Where a notice of the Company is served by personal delivery and, the addressee signs his/her name (or affixes his/her seal) on the receipt, and the date on which the addressee signs the receipt shall be the date of service; where a notice is to be sent by post, such notice is deemed to be served three (3) working days after the date on which it is deposited at the post office; where a notice of the Company is made by public notice, the date on which the notice is first published shall be the date of service; where a notice is sent by email, the date when sent shall be the date of service.

Article 356 The matters requested to be announced in accordance with laws or the provisions of the securities regulatory authority of the place in which the Company's shares are listed, or the provisions of the Articles of Association the Company shall be announced through the website of the Company or the media designated by related regulatory authority.

Chapter XVI Merger, Division, Dissolution and Liquidation

Section I Merger and Division

Article 357 In the event of a merger or division of the Company, a proposal of merger or division shall be made by the Board of Directors and after the proposal is approved in accordance with the procedures stipulated in the Articles of Association, such proposal shall be examined and approved in accordance with the law. If a shareholder objects to a proposal of merger or division, such shareholder shall have the right to demand the Company or those shareholders who approved the proposal of merger or division to purchase his/her shares at a fair price. The content of a resolution on the merger or division of the Company shall be made into a special document to be available for inspection by the shareholders.

Article 358 The Company to merger may proceed by either merger by absorption or merger by the establishment of a new company.

Merger by absorption means the absorption by one company of other company or companies in which case the absorbed company or companies shall be dissolved. Merger by new establishment means the merger of two or more companies to form a new company, in which case all parties to the merger shall be dissolved.

Article 359 In the event of a merger, the Board of Directors shall prepare the merger or division project and the project shall be resolved by the shareholders' general meeting in accordance with the Articles of Association, and the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days after the date of the Company's resolution on merger and shall make a public notice on newspapers, recognised by the stock exchange in which the Company's shares are listed, within thirty (30) days from the date of the Company's resolution on merger. Creditors may, within 30 days after receipt of such notice from the Company, or within forty-five (45) days after the date of the notice on newspapers for those who do not receive such notice, to demand that the Company repay their debts or provide a corresponding guarantee for such debts.

Article 360 After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 361 When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on division and shall make announcement on newspapers recognised by the stock exchange in which the Company's shares are listed within thirty (30) days from the date of the Company's resolution on division.

Article 362 Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, the ancillary obligation with respect to debts incurred by the Company before its division shall be borne by the companies after the division.

Article 363 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law; when the Company dissolves, the Company shall finish its deregistration in accordance with the law; when a new company is established, its establishment shall be registered in accordance with the law.

Section II Dissolution and Liquidation

Article 364 The Company shall be dissolved upon the occurrence of any of the following:

- (1) The expiry of the term of operation;
- (2) A resolution on dissolution is passed by shareholders' general meeting;
- (3) Dissolution is necessary due to a merger or division of the Company;
- (4) The Company's business license is revoked or cancelled or it is ordered to close down according to the law;
- (5) Where the Company meets any serious difficulty during its operation and/or management so that the interests of the shareholders will be subject to heavy loss if it continues and it can not be solved by any other means, the shareholders who hold ten percent (10%) or more of the voting rights of all the shareholders of the Company may plead the people's court to dissolve the Company;
- (6) The Company is declared in bankruptcy in accordance with the law because of inability to repay debts due; and
- (7) The Company is ordered to be terminated due to its violation of law or regulations.

The dissolution of the Company shall be approved by the banking and insurance regulatory authority of the State Council.

Article 365 In circumstances in Item (1) of Article 364 of the Articles of Association, the Company may continue to exist upon the revisions to the Articles of Association.

The revisions to the Articles of Association according to the preceding paragraph shall be approved by shareholders who hold two thirds (2/3) or more of the voting rights of all the shareholders at the shareholders' general meeting.

Article 366 When the Company is dissolved under Item (1), (2), (4), and (5) of Article 364 of the Articles of Association, a liquidation committee shall be set up within fifteen (15) days from the matter the dissolution exists and commence liquidation afterwards, and its members shall be determined by the Board of Directors or shareholders' general meeting; when the Company is dissolved under Item (6), the People's Court shall organise the shareholders, relevant organisations and relevant professionals to establish a liquidation committee to proceed with the liquidation in accordance with the provisions of relevant laws; where the Company is dissolved under item (7), the relevant competent authority shall organise the shareholders, relevant organizations and professionals to establish a liquidation committee to proceed with the liquidation. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the People's Court for engagement of relevant persons to form a liquidation committee so as to proceed with the liquidation.

Article 367 Where the Board of Directors proposes to liquidate the Company due to causes other than that the Company has been declared insolvent, the Board of Directors shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board of Directors is in the opinion of that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in shareholders' general meeting for the liquidation of the Company, all functions and powers of the Board of Directors shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report to the shareholders' general meeting on completion of the liquidation.

Article 368 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) To ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) To notify creditors by sending notice or by making a public notice;
- (3) To deal with and settle the Company's outstanding business deals relating to the liquidation;
- (4) To settle outstanding taxes or the taxes incurred in the liquidation process;
- (5) To ascertain all claims and debts;
- (6) To dispose of the remaining assets of the Company after the repayment of debts;
- (7) To represent the Company in any civil proceedings.

Article 369 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make a public notice on newspapers recognised by the stock exchange in which the Company's shares are listed within sixty (60) days from such date. Creditors should, within thirty (30) days after receipt of the notice, or within forty-five (45) days from the date of the public notice for those who do not receive the notice, submit their claims to the liquidation committee.

When submitting their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall record the claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 370 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or the People's Court for confirmation.

After paying the liquidation cost, staff salary, labour insurance, statutory compensation and the outstanding taxes respectively, and after repayment of its debts in accordance with the provisions above, the remaining assets of the Company shall be distributed to the shareholders of the Company in proportion to their respective share holdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to the shareholders before the repayment in accordance with provisions of the preceding paragraph.

Article 371 In the event of the Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the court for declaration of bankruptcy.

After the Company is declared bankruptcy by a ruling of the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.

Article 372 Following the completion of liquidation, the liquidation committee shall present the liquidation report submitted to the shareholders' general meeting, the banking and insurance regulatory authority of the State Council or the People's Court for confirmation. Within thirty (30) days from the date of the shareholders' general meeting or the banking and insurance regulatory authority of the State Council or the People's Court confirmed, the liquidation committee shall submit the aforementioned documents to the company registration authorities for deregistration of the Company and announce that the Company ceases to exist.

Article 373 Members of the liquidation committee shall perform their duties faithfully and carryout the liquidation in accordance with the laws.

Members of the liquidation committee shall not take advantage of their position to take bribes or other illegal income, or misappropriate the assets of the Company.

If members of the liquidation committee cause any loss to the Company or its creditors, either wilfully or due to gross negligence, they shall be liable for compensation.

Article 374 Where the Company is declared bankrupted in accordance with the laws, a bankruptcy liquidation shall be implemented in accordance with the corporate bankruptcy laws.

Chapter XVII Amendments to the Articles of Association

Article 375 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association.

Article 376 The Company shall amend the Articles of Association under any of the following situations:

- (1) There is a discrepancy between the provisions of the Articles of Association and those of the laws and administrative regulations after amendments to the Company Law, the Commercial Banking Law or relevant laws and administrative regulations;
- (2) There are changes in the situation of the Company resulting in inconsistency in relation to that mentioned in the Articles of Association; and
- (3) The shareholders' general meeting resolves to amend the Articles of Association.

Article 377 If the amendments upon the resolutions of shareholders' general meeting are subject to approval by the competent authorities, such amendments shall be submitted to such competent authority for approval; if registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws.

Article 378 The Board of Directors may amend the Articles of Association in accordance with the resolution on amendments to the Articles of Association passed at the shareholders' general meeting and the approval opinions of the relevant competent authorities.

Article 379 Any amendment to the Articles of Association shall be subject to the public notice if so required by the laws and regulations.

Chapter XVIII Settlement of Disputes

Article 380 The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the overseas-listed foreign shares and the Company, holders of the overseas-listed foreign shares and the Company's directors, supervisors, president, and other senior management personnel, or holders of the overseas listed foreign shares and holders of domestic shares, based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration;
- (2) Where a dispute or claim of rights above mentioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a shareholder, director, supervisor, president and other senior management personnel of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration;
- (3) Disputes in relation to the identification of shareholders and disputes in relation to the register of shareholders need not be referred to arbitration;
- (4) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply the arbitration to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre;

- (5) If any disputes or claims of rights prescribed in this article are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations; and
- (6) The award of an arbitration agency shall be final and conclusive and binding on all parties.

Chapter XIX Supplementary Provisions

Article 381 Definitions

- (1) The “controlling shareholders” shall refer to those who hold 50% or more of the total shares of the Company, or hold less than 50% of the total shares of the Company but have a significant impact on the resolution of the shareholders’ general meeting based on its voting right in proportion to shares of the Company. If there are other provisions on the interpretation of the rights and obligations of controlling shareholders in the securities regulatory authorities and listing rules of the place where the Company’s shares are listed, such provisions shall also be satisfied.
- (2) The “actual controller” shall refer to the persons who, not being a shareholder of the Company, is able to exercise control over the acts of the Company through an investment relationship, any agreement or other arrangement.
- (3) The “person acting in concert” shall refer to relevant investors who make concerted actions with such investor through agreements or other arrangements to expand the number of shares or voting rights of the Company.
- (4) The “ultimate beneficiary” shall refer to the person who is entitled to the return on equity of the Company.
- (5) The “related party” shall refer to the legal person or natural person recognized to have connected relationship according to the regulatory requirements of the regulatory authority on affiliated transactions. However, state-owned enterprises shall not have the relationship aforementioned due to jointly being controlled by the State.
- (6) The “connected relationship” shall refer to the relationship between the Company’s controlling shareholders, actual controllers, directors, supervisors, senior management personnel and the enterprises under their direct or indirect control, as well as other relationships that may result in the transfer of the interests of the Company. However, state-owned enterprises shall not have the relationship aforementioned due to jointly being controlled by the State.
- (7) The “on-site meeting” refers to the meeting held on site or via video or telephone, which can guarantee the instant exchange and discussion between the participants.
- (8) The “written signature” shall refer to the mode of meeting which adopts resolutions on the motions through respective delivery or circulation delivery for deliberation.
- (9) “regulatory authority” shall refer to the CBIRC and its dispatched offices.

Article 382 The Board of Directors may formulate the rules, norms, regulations, systems, and methods in accordance with the provisions of the Articles of Association. The rules, norms, regulations, systems, and methods shall not contravene the provisions of the Articles of Association.

Article 383 These Articles of Association are drafted in Chinese. In case of any discrepancy between versions in other languages or different versions of the Articles of Association, the latest Chinese version approved by the banking and insurance regulatory authority of the State Council shall prevail.

Article 384 All “over”, “within” in the Articles of Association include the relevant figure itself; “exceed”, “less than”, and “lower than” does not include the relevant figure itself.

Article 385 The right of interpretation shall belong to the Board of Directors of the Company.

Article 386 The annexes of the Articles of Association shall include the Rules of Procedure of the shareholders’ general meeting, the Rules of Procedure of the Board of Directors, and the Rules of Procedure of the Board of Supervisors.