
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Luzhou Bank Co., Ltd.*, you should at once pass this Circular and the enclosed form of proxy and reply slip to the purchaser or the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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泸州银行股份有限公司*
LUZHOU BANK CO., LTD.

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

(Stock Code: 1983)

(1) 2022 PROFIT DISTRIBUTION PLAN
(2) PROPOSED WRITE-OFF OF
CERTAIN NON-PERFORMING ASSETS
(3) PROPOSED DISPOSAL OF CERTAIN COLLATERALS
(4) PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION
(5) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF
THE SHAREHOLDERS' GENERAL MEETING
(6) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF
THE BOARD OF DIRECTORS
(7) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF
THE BOARD OF SUPERVISORS
AND
(8) NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of the Bank to be held at 9:00 a.m. on Thursday, October 12, 2023 at Meeting Room 1101, 11th Floor, Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC is set out on pages 145 to 147 of this Circular.

If you intend to attend the EGM by proxy, you are required to complete and return the form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy should be returned to Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong). For Domestic Shareholders, the form of proxy should be returned to the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000). In any event, the form of proxy should be returned not less than 24 hours before the time stipulated for convening the EGM or any adjourned meeting thereof (i.e. no later than 9:00 a.m. on Wednesday, October 11, 2023). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited (for H Shareholders) or the office of the Board of Directors of the Bank (for Domestic Shareholders) on or before Thursday, September 21, 2023.

In case of any discrepancy between the Chinese and English versions of this Circular (including all the appendixes) and the Notice of the EGM, the Chinese version shall prevail.

* *Luzhou Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*

August 28, 2023

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Articles of Association”	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time)
“Bank”	Luzhou Bank Co., Ltd. (泸州银行股份有限公司), a joint stock company incorporated in the PRC with limited liability and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1983)
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares
“EGM”	the 2023 first extraordinary general meeting of the Bank proposed to be held at 9:00 a.m. on Thursday, October 12, 2023 at Meeting Room 1101, 11th Floor, Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC
“former CBIRC”	former China Banking and Insurance Regulatory Commission (原中國銀行保險監督管理委員會)
“Governance Code”	the Code of Corporate Governance of Banking and Insurance Institutions (《銀行保險機構公司治理準則》)
“H Shareholder(s)”	the holder(s) of H Shares
“Hong Kong Dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Bank
“H Shares”	overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Bank and traded in Hong Kong dollars
“Latest Practicable Date”	August 24, 2023, being the latest practicable date for ascertaining certain information contained in this Circular prior to its printing
“Law on Commercial Banks”	the Law of the People’s Republic of China on Commercial Banks (《中華人民共和國商業銀行法》)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Ministry of Finance” or “MOF”	Ministry of Finance of the People’s Republic of China (中華人民共和國財政部)
“Notice of the EGM”	the notice convening the EGM
“PRC” or “China”	the People’s Republic of China, but for the purposes of this Circular and for geographical reference only, unless the context otherwise requires, excluding Hong Kong, the Macau Special Administrative Region and Taiwan of the PRC
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rules of Procedure of the Shareholders’ General Meeting”	the Rules of Procedure of the Shareholders’ General Meeting of the Bank (as amended, modified or otherwise supplemented from time to time)
“Rules of Procedure of the Board of Directors”	the Rules of Procedure of the Board of Directors of the Bank (as amended, modified or otherwise supplemented from time to time)
“Rules of Procedure of the Board of Supervisors”	the Rules of Procedure of the Board of Supervisors of the Bank (as amended, modified or otherwise supplemented from time to time)

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Shares
“Shares”	shares of the Bank, including Domestic Shares and H Shares
“Supervisor(s)”	the supervisor(s) of the Bank
“Trial Administrative Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)
“%”	per cent

LETTER FROM THE BOARD



泸州银行股份有限公司*
LUZHOU BANK CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1983)

Executive Directors:

Mr. YOU Jiang (游江) (Chairman)
Mr. LIU Shirong (劉仕榮)

Non-executive Directors:

Ms. PAN Lina (潘麗娜)
Mr. XIONG Guoming (熊國銘)
Mr. LUO Huoming (羅火明)
Ms. CHEN Ping (陳萍)

Independent non-executive Directors:

Mr. HUANG Yongqing (黃永慶)
Mr. TANG Baoqi (唐保祺)
Mr. ZHONG Jin (鍾錦)
Mr. GAO Jinkang (高晉康)
Mr. CHING Yu Lung (程如龍)

Registered address:

Building 1, No. 18
Section 3, Jiucheng Avenue
Jiangyang District, Luzhou City
Sichuan Province, the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

August 28, 2023

To the Shareholders

Dear Sir or Madam,

- (1) 2022 PROFIT DISTRIBUTION PLAN
 - (2) PROPOSED WRITE-OFF OF CERTAIN NON-PERFORMING ASSETS
 - (3) PROPOSED DISPOSAL OF CERTAIN COLLATERALS
 - (4) PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION
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SHAREHOLDERS' GENERAL MEETING
 - (6) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE
BOARD OF DIRECTORS
 - (7) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE
BOARD OF SUPERVISORS
- AND
- (8) NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The Board of Directors hereby invites you to attend the EGM to be held at 9:00 a.m. on Thursday, October 12, 2023 at Meeting Room 1101, 11th Floor, Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC.

LETTER FROM THE BOARD

This Circular aims to give you the Notice of the EGM and to provide you with the information necessary to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM relating to, among other things, the following matters.

II. MATTERS TO BE CONSIDERED AT THE EGM

1. 2022 Profit Distribution Plan

References are made to the circular dated April 14, 2023 and the poll results announcement dated May 30, 2023 of the Bank. As disclosed in the aforementioned circular and announcement, the Bank held its 2022 annual general meeting (the “**Annual General Meeting**”), the 2023 first domestic shareholders’ class meeting (the “**Domestic Shareholders’ Class Meeting**”) and the 2023 first H shareholders’ class meeting (the “**H Shareholders’ Class Meeting**”) on May 30, 2023 for Shareholders to consider and approve the resolution on the 2022 profit distribution plan proposed at that time (the “**Original Profit Distribution Plan**”). Since the resolution on the Original Profit Distribution Plan was not approved by the Shareholders at the Annual General Meeting by way of a special resolution and was not approved by the Domestic Shareholders at the Domestic Shareholders’ Class Meeting and the H Shareholders at the H Shareholders’ Class Meeting, respectively, the cash dividend distribution and bonus issue proposed under the Original Profit Distribution Plan did not proceed.

In view of the above, the Bank has re-formulated the 2022 profit distribution plan (the “**Revised Profit Distribution Plan**”), details of which are as follows:

- (i) 10% of the net profit of the Bank shall be appropriated to statutory reserve, amounting to RMB80.75 million;
- (ii) 1.5% of the risk assets balance of the Bank at the end of 2022 shall be appropriated to general risk provisions, according to which, an amount of RMB172.71 million shall be additionally appropriated;
- (iii) An interest of RMB95.10 million shall be paid for the bonds without a fixed term issued by the Bank; and
- (iv) A cash dividend of RMB0.8 (tax inclusive) per 10 Shares is to be distributed to all Shareholders. Based on its number of total issued Shares, i.e. 2,717,752,062 Shares, of the Bank as at the Latest Practicable Date, the Bank proposes to distribute cash dividends of RMB217.42 million (tax inclusive) in total.

The above Revised Profit Distribution Plan has been considered and approved by the Board of Directors, and will be submitted to the EGM for consideration and approval by way of ordinary resolution.

LETTER FROM THE BOARD

Meanwhile, the Board of Directors proposes to the EGM to consider and approve the authorization to the Board of Directors to implement the Revised Profit Distribution Plan, and the Board of Directors may further delegate such authorization to the Chairman, the President and the secretary to the Board, to individually or jointly implement all related matters related to the Revised Profit Distribution Plan.

The proposed dividends mentioned above are denominated in Renminbi and will be distributed to the Domestic Shareholders and H Shareholders in Renminbi and Hong Kong dollars, respectively. For dividends distributed in Hong Kong dollars, the applicable exchange rate shall be the average of the central parity rates of the Renminbi in the interbank foreign exchange market as published by the PBoC for the five working days prior to the declaration of dividend distribution at the EGM (including the day of convening the EGM).

The proposed final dividends shall be subject to the passing of an ordinary resolution by the Shareholders at the EGM. The dividends will be distributed to the Domestic Shareholders and H Shareholders whose names appear on the register of members of the Bank on Tuesday, October 24, 2023. In order to determine the entitlement to the final dividend, the register of members for Domestic Shares and H Shares will be closed from Thursday, October 19, 2023 to Tuesday, October 24, 2023 (both dates inclusive). H Shareholders of the Bank who wish to receive the final dividend shall lodge all transfer documents accompanied by the relevant H share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for share transfer registration no later than 4:30 p.m. on Wednesday, October 18, 2023. It is expected that the dividend payment date will be on Friday, December 8, 2023. If there is any change to the expected distribution date, an announcement regarding such change will be published by the Bank.

Taxes on Dividends

(I) Domestic Shareholders

(1) Individual Shareholders

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and the Regulation on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Bank shall withhold and pay individual income tax at the rate of 20% for resident individual Shareholders who are listed in the register of Domestic Shareholders of the Bank on the equity record date.

(2) Enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), the Bank will not withhold income tax on dividends and bonuses received by resident enterprise Shareholders listed in the register of Domestic Shareholders of the Bank, and the tax payable shall be declared and paid by the enterprises themselves.

LETTER FROM THE BOARD

(II) H Shareholders

(1) Non-resident enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), the Bank shall withhold and pay enterprise income tax at the rate of 10% for non-resident enterprise Shareholders who are listed on the register of H Shareholders of the Bank on the equity record date.

(2) Non-resident individual Shareholders

Pursuant to the Notice on Matters Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Bank shall withhold and pay individual income tax for non-resident individual Shareholders.

For non-resident individual Shareholders who are Hong Kong and Macau residents and whose country or region of domicile is a country or region which has entered into a tax treaty stipulating a tax rate of 10% with the PRC, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

The Bank will withhold and pay individual income tax at the rate of 10% for non-resident individual Shareholders of countries or regions that have entered into tax treaties stipulating a tax rate of less than 10% with the PRC. If such Shareholders request a refund of the amount in excess of the amount of individual income tax payable under the tax treaty, the Bank will apply to the relevant tax bureau for a refund, provided that such Shareholders submit the required documents in accordance with the Administrative Measures on Preferential Treatment Entitled by Non-resident Taxpayers under Tax Treaties (Announcement 2019 No. 35 of the State Administration of Taxation) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)) within the prescribed time limit.

For non-resident individual Shareholders of countries or regions that have entered into tax treaties stipulating tax rates higher than 10% but lower than 20% with the PRC, the Bank will withhold and pay individual income tax for such Shareholders at the applicable tax rates stipulated in such tax treaties.

The Bank will withhold and pay individual income tax at the rate of 20% for non-resident individual Shareholders of countries or regions that have entered into tax treaties stipulating a tax rate higher than 20% with the PRC or of countries or regions that have not entered into any tax treaties with the PRC and in other circumstances.

LETTER FROM THE BOARD

The Bank will determine the country of domicile of the individual H Shareholders based on the registered address as recorded in the register of members of the Bank on October 24, 2023 (the “**Registered Address**”). If the domicile of individual H Shareholder is not the same as the Registered Address, such individual H Shareholder shall notify the Bank’s H Share Registrar not later than 4:30 p.m. on Wednesday, October 18, 2023, and provide relevant supporting documents to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong). Any individual H Shareholder who fails to provide relevant supporting documents within the time period stated above, may either personally or appoint an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice.

The Bank assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Shareholders or any disputes over the withholding mechanism or arrangements.

2. Proposed Write-off of Certain Non-performing Assets

According to the Bank’s internal authorization, the Board is authorised to decide on the disposal of all kinds of financial losses (including write-off of losses on loans) not exceeding the amount of RMB10.00 million.

From 2016 to 2019, the Bank generated three assets secured by mortgage and guarantee in the course of business where the financiers and guarantors of these assets ceased and failed to perform their repayment obligations since December 2019, and non-performing assets were then resulted.

In order to optimize the asset structure, reduce the occupation of capital by inefficient assets and promote stable and sustainable development of the Bank, the Board has agreed to write off these three non-performing assets with a principal amount of RMB433.61 million in total pursuant to the provisions under the Notice on Further Strengthening the Financial Management of State-Owned Financial Enterprises (《關於進一步加強國有金融企業財務管理的通知》) and the Measures for the Administration of the Write-Off of Bad Debts by Financial Enterprises (《金融企業呆賬核銷管理辦法》) of the MOF. Since the write-off of these three non-performing assets involves principal amounts of RMB145.61 million, RMB250.00 million and RMB38.00 million respectively, exceeding the internal authorization limit of RMB10.00 million, the Board has proposed to submit three ordinary resolutions to the Shareholders at the EGM to consider and approve the write-off of these three non-performing assets with a principal amount of over RMB10.00 million. According to the policy of the Bank on provisions for asset impairment, the Bank has already made impairment provisions of approximately RMB124.72 million, RMB217.73 million and RMB27.12 million in respect of these three non-performing assets respectively, and if the principal amount of these three non-performing assets is to be written off, further impairment provisions of approximately RMB20.89 million, RMB32.27 million and RMB10.88 million will be required in respect of such three non-performing assets respectively.

LETTER FROM THE BOARD

The Bank has imposed serious accountability on the relevant personnel of the abovementioned three non-performing assets. The Bank has also carried out internal rectifications after asset risks emerged, further improving the credit risk management system. In order to strengthen credit risk management and control and continue to maintain a relatively high level of asset quality, the Bank will also reform and reengineer the credit system, further clarify job responsibilities, optimize credit procedures, strengthen job checks and balances, build a professional credit team, and improve asset quality.

After writing off these three non-performing assets, the Bank will continue to recover such assets according to the principle of “records maintain after debts are written off”. As of the Latest Practicable Date, the Bank has continued to follow up the bankruptcy procedures of the financiers relating to these three non-performing assets, and closely tracked and actively promoted the asset disposal of the financiers and guarantors by the bankruptcy administrator. The Bank will separately inform the Shareholders and potential investors of any further material development in relation to the above matters as and when appropriate and make appropriate disclosure, if necessary, in accordance with the requirements of the Listing Rules.

3. Proposed Disposal of Certain Collaterals

According to the Bank’s internal authorization, the Board is authorised to decide on the disposal of all kinds of financial losses (including write-off of losses on loans) not exceeding the amount of RMB10.00 million.

In 2019, the Bank, during the course of business, provided two loans to the borrowers which were secured by their commercial properties as collateral (the “**Collaterals**”). After the borrowers defaulted, the relevant court in the PRC put the Collaterals up for auction but the auction failed, and the relevant Collaterals were then delivered to the Bank in 2022. The then book balance of such Collaterals was approximately RMB602.45 million. The Bank disposed of one of the assets of the Collaterals through a public auction in 2022. To date, the book balance of such Collaterals is approximately RMB601.20 million. In order to reduce the occupation of capital by inefficient assets, optimize the asset structure and accelerate the turnover of assets with the relevant requirements of the Measures for the Administration of Debt-expired Assets in Banks of the Ministry of Finance and the Administrative Measures for the Capital of Commercial Banks (Trial) of the former CBIRC, the Board proposes to dispose such Collaterals by way of public auction.

Based on the recent reassessment by appraisal agency, the appraisal price of such Collaterals was approximately RMB1,036.05 million. In combination with the appraisal price of the Collaterals, the preliminary auction of the Collaterals, the market enquiries and analysis of investment returns, the Bank intends to refer to the rules for determining the reserve price of judicial auction, and sets RMB725.33 million as the reserve price for the first round of auction based on a 30% decrease in the appraised value. If the auction fails, the Bank will conduct a second auction with an appropriate reserve price determined through overall consideration in accordance with the rules for determining the reserve price for the auction of the Bank’s collaterals. As the amount of expected losses arising from disposal of Collaterals exceeded the internal authorization limit of RMB10.00 million, the Board proposes to submit an ordinary resolution to the Shareholders at the EGM to consider and approve the disposal of the Collaterals.

LETTER FROM THE BOARD

According to the Bank's policy on asset impairment provision, the Bank has made the impairment provision of RMB361.15 million for the aforesaid Collaterals.

As the disposal of Collaterals has not yet been completed, the amount of expected losses is estimated only based on current appraisal value, the expected amount of taxes from tax agent and other factors, certain differences may exist between the actual losses arising from the actual disposal and the estimated losses, and the effect of the actual losses from disposal of Collaterals on the Bank's profits for the year concerned is still subject to further confirmation. The Bank will separately inform the Shareholders and potential investors of any further material development in relation to the disposal of Collaterals as and when appropriate and make appropriate disclosure, if necessary, in accordance with the requirements of the Listing Rules.

4. Proposed Amendments to the Articles of Association

In accordance with the Company Law, the Law on Commercial Banks, the Governance Code, the Listing Rules, the Trial Administrative Measures and other relevant laws and regulations and normative documents, as well as combining with the on-site inspection opinions of the regulatory department, the Bank proposes to make amendments and improvements to the Articles of Association. Details of the proposed amendments to the Articles of Association are set out in the Appendix I to this Circular.

The above resolution on the proposed amendments to the Articles of Association has been considered and approved by the Board of Directors, and will be submitted to the EGM for consideration and approval by way of special resolution.

The proposed amendments to the Articles of Association are subject to the consideration and approval of the Shareholders at the EGM and the approval of the Sichuan Bureau of the National Administration of Financial Regulation. Before the revised Articles of Association obtains the aforementioned regulatory approval, the existing Articles of Association shall remain in force.

5. Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting

As the Articles of Association are proposed to be amended in accordance with the Company Law, the Law on Commercial Banks, the Governance Code, the Listing Rules, the Trial Administrative Measures and other relevant laws and regulations and normative documents, as well as combining with the on-site inspection opinions of the regulatory department, the Bank proposes to simultaneously make amendments and improvements to the relevant clauses of the Rules of Procedure of the Shareholders' General Meeting. Details of the proposed amendments to the Rules of Procedure of the Shareholders' General Meeting are set out in the Appendix II to this Circular.

LETTER FROM THE BOARD

The above resolution on the proposed amendments to the Rules of Procedure of the Shareholders' General Meeting has been considered and approved by the Board of Directors, and will be submitted to the EGM for consideration and approval by way of special resolution.

The proposed amendments to the Rules of Procedure of the Shareholders' General Meeting are subject to the consideration and approval of the Shareholders at the EGM. Before the revised Rules of Procedure of the Shareholders' General Meeting obtains the aforementioned Shareholders' approval, the existing Rules of Procedure of the Shareholders' General Meeting shall remain in force.

6. Proposed Amendments to the Rules of Procedure of the Board of Directors

As the Articles of Association are proposed to be amended in accordance with the Company Law, the Law on Commercial Banks, the Governance Code, the Listing Rules, the Trial Administrative Measures and other relevant laws and regulations and normative documents, as well as combining with the on-site inspection opinions of the regulatory department, the Bank proposes to simultaneously make amendments and improvements to the relevant clauses of the Rules of Procedure of the Board of Directors. Details of the proposed amendments to the Rules of Procedure of the Board of Directors are set out in the Appendix III to this Circular.

The above resolution on the proposed amendments to the Rules of Procedure of the Board of Directors has been considered and approved by the Board of Directors, and will be submitted to the EGM for consideration and approval by way of special resolution.

The proposed amendments to the Rules of Procedure of the Board of Directors are subject to the consideration and approval of the Shareholders at the EGM. Before the revised Rules of Procedure of the Board of Directors obtains the aforementioned Shareholders' approval, the existing Rules of Procedure of the Board of Directors shall remain in force.

7. Proposed Amendments to the Rules of Procedure of the Board of Supervisors

As the Articles of Association are proposed to be amended in accordance with the Company Law, the Law on Commercial Banks, the Governance Code, the Listing Rules, the Trial Administrative Measures and other relevant laws and regulations and normative documents, as well as combining with the on-site inspection opinions of the regulatory department, the Bank proposes to simultaneously make amendments and improvements to the relevant clauses of the Rules of Procedure of the Board of Supervisors. Details of the proposed amendments to the Rules of Procedure of the Board of Supervisors are set out in the Appendix IV to this Circular.

The above resolution on the proposed amendments to the Rules of Procedure of the Board of Supervisors has been considered and approved by the Board of Supervisors, and will be submitted to the EGM for consideration and approval by way of special resolution.

The proposed amendments to the Rules of Procedure of the Board of Supervisors are subject to the consideration and approval of the Shareholders at the EGM. Before the revised Rules of Procedure of the Board of Supervisors obtains the aforementioned Shareholders' approval, the existing Rules of Procedure of the Board of Supervisors shall remain in force.

LETTER FROM THE BOARD

III. EGM

The Bank intends to convene the EGM at 9:00 a.m. on Thursday, October 12, 2023 at Meeting Room 1101, 11th Floor, Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC to consider and, if thought fit, pass resolutions in respect of the matters set out in the Notice of the EGM. The notice of convening the EGM dated August 28, 2023 together with a form of proxy and a reply slip have been dispatched to the Shareholders in accordance with the Listing Rules. The Notice of the EGM is also set out on pages 145 to 147 of this Circular.

Closure of Register of Members

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the H Share register of members of the Bank will be closed from Tuesday, September 12, 2023 to Thursday, October 12, 2023 (both dates inclusive). Shareholders who intend to attend and vote at the EGM shall lodge all the transfer documents together with the relevant share certificates with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000) (for Domestic Shareholders) no later than 4:30 p.m. on Monday, September 11, 2023.

Reply Slip and Form of Proxy

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned, by hand or by post, to Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000) (for Domestic Shareholders) in any event no later than 24 hours before the time fixed for holding the EGM or any adjourned meeting thereof (i.e. no later than 9:00 a.m. on Wednesday, October 11, 2023).

Shareholders who intend to attend the EGM (or any adjourned meeting thereof) in person or by proxy shall complete and return the reply slip for attending the EGM (or any adjourned meeting thereof) by hand, by fax or by post to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; fax number: +852-28650990) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000; fax number: +86-830-3100625) (for Domestic Shareholders), such that the reply slip shall be received by the Bank 20 days before the EGM (i.e. on or before Thursday, September 21, 2023).

LETTER FROM THE BOARD

A Shareholder may complete the form of proxy of the Bank to appoint one or more persons (regardless of whether he/she is a Shareholder) to attend and vote at the EGM (or any adjourned meeting thereof) on his or her behalf. A proxy needs not to be a Shareholder of the Bank.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof and completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the EGM.

Voting by Poll at the EGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for every resolution at the EGM pursuant to the Articles of Association. On a poll, each Shareholder who attends the EGM in person or by proxy (or where the Shareholder is a corporation, by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members of the Bank. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast the votes he/she/it used in the same manner.

IV. RECOMMENDATION

The Board of Directors (including independent non-executive Directors) considers that all the resolutions set out in the Notice of the EGM for consideration and approval by the Shareholders are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions set out in the Notice of the EGM which are to be proposed at the EGM.

Yours faithfully,
By order of the Board
Luzhou Bank Co., Ltd.*
YOU Jiang
Chairman

* *Luzhou Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 1	To establish a modern corporate system, improve corporate governance, protect the legitimate rights and interests of Luzhou Bank Co., Ltd. (hereinafter referred to as “the Bank”), the shareholders and the creditors and regulate the organization and conduct of the Bank, the Articles of Association (hereinafter referred to as “the Articles”) are formulated pursuant to the Company Law of the People’s Republic of China (hereinafter referred to as “Company Law”), Securities Law of the People’s Republic of China, Banking Supervision and Regulatory Law of the People’s Republic of China (hereinafter referred to as “Banking Supervision and Regulatory Law”), Law on Commercial Banks of the People’s Republic of China (hereinafter referred to as “Law on Commercial Banks”), Interim Measures for Management of Commercial Bank Equity, Guidelines on the Corporate Governance of Commercial Banks, Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as “Special Regulations”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as “Mandatory Provisions”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other relevant regulations and based on the actual conditions of the Bank.	Article 1	To establish a modern corporate system, improve corporate governance, protect the legitimate rights and interests of Luzhou Bank Co., Ltd. (hereinafter referred to as “the Bank”), the shareholders and the creditors and regulate the organization and conduct of the Bank, the Articles of Association (hereinafter referred to as “the Articles”) are formulated pursuant to the Company Law of the People’s Republic of China (hereinafter referred to as “Company Law”), <u>the</u> Securities Law of the People’s Republic of China, Banking Supervision and Regulatory Law of the People’s Republic of China (hereinafter referred to as “Banking Supervision and Regulatory Law”), Law on Commercial Banks of the People’s Republic of China (hereinafter referred to as “Law on Commercial Banks”), Interim Measures for Management of Commercial Bank Equity, <u>Guidelines on the Corporate Governance of Commercial Banks, the Code of Corporate Governance of Banking and Insurance Institutions, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as “Special Regulations”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as “Mandatory Provisions”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”) and other relevant regulations and based on the actual conditions of the Bank.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 27	<p>The Bank may increase its capital as follows in the light of its business and development needs, in accordance with the relevant laws, administrative regulations, resolutions made at the general meeting and upon approval by the banking regulatory authorities under the State Council:</p> <p>(I) to offer new shares to non-given investors;</p> <p>(II) to offer new shares to special entities;</p> <p>(III) to distribute new shares to existing shareholders;</p> <p>(IV) to transfer reserve funds to increase share capital;</p> <p>(V) to place new shares to existing shareholders;</p> <p>(VI) by other methods approved by laws, administrative regulations and relevant regulatory authorities.</p> <p>Issue of new shares by the Bank for capital increase shall be subject to approval as specified in the Articles and follow the procedures specified in the relevant state laws and administrative regulations.</p>	Article 27	<p>The Bank may increase its capital as follows in the light of its business and development needs, in accordance with the relevant laws, administrative regulations, resolutions made at the general meeting and upon approval by the banking regulatory authorities under the State Council:</p> <p>(I) to offer new shares to non-given investors;</p> <p>(II) to offer new shares to special entities;</p> <p>(III) to distribute new shares to existing shareholders;</p> <p>(IV) to transfer reserve funds to increase share capital;</p> <p>(V) to place new shares to existing shareholders;</p> <p>(VI) by other methods approved by laws, administrative regulations and relevant regulatory authorities.</p> <p>Issue of new shares by the Bank for capital increase shall be subject to approval as specified in the Articles and follow the procedures specified in the relevant state laws and administrative regulations.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 33	<p>A prior approval shall be obtained from a general meeting in respect of any share repurchase by the Bank through an off-market agreement in accordance with the provisions of the Articles. After the general meeting has given its approval in the same way, the Bank may rescind or alter any contracts entered into in the said manner or waive any rights under such contracts.</p> <p>The contract to repurchase shares as referred to in the preceding paragraph includes, but is not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.</p> <p>The Bank shall not assign a contract for repurchasing its shares or any of its rights thereunder.</p> <p>Where the Bank has the right to repurchase redeemable shares by means other than repurchases through the market or by tender, the repurchase price shall be limited to a maximum price; if repurchases are made by tender, an invitation for tenders shall be made to all shareholders alike.</p>	Article 33	<p>A prior approval shall be obtained from a general meeting in respect of any share repurchase by the Bank through an off-market agreement in accordance with the provisions of the Articles. After the general meeting has given its approval in the same way, the Bank may rescind or alter any contracts entered into in the said manner or waive any rights under such contracts.</p> <p>The contract to repurchase shares as referred to in the preceding paragraph includes, but is not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.</p> <p>The Bank shall not assign a contract for repurchasing its shares or any of its rights thereunder.</p> <p>Where the Bank has the right to repurchase redeemable shares by means other than repurchases through the market or by tender, the repurchase price shall be limited to a maximum price; if repurchases are made by tender, an invitation for tenders shall be made to all shareholders alike.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 43	<p>The Bank's shares are all registered shares. The Bank's shares shall specify:</p> <p>(I) name of the Bank;</p> <p>(II) date of incorporation of the Bank;</p> <p>(III) type of shares, par value and number of shares represented;</p> <p>(IV) stock code;</p> <p>(V) other matters that shall be specified pursuant to the Company Law, Special Regulations and the regulations of the securities regulatory authorities in the place where the securities of the Bank are listed;</p> <p>(VI) if the share capital of the Bank includes shares without voting rights, then the said shares shall be specified as "Without Voting Right";</p> <p>(VII) if the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be specified "Restricted Voting Right" or "Limited Voting Right".</p> <p>The overseas listed foreign shares issued by the Bank may be in the form of overseas depositary receipt or other derivative forms according to the laws of the place where the securities of the Bank are listed and the practice of securities registration and depositary.</p>	Article 43	<p>The Bank's shares are all registered shares. The Bank's shares shall specify:</p> <p>(I) name of the Bank;</p> <p>(II) date of incorporation of the Bank;</p> <p>(III) type of shares, par value and number of shares represented;</p> <p>(IV) stock code;</p> <p>(V) other matters that shall be specified pursuant to the Company Law, Special Regulations <u>the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> and the regulations of the securities regulatory authorities in the place where the securities of the Bank are listed;</p> <p>(VI) if the share capital of the Bank includes shares without voting rights, then the said shares shall be specified as "Without Voting Right";</p> <p>(VII) if the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be specified "Restricted Voting Right" or "Limited Voting Right".</p> <p>The overseas listed foreign shares issued by the Bank may be in the form of overseas depositary receipt or other derivative forms according to the laws of the place where the securities of the Bank are listed and the practice of securities registration and depositary.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 49	Change of the register of shareholders arising from share transfer shall not be registered within 30 days before convening of a general meeting or within five days prior to the benchmark date on which the Bank decides to distribute dividends. If the securities regulatory authorities in the place where the securities of the Bank are listed have special provisions, such provisions shall apply.	Article 49	<p>Change of the register of shareholders arising from share transfer shall not be registered within 30 days before convening of a general meeting or within five days prior to the benchmark date on which the Bank decides to distribute dividends. If the securities regulatory authorities in the place where the securities of the Bank are listed have special provisions, such provisions shall apply.</p> <p><u>If there are provisions in laws, administrative regulations, departmental rules, regulatory documents or by the securities regulatory authorities in the place where the securities of the Bank are listed for suspending the registration of changes in the register of shareholders arising from share transfer prior to the convening of a general meeting or prior to the benchmark date on which the Bank decides to distribute dividends, such provisions shall apply.</u></p>
Article 52	<p>If any shareholder in the register of shareholders or any person requesting to have his name recorded in the register of shareholders has lost his shares (i.e. “the Original Shares”), the said shareholder or person may apply to the Bank to reissue new shares for the said shares (i.e. “the Relevant Shares”).</p> <p>Application for reissue of shares lost by holders of domestic shares shall be processed pursuant to the Company Law.</p>	Article 52	<p>If any shareholder in the register of shareholders or any person requesting to have his name recorded in the register of shareholders has lost his shares (i.e. “the Original Shares”), the said shareholder or person may apply to the Bank to reissue new shares for the said shares (i.e. “the Relevant Shares”).</p> <p>Application for reissue of shares lost by holders of domestic shares shall be processed pursuant to the Company Law.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>Application for reissue of shares lost by holders of overseas listed foreign shares shall be processed pursuant to the law, rules of the stock exchange and other relevant regulations of the place where the original of the register of holders of overseas listed foreign shares is kept.</p> <p>Application for reissue of shares lost by holders of H Shares shall meet the following requirements:</p> <p>(I) the applicant shall submit an application with the standard format designated by the Bank and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, information and evidence about how the shares are lost, and a statement that no other person may request to be registered as shareholder for the related shares.</p> <p>(II) before deciding to reissue new shares, the Bank has not received a statement that anybody other than the applicant requests to be registered as shareholder for the said shares.</p> <p>(III) after deciding to reissue new shares to the applicant, the Bank shall publish announcements of reissue of new shares on the newspapers designated by the Board; the announcement period is 90 days, with at least one announcement in 30 days.</p>		<p>Application for reissue of shares lost by holders of overseas listed foreign shares shall be processed pursuant to the law, rules of the stock exchange and other relevant regulations of the place where the original of the register of holders of overseas listed foreign shares is kept.</p> <p>Application for reissue of shares lost by holders of H Shares shall meet the following requirements:</p> <p>(I) the applicant shall submit an application with the standard format designated by the Bank and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, information and evidence about how the shares are lost, and a statement that no other person may request to be registered as shareholder for the related shares.</p> <p>(II) before deciding to reissue new shares, the Bank has not received a statement that anybody other than the applicant requests to be registered as shareholder for the said shares.</p> <p>(III) after deciding to reissue new shares to the applicant, the Bank shall publish announcements of reissue of new shares on the newspapers designated by the Board; the announcement period is 90 days, with at least one announcement in 30 days.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(IV) before publishing the announcement of reissue of new shares, the Bank shall submit a copy of the to-be-published announcement to the stock exchange with which the Bank is listed, and may publish the announcement only after receiving a reply from the said stock exchange confirming that the said announcement has been displayed in the stock exchange. The duration of display of the said announcement in the stock exchange is 90 days. If the application for reissuing shares is not approved by the registered holder of the relevant shares, the Bank shall mail a copy of the to-be-published announcement to the said shareholder.</p> <p>(V) if, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this article, the Bank has not received any objection to reissue of shares, the Bank may reissue new shares as requested by the applicant.</p> <p>(VI) when the Bank reissues new shares as specified herein, the Bank shall immediately deregister the original shares and record such deregistration and reissue in the register of shareholders.</p> <p>(VII) all the expenses for deregistering the original shares and reissuing new shares shall be borne by the applicant. The Bank may refuse to take any action before the applicant provides any reasonable guarantee.</p> <p>If the Bank issues warrants to any unregistered holder, the Bank shall not issue any new warrants to replace the lost warrants unless it does believe the original warrants are truly destroyed.</p>		<p>(IV) before publishing the announcement of reissue of new shares, the Bank shall submit a copy of the to-be-published announcement to the stock exchange with which the Bank is listed, and may publish the announcement only after receiving a reply from the said stock exchange confirming that the said announcement has been displayed in the stock exchange. The duration of display of the said announcement in the stock exchange is 90 days. If the application for reissuing shares is not approved by the registered holder of the relevant shares, the Bank shall mail a copy of the to-be-published announcement to the said shareholder.</p> <p>(V) if, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this article, the Bank has not received any objection to reissue of shares, the Bank may reissue new shares as requested by the applicant.</p> <p>(VI) when the Bank reissues new shares as specified herein, the Bank shall immediately deregister the original shares and record such deregistration and reissue in the register of shareholders.</p> <p>(VII) all the expenses for deregistering the original shares and reissuing new shares shall be borne by the applicant. The Bank may refuse to take any action before the applicant provides any reasonable guarantee.</p> <p>If the Bank issues warrants to any unregistered holder, the Bank shall not issue any new warrants to replace the lost warrants unless it does believe the original warrants are truly destroyed.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 310	<p>The Bank shall set up the grass- root committee of the CPC (hereinafter referred to as the “CPC committee”), which shall play a core leading and political role, grasp the direction, control the situation and ensure implementation. The Bank shall establish a working body of the CPC, assign sufficient staff for CPC’s affairs and ensure the work funds of the CPC organization. The Bank shall adhere to the principle of the Party supervising the performance of officials, and the number of posts of secretary, deputy secretary and member of the CPC committee of the Bank shall be set up according to the reply of the CPC organization at a higher level and relevant personnel shall be elected or appointed according to relevant regulations including the Constitution of the Communist Party of China. Qualified members of the CPC committee may enter the Board of Directors, Board of Supervisors and senior management according to legal procedures, and qualified party members in the Board of Directors, Board of Supervisors and senior management may enter the CPC committee according to relevant provisions and procedures. The posts of the secretary of the CPC committee and the chairman shall be held by the same person. The Board or the senior management shall listen to the opinions of the CPC committee of the Bank in making any important decisions for the Bank. After studying and discussing major issues concerning operation and management, the CPC committee may propose opinions or suggestions to the Board or the senior management. Meanwhile, a discipline inspection commission of the Bank shall be set up according to provisions.</p>	<p>Article 55</p> <p>Article 56</p> <p>Article 57</p>	<p><u>In accordance with the Constitution of the Communist Party of China, and with approval of the CPC organization at a higher level, the Bank has established the Committee of the Communist Party of China of Luzhou Bank Co., Ltd. (hereinafter referred to as the “CPC committee of the Bank”) and the Bank has also established the Commission of Discipline Inspection of the Party (hereinafter referred to as the “discipline inspection commission of the Bank”) according to the relevant requirements. Meanwhile, the Bank has a Discipline Inspection and Supervision Team assigned by the Commission of Discipline Inspection and Supervisory Committee at a higher level.</u></p> <p><u>The CPC committee of the Bank shall be elected by the CPC members’ general meeting or the CPC members’ representatives’ general meeting, and each term of office is generally five years. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of the Bank’s discipline inspection commission should be the same as the CPC committee.</u></p> <p>The Bank shall adhere to the principle of the Party supervising the performance of officials, <u>and the CPC committee of the Bank should consist of one secretary, one to two deputy secretaries, and several other committee members.</u> The specific number of posts shall be set up according to the reply of the CPC organization at a higher level.</p> <p><u>The Discipline Inspection Commission of the Bank should consist of one secretary, and several committee members.</u> The specific number of posts shall be set up according to the reply of the CPC organization at a higher level.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The CPC committee of the Bank shall perform the following duties according to the Constitution of the Communist Party of China and other regulations of the CPC:</p> <p>(I) to undertake to supervise the implementation of the guidelines and policies of the CPC and the PRC in the Bank and implement relevant significant work arrangements of the CPC organization at a higher level;</p> <p>(II) to support the general meeting, Board of Directors, Board of Supervisors and senior management in performing duties according to the laws, and the employee representatives' meeting in carrying out work;</p> <p>(III) to study and discuss significant matters concerning reform, steady development, operation and management of the Bank as well as major issues concerning immediate interests of the employees; and to study and discuss major personnel appointment and removal of the Bank and other “Three Major and One Large” issues; and to study and discuss major matters decided by the Board and the senior management;</p>	Article 58	<p>The CPC committee of the Bank shall play a leading role, grasp the direction, control the situation and ensure implementation, <u>and discuss and decide on major matters of the Bank in accordance with the provisions. The principal duties are:</u></p> <p><u>(I) to strengthen the CPC political construction of the Bank, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics, educate and guide all CPC members to always maintain a high degree of consistency with the CPC Central Committee with Comrade Xi Jinping as the core in political stance, political direction, political principles and political path.</u></p> <p><u>(II) to thoroughly study and implement Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, study and promote the theory of the CPC,</u> implement the CPC’s routes, guidelines and policies, super vise and ensure the implementation of the major decisions and arrangements of the CPC Central Committee and the resolutions of the CPC organization at a higher level in the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(IV) to implement the responsibility system of construction of the CPC and earnestly perform the main body responsibility of the construction of a clear and honest party and lead and support the discipline inspection commission in earnestly performing its supervision responsibility; to enhance construction of the grass-root CPC organization and party forces in state-owned enterprises; to provide leadership over the Bank's ideological and political work, united front work, efforts for cultural and ethical progress, corporate cultural progress and work of the trade unions, the Communist Youth League and other mass organizations.</p>		<p><u>(III) to study and discuss major operation and management issues of the Bank,</u> and support the general meeting, Board of Directors, Board of Supervisors and senior management in performing duties according to the laws, and the employee representatives' meeting in carrying out work.</p> <p><u>(IV) to strengthen the leadership and control over the staff selection and employment of the Bank, and focus on the construction of leadership team, cadre team and talent team of the Bank.</u></p> <p>(V) to perform the main body responsibility of the construction of a clear and honest party of the Bank, lead and support the internal discipline inspection organization to perform the supervision and account ability duties, <u>strictly regulate political discipline and political rules, and promote the comprehensive and strict governance of the Party to the grass-root level.</u></p> <p>(VI) to enhance construction of the grass-root CPC organization and party forces, <u>unite and lead the employees to actively participate in the reform and development of the Bank.</u></p> <p>(VII) to provide leadership over the Bank's ideological and political work, efforts for cultural and ethical progress, united front work, lead the Bank's labor union, the Communist Youth League, women's organizations and other mass organizations.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
		Article 59	<p><u>Major operation and management matters of the Bank shall be studied and discussed by the Party Committee before being decided by the general meeting, Board of Directors or senior management. The matters to be studied and discussed mainly include:</u></p> <p><u>(I) implementation of major initiatives of the CPC Central Committee in its decision-making and deployment as well as national development strategies;</u></p> <p><u>(II) the development strategy, medium and long-term development plan and important reform plan of the Bank;</u></p> <p><u>(III) the principle and directional matters in respect of the asset restructuring, property transfer, capital operation and large-amount investment of the Bank;</u></p> <p><u>(IV) the establishment and adjustment of the organizational structure of the Bank and the formulation and modification of important rules, regulations and systems;</u></p> <p><u>(V) major issues concerning the Bank's safe production, maintenance of stability, rights and interests of employees and social responsibilities;</u></p> <p><u>(VI) other important matters that shall be studied and discussed by the CPC committee of the Bank.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
		Article 60	<p><u>The Bank shall insist on and improve the leadership system of “two - way entry and cross appointment”, and</u> qualified members of the CPC committee may enter the Board of Directors, Board of Supervisors and senior management according to legal procedures, and qualified Party members in the Board of Directors, Board of Supervisors and senior management may enter the CPC committee according to relevant provisions and procedures.</p> <p>The posts of the secretary of the CPC committee and the chairman of the Bank shall be held by the same person, <u>and Party member who is the president of the Bank shall also serve as the deputy secretary of the CPC committee. At the same time, one deputy secretary of the CPC committee shall be appointed to assist the secretary of the CPC committee in the construction of the CPC.</u></p> <p><u>The CPC committee of the Bank implements the system of combining collective leadership with individual division of responsibilities, and members of the CPC committee leading group who are members of the Board of Directors, Board of Supervisors and senior management shall implement the decisions of the CPC organization.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
		Article 61	<p><u>The Bank shall enhance the guarantees for work. On the principle of facilitating the work of the CPC as well as strengthening its capability and efficiency, the CPC committee of the Bank</u> shall establish a working body of the CPC, assign sufficient staff for CPC's affairs and ensure the premises for and work funds of the CPC organization, <u>to provide necessary conditions for CPC's activities.</u> The work funds of the CPC organization of the Bank shall be charged to the management fee, and the part included in the management fee is generally equivalent to 1% of the total staff salary of the Bank in the previous year and included in the annual budget of the Bank.</p>
		Article 62	<p><u>Discipline inspection commission's duties:</u></p> <p><u>(I) the discipline inspection commission of the Bank shall adhere to the principles and strengthen supervision, and assist the CPC committee with the improvement of the Party conduct and establishment of integrity as well as the organization and coordination of anti-corruption combat under the leadership of the CPC committee and the discipline inspection commissions at higher levels, give full play to the role of supervision within the Party, perform the supervision duties assigned by the Constitution of the CPC, and implement discipline inspection and accountability in a stringent manner;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p><u>(II) to strengthen discipline supervision, firmly defend the authority of the Constitution of the Communist Party of China and other internal regulations of the Party, review the Party's routes, guidelines and policies and the implementation of major decisions and arrangements of the Bank, and supervise the performance of duties and exercise of powers by the CPC organization and the Party members and cadres;</u></p> <p><u>(III) to enhance the education on integrity and warning education, and fortify the ideological standards of the Party members and cadres combating corruption and upholding Party integrity; to tighten the supervision on the Party members and cadres and earnestly discharge the supervision duties for improvement of the Party conduct and establishment of integrity;</u></p> <p><u>(IV) to reinforce the construction of the style of work, strictly follow the spirit of the eight requirements of the central government of the Party, the ten requirements of the provincial Party committee and the provincial government and the twelve requirements of the municipal Party committee and the municipal government, and exert consistent efforts in rectifying formalism, bureaucracy, hedonism and extravagance;</u></p> <p><u>(V) to put more efforts on the investigation of illegal cases, insist on punishing corruption cases with zero tolerance, and severely investigate the behaviors in breach of Party disciplines and corruption-related cases in strict compliance with relevant disciplines and laws.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 56	<p>The shareholders of ordinary shares of the Bank shall enjoy the following rights:</p> <p>(I) to receive dividends and other kinds of distributions as determined by the number of shares held by them;</p> <p>(II) to request, convene, preside over, attend or appoint a proxy to general meetings according to laws, and to exercise corresponding voting rights;</p> <p>(III) to supervise and manage the business operation activities of the Bank, and to make suggestions and enquiries accordingly;</p> <p>(IV) to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations, and the Articles;</p> <p>(V) to obtain relevant information in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the relevant provisions stipulated by the securities regulatory authorities in the place where the securities of the Bank are listed and the Articles, including:</p>	Article 64	<p>The shareholders of ordinary shares of the Bank shall enjoy the following rights:</p> <p>(I) to receive dividends and other kinds of distributions as determined by the number of shares held by them;</p> <p>(II) to request, convene, preside over, attend or appoint a proxy to general meetings according to laws, and to exercise corresponding voting rights;</p> <p>(III) to supervise and manage the business operation activities of the Bank, and to make suggestions and enquiries accordingly;</p> <p>(IV) to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations, and the Articles;</p> <p>(V) to obtain relevant information in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the relevant provisions stipulated by the securities regulatory authorities in the place where the securities of the Bank are listed and the Articles, including:</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>1. to obtain a copy of the Articles after paying the costs and expenses incurred; and 2. have the right to inspect, and to photocopy, after paying a reasonable fee, the following documents: (1) all parts of the register of shareholders; (2) the personal information of the directors, supervisors, president and other senior managers of the Bank, including: (a) current and former names and aliases; (b) primary address (domicile); (c) nationality; (d) full-time and all other part-time occupations and positions; (e) identification documents and their numbers; (3) report of share capital issued by the Bank; (4) report of the total par value, quantity, and the highest and lowest prices of each class of shares bought back by the Bank from the last fiscal year (by domestic shares and H Shares), and the total amount paid by the Bank for this purpose; (5) minutes of the general meetings; (6) resolutions of Board meetings and meetings of the Board of Supervisors; (7) the special resolutions of the Bank; (8) the latest audited financial accounting report, report of the Board, report of the Board of Supervisors and auditors' report; (9) a copy of the latest corporate annual return already submitted to the industrial and commercial registration authority or other competent bodies.</p> <p>Except the documents set out in (2) above, the Bank shall keep the above documents at the Hong Kong address of the Bank for the free inspection by the public and holders of H Shares. Documents set out in (5) are for inspection by shareholders only.</p>		<p>1. to obtain a copy of the Articles after paying the costs and expenses incurred; and 2. have the right to inspect, and to photocopy, after paying a reasonable fee, the following documents: (1) all parts of the register of shareholders; (2) the personal information of the directors, supervisors, president and other senior managers of the Bank, including: (a) current and former names and aliases; (b) primary address (domicile); (c) nationality; (d) full-time and all other part-time occupations and positions; (e) identification documents and their numbers; (3) report of share capital issued by the Bank; (4) report of the total par value, quantity, and the highest and lowest prices of each class of shares bought back by the Bank from the last fiscal year (by domestic shares and H Shares), and the total amount paid by the Bank for this purpose; (5) minutes of the general meetings; (6) resolutions of Board meetings and meetings of the Board of Supervisors; (7) the special resolutions of the Bank; (8) the latest audited financial accounting report, report of the Board, report of the Board of Supervisors and auditors' report; (9) a copy of the latest corporate annual return already submitted to the industrial and commercial registration authority or other competent bodies.</p> <p>Except the documents set out in (2) above, the Bank shall keep the above documents at the Hong Kong address of the Bank for the free inspection by the public and holders of H Shares. Documents set out in (5) are for inspection by shareholders only.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VI) to participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the Bank's dissolution or liquidation;</p> <p>(VII) to demand the Bank to acquire their shares (for shareholders who disagree with the resolutions adopted at a general meeting in relation to the merger or division of the Bank); and</p> <p>(VIII) to have other rights conferred in accordance with the laws, administrative regulations, other rules and the Articles.</p> <p>The Bank shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Bank.</p>		<p>(VI) to participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the Bank's dissolution or liquidation;</p> <p>(VII) to demand the Bank to acquire their shares (for shareholders who disagree with the resolutions adopted at a general meeting in relation to the merger or division of the Bank); and</p> <p>(VIII) to have other rights conferred in accordance with the laws, administrative regulations, other rules and the Articles.</p> <p>The Bank shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 61	<p>Shareholders of ordinary shares of the Bank shall have the following obligations:</p> <p>(I) to abide by the laws, administrative regulations, regulatory provisions, relevant regulations of securities regulatory authorities (including securities regulatory authorities in the place where the securities of the Bank are listed) and the Articles;</p> <p>(II) to contribute to the share capital as determined by the number of shares subscribed by them and the prescribed method of capital contribution;</p> <p>(III) not to withdraw their contributed share capital except in circumstances allowed by the laws and administrative regulations;</p> <p>(IV) not to abuse their rights to harm the interests of the Bank or any other shareholders; not to abuse the Bank's status as an independent and separate legal person and the limited liability of shareholders to harm the interests of the Bank's creditors. If a shareholder of the Bank abuses his/her rights and causes loss to the Bank or other shareholders, it will be held liable for compensation in accordance with the law. If a shareholder abuses the Bank's status as an independent and separate legal person and the limited liability of shareholders to evade the repayment of debts, resulting in material damage to the interests of the Bank's creditors, that shareholder shall be jointly and severally liable for the debts of the Bank;</p>	Article 69	<p>Shareholders of ordinary shares of the Bank shall have the following obligations:</p> <p>(I) to abide by the laws, administrative regulations, regulatory provisions, relevant regulations of securities regulatory authorities (including securities regulatory authorities in the place where the securities of the Bank are listed) and the Articles;</p> <p>(II) to contribute to the share capital as determined by the number of shares subscribed by them and the prescribed method of capital contribution <u>and to make capital contribution to the Bank with self-owned funds from legal sources, and not to make capital contribution with entrusted funds, debt funds and other funds not owned by themselves, unless otherwise provided by laws, regulations or regulatory requirements;</u></p> <p><u>(III) to comply with regulatory requirements in relation to the shareholding ratio and number of shareholding institutions, and not to entrust or be entrusted by others to hold the Bank's shares;</u></p> <p>(III)—(IV) not to withdraw their contributed share capital except in circumstances allowed by the laws and administrative regulations;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(V) to report to the Board in a complete and truthful manner information about its connected enterprises, its related party relationship with other shareholders and its shareholdings in other financial institutions;</p> <p>(VI) if any of the top ten shareholders undergoes any changes in legal representatives, names, registered addresses, business scope and other major events, he/she shall timely report to the Bank which will report to the competent national examination and approval authorities for filing;</p>		<p>(IV)-(V) not to abuse their rights to harm the interests of the Bank or any other shareholders; not to abuse the Bank's status as an independent and separate legal person and the limited liability of shareholders to harm the interests of the Bank's creditors. If a shareholder of the Bank abuses his/her rights and causes loss to the Bank or other shareholders, it will be held liable for compensation in accordance with the law. If a shareholder abuses the Bank's status as an independent and separate legal person and the limited liability of shareholders to evade the repayment of debts, resulting in material damage to the interests of the Bank's creditors, that shareholder shall be jointly and severally liable for the debts of the Bank;</p> <p>(V) to report to the Board in a complete and truthful manner information about its connected enterprises, its related party relationship with other shareholders and its shareholdings in other financial institutions;</p> <p><u>(VI) in accordance with laws, regulations and regulatory requirements, to honestly report to the Board on information such as financial information, shareholding structure, source of capital contribution, controlling shareholders, de facto controllers, related parties, persons acting in concert, ultimate beneficiaries, investment in other financial institutions and other information;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VII) to protect the Bank's interests and reputation and support the Bank's lawful operation;</p> <p>(VIII) to support the plans and measures proposed by the Board for improving capital adequacy ratio when the Bank's capital adequacy ratio is lower than the standard as stipulated by laws and regulations of the banking industry;</p> <p>Shareholders, particularly substantial shareholders, shall support the reasonable capital plans formulated by the Board to keep the Bank's capital in compliance with regulatory requirements; substantial shareholders shall make a long- term commitment to the Bank in writing regarding capital replenishment as a part of the Bank's capital plans. When the Bank's capital fails to comply with the regulatory requirements, a capital replenishment plan shall be made to enable the capital adequacy ratio to satisfy the regulatory requirements within the time framework, and other measures to replenish capital such as increase of core capital shall be taken. The substantial shareholders who do not participate in capital replenishment shall not hinder other shareholders from replenishing the capital of the Bank or new eligible shareholders from participating; substantial shareholders shall replenish the capital of the Bank if necessary;</p> <p>(IX) Shareholders who shall seek approval from but fail to report to regulatory authorities shall not exercise such rights as the right to request convening the general meeting, voting right, right of nomination, right of making motions and right of disposition;</p>		<p><u>(VII) in case of any changes in the controlling shareholders, de facto controllers, related parties, persons acting in concert, ultimate beneficiaries of the shareholders, the relevant shareholders shall promptly notify the Bank of any changes in writing in accordance with laws, regulations and regulatory requirements;</u></p> <p><u>(VIII) to promptly notify the Bank in writing of relevant circumstances in accordance with laws, regulations and regulatory requirements in the event of merger or division of shareholders, being ordered to suspend business for rectification, designated custody, takeover, revocation or other measures, or are in the process of dissolution, liquidation or bankruptcy procedures, or changes in their legal representative, company name, business premises, business scope and other material events;</u></p> <p><u>(IX) to promptly notify the Bank in writing of the relevant circumstances in accordance with laws, regulations and regulatory requirements in the event of the shares of the Bank held by the shareholders are involved in litigation, arbitration, being subject to enforcement action by judicial authorities, pledged or released from a pledge;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(X) for any shareholder who has made any false statement, abuses shareholder's rights or has other acts that harm the interests of the Bank, the banking regulatory authorities under the State Council or its local offices may restrict or prohibit any related party transactions between the Bank and him/her and restrict the quota of the Bank's equity held by him/her and equity pledge ratio as well as his/her rights including the right to request convening the general meeting, voting right, right of nomination, right of making motions and right of disposition;</p> <p>(XI) any shareholder and his related parties and persons acting in concert that separately or jointly hold more than 1% but less than 5% of the Bank's total capital or total shares shall report via the Bank to the banking regulatory authorities under the State Council or their local offices within 10 workdays after obtaining corresponding equities. The shareholder shall report via the Bank to the banking regulatory authorities under the State Council or their local offices within 10 workdays after he knows or shall know that they separately or jointly hold more than 1% but less than 5% ("less than" is exclusive, only for the purpose of this sub-paragraph) of the Bank's total shares;</p> <p>(XII) to assume other obligations required by laws, administrative regulations and the Articles.</p>		<p><u>(X) to comply with the laws, regulations and regulatory requirements and not to prejudice the interests of other shareholders and the Bank when the shareholders transfer or pledge their shares of the Bank or conduct related party transactions with the Bank;</u></p> <p><u>(XI) shareholders, their controlling shareholders and de facto controllers shall not abuse shareholders' rights or use connected relationships to harm the legitimate rights and interests of the Bank, other shareholders and stakeholders, or intervene in the right to make decisions and right of management that the Board and senior management have in accordance with the Articles, or directly intervene in the Bank's operation and management not through the Board and senior management;</u></p> <p><u>(XII) to cooperate with the regulatory authorities in investigation and risk disposal in the event of major risk events or major violations of the Bank;</u></p> <p>(VI)–(XIII) if any of the top ten shareholders undergoes any changes in legal representatives, names, registered addresses, business scope and other major events, he/she shall timely report to the Bank which will report to the competent national examination and approval authorities for filing;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p>(VII)—(XIV) to protect the Bank's interests and reputation and support the Bank's lawful operation;</p> <p>(VIII)—(XV) to support the plans and measures proposed by the Board for improving capital adequacy ratio when the Bank's capital adequacy ratio is lower than the standard as stipulated by laws and regulations of the banking industry; Sshareholders, particularly substantial shareholders, shall support the reasonable capital plans formulated by the Board to keep the Bank's capital in compliance with regulatory requirements; substantial shareholders shall make a long- term commitment to the Bank in writing regarding capital replenishment as a part of the Bank's capital plans. When the Bank's capital fails to comply with the regulatory requirements, a capital replenishment plan shall be made to enable the capital adequacy ratio to satisfy the regulatory requirements within the time framework, and other measures to replenish capital such as increase of core capital shall be taken. The substantial shareholders who do not participate in capital replenishment shall not hinder other shareholders from replenishing the capital of the Bank or new eligible shareholders from participating; substantial shareholders shall replenish the capital of the Bank if necessary;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p>(IX) (XVI) Shareholders who shall seek approval from but fail to report to regulatory authorities shall not exercise such rights as the right to request convening the general meeting, voting right, right of nomination, right of making motions and right of disposition;</p> <p>(X) (XVII) for any shareholder who has made any false statement, abuses shareholder's rights or has other acts that harm the interests of the Bank, the banking regulatory authorities under the State Council or its local offices may restrict or prohibit any related party transactions between the Bank and him/her and restrict the quota of the Bank's equity held by him/her and equity pledge ratio as well as his/her rights including the right to request convening the general meeting, voting right, right of nomination, right of making motions and right of disposition;</p> <p>(XI) (XVIII) any shareholder and his related parties and persons acting in concert that separately or jointly hold more than 1% but less than 5% of the Bank's total capital or total shares shall report via the Bank to the banking regulatory authorities under the State Council or their local offices within 10 workdays after obtaining corresponding equities. The shareholder shall report via the Bank to the banking regulatory authorities under the State Council or their local offices within 10 workdays after he knows or shall know that they separately or jointly hold more than 1% but less than 5% ("less than" is exclusive, only for the purpose of this sub-paragraph) of the Bank's total shares;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p>(XII) (XIX) to assume other obligations required by laws, administrative regulations and the Articles.</p> <p><u>In the event of any major risk events, the Bank will adopt appropriate loss absorption and risk mitigation mechanisms in accordance with relevant laws and regulations and the recovery and disposal plan formulated by the Bank.</u></p>
Article 62	<p>If any shareholder of the Bank pledges his shares of the Bank or uses the shares of the Bank to provide guarantee for himself or others, the said shareholder shall strictly comply with laws, regulations and requirements of regulatory departments and shall notify the Board of the Bank in writing in advance:</p> <p>(I) the office of the Board of Directors shall be responsible for collection, sort-out and submission of equity pledge information and other routine work of the Bank;</p> <p>(II) where shareholders serving as directors or supervisors of the Bank or shareholders directly, indirectly, or jointly holding or controlling more than 2% of the shares or voting rights of the Bank wish to pledge the shares of the Bank, they shall report to the Board of the Bank in advance about the reason of pledge, amount of equity pledged, term of pledge, profile of the pledgee, etc. The Board, if believing that such pledge may have a material adverse impact on the equity status, corporate governance, risk and related party transaction control, etc. of the Bank, should disapprove such pledge. When the Board are deliberating relevant reported issue, directors appointed by the shareholders who wish to pledge the shares shall abstain from the voting;</p>	Article 70	<p>If any shareholder of the Bank pledges his shares of the Bank or uses the shares of the Bank to provide guarantee for himself or others, the said shareholder shall strictly comply with laws, regulations and requirements of regulatory departments and shall notify the Board of the Bank in writing in advance:</p> <p>(I) the office of the Board of Directors shall be responsible for collection, sort-out and submission of equity pledge information and other routine work of the Bank;</p> <p>(II) where shareholders serving as directors or supervisors of the Bank or shareholders directly, indirectly, or jointly holding or controlling more than 2% of the shares or voting rights of the Bank wish to pledge the shares of the Bank, they shall report to the Board of the Bank in advance about the reason of pledge, amount of equity pledged, term of pledge, profile of the pledgee, etc. The Board, if believing that such pledge may have a material adverse impact on the equity status, corporate governance, risk and related party transaction control, etc. of the Bank, should disapprove such pledge. When the Board are deliberating relevant reported issue, directors appointed by the shareholders who wish to pledge the shares shall abstain from the voting;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(III) upon completion of the equity pledge registration, the shareholder shall provide the Bank with relevant information about the pledged equity in time in accordance with the Bank's risk management and information disclosure requirements;</p> <p>(IV) A shareholder with outstanding loans from the Bank exceeding the audited net book value of equity held by him in the previous year shall not pledge his shares in the Bank; if a shareholder pledges 50% or more of his shares in the Bank, the voting rights exercisable by the said shareholder at the general meeting shall be the number of his unpledged shares and the director appointed by him shall have no voting rights at Board meetings. Shareholders, particularly substantial shareholders with their equity of the Bank pledged less than 50%, shall not be subject to restrictions on voting rights at general meetings.</p>		<p>(III) upon completion of the equity pledge registration, the shareholder shall provide the Bank with relevant information about the pledged equity in time in accordance with the Bank's risk management and information disclosure requirements;</p> <p>(IV) A shareholder with outstanding loans from the Bank exceeding the audited net book value of equity held by him in the previous year shall not pledge his shares in the Bank; if a shareholder pledges 50% or more of his shares in the Bank, the voting rights exercisable by the said shareholder at the general meeting shall be the number of his unpledged shares and the director appointed by him shall have no voting rights at Board meetings. Shareholders, particularly substantial shareholders with their equity of the Bank pledged less than 50%, shall not be subject to restrictions on voting rights at general meetings; <u>however, if the major shareholders pledge more than 50% of their equity in the Bank, the major shareholders and their nominated directors shall not exercise their voting rights at the general meetings and Board meetings.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 63	<p>Credit terms offered by the Bank to shareholders thereof shall not be more favourable than similar credit terms to other borrowers.</p> <p>Related party transactions of the Bank shall be based on commercial principles and on terms no more favourable than similar transactions with non-related parties. After a related party transaction of the Bank is rejected, no deliberation shall be conducted on the related party transaction with contents identical to the rejected one within 6 months. The Bank shall not grant unsecured loans to related parties or accept the Bank's equity as pledge for credit extension. The Bank shall not provide guarantee for financing behaviours of shareholders and their related parties unless they provide counter-guarantee for the Bank by bank deposits or treasury bonds. If credit extension to related parties causes losses to the Bank, the Bank shall not extend credit to such related parties within two years, unless otherwise approved by the Board for reducing losses from such credit extension.</p> <p>The balance of credit extended to a related party or to such single entities as substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries shall not be more than 10% of the Bank's net capital. Also, the total balance of credit extended to group customers, to which a related legal person or other organization is subordinated, or to each substantial shareholder and his controlling shareholder, de facto controller, related party, person acting in concert and ultimate beneficiary shall not be more than 15% of the Bank's net capital. Besides, the balance of credit extended to all related parties shall not be more than 50% of the Bank's net capital. The amount of security deposits provided and the bank deposits and treasury bonds pledged by related parties in credit extension can be deducted during the calculation of the balance of credit.</p>	Article 71	<p>Credit terms offered by the Bank to shareholders thereof shall not be more favourable than similar credit terms to other borrowers.</p> <p>Related party transactions of the Bank shall be based on commercial principles and on terms no more favourable than similar transactions with non-related parties. After a related party transaction of the Bank is rejected, no deliberation shall be conducted on the related party transaction with contents identical to the rejected one within 6 months. The Bank shall not grant unsecured loans to related parties or accept the Bank's equity as pledge for credit extension. The Bank shall not provide guarantee for financing behaviours of shareholders and their related parties unless they provide counter-guarantee for the Bank by bank deposits or treasury bonds. If credit extension to related parties causes losses to the Bank, the Bank shall not extend credit to such related parties within two years, unless otherwise approved by the Board for reducing losses from such credit extension.</p> <p>The balance of credit extended to a related party or to such single entities as substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries shall not be more than 10% of the Bank's net capital at the end of the previous quarter. Also, the total balance of credit extended to group customers, to which a related legal person or other organization is subordinated, or to each substantial shareholder and his controlling shareholder, de facto controller, related party, person acting in concert and ultimate beneficiary shall not be more than 15% of the Bank's net capital at the end of the previous quarter. Besides, the balance of credit extended to all related parties shall not be more than 50% of the Bank's net capital at the end of the previous quarter. The amount of security deposits provided and the bank deposits and treasury bonds pledged by related parties in credit extension can be deducted during the calculation of the balance of credit.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<u>In the case of non-public issuance of bonds by major shareholders of the Bank, the Bank shall not provide guarantee for them nor purchase bonds directly or through financial products.</u>
Article 68	<p>The general meeting shall be the authority of the Bank and shall exercise the following functions and powers according to laws:</p> <p>(I) determining the business guidelines and investment plans of the Bank;</p> <p>(II) electing and replacing non-employee representative directors and supervisors and determining the emoluments of directors and supervisors;</p> <p>(III) reviewing and approving the reports of the Board of Directors;</p> <p>(IV) reviewing and approving the reports of the Board of Supervisors;</p> <p>(V) reviewing and approving the annual financial budgets and financial accounts of the Bank;</p> <p>(VI) reviewing and approving profit distribution plans and loss recovery plans of the Bank;</p> <p>(VII) resolving on the increase or decrease in the registered capital of the Bank;</p> <p>(VIII) resolving on the issuance of bonds or other securities or the listing of the Bank;</p> <p>(IX) resolving on the merger, division, dissolution and liquidation or change in the corporate form of the Bank;</p> <p>(X) amending the Articles;</p> <p>(XI) reviewing and approving the Board of Supervisors' evaluation on directors, the mutual evaluation reports of independent directors, the evaluation on supervisors by the Board of Supervisors and the mutual evaluation reports of external supervisors;</p>	Article 76	<p>The general meeting shall be the authority of the Bank and shall exercise the following functions and powers according to laws:</p> <p>(I) determining the business guidelines and investment plans of the Bank;</p> <p>(II) electing and replacing non-employee representative directors and supervisors and determining the emoluments of directors and supervisors;</p> <p>(III) reviewing and approving the reports of the Board of Directors;</p> <p>(IV) reviewing and approving the reports of the Board of Supervisors;</p> <p>(V) reviewing and approving the <u>annual report,</u> annual financial budgets and financial accounts of the Bank;</p> <p>(VI) reviewing and approving profit distribution plans and loss recovery plans of the Bank;</p> <p>(VII) resolving on the increase or decrease in the registered capital of the Bank;</p> <p>(VIII) resolving on the issuance of bonds or other securities or the listing of the Bank;</p> <p>(IX) resolving on the merger, division, dissolution and liquidation or change in the corporate form of the Bank;</p> <p>(X) amending the Articles;</p> <p>(XI) reviewing and approving the Board of Supervisors' evaluation on directors, the mutual evaluation reports of independent directors, the evaluation on supervisors by the Board of Supervisors and the mutual evaluation reports of external supervisors;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XII) listening to the report of the Board of Directors on the supervision opinions of the financial regulators on the Bank and reviewing the implementation of rectification measures;</p> <p>(XIII) reviewing the equity incentive scheme;</p> <p>(XIV) reviewing the proposals by the shareholders individually or jointly holding more than 3% of the total shares of the Bank;</p> <p>(XV) reviewing the Terms of Reference for Shareholders' General Meetings, Terms of Reference for Board Meetings and Terms of Reference for Meetings of the Board of Supervisors;</p> <p>(XVI) reviewing and approving the Bank's equity investment business;</p>		<p>(XII) listening to the report of the Board of Directors on the supervision opinions of the financial regulators on the Bank and reviewing the implementation of rectification measures;</p> <p>(XIII) <u>(XII) reviewing and approving the plans for the</u> equity incentive scheme;</p> <p>(XIV) <u>(XIII) reviewing and approving</u> the proposals by the shareholders individually or jointly holding more than 3% of the total shares of the Bank;</p> <p>(XV) <u>(XIV) reviewing and approving</u> the Terms of Reference for Shareholders' General Meetings <u>Rules of Procedure of the Shareholders' General Meeting, Terms of Reference for Board Meetings the Rules of Procedure of the Board of Directors</u> and Terms of Reference for Meetings <u>the Rules of Procedure</u> of the Board of Supervisors;</p> <p>(XVI) <u>(XV) reviewing and approving the</u> Bank's equity investment business;</p> <p><u>(XVI) reviewing and approving the purchase or sale of major assets or guarantees by the Bank within one year;</u></p> <p>(XVII) reviewing and approving the Bank's guarantee businesses, such as external guarantee and letter of guarantee;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XVII) reviewing and approving the Bank's guarantee businesses, such as external guarantee and letter of guarantee;</p> <p>(XVIII) reviewing and approving the Bank's fixed asset purchase business;</p> <p>(XIX) reviewing and approving the non-performing asset disposal and write-off of the Bank;</p> <p>(XX) reviewing and approving the Bank's asset mortgage business;</p> <p>(XXI) reviewing and approving the persons who should be recommended by our Bank and other matters (excluding equity investment) of controlled companies and associates of the Bank;</p> <p>(XXII) reviewing and approving matters relating to the changes in the use of proceeds from share offerings;</p> <p>(XXIII) resolving on the appointment, dismissal or non-renewal of accounting firms of the Bank;</p> <p>(XXIV) reviewing other issues which should be decided on by the general meeting as stipulated by the relevant laws, administrative regulations, other rules, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the place where the securities of the Bank are listed or the Articles and other internal rules.</p>		<p>(XVIII) reviewing and approving the Bank's fixed asset purchase business;</p> <p>(XIX) reviewing and approving the non-performing asset disposal and write-off of the Bank;</p> <p>(XX) reviewing and approving the Bank's asset mortgage business;</p> <p>(XXI) reviewing and approving the persons who should be recommended by our Bank and other matters (excluding equity investment) of controlled companies and associates of the Bank;</p> <p>(XXII) reviewing and approving matters relating to the changes in the use of proceeds from share offerings;</p> <p>(XXIII) resolving on the appointment, dismissal or non-renewal of accounting firms of the Bank; <u>resolving on the appointment or dismissal of accounting firms of the Bank that conduct regular statutory audit on the Bank's financial reports;</u></p> <p><u>(XXIV) reviewing the purchase of the Bank's shares by the Bank;</u></p> <p>(XXIV) (XXV) reviewing other issues which should be decided on by the general meeting as stipulated by the relevant laws, administrative regulations, other rules, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the place where the securities of the Bank are listed or the Articles and other internal rules.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 70	<p>The Board shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following events:</p> <p>(I) the number of directors falls short of the quorum required by the Company Law or less than two thirds of the number stipulated in the Articles;</p> <p>(II) the outstanding loss of the Bank is at least one third of the Bank's total paid-up share capital;</p> <p>(III) shareholders who individually or jointly hold above 10% of the voting shares of the Bank have requested to convene the meeting in writing;</p> <p>(IV) the Board deems it necessary to convene the meeting;</p> <p>(V) the Board of Supervisors proposes to convene the meeting;</p> <p>(VI) above half of the independent directors propose to convene the meeting;</p> <p>(VII) the chairman of the Board or the president proposes to convene the meeting in special circumstances;</p> <p>(VIII) above half of the external supervisors propose to convene the meeting (if there are only two external supervisors, then the two external supervisors unanimously propose to convene);</p> <p>(IX) any other circumstances as stipulated by the laws, administrative regulations, other rules or the Articles.</p> <p>Regarding the circumstance in subparagraph (II) above, the time limit for convening an extraordinary general meeting shall start from the date when the Bank knows about the occurrence of the circumstance.</p> <p>The amount of shareholding mentioned in subparagraph (III) above is calculated as on the day when the shareholders raise a request in written.</p>	Article 78	<p>The Board shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following events:</p> <p>(I) the number of directors falls short of the quorum required by the Company Law or less than two thirds of the number stipulated in the Articles;</p> <p>(II) the outstanding loss of the Bank is at least one third of the Bank's total paid-up share capital;</p> <p>(III) shareholders who individually or jointly hold above 10% of the voting shares of the Bank have requested to convene the meeting in writing;</p> <p>(IV) the Board deems it necessary to convene the meeting;</p> <p>(V) the Board of Supervisors proposes to convene the meeting;</p> <p>(VI) above half and no less than two of the independent directors propose to convene the meeting;</p> <p>(VII) the chairman of the Board or the president proposes to convene the meeting in special circumstances;</p> <p>(VIII) above half of the external supervisors propose to convene the meeting (if there are only two external supervisors, then the two external supervisors unanimously propose to convene);</p> <p>(IX) any other circumstances as stipulated by the laws, administrative regulations, other rules or the Articles.</p> <p>Regarding the circumstance in subparagraph (II) above, the time limit for convening an extraordinary general meeting shall start from the date when the Bank knows about the occurrence of the circumstance.</p> <p>The amount of shareholding mentioned in subparagraph (III) above is calculated as on the day when the shareholders raise a request in written.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 74	<p>An extraordinary general meeting may be held upon proposal by more than half of the independent directors to the Board. Regarding the aforesaid proposal of the independent directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant laws, administrative regulations and the Articles, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.</p> <p>Where the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Where the Board does not agree to hold the extraordinary general meeting, it shall give the reasons.</p>	—	<p>An extraordinary general meeting may be held upon proposal by more than half of the independent directors to the Board. Regarding the aforesaid proposal of the independent directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant laws, administrative regulations and the Articles, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.</p> <p>Where the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Where the Board does not agree to hold the extraordinary general meeting, it shall give the reasons.</p>
Article 82	<p>The conveners shall issue a written notice, 45 days prior to the date of the meeting, to notify all the shareholders in the register of shareholders of the issues to be considered at the meeting, and the date and venue of the meeting. Any shareholder intending to attend the general meeting shall serve to the Bank a written reply 20 days before the general meeting.</p>	Article 89	<p>The convenersThe Bank shall issue a written notice, 4520 days prior to the date of the <u>annual</u> general meeting and 15 days prior to the date of the extraordinary general meeting to notify all the shareholders in the register of shareholders of the issues to be considered at the meeting, and the date and venue of the meeting. Any shareholder intending to attend the general meeting shall serve to the Bank a written reply 2010 days before the general meeting.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 83	<p>The Bank shall calculate the number of voting shares represented by shareholders intending to attend the meeting based on the written replies received 20 days before the general meeting. Where the number of voting shares represented by shareholders intending to attend the meeting reaches amounts to more than a half of the total number of voting shares of the Bank, the Bank may convene the general meeting; if not, the Bank shall, within 5 days, notify shareholders again of the issues to be considered, date and venue of the meeting in the form of announcements. The Bank may then convene the general meeting after such announcements.</p> <p>An extraordinary general meeting shall not resolve on matters not specified in the notice.</p>	Article 90	<p>The Bank shall calculate the number of voting shares represented by shareholders intending to attend the meeting based on the written replies received <u>20</u>10 days before the general meeting. Where the number of voting shares represented by shareholders intending to attend the meeting reaches amounts to more than a half of the total number of voting shares of the Bank, the Bank may convene the general meeting; if not, the Bank shall, within 5 days, notify shareholders again of the issues to be considered, date and venue of the meeting in the form of announcements. The Bank may then convene the general meeting after such announcements.</p> <p>An extraordinary general meeting shall not resolve on matters not specified in the notice.</p>
Article 85	<p>Unless otherwise stipulated by the laws, regulations, the provisions of the relevant regulatory authorities as well as the Articles, the notice of a general meeting shall be delivered by hand or prepaid mail to all shareholders (whether or not they are entitled to vote at the general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of domestic shares, the notice of a general meeting may also be in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities under the State Council between the 45 to 50 day interval prior to the date when the meeting is convened. All holders of domestic shares shall be deemed as having been notified of the forthcoming general meeting once the announcement is published.</p>	Article 92	<p>Unless otherwise stipulated by the laws, regulations, the provisions of the relevant regulatory authorities as well as the Articles, the notice of a general meeting shall be delivered by hand or prepaid mail to all shareholders (whether or not they are entitled to vote at the general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of domestic shares, the notice of a general meeting may also be in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities under the State Council between the 45<u>20</u> to 50<u>25</u> day <u>days</u> interval prior to the date when the meeting is convened. All holders of domestic shares shall be deemed as having been notified of the forthcoming general meeting once the announcement is published.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 86	<p>Notices of general meetings, materials or written statements issued to holders of overseas listed foreign shares shall be served 45 days prior to the meetings in any of the following ways:</p> <p>(I) delivered to each holder of overseas listed foreign shares by hand or prepaid mail according to the registered address thereof;</p> <p>(II) published on websites designated by the securities regulatory authorities or stock exchanges in the place where the securities of the Bank are listed in compliance with applicable laws, administrative regulations and relevant listing rules;</p> <p>(III) issued according to other requirements of stock exchanges and listing rules in the place where the securities of the Bank are listed.</p>	Article 93	<p>Notices of general meetings, materials or written statements issued to holders of overseas listed foreign shares shall be served as required by Article 89 of the Articles in respect of the time to issue notice 45 days prior to the meetings in any of the following ways:</p> <p>(I) delivered to each holder of overseas listed foreign shares by hand or prepaid mail according to the registered address thereof;</p> <p>(II) published on websites designated by the securities regulatory authorities or stock exchanges in the place where the securities of the Bank are listed in compliance with applicable laws, administrative regulations and relevant listing rules;</p> <p>(III) issued according to other requirements of stock exchanges and listing rules in the place where the securities of the Bank are listed.</p>
Article 107	<p>The convener shall ensure the meeting minutes are true, accurate and complete. Directors and supervisors attending the meeting, the convener or representative thereof, the presider and the secretary of the Board shall sign the meeting minutes. The meeting minutes shall be kept as archives by the Bank for 20 years together with the book of signatures of the attending shareholders, the power of attorney of the attending proxies and votes.</p>	Article 114	<p>The convener shall ensure the meeting minutes are true, accurate and complete. Directors and supervisors attending the meeting, the convener or representative thereof, the presider and the secretary of the Board shall sign the meeting minutes. The meeting minutes shall be kept as archives by the Bank for 20 years permanently together with the book of signatures of the attending shareholders, the power of attorney of the attending proxies and votes.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 110	<p>The following issues shall be approved by ordinary resolutions at a general meeting:</p> <p>(I) work reports of the Board of Directors and the Board of Supervisors;</p> <p>(II) profit distribution plans and loss recovery plans formulated by the Board;</p> <p>(III) annual reports, annual budgets, final accounting reports, balance sheets, income statements and other financial statements of the Bank;</p> <p>(IV) report of evaluation by the Board of Supervisors on the directors and by the independent directors on each other;</p> <p>(V) report of evaluation by the Board of Supervisors on the supervisors and by the external supervisors on each other;</p> <p>(VI) supervision opinions of financial regulators and the Bank's reform;</p> <p>(VII) other issues than those that should be passed by special resolutions pursuant to relevant laws, administrative regulations or the Articles.</p>	Article 117	<p>The following issues shall be approved by ordinary resolutions at a general meeting:</p> <p><u>(I) the business guidelines of the Bank;</u></p> <p>(II) work reports of the Board of Directors and the Board of Supervisors;</p> <p>(III) profit distribution plans and loss recovery plans formulated by the Board;</p> <p>(IV) annual reports, annual budgets, final accounting reports, balance sheets, income statements and other financial statements of the Bank;</p> <p>(V) report of evaluation by the Board of Supervisors on the directors and by the independent directors Directors on each other;</p> <p>(VI) report of evaluation by the Board of Supervisors on the supervisors and by the external supervisors on each other;</p> <p>(VII) supervision opinions of financial regulators and the Bank's reform;</p> <p><u>(VII) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount not exceeding 10% of the latest audited net assets of the Bank;</u></p> <p><u>(VIII) the Bank's equity investment business;</u></p> <p><u>(IX) the persons who should be recommended by the Bank and other issues (excluding equity investment) of controlled companies and associates of the Bank;</u></p> <p><u>(X) issues relating to the changes in the use of raised funds;</u></p> <p><u>(XI) resolutions on the appointment or dismissal of the accounting firm providing regular and statutory audits on the financial reports of the Bank;</u></p> <p>(XII) other issues than those that should be passed by special resolutions pursuant to relevant laws, administrative regulations or the Articles.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 111	<p>The following issues shall be approved by special resolutions at a general meeting:</p> <p>(I) an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank;</p> <p>(II) the issuance of bonds or listing of the Bank;</p> <p>(III) the division, merger, dissolution and liquidation or change in the corporate form of the Bank;</p> <p>(IV) amendments to the Articles;</p> <p>(V) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount exceeding 10% of the latest audited net assets of the Bank;</p> <p>(VI) the Bank's buyback of its shares;</p>	Article 118	<p>The following issues shall be approved by special resolutions at a general meeting:</p> <p>(I) an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank, <u>and the issuance of bonds or other securities or listing of the Bank;</u></p> <p>(II) the issuance of bonds or listing of the Bank <u>the investment plans of the Bank;</u></p> <p>(III) the division, merger, dissolution and liquidation or change in the corporate form of the Bank;</p> <p>(IV) amendments to the Articles, <u>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 of the Bank;</u></p> <p>(V) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount exceeding 10% of the latest audited net assets of the Bank;</p> <p><u>(VI) reviewing and approving the Bank's guarantee businesses, such as external guarantee and letter of guarantee;</u></p> <p><u>(VII) reviewing and approving the Bank's fixed asset purchase business;</u></p> <p><u>(VIII) reviewing and approving the non-performing asset disposal and write-off of the Bank;</u></p> <p><u>(IX) reviewing and approving the Bank's asset mortgage business;</u></p> <p>(VI)(X) the Bank's buyback of its shares;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VII) equity incentive scheme;</p> <p>(VIII) appointment and removal of the members of the Board of Directors and the Board of Supervisors (save as otherwise stipulated in Article 148 of the Articles), their remunerations and method of payment thereof;</p> <p>(IX) any other matters as required by the laws, regulations, regulatory documents, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the place where the securities of the Bank are listed or the Articles, and confirmed by the general meeting by an ordinary resolution that they may have a material effect on the Bank and should be adopted by a special resolution.</p>		<p>(VII)(XI) <u>the plans for the</u> equity incentive scheme;</p> <p>(VIII)(XII) appointment and removal of the members of the Board of Directors and the Board of Supervisors (save as otherwise stipulated in Article 148155 of the Articles), and their remunerations matters and method of payment thereof;</p> <p>(IX)(XIII) any other matters as required by the laws, regulations, regulatory documents, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the place where the securities of the Bank are listed or the Articles, and confirmed by the general meeting by an ordinary resolution that they may have a material effect on the Bank and should be adopted by a special resolution.</p>
Article 113	<p>When a related party transaction is considered at a general meeting, the related shareholders and their associates (as defined in the Hong Kong Listing Rules) shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes; the notice or announcement of any resolution made at the general meeting shall adequately disclose information relating to voting by non-related shareholders.</p>	Article 120	<p><u>When the related - party transactions control committee, the Board of Directors and the general meeting votes or makes decisions on any related party transaction, the interested person of such related party transaction shall abstain from voting or making decisions on such transaction.</u></p> <p>When a related party transaction is considered at a general meeting, the related shareholders and their associates (as defined in the Hong Kong Listing Rules) shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes; the notice or announcement of any resolution made at the general meeting shall adequately disclose information relating to voting by non-related shareholders.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>Specifically, related shareholders may voluntarily avoid voting or other shareholders or shareholder representatives attending the general meeting may request related shareholders to avoid voting; if other shareholders or shareholder representatives request a shareholder to avoid voting but the said shareholder does not think so, the shareholder shall give reasons. If the said shareholder fails to convince the shareholders requesting him to avoid voting with the said reasons, the general meeting may respectively record the voting results when the shareholder with a disputed related relation identity avoids or does not avoid voting. After the general meeting, the Board shall finalize the voting results after applying to relevant authority for determining the related relation identity of relevant shareholder and notify all shareholders of the results.</p>		<p>Specifically, related shareholders may voluntarily avoid voting or other shareholders or shareholder representatives attending the general meeting may request related shareholders to avoid voting; if other shareholders or shareholder representatives request a shareholder to avoid voting but the said shareholder does not think so, the shareholder shall give reasons. If the said shareholder fails to convince the shareholders requesting him to avoid voting with the said reasons, the general meeting may respectively record the voting results when the shareholder with a disputed related relation identity avoids or does not avoid voting. After the general meeting, the Board shall finalize the voting results after applying to relevant authority for determining the related relation identity of relevant shareholder and notify all shareholders of the results.</p> <p><u>Where the Bank is unable to convene the general meeting due to principle of avoidance, the Board of Directors shall be responsible for deliberation and it shall not be applicable to provisions on avoidance in the first paragraph hereof. However, the related directors shall issue a statement on non-transferring of benefits.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 117	<p>The method and procedure for nominating directors and supervisors of the Bank are:</p> <p>(I) Regarding directors and supervisors elected and replaced at the general meeting, the preceding Board and the Board of Supervisors may individually nominate candidates for directors and supervisors according to the number of directors and supervisors to be elected to the extent of the number specified by the Articles; Shareholders individually or jointly holding above 3% of the Bank's total shares in issue with voting rights may nominate candidates for directors or supervisors to the Board, Board of Supervisors or other convenor of the general meeting, but the number of nominees shall comply with the Articles and shall not exceed the number of directors or supervisors to be elected.</p> <p>Candidates for employee directors shall be elected through democratic election at the employee representatives' meeting of the Bank.</p>	Article 124	<p>The method and procedure for nominating directors and supervisors of the Bank are:</p> <p>(I) Regarding directors and supervisors elected and replaced at the general meeting, the preceding Board and the Board of Supervisors may individually nominate candidates for directors and supervisors according to the number of directors and supervisors to be elected to the extent of the number specified by the Articles; Shareholders individually or jointly holding above 3% of the Bank's total shares in issue with voting rights may nominate candidates for directors or supervisors to the Board, Board of Supervisors or other convenor of the general meeting, <u>and the nomination and remuneration committee of the Board shall have the right to nominate candidates for non-independent directors;</u> but the number of nominees shall comply with the Articles and shall not exceed the number of directors or supervisors to be elected.</p> <p>Candidates for employee directors (<u>supervisors</u>) shall be elected through democratic election at the employee representatives' meeting of the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>A shareholder or his related party shall not nominate candidates for directors and supervisors at the same time; where a candidate for director (supervisor) nominated by a shareholder or his related party is approved to sit on the Board or the Board of Supervisors, the shareholder shall not nominate any candidate for director (supervisor) until the term of office of the director (supervisor) expires or the director (supervisor) is replaced; and, generally, the number of candidates for directors or supervisors nominated by a shareholder and his related party shall not exceed one third of the number of members of the Board or the Board of Supervisors, except as otherwise prescribed by laws, administrative regulations, departmental rules, and listing rules of the stock exchange where the securities of the Bank are listed.</p> <p>A written notice of the intention to nominate a director candidate and a notice in writing by that candidate indicating his acceptance of such nomination shall be given to the Bank not earlier than the day after the notice of the general meeting is given and seven days before the convening of the general meeting.</p>		<p>A shareholder or his related party shall not nominate candidates for directors and supervisors at the same time; where a candidate for director (supervisor) nominated by a shareholder or his related party is approved to sit on the Board or the Board of Supervisors, the shareholder shall not nominate any candidate for director (supervisor) until the term of office of the director (supervisor) expires or the director (supervisor) is replaced; and, generally, the number of candidates for directors or supervisors nominated by a shareholder and his related party shall not exceed one third of the number of members of the Board or the Board of Supervisors; <u>the nomination and remuneration committee of the Board shall avoid being affected by shareholders and exercise the right to nominate directors independently and prudently.</u> Except except as otherwise prescribed by laws, administrative regulations, departmental rules, and listing rules of the stock exchange where the securities of the Bank are listed.</p> <p>A written notice of the intention to nominate a director candidate and a notice in writing by that candidate indicating his acceptance of such nomination shall be given to the Bank not earlier than the day after the notice of the general meeting is given and seven days before the convening of the general meeting.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(II) The nomination and remuneration committee of the Board and the nomination committee of the Board of Supervisors shall make preliminary examination on the qualifications and conditions of the director or supervisor candidates, and submit the qualified candidates to the Board or the Board of Supervisors for consideration. Upon approval by the Board or the Board of Supervisors, the resume and basic information of the director or supervisor candidates shall be submitted as a written proposal to the general meeting.</p> <p>(III) The director or supervisor candidates shall prior to the general meeting provide written undertakings that they accept the nominations, that the information announced about them is true and adequate, and that they will diligently fulfill the duties as director or supervisor if elected.</p> <p>(IV) In the event of a temporary vacancy of director or supervisor, the Board or the Board of Supervisors shall propose a list of director or supervisor candidates for the general meeting to elect or replace.</p>		<p>(II) The nomination and remuneration committee of the Board and the nomination committee of the Board of Supervisors shall make preliminary examination on the qualifications and conditions of the director or supervisor candidates, and submit the qualified candidates to the Board or the Board of Supervisors for consideration. Upon approval by the Board or the Board of Supervisors, the resume and basic information of the director or supervisor candidates shall be submitted as a written proposal to the general meeting.</p> <p>(III) The director or supervisor candidates shall prior to the general meeting provide written undertakings that they accept the nominations, that the information announced about them is true and adequate, and that they will diligently fulfill the duties as director or supervisor if elected.</p> <p>(IV) In the event of a temporary vacancy of director or supervisor, the Board or the Board of Supervisors shall propose a list of director or supervisor candidates for the general meeting to elect or replace.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 142	<p>Where the Bank convenes a class meeting, a written notice shall be given 45 days prior to the date of the meeting to notify all the shareholders of the said class in the register of shareholders of the issues to be considered at the meeting, and the date and venue of the meeting.</p> <p>Any shareholder intending to attend the meeting shall serve to the Bank a written reply showing his intention to attend at least 20 days before the meeting. Where the number of voting shares represented by shareholders intending to attend the meeting amounts to more than a half of the total number of voting shares of that class, the Bank may convene the class meeting; if not, the Bank shall, within five days, notify shareholders again of the issues to be considered, date and venue of the meeting in the form of announcements. The Bank may then convene the class meeting after such announcements.</p>	Article 149	<p>Where the Bank convenes a class meeting, a written notice shall be given 45 days prior to the date of the meeting to notify all the shareholders of the said class in the register of shareholders of the issues to be considered at the meeting, and the date and venue of the meeting.</p> <p><u>The time for issuing the aforementioned notice shall be subject to the provisions of Article 89 of the Articles.</u></p> <p>Any shareholder intending to attend the meeting shall serve to the Bank a written reply showing his intention to attend at least <u>20</u> days before the meeting. Where the number of voting shares represented by shareholders intending to attend the meeting amounts to more than a half of the total number of voting shares of that class, the Bank may convene the class meeting; if not, the Bank shall, within five days, notify shareholders again of the issues to be considered, date and venue of the meeting in the form of announcements. The Bank may then convene the class meeting after such announcements.</p>
Article 149	<p>Directors shall observe the laws, administrative regulations and the Articles, and fulfill the following obligations of diligence:</p> <p>(I) to exercise the rights conferred by the Articles or the general meeting with due discretion, care and diligence to ensure the business operations of the Bank comply with state laws, administrative regulations and various economic policies of the state, and are within the business scope specified in the business license of the Bank;</p>	Article 156	<p>Directors shall observe the laws, administrative regulations and the Articles, and fulfill the following obligations of diligence:</p> <p>(I) to exercise the rights conferred by the Articles or the general meeting with due discretion, care and diligence to ensure the business operations of the Bank comply with state laws, administrative regulations and various economic policies of the state, and are within the business scope specified in the business license of the Bank;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(II) to treat all shareholders impartially;</p> <p>(III) to carefully read various business and financial reports of the Bank and keep informed of the operation and management conditions of the Bank; to sign written confirmations of the regular reports of the Bank; and to ensure the information disclosed by the Bank is true, accurate and complete;</p> <p>(IV) to honestly provide the Board of Supervisors with relevant information, not to prevent the Board of Supervisors or supervisors from exercising their functions and powers, and to accept the lawful supervision and rational suggestions of the Board of Supervisors on their performance of duties;</p> <p>(V) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by applicable laws or with the informed consent of shareholders given at a general meeting, not to transfer the exercise of their discretion to others;</p> <p>(VI) to honor their public promises;</p> <p>(VII) other obligations of diligence stipulated by laws, administrative regulations, other rules and the Articles.</p>		<p><u>(II) to continuously pay attention to the operation and management status of the Bank, and have the right to require the senior management to provide relevant materials reflecting the operation and management status of the Bank in a comprehensive, timely and accurate manner or to give explanations on relevant issues;</u></p> <p><u>(III) to participate in meetings of the Board of Directors on time, fully review the matters considered by the Board of Directors, express opinions in an independent, professional and objective manner, and vote independently on the basis of prudent judgments;</u></p> <p><u>(IV) to take responsibility for the resolutions of the Board of Directors; to supervise the implementation of the resolutions of the general meeting and the Board of Directors by the senior management;</u></p> <p><u>(V) to take active participation in trainings organized by the Bank and regulatory authorities, understand the rights and obligations of directors, be familiar with relevant laws, regulations and regulatory requirements, and continue to possess expertise and capabilities required to perform their duties;</u></p> <p><u>(VI) to be responsible to the Bank and all shareholders and treat all shareholders impartially when performing duties;</u></p> <p><u>(VI)(VII) to honor their public promises and to practice high standards of professional ethics and consider the legitimate rights and interests of stakeholders;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p><u>(VIII) to undertake fiduciary duties with diligence in the Bank, perform their duties conscientiously and prudently, and ensure sufficient time and commitment to perform their duties;</u></p> <p>(H)<u>(IX)</u> to carefully read various business and financial reports of the Bank and keep informed of the operation and management conditions of the Bank; to sign written confirmations of the regular reports of the Bank; and to ensure the information disclosed by the Bank is true, accurate and complete;</p> <p>(IV)<u>(X)</u> to honestly provide the Board of Supervisors with relevant information, not to prevent the Board of Supervisors or supervisors from exercising their functions and powers, and to accept the lawful supervision and rational suggestions of the Board of Supervisors on their performance of duties;</p> <p>(V)<u>(XI)</u> to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by applicable laws or with the informed consent of shareholders given at a general meeting, not to transfer the exercise of their discretion to others;</p> <p>(VIII)<u>(XII)</u> other obligations of diligence stipulated by laws, administrative regulations, other rules and the Articles.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 151	<p>Directors shall attend Board meetings in an earnest and responsible manner and provide definite opinions on the matters deliberated. A director shall attend at least two thirds of the Board meetings each year. If a director fails to attend the said meetings consecutively for two times and fails to appoint other directors to attend such meetings on his behalf, he shall be deemed incapable of performing his duties, and the Board shall suggest that the general meeting remove the said director.</p> <p>Directors shall provide independent, professional and objective opinions at Board meetings.</p> <p>Directors shall attend trainings as required to learn about the rights and obligations of directors, be acquainted with relevant laws and regulations, and acquire relevant knowledge.</p>	Article 158	<p>Directors shall attend Board meetings in an earnest and responsible manner and provide definite opinions on the matters deliberated. A director shall attend at least two thirds of the on-site Board meetings each year. If a director fails to attend the said meetings consecutively for two times and fails to appoint other directors to attend such meetings on his behalf, he shall be deemed incapable of performing his duties, and the Board shall suggest that the general meeting remove the said director.</p> <p>Directors shall provide independent, professional and objective opinions at Board meetings.</p> <p>Directors shall attend trainings as required to learn about the rights and obligations of directors, be acquainted with relevant laws and regulations, and acquire relevant knowledge.</p>
Article 152	<p>A director may resign before his term of office expires. In resigning his duties, a director shall tender a written resignation to the Board.</p> <p>If the term of office of a director expires but re-election is not made responsively or if any director resigns during his term of office so that the normal operations of the Bank are affected or membership of the Board falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, other rules and the Articles until a new director is elected. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation.</p>	Article 159	<p>A director may resign before his term of office expires. In resigning his duties, a director shall tender a written resignation to the Board.</p> <p>If the term of office of a director expires but re-election is not made responsively or if any director resigns during his term of office so that the normal operations of the Bank are affected or membership of the Board falls short of the quorum or two-thirds of the number specified in the Articles, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, other rules and the Articles until a new director is elected taking his/her office. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>Save as provided in the preceding paragraph, a director's resignation shall be effective when his resignation is served to the Board.</p>		<p><u>The directors of the Bank shall not resign without the approval of the regulatory authorities if the Bank is conducting a disposal with material risks.</u></p> <p>Save as provided in the preceding paragraph, a director's resignation shall be effective when his resignation is served to the Board.</p> <p><u>The powers of the Board of Directors shall be exercised by the general meeting until the number of directors meets the requirements when the number of board members is short of the quorum specified in the Company Law or the quorum required for voting by the Board of Directors due to the dismissal by the general meeting or death of directors, resignation of independent directors for the loss of independence, or other circumstances where a director cannot perform its duties.</u></p>
Article 158	<p>In order to secure their independence, the following persons shall not act as independent director of the Bank:</p> <p>(I) shareholders holding 1% or more of the Bank's shares or natural persons among the top ten shareholders of the Bank, or persons who hold positions in the shareholders' institutions of the Bank;</p> <p>(II) persons who belonged to category (1) within the preceding year;</p> <p>(III) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank;</p> <p>(IV) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank within the three years before assumption of post;</p>	Article 165	<p>In order to secure their independence, the following persons shall not act as independent director of the Bank:</p> <p>(I) shareholders holding 1% or more of the Bank's shares or natural persons among the top ten shareholders of the Bank, or persons who hold positions in the shareholders' institutions of the Bank;</p> <p>(II) persons who belonged to category (1) within the preceding year;</p> <p>(III) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank;</p> <p>(IV) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank within the three years before assumption of post;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(V) persons having outstanding loans payable to the Bank or persons holding positions in an enterprise having outstanding loans payable to the Bank;</p> <p>(VI) persons who hold positions in an institution which has business connections with the Bank in law, accounting, audit or management consulting or is interested in the Bank;</p> <p>(VII) any other persons who can be controlled or can be significantly influenced by the Bank by various means;</p> <p>(VIII) immediate relatives and other closely related family members of the said persons;</p> <p>(IX) other persons as specified by relevant laws, administrative regulations, other rules, the banking regulatory authorities under the State Council, the securities regulatory authorities in the place where the securities of the Bank are listed and other regulatory authorities or as specified in the Articles.</p> <p>The immediate relatives specified in the Articles refer to parents, the spouse, siblings and spouses thereof, adult children and spouses thereof, parents-in-law, spouses' siblings and spouses thereof, parents' siblings and spouses thereof, and adult children of parents' siblings and spouses thereof.</p>		<p>(V) persons having outstanding loans payable to the Bank or persons holding positions in an enterprise having outstanding loans payable to the Bank;</p> <p>(VI) persons who hold positions in an institution which has business connections with the Bank in law, accounting, audit or management consulting or is interested in the Bank;</p> <p>(VII) any other persons who can be controlled or can be significantly influenced by the Bank by various means;</p> <p>(VIII) immediate relatives and other closely related family members of the said persons;</p> <p>(IX) other persons as specified by relevant laws, administrative regulations, other rules, the banking regulatory authorities under the State Council, the securities regulatory authorities in the place where the securities of the Bank are listed and other regulatory authorities or as specified in the Articles.</p> <p>The immediate relatives specified in the Articles refer to parents, the spouse, siblings and spouses thereof, adult children and spouses thereof, parents-in-law, spouses' siblings and spouses thereof, parents' siblings and spouses thereof, and adult children of parents' siblings and spouses thereof.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 162	<p>An independent director candidate shall be nominated by the Board or shareholder(s) individually or jointly holding more than 1% of the total number of voting shares issued by the Bank, and shall be elected by the general meeting.</p> <p>A shareholder or related shareholder may nominate one independent director candidate or one external supervisor candidate but shall not do both. A shareholder who has nominated a director candidate shall no longer nominate an independent director candidate.</p>	Article 169	<p>An independent director candidate shall be nominated by the Board or shareholder(s) individually or jointly holding more than 1% of the total number of voting shares issued by the Bank, <u>the Board, the nomination and remuneration committee of the Board and the Board of Supervisors of the Bank,</u> and shall be elected by the general meeting.</p> <p>A shareholder or related shareholder may nominate one independent director candidate or one external supervisor candidate but shall not do both. A shareholder <u>and his/her related party</u> who has <u>have</u> nominated a non-independent director candidates shall no longer nominate an independent director candidate.</p>
Article 164	<p>An independent director shall not hold positions in more than two commercial banks at the same time. Before taking office, independent directors shall promise the Board that they have enough time and energy to perform their duties and will diligently perform their duties.</p>	Article 171	<p>An independent director <u>may serve as an independent director in at most five domestic or foreign enterprises concurrently and</u> shall not hold positions in more than two commercial banks at the same time. <u>For banking or insurance institutions with a common independent director, the relevant institutions shall neither be affiliated with each other nor have conflicting interest.</u> Before taking office, independent directors shall promise the Board <u>in writing</u> that they have enough time and energy to perform their duties and will diligently perform their duties.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 165	<p>Save as otherwise specified in the Articles, an independent director shall work in the Bank for not less than 15 workdays each year.</p> <p>An independent director may appoint another independent director to attend Board meetings on his behalf but shall attend at least two thirds of the Board meetings in person each year.</p>	Article 172	<p>Save as otherwise specified in the Articles, an independent director shall work in the Bank for not less than 15 workdays each year.</p> <p>An independent director may appoint another independent director to attend Board meetings on his behalf but shall attend at least two thirds of the on-site Board meetings in person each year.</p>
Article 166	<p>The Board of Supervisors shall propose to the general meeting to dismiss an independent director if he:</p> <p>(I) is disqualified as independent director due to position changes and does not voluntarily submit resignation;</p> <p>(II) attends less than two thirds of the Board meetings in person in a year;</p> <p>(III) is disqualified as independent director according to laws, administrative regulations, and other rules.</p>	Article 173	<p>The Board of Supervisors shall propose to The Bank convenes the general meeting to dismiss an independent director if he:</p> <p>(I) is disqualified as independent director due to position changes and does not voluntarily submit resignation;</p> <p>(II) attends less than two thirds of the on-site Board meetings in person in a year;</p> <p>(III) <u>fails to attend the Board meetings in person for three consecutive times;</u></p> <p>(IV) is disqualified as independent director according to laws, administrative regulations, and other rules.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 168	<p>Independent directors shall provide objective, fair and independent opinions for the issues under discussion of the Board. Independent directors shall express their opinions especially on the following issues:</p> <p>(I) nomination, appointment and dismissal of directors;</p> <p>(II) appointment or dismissal of senior managers;</p> <p>(III) remunerations of directors and senior managers;</p> <p>(IV) profit distribution plan;</p> <p>(V) significant and particularly significant related party transactions between the Bank and the Bank's shareholders, effective controllers and affiliated enterprises, and whether the Bank has taken effective measures to collect outstanding receivables;</p> <p>(VI) whether the procedure for considering significant and particularly significant related party transactions of the Bank is legal and whether the transaction price is fair and just;</p>	Article 175	<p>Independent directors shall provide objective, fair and independent opinions for the issues under discussion of the Board. Independent directors shall express their opinions especially on the following issues:</p> <p>(I) nomination, appointment and dismissal of directors;</p> <p>(II) appointment or dismissal of senior managers;</p> <p>(III) remunerations of directors and senior managers;</p> <p>(IV) profit distribution plan;</p> <p>(V) significant and particularly significant related party transactions between the Bank and the Bank's shareholders, effective controllers and affiliated enterprises, and whether the Bank has taken effective measures to collect outstanding receivables;</p> <p>(VI) whether the procedure for considering significant and particularly significant related party transactions of the Bank is legal and whether the transaction price is fair and just;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VII) appointment of external auditors; matters involved in the non-standard unqualified audit opinions produced by the accounting firm on the financial accounting report of the Bank;</p> <p>(VIII) a related party's proposal of offsetting debts with assets (if no intermediary qualified for conducting relevant businesses is engaged to issue independent financial and advisory reports);</p> <p>(IX) whether or not equity incentive plans are conducive to the sustained development of the Bank, and cause obvious damage to the interests of the Bank and all shareholders;</p> <p>(X) the Bank's accumulative and current external guarantees and execution of relevant provisions;</p> <p>(XI) matters which independent directors deem likely to damage the legitimate rights and interests of depositors, minority shareholders and other stakeholders;</p> <p>(XII) matters that may cause serious losses to the Bank;</p> <p>(XIII) other matters specified in laws, administrative regulations and other rules and the Articles.</p>		<p>(VII) appointment of external auditors; <u>appointment or dismissal of an accounting firm that conducts regular statutory audit on the financial reports of the Bank;</u> matters involved in the non-standard unqualified audit opinions produced by the accounting firm on the financial accounting report of the Bank;</p> <p>(VIII) a related party's proposal of offsetting debts with assets (if no intermediary qualified for conducting relevant businesses is engaged to issue independent financial and advisory reports);</p> <p>(IX) whether or not equity incentive plans are conducive to the sustained development of the Bank, and cause obvious damage to the interests of the Bank and all shareholders;</p> <p>(X) the Bank's accumulative and current external guarantees and execution of relevant provisions;</p> <p>(XI) matters which independent directors deem likely to damage the legitimate rights and interests of <u>the Bank, depositors, minority shareholders, financial consumers</u> and other stakeholders;</p> <p>(XII) matters that may cause serious losses to the Bank;</p> <p>(XIII) other matters specified in laws, administrative regulations and other rules and the Articles.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
—	—	Article 177	<p><u>An independent director shall perform his/her duties in a fiduciary, independent and diligent manner, effectively safeguard the legitimate rights and interests of the Bank, minority shareholders and financial consumers, and shall not be influenced by the shareholders, de facto controller, senior management or other entities or individuals with a material interest in the Bank.</u></p> <p><u>If there are major defects in the corporate governance mechanism or the corporate governance mechanism fails in the Bank, independent directors shall report relevant information to the regulatory authorities in time. Independent directors shall keep the Bank's secrets in addition to reporting relevant information to the regulatory authorities pursuant to the requirements.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 175	<p>The Board shall exercise the following functions and powers:</p> <p>(I) to convene a general meeting and report its work to the general meeting;</p> <p>(II) to implement resolutions of the general meeting;</p> <p>(III) to decide on the Bank's business plans, investment proposals and development strategies;</p> <p>(IV) to formulate the Bank's annual financial budgets, final accounts, risk capital allocation plans, profit distribution plans and loss recovery plans;</p> <p>(V) to formulate proposals for increase or decrease of the registered capital, issuance of bonds or other securities and listing plans of the Bank;</p> <p>(VI) to formulate plans for material acquisitions, purchase of shares of the Bank or merger, division, dissolution and transformation of the Bank;</p> <p>(VII) to decide on major events of the Bank within the authorization of the general meeting, such as daily operations, external investments, acquisition, sales and swap of assets, external guarantees, pledge of assets, entrusted wealth management, financial lease, related party transactions and disposal of non-performing assets;</p>	Article 183	<p>The Board shall exercise the following functions and powers:</p> <p>(I) to convene a general meeting and report its work to the general meeting;</p> <p>(II) to implement resolutions of the general meeting;</p> <p>(III) to decide on the Bank's business plans, investment proposals, and <u>to formulate</u> development strategies <u>and supervise the implementation of the strategies</u>;</p> <p>(IV) to formulate the Bank's annual financial budgets, final accounts, risk capital allocation plans, profit distribution plans and loss recovery plans;</p> <p>(V) to formulate proposals for increase or decrease of the registered capital, issuance of bonds or other securities and listing plans of the Bank;</p> <p>(VI) to formulate plans for material acquisitions, purchase of shares of the Bank or merger, division, dissolution and transformation of the Bank;</p> <p>(VII) to decide on major events of the Bank within the authorization of the general meeting, such as daily operations, external investments, acquisition, sales and swap of assets, external guarantees, pledge of assets, entrusted wealth management, financial lease, related party transactions and disposal <u>and write-offs</u> of non-performing assets;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VIII) to appoint or dismiss senior managers including the president, vice president and secretary of the Board of the Bank as nominated by the chairman, and decide on their remunerations, rewards and punishments;</p> <p>(IX) to formulate the basic management system of the Bank, and decide on the rights of senior management on the formulation of business procedures and other specific rules;</p> <p>(X) to formulate proposals for any amendment to the Articles;</p> <p>(XI) to be responsible for the Bank's information disclosure, and undertake the ultimate responsibility for the completeness and accuracy of the Bank's accounting and financial reports;</p>		<p>(VIII) to appoint or dismiss <u>under regulatory requirements</u> senior managers including the president, vice president and secretary of the Board of the Bank as-nominated by the chairman; and decide on <u>determine</u> their remunerations, rewards and punishments for senior managers;</p> <p>(IX) to formulate the basic management system of the Bank, and decide on the rights of senior management on the formulation of business procedures and other specific rules;</p> <p>(X) to formulate proposals for any amendment to the Articles, <u>formulate the rules of procedure of the Shareholders' General Meeting and the rules of procedure of the Board of Directors, and submit the same to the general meeting for consideration and approval; and to consider and approve the rules of procedure for the special committees under the Board;</u></p> <p>(XI) to be responsible for the Bank's information disclosure, and undertake the ultimate responsibility for the <u>truthfulness, accuracy,</u> completeness and accuracy promptness of the Bank's accounting and financial reports;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XII) to formulate a standard scheme for the remuneration and allowances of the directors of the Bank;</p> <p>(XIII) to listen to work reports of the Bank's president and examine the work of the president;</p> <p>(XIV) to decide on the Bank's risk management and internal control policies;</p> <p>(XV) to supervise performance of the Bank's senior management and deliberate senior management's evaluation on the Bank's president, vice president, chief financial officer and other senior managers and the reports of evaluation by the Bank's senior managers on each other; and to organize the evaluation on directors and evaluation by independent directors on each other and report relevant evaluation results to the Board of Supervisors;</p> <p>(XVI) to regularly evaluate and improve the Bank's governance;</p> <p>(XVII) to nominate the candidates of the next session of the Board;</p> <p>(XVIII) to apply for bankruptcy to the People's Court on behalf of the Bank according to the authorization of the general meeting;</p> <p>(XIX) to decide on the plans for establishment of internal management structure of the Bank and establishment and withdrawal of branches of the Bank;</p>		<p>(XII) to formulate a standard scheme for the remuneration and allowances of the directors of the Bank;</p> <p>(XIII) to listen to work reports of the Bank's president and examine the work of the president;</p> <p>(XIV) <u>to determine the risk tolerance level, to decide on the Bank's risk management and internal control policies of the Bank, and to assume the ultimate responsibility for the overall risk management;</u></p> <p>(XV) to supervise the work performance of the Bank's senior management and deliberate senior management's evaluation on the Bank's president, vice president, chief financial officer and other senior managers and the reports of evaluation by the Bank's senior managers on each other; and to organize the evaluation on directors and evaluation by independent directors on each other and report relevant evaluation results to the Board of Supervisors;</p> <p>(XVI) to regularly evaluate and improve the Bank's <u>corporate</u> governance;</p> <p>(XVII) to nominate the candidates of the next session of the Board;</p> <p>(XVIII) to apply for bankruptcy to the People's Court on behalf of the Bank according to the authorization of the general meeting;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XX) to establish an identification, investigation and management mechanism for the conflict of interest between the Bank and substantial shareholders;</p> <p>(XXI) to undertake the ultimate responsibility for information technology risks and examination and approval of mid-and-long term information technology strategies, and regularly review the Bank's reports on information technology construction and risk management;</p> <p>(XXII) to have the right to determine the pricing and the business investment between the Bank and other financial institutions, including bond investment, entrusted wealth management, purchase of wealth management products, purchase of designated (specialized) asset management plans, trust plans, beneficiary certificates issued by securities companies, right to yields on claims of margin trading and short selling, securities investment funds and other business investment and pricing;</p> <p>(XXIII) to be in charge of determining green credit development strategies, examine and approve the green credit objectives determined and the green credit reports submitted by senior management, and supervise and appraise the Bank's implementation of green credit development strategies;</p>		<p>(XIX) to decide on the plans for establishment of internal management structure of the Bank and establishment and withdrawal of branches of the Bank;</p> <p>(XX) to establish an identification, investigation and management mechanism for the conflict of interest between the Bank and <u>shareholders, especially substantial shareholders, and assume the management responsibility for shareholders' affairs;</u></p> <p>(XXI) to undertake the ultimate responsibility for information technology risks and examination and approval of mid-and-long term information technology strategies, and regularly review the Bank's reports on information technology construction and risk management;</p> <p>(XXII) to have the right to determine the pricing and the business investment between the Bank and other financial institutions, including bond investment, entrusted wealth management, purchase of wealth management products, purchase of designated (specialized) asset management plans, trust plans, beneficiary certificates issued by securities companies, right to yields on claims of margin trading and short selling, securities investment funds and other business investment and pricing;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XXIV) to assume the ultimate responsibility for the protection of consumer rights of the Bank, regularly listen to the reports on the progress of the protection of consumer rights; assume the ultimate responsibility for anti-money laundering (AML) management, and ensure that the Bank establishes and implements a complete and effective AML internal control system; and</p> <p>(XXV) to exercise other functions and powers that shall be exercised by the Board according to the laws, regulations, Hong Kong Listing Rules and the Articles.</p>		<p>(XXIII) to be in charge of determining green credit development strategies, examine and approve the green credit objectives determined and the green credit reports submitted by senior management, and supervise and appraise the Bank's implementation of green credit development strategies;</p> <p>(XXIV) to assume the ultimate responsibility for the protection of consumer rights of the Bank, <u>safeguard the legitimate rights of financial consumers and other stakeholders</u>, regularly listen to the reports on the progress of the protection of consumer rights; assume the ultimate responsibility for anti-money laundering (AML) management, and ensure that the Bank establishes and implements a complete and effective AML internal control system;</p> <p><u>(XXV) to formulate the capital planning of the Bank, assume ultimate responsibility for capital or solvency management;</u></p> <p><u>(XXVI) to propose to the general meeting of the engagement or dismissal of the accounting firm that conducts regular and statutory audit on the financial reports of the Bank;</u></p> <p><u>(XXVII) to formulate the Bank's data strategy, approve or authorize the approval on major issues in relation to data governance, urge senior management to improve the effectiveness of data governance, and assume ultimate responsibility for data governance;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p><u>(XXVIII) to be responsible for the Bank's anti-money laundering and counter terrorist financing policies, supervise the implementation of anti-money laundering and counter terrorist financing policies, and assume ultimate responsibility for the Bank's anti-money laundering and counter terrorist financing work;</u> and</p> <p><u>(XXIX)</u> to exercise other functions and powers that shall be exercised by the Board according to the laws, regulations, Hong Kong Listing Rules and the Articles.</p>
Article 180	In event of emergency, provisional Board meetings may be convened upon proposal by shareholders representing at least one tenth of the total voting rights, by at least one third of the directors, by at least half of the independent directors or by the Board of Supervisors. The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal.	Article 188	In event of emergency, provisional Board meetings may be convened upon proposal by shareholders representing at least one tenth of the total voting rights, by at least one third of the directors, by at least half of the independent directors or by the Board of Supervisors <u>by at least two independent directors or by the Board of Supervisors and when the chairman considers it necessary</u> . The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal.
Article 181	The notice of provisional Board meeting shall be served to all directors by mail (including e-mail) or personal delivery, at least five days in advance. Where a provisional Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.	Article 189	The notice of provisional Board meeting shall be served to all directors <u>and supervisors</u> by mail (including e-mail) or personal delivery, at least five days in advance. Where a provisional Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 184	<p>If any director or any of his close associates (as defined in Hong Kong Listing Rules) has any related party relationship with the enterprise involved in any resolution of the Board meeting or has a material interest in any contract, arrangement or any other suggestion proposed to be resolved on, the said director shall not exercise the right to vote on the said resolution for himself or on behalf of other directors. When determining whether a quorum for the meeting is attained, such director shall not be counted as part of the quorum. The Board meeting may be held when more than half of the non-related directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the meeting is less than three, the matter shall be submitted to the general meeting for consideration.</p> <p>If any director himself has any direct or indirect related party relationship in any contract, transaction or arrangement already concluded or under planning with the Bank, he shall responsively inform the nature and extent of the related party relationship to the related-party transactions control committee under the Board and necessarily avoid any relevant matter under consideration.</p>	Article 192	<p>If any director or any of his close associates (as defined in Hong Kong Listing Rules) has any related party relationship with the enterprise involved in any resolution of the Board meeting or has a material interest in any contract, arrangement or any other suggestion proposed to be resolved on, the said director shall not exercise the right to vote on the said resolution for himself or on behalf of other directors. When determining whether a quorum for the meeting is attained, such director shall not be counted as part of the quorum.</p> <p><u>When the Board of Directors reviews related party transactions, a</u> The Board meeting may be held when more than half of the non-related directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half two thirds of the non-related directors. If the number of non-related directors attending the meeting is less than three, the matter shall be submitted to the general meeting for consideration.</p> <p>If any director himself has any direct or indirect related party relationship in any contract, transaction or arrangement already concluded or under planning with the Bank, he shall responsively inform the nature and extent of the related party relationship to the related-party transactions control committee under the Board and necessarily avoid any relevant matter under consideration.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The avoidance and voting procedures for related directors are that they may choose proactive avoidance or be subject to any request for avoidance made by any other director or representative director attending the Board meeting. If any request for avoidance is made by any other director or representative director but the relevant directors think they are beyond the scope of avoidance, they shall state the reason. If after stating the reason the relevant directors cannot persuade any director who has made the request, the Board may respectively record the voting results when the director with disputed connected relation identity avoids or does not avoid voting. After the Board meeting, the chairman shall confirm the final voting results by applying to relevant authorities for identifying related directors and inform all directors.</p>		<p>The avoidance and voting procedures for related directors are that they may choose proactive avoidance or be subject to any request for avoidance made by any other director or representative director attending the Board meeting. If any request for avoidance is made by any other director or representative director but the relevant directors think they are beyond the scope of avoidance, they shall state the reason. If after stating the reason the relevant directors cannot persuade any director who has made the request, the Board may respectively record the voting results when the director with disputed connected relation identity avoids or does not avoid voting. After the Board meeting, the chairman shall confirm the final voting results by applying to relevant authorities for identifying related directors and inform all directors.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 185	<p>Voting on Board meetings may be conducted by a show of hands, ballot and means of communications.</p> <p>Provisional Board meetings may be held and pass resolutions by means of communications in writing, with the resolutions signed by the voting directors, provided that the directors fully express their opinions. Voting by means of communications shall not be adopted on especially significant matters, including relevant matters set out in subparagraphs (V), (VI) and (X) of Article 175 and profit distribution plans, risk capital allocation plans, significant investments, disposal of material assets, appointment or dismissal of senior managers, capital replenishment plan, material equity change, and financial reorganization, and other matters that may have an especially material impact on the Bank and accordingly shall be approved by voting of more than two thirds of all directors as deemed by more than half of all directors or according to laws, administrative regulations, provisions of relevant regulatory authorities and the Articles. The aforesaid especially major matters shall be subject to approval of more than two thirds of all directors. For other matters apart from the aforesaid especially significant matters, adoption of or resolution on any proposal by the Board shall be subject to approval of more than half of all directors of the Bank.</p>	Article 193	<p>Voting on Board meetings may be conducted by a show of hands, ballot and means of communications. <u>through on-site meeting and circulation of written resolution.</u></p> <p>Provisional Board meetings may be held and pass resolutions by means of <u>circulation of written resolution</u> communications in writing, with the resolutions signed by the voting directors, provided that the directors fully express their opinions. Voting by means of communications <u>circulation of written resolution</u> shall not be adopted on especially significant matters, including relevant matters set out in subparagraphs (V), (VI) and (X) <u>(excluding the formulation of the rules of procedure of the Shareholders' General Meeting and the rules of procedure of the Board of Directors, and consideration and approval of the rules of procedure for the special committees under the Board)</u> of Article 17583 and profit distribution plans, <u>remuneration plans</u>, risk capital allocation plans, significant investments, disposal of material assets, appointment or dismissal of senior managers, capital replenishment plan, material equity change, and financial reorganization, and other matters that may have an especially material impact on the Bank and accordingly shall be approved by voting of more than two thirds of all directors as deemed by more than half of all directors or according to laws, administrative regulations, provisions of relevant regulatory authorities and the Articles. The aforesaid especially major matters shall be subject to approval of more than two thirds of all directors. For other matters apart from the aforesaid especially significant matters, adoption of or resolution on any proposal by the Board shall be subject to approval of more than half of all directors of the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<u>The “directors” and “all directors” as referred to in counting the number of directors attending and voting at the Board meetings are directors whose qualifications have been approved by the regulatory authorities.</u>
Article 186	Directors shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he may issue a written power of attorney to authorize another director to attend the meeting on behalf thereof, and the power of attorney shall specify the name of the proxy, the matters to be handled in proxy, the scope of authorization and validity period, and shall bear the signature or seal of the principal. The director attending the meeting on behalf of another director shall exercise rights within the scope of authorization. If a director fails to attend a Board meeting and does not appoint a proxy to act on his behalf, the said director shall be deemed as having waived his right to vote at the meeting.	Article 194	Directors shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he may issue a written power of attorney to authorize another director to attend the meeting on behalf thereof. <u>In principle, a director may accept entrustment from a maximum of two directors who do not attend the meeting in person. When considering matters of related party transactions, a non-related director may not authorize a related director to attend the meeting on his/her behalf.</u> The power of attorney shall specify the name of the proxy, the matters to be handled in proxy, the scope of authorization and validity period, and shall bear the signature or seal of the principal. The director attending the meeting on behalf of another director shall exercise rights within the scope of authorization. If a director fails to attend a Board meeting and does not appoint a proxy to act on his behalf, the said director shall be deemed as having waived his right to vote at the meeting.
Article 187	<p>The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending directors and the minutes recorder.</p> <p>The Board shall establish duty performance archives for directors, which shall completely record the number of attendances of directors at Board meetings, their independent opinions and suggestions and adoption thereof, as a basis to evaluate the directors.</p> <p>The minutes of Board meetings shall be kept by the Bank as archives of the Bank for 20 years.</p>	Article 195	<p>The Board shall file resolutions of the <u>on-site</u> meeting as minutes, which shall be signed by the attending directors and the minutes recorder.</p> <p>The Board shall establish duty performance archives for directors, which shall completely record the number of attendances of directors at Board meetings, their independent opinions and suggestions and adoption thereof, as a basis to evaluate the directors.</p> <p>The minutes of Board meetings shall be kept <u>permanently</u> by the Bank as archives of the Bank for 20 years.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 192	<p>The Board of the Bank establishes the development and strategy committee, related-party transactions control committee, risk management committee, audit committee, nomination and remuneration committee, consumer rights protection committee and other special committees. The special committees shall be headed by directors in principle and shall each have at least three members. In particular, the related-party transactions control committee, nomination and remuneration committee and audit committee shall be headed by independent directors. The audit committee shall comprise non-executive directors only and have at least one independent director who shall have relevant professional qualifications as specified in Hong Kong Listing Rules, or shall have professional specialty in audit or related financial management. The majority of the audit committee and nomination and remuneration committee shall be independent directors. Any director nominated by the controlling shareholders shall not act as member of the related-party transactions control committee and nomination and remuneration committee.</p>	Article 200	<p>The Board of the Bank establishes the development and strategy committee, related-party transactions control committee, risk management committee, audit committee, nomination and remuneration committee, consumer rights protection committee and other special committees. <u>The members of special committees shall be directors and have professional knowledge or work experience catering to the duties of the special committees.</u> The special committees shall be headed by directors in principle and shall each have at least three members. In particular, <u>the majority of the audit committee and nomination and remuneration committee shall be independent directors, and in principle, no less than one-third of the risk management committee and the related-party transactions control committee shall be independent directors.</u> The related-party transactions control committee, nomination and remuneration committee and audit committee shall be headed by independent directors. The audit committee shall comprise non-executive directors only, <u>who shall have professional knowledge and work experience in one aspect of finance, auditing, accounting or law, etc.,</u> and have at least one independent director who shall have relevant professional qualifications as specified in Hong Kong Listing Rules, or shall have professional specialty in audit or related financial management. The majority of the audit committee and nomination and remuneration committee shall be independent directors. Any director nominated by the controlling shareholders shall not act as member of the related-party transactions control committee and nomination and remuneration committee.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The special committees under the Board shall provide professional advice to the Board or make decisions on professional matters as authorized by the Board.</p> <p>The Board shall formulate terms of reference and working procedures for respective special committees. The respective special committees shall formulate annual work plans, which shall be implemented upon examination and approval by the Board.</p> <p>Any director in charge of the audit committee, related-party transactions control committee and risk management committee shall work at the Bank for at least 25 workdays every year.</p>		<p>The special committees under the Board shall provide professional advice to the Board or make decisions on professional matters as authorized by the Board.</p> <p>The Board shall formulate terms of reference <u>the rules of procedure</u> and working procedures for respective special committees. The respective special committees shall formulate annual work plans, which shall be implemented upon examination and approval by the Board. <u>may formulate annual work plans and hold meetings on a regular basis.</u></p> <p>Any director in charge of the audit committee, related-party transactions control committee and risk management committee shall work at the Bank for at least 25 workdays every year.</p>
Article 194	The primary duties of the related-party transactions control committee are to manage, review and approve and control risks of related party transactions.	Article 202	The primary duties of the related-party transactions control committee are to manage, review and approve and control risks of related party transactions. <u>manage, review and control risks of related-party transactions.</u>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 199	<p>The Bank conducts strict management on related party transactions in accordance with relevant provisions of the banking regulatory authorities under the State Council. A related party transaction refers to any of the following matters involving transfer of resources or obligations between the Bank and a related party:</p> <p>(I) credit extension;</p> <p>(II) transfer of assets;</p> <p>(III) provision of services; and</p> <p>(IV) other related party transactions specified by the banking regulatory authorities under the State Council.</p>	Article 207	<p>The Bank conducts strict management on related party transactions in accordance with relevant provisions of the banking regulatory authorities under the State Council. <u>Definition of related parties, and definition, types, approval process and disclosure management of related party transactions are subject to the Measures for the Administration of Connected Transactions of Banking and Insurance Institutions.</u> A related party transaction refers to any of the following matters involving transfer of resources or obligations between the Bank and a related party.</p> <p>(I) credit extension;</p> <p>(II) transfer of assets;</p> <p>(III) provision of services; and</p> <p>(IV) other related party transactions specified by the banking regulatory authorities under the State Council.</p>
Article 200	<p>According to the Bank's net capital and operations, the Bank's related party transactions are divided into general related party transactions and material related party transactions:</p> <p>A general related party transaction refers to any transaction involving single transaction amount between the Bank and a related party accounting for less than 1% of the net capital of the Bank, and the transaction balance between the Bank and the related party accounting for less than 5% of the net capital of the Bank after the transaction.</p>	—	<p>According to the Bank's net capital and operations, the Bank's related party transactions are divided into general related party transactions and material related party transactions:</p> <p>A general related party transaction refers to any transaction involving single transaction amount between the Bank and a related party accounting for less than 1% of the net capital of the Bank, and the transaction balance between the Bank and the related party accounting for less than 5% of the net capital of the Bank after the transaction.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The general related party transactions shall be reported by the Bank to the related-party transactions control committee for examination and approval as per the internal authorization procedure. The general related party transactions may also be examined and approved as per the procedure for material related party transactions.</p> <p>A material related party transaction refers to any transaction involving single transaction amount between the Bank and a related party accounting for more than 1% of the net capital of the Bank, or the transaction balance between the Bank and the related party accounting for more than 5% of the net capital of the Bank after the transaction.</p> <p>The material related party transactions shall be submitted to the Board for approval upon examination by the related-party transactions control committee of the Bank.</p>		<p>The general related party transactions shall be reported by the Bank to the related-party transactions control committee for examination and approval as per the internal authorization procedure. The general related party transactions may also be examined and approved as per the procedure for material related party transactions.</p> <p>A material related party transaction refers to any transaction involving single transaction amount between the Bank and a related party accounting for more than 1% of the net capital of the Bank, or the transaction balance between the Bank and the related party accounting for more than 5% of the net capital of the Bank after the transaction.</p> <p>The material related party transactions shall be submitted to the Board for approval upon examination by the related-party transactions control committee of the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 204	<p>The chairman shall exercise the following functions and powers:</p> <p>(I) to preside over general meetings and convene and preside over Board meetings;</p> <p>(II) to supervise and examine the implementation of resolutions of the Board and report the work to the Board;</p> <p>(III) to exercise the functions and powers of the Bank's legal representative to sign the securities certificates issued by the Bank;</p> <p>(IV) to nominate or dismiss vice president, secretary of the Board and other senior managers after seeking advice from the president;</p> <p>(V) to formulate the plans for establishment of internal management structure of the Bank and establishment, relocation and withdrawal of branches of the Bank and submit the plans to the Board for approval;</p> <p>(VI) to determine the appointment or dismissal of middle managers and staff;</p> <p>(VII) to decide on the salaries, benefits and reward or punishment of the Bank's staff other than the senior manages decided by the Board within the scope of remuneration plans and management systems approved by the Board;</p>	Article 211	<p>The chairman shall exercise the following functions and powers:</p> <p>(I) to preside over general meetings and convene and preside over Board meetings;</p> <p>(II) to supervise and examine the implementation of resolutions of the Board and report the work to the Board;</p> <p>(III) to exercise the functions and powers of the Bank's legal representative to sign the securities certificates issued by the Bank;</p> <p>(IV) to nominate or dismiss vice president, secretary of the Board and other senior managers after seeking advice from the president;</p> <p>(V) to formulate the plans for establishment of internal management structure of the Bank and establishment, relocation and withdrawal of branches of the Bank and submit the plans to the Board for approval;</p> <p>(VI) <u>(V)</u> to determine the appointment or dismissal of middle managers and staff;</p> <p>(VII) <u>(VI)</u> to decide on the salaries, benefits and reward or punishment of the Bank's staff other than the senior manages decided by the Board within the scope of remuneration plans and management systems approved by the Board;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VIII) in any emergent force majeure event such as extraordinarily serious natural disasters or other emergencies, to exercise the special right of disposal in respect of the business of the Bank in compliance with laws, regulations and in the interests of the Bank, and to report to the Board and the general meeting of the Bank afterwards, with the amount for exercising the function and power accounting for not more than 10% of the Bank's net asset value;</p> <p>(IX) to exercise other functions and powers conferred by the Board;</p> <p>(X) functions and powers that shall be exercised by the chairman according to relevant laws, regulations and rules.</p>		<p>(VIII) <u>(VII)</u> in any emergent force majeure event such as extraordinarily serious natural disasters or other emergencies, to exercise the special right of disposal in respect of the business of the Bank in compliance with laws, regulations and in the interests of the Bank, and to report to the Board and the general meeting of the Bank afterwards; with the amount for exercising the function and power accounting for not more than 10% of the Bank's net asset value;</p> <p>(IX)(VIII) to exercise other functions and powers conferred by the Board;</p> <p>(X)(IX) functions and powers that shall be exercised by the chairman according to relevant laws, regulations and rules.</p>
Article 219	<p>The number of the Bank's external supervisors shall comply with laws, regulations and other rules. The Bank's shareholder supervisors and external supervisors are nominated by the Board of Supervisors and shareholders (the procedures for nominating and electing shareholder supervisors and external supervisors shall be similar to those for directors and independent directors) and elected at the general meeting.</p> <p>A shareholder and its related shareholder who nominate any supervisor shall not nominate any external supervisor.</p>	Article 226	<p>The number of the Bank's external supervisors shall comply with laws, regulations and other rules. The Bank's shareholder supervisors and external supervisors are nominated by the Board of Supervisors and shareholders (the procedures for nominating and electing shareholder supervisors and external supervisors shall be similar to those for directors and independent directors) and elected at the general meeting.</p> <p>A shareholder and its related shareholder who nominate any supervisor shall not nominate any external supervisor. <u>A shareholder who has nominated a director and its related parties shall no longer nominate supervisors. If the State provides otherwise, such provisions shall apply.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 227	<p>The Bank shall have a Board of Supervisors, which shall be composed of five supervisors. In particular, the number of external supervisors shall comply with laws, administrative regulations and other rules. The Board of Supervisors shall have one chairman, who shall be elected by the votes of above two thirds of all supervisors after the local party and government, substantial shareholders and banking regulatory authorities under the State Council reach a consensus on the chairman candidate upon communication. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors; where the chairman of the Board of Supervisors cannot or does not fulfill the duty thereof, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the Board of Supervisors.</p> <p>The Board of Supervisors shall include shareholder supervisors and proportionate employee representative supervisors of the Bank. In particular, employee representative supervisors and external supervisors shall not be less than one third of the total number of members of the Board of Supervisors. Employee representative supervisors in the Board of Supervisors shall be elected, removed or replaced by the employees of the Bank through the employee representative meeting; shareholder supervisors shall be elected, removed or replaced at the general meeting; external supervisors shall be nominated by the nomination committee of the Board of Supervisors, or shareholder(s) individually or jointly holding more than 1% of the total number of the voting shares of the Bank, and shall be elected, removed or replaced at the general meeting.</p>	Article 234	<p>The Bank shall have a Board of Supervisors, which shall be composed of five supervisors. In particular, the number of external supervisors shall comply with laws, administrative regulations and other rules. The Board of Supervisors shall have one chairman, who shall be elected by the votes of above two thirds of all supervisors after the local party and government, substantial shareholders and banking regulatory authorities under the State Council reach a consensus on the chairman candidate upon communication. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors; where the chairman of the Board of Supervisors cannot or does not fulfill the duty thereof, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the Board of Supervisors.</p> <p>The Board of Supervisors shall include shareholder supervisors and proportionate employee representative supervisors of the Bank. In particular, employee representative supervisors and external supervisors shall not be less than one third of the total number of members of the Board of Supervisors.</p> <p>Employee representative supervisors in the Board of Supervisors <u>shall be nominated by the Board of Supervisors and trade union of the Bank, and</u> shall be elected, removed or replaced by the employees of the Bank through the employee representative meeting; shareholder supervisors shall be elected, removed or replaced at the general meeting; external <u>non-employee representative</u> supervisors shall be nominated by the nomination committee of the Board of Supervisors, or shareholder(s) individually or jointly holding more than 1% of the total number of the voting shares of the Bank, and shall be elected, removed or replaced at the general meeting.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 228	<p>The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and powers according to law:</p> <p>(I) to examine the regular reports and bonus scheme of the Bank prepared by the Board and produce written opinions thereon;</p> <p>(II) to examine and supervise financial activities of the Bank;</p> <p>(III) to conduct departure audit for directors, president, and other senior managers and to guide the work of the internal audit department of the Bank;</p> <p>(IV) to inquire directors, president and other senior managers;</p> <p>(V) to supervise the fulfilment of duties of the Board of Directors, senior management, directors, chairman and senior managers and to propose dismissal of directors and senior managers who have violated laws, administrative regulations, the Articles or resolutions of the general meetings;</p> <p>(VI) if any act of the directors, president and other senior managers damages the interests of the Bank, to require them to rectify such act accordingly;</p> <p>(VII) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over general meetings in accordance with the Company Law, to convene and preside over general meetings;</p>	Article 235	<p>The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and powers according to law:</p> <p><u>(I) to supervise the Board of Directors to establish steady business philosophy and value standards and to formulate development strategies in line with the Bank's conditions;</u></p> <p><u>(II) to evaluate the scientificity, rationality and soundness of the Bank's development strategies and produce evaluation reports;</u></p> <p>(III) <u>(III)</u> to examine the regular reports and bonus scheme of the Bank prepared by the Board and produce written opinions thereon;</p> <p>(IV) <u>(IV)</u> to examine and supervise financial activities of the Bank;</p> <p>(V) <u>(V)</u> to conduct departure audit for directors, president, and other senior managers and to guide the work of the internal audit department of the Bank <u>to supervise and guide the internal audit department in the independent performance of its audit and oversight duties;</u></p> <p>(VI) <u>(VI)</u> to inquire directors, president and other senior managers;</p> <p><u>(VII) to supervise the implementation of the Bank's remuneration management system and the scientificity and rationality of the remuneration plans for senior managers;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VIII) to submit proposals to general meetings;</p> <p>(IX) to initiate legal proceedings against the directors and senior managers in accordance with Article 152 of the Company Law;</p> <p>(X) to conduct investigation if there are any unusual circumstances in the Bank's operations, and if necessary, to engage an accounting firm, law firm, professional auditor or other professionals to assist in their work at the expenses of the Bank;</p> <p>(XI) to formulate a standard scheme for the remuneration and allowances of the members of the Board of Supervisors of the Bank for review and determination at the general meeting;</p> <p>(XII) to audit the business decisions, risk management and internal controls of the Bank, and to supervise the information technology risks of the Bank;</p> <p>(XIII) to attend Board meetings and obtain meeting materials;</p> <p>(XIV) to supervise the directors recruiting procedures;</p> <p>(XV) to organize the evaluation of supervisors and the mutual evaluation of external supervisors, and to report the evaluation results to the general meeting for deliberation; and</p> <p>(XVI) to exercise other functions and powers stipulated in laws, administrative regulations and other regulations, or the Articles, or granted by the general meetings.</p>		<p>(V)(VIII) to supervise the fulfilment of duties of the Board of Directors, senior management, directors, chairman and senior managers and to propose dismissal of directors and senior managers who have violated laws, administrative regulations, the Articles or resolutions of the general meetings;</p> <p>(VI)(IX) if any act of the directors, president and other senior managers damages the interests of the Bank, to require them to rectify such act accordingly;</p> <p>(VII)(X) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over general meetings in accordance with the Company Law, to convene and preside over general meetings;</p> <p>(VIII)(XI) to submit proposals to general meetings;</p> <p>(IX)(XII) to initiate legal proceedings against the directors and senior managers in accordance with Article 152 of the Company Law;</p> <p>(X)(XIII) to conduct investigation if there are any unusual circumstances in the Bank's operations, and if necessary, to engage an accounting firm, law firm, professional auditor or other professionals to assist in their work at the expenses of the Bank;</p> <p>(XI)(XIV) to formulate a standard scheme for the remuneration and allowances of the members of the Board of Supervisors of the Bank for review and determination at the general meeting;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p>(XII)(XV) to audit supervise and inspect the business decisions, risk management and internal controls of the Bank, and to supervise the information technology risks of the Bank urge relevant rectifications;</p> <p>(XIII)(XVI) to attend Board meetings and obtain meeting materials;</p> <p>(XIV)(XVII) to supervise the Directors' directors recruiting procedures;</p> <p>(XV)(XVIII) to organize the evaluation of supervisors and the mutual evaluation of external supervisors a comprehensive evaluation on the performance of duties of directors and supervisors, and to report the evaluation results to the general meeting for deliberation; and</p> <p>(XIX) to supervise and evaluate the performance of duties of the Board and senior management in capital management, management of advanced capital measurement method and liquidity risk management, and report the evaluation results to the general meeting; and</p> <p>(XVI)(XX) to exercise other functions and powers stipulated in laws, administrative regulations and other regulations, or the Articles, or granted by the general meetings.</p>
Article 229	The Board of Supervisors establishes the nomination committee and audit and supervisory committee. The nomination committee and audit and supervisory committee shall be headed by external supervisors in principle.	Article 236	The Board of Supervisors establishes the nomination committee and audit and supervisory committee and other special committees . The nomination committee and audit and supervisory committee shall be headed by external supervisors in principle.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 231	<p>The principal duties of the audit and supervisory committee of the Board of Supervisors are:</p> <p>(I) formulate schemes for inspecting and supervising the financial activities of the Bank;</p> <p>(II) formulate schemes for departure audit on directors and senior managers;</p> <p>(III) formulate schemes for auditing the business decisions, risk management and internal control of the Bank;</p> <p>(IV) supervise the Board of Directors to establish steady business philosophy and criterion value and to formulate development strategies in line with the Bank's actual conditions; and</p> <p>(V) exercise other functions and powers conferred by the Board of Supervisors.</p>	Article 238	<p>The principal duties of the audit and supervisory committee of the Board of Supervisors are:</p> <p>(I) formulate schemes for inspecting and supervising the financial activities of the Bank;</p> <p>(II) formulate schemes for departure audit on directors and senior managers;</p> <p>(III) formulate schemes for auditing the business decisions, risk management and internal control of the Bank;</p> <p>(IV)(II) supervise the Board of Directors to establish steady business philosophy and criterion value and to formulate development strategies in line with the Bank's actual conditions; and</p> <p>(V)(III) exercise other functions and powers <u>matters</u> conferred by the Board of Supervisors.</p>
Article 237	Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of the Board of Supervisors shall be kept by the Bank as archives of the Bank for 20 years.	Article 244	Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of the Board of Supervisors shall be kept permanently by the Bank as archives of the Bank for 20 years .
Article 290	After the profit distribution plan is adopted at the general meeting, the Board of the Bank shall finish distributing dividends (or shares) in due course within 2 months after conclusion of the general meeting.	Article 297	After the profit distribution plan is adopted at the general meeting, the Board of the Bank shall finish distributing dividends (or shares) in due course within 2 months after conclusion of the general meeting; <u>for profit distribution plan examined and approved at the annual general meeting, the distribution shall be finished before September 1 of the year in which the annual general meeting is held.</u>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 292	<p>Monies paid for any shares before dunning shall have interests, but the holders of shares are not entitled to dividends announced later for the said monies. Provided that the relevant laws, regulations, departmental rules, regulatory documents and provisions of the securities regulatory authorities in the place where the securities of the Bank are listed are observed, the Bank may exercise the right to seize dividends not claimed, but the said right shall only be exercised after expiry of the applicable validity period.</p> <p>The Bank shall have the right to cease delivering dividend notice to the holders of H Shares by mail, but such right can only be exercised after the dividend notice has not been drawn twice consecutively. If a dividend notice fails to reach the expected recipient in the initial mail delivery and is returned, the Bank may exercise the right promptly. The Bank shall have the right to sell the shares of the holders of H Shares through the methods the Board deems appropriate and subject to the following conditions:</p> <p>(I) the Bank has distributed dividends on such shares at least three times in a period of 12 years and the dividends are not claimed by anyone during that period; and</p> <p>(II) after the expiration of the twelve-year period, the Bank makes a public announcement in one or more newspapers at the place where the Bank's securities are listed, stating its intention to sell such shares and notifies the Hong Kong Stock Exchange of such intention.</p>	Article 299	<p>Monies paid for any shares before dunning shall have interests, but the holders of shares are not entitled to dividends announced later for the said monies. Provided that the relevant laws, regulations, departmental rules, regulatory documents and provisions of the securities regulatory authorities in the place where the securities of the Bank are listed are observed, the Bank may exercise the right to seize dividends not claimed, but the said right shall only be exercised after expiry of the applicable validity period.</p> <p>The Bank shall have the right to cease delivering dividend notice to the holders of H Shares by mail, but such right can only be exercised after the dividend notice has not been drawn twice consecutively. If a dividend notice fails to reach the expected recipient in the initial mail delivery and is returned, the Bank may exercise the right promptly. The Bank shall have the right to sell the shares of the holders of H Shares through the methods the Board deems appropriate and subject to the following conditions:</p> <p>(I) the Bank has distributed dividends on such shares at least three times in a period of 12 years and the dividends are not claimed by anyone during that period; and</p> <p>(II) after the expiration of the twelve-year period, the Bank makes a public announcement in one or more newspapers at the place where the Bank's securities are listed, stating its intention to sell such shares and notifies the Hong Kong Stock Exchange of such intention.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 294	The profit distribution policy of the Bank shall be focused on generating reasonable investment returns to investors and be favorable for the Bank's long-term development. The profits of the Bank may be distributed in the form of bonus share and cash dividend, etc., and the cumulative distribution amount in any three consecutive years shall not be less than 20% of the annual average distributable profits realized in the said three years.	Article 301	The profit distribution policy of the Bank shall be focused on generating reasonable investment returns to investors and be favorable for the Bank's long-term development. <u>comprehensively consider industry characteristics, development stage, its own business model, profitability and whether there is a major capital expenditure arrangement and other factors, taking into account the reasonable return of investors and the sustainable development of the Bank.</u> The profits of the Bank may be distributed in the form of bonus share and cash dividend, etc., and the cumulative distribution amount in any three consecutive years shall not be less than 20% of the annual average distributable profits realized in the said three years.
Article 301	<p>The appointment, dismissal or non-renewal of an accounting firm by the Bank shall be determined by the general meeting, and shall be filed with the securities regulatory authorities of the State Council.</p> <p>The general meeting shall abide by the following provisions when proposing to pass a resolution to appoint an accounting firm which is not currently serving the Bank to fill the vacancy of an accounting firm, or renew the term of office of an accounting firm appointed by the Board to fill the vacancy, or dismiss an accounting firm before the expiry of its term:</p>	Article 308	<p>The appointment, dismissal or non-renewal of an accounting firm by the Bank shall be determined by the general meeting, and shall be filed with the securities regulatory authorities of the State Council.</p> <p>The general meeting shall abide by the following provisions when proposing to pass a resolution to appoint an accounting firm which is not currently serving the Bank to fill the vacancy of an accounting firm, or renew the term of office of an accounting firm appointed by the Board to fill the vacancy, or dismiss an accounting firm before the expiry of its term:</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(I) The proposal in relation to the appointment or dismissal shall be delivered prior to the issue of notice of the general meeting to the accounting firm to be appointed, the accounting firm leaving office, or the accounting firm which has left office in the relevant fiscal year.</p> <p>“Leaving office” includes dismissal, resignation and retirement.</p> <p>(II) If an accounting firm leaving office makes a written statement and requests the Bank to inform shareholders of such statement, the Bank shall take the following measures, unless the written statement is received too late:</p> <ol style="list-style-type: none"> 1. to state in the notice which is issued for the purpose of adopting a resolution that the accounting firm which is leaving office has made a statement; and 2. to send a copy of the statement to each shareholder entitled to receive the notice of general meeting. <p>(III) If the Bank fails to dispatch the statement of the relevant accounting firm in accordance with sub-paragraph (II) of this paragraph, the relevant accounting firm may request such statement to be read at the general meeting and may make further appeals.</p>		<p>(I) The proposal in relation to the appointment or dismissal shall be delivered prior to the issue of notice of the general meeting to the accounting firm to be appointed, the accounting firm leaving office, or the accounting firm which has left office in the relevant fiscal year.</p> <p>“Leaving office” includes dismissal, resignation and retirement.</p> <p>(II) If an accounting firm leaving office makes a written statement and requests the Bank to inform shareholders of such statement, the Bank shall take the following measures, unless the written statement is received too late:</p> <ol style="list-style-type: none"> 1. to state in the notice which is issued for the purpose of adopting a resolution that the accounting firm which is leaving office has made a statement;and 2. to send a copy of the statement to each shareholder entitled to receive the notice of general meeting. <p>(III) If the Bank fails to dispatch the statement of the relevant accounting firm in accordance with sub-paragraph (II) of this paragraph, the relevant accounting firm may request such statement to be read at the general meeting and may make further appeals.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(IV) The accounting firm leaving office shall have the right to attend the following meetings:</p> <ol style="list-style-type: none"> 1. the general meeting at which its term of office would have expired; 2. the general meeting held to fill the vacancy as a result of its dismissal; 3. the general meeting held as a result of its voluntary resignation. <p>The accounting firm leaving office shall have the right to receive all notices of, or other information relating to, the abovementioned meetings, and may express its views at the aforementioned meetings on matters in relation to its previous appointment as the accounting firm of the Bank.</p>		<p>(IV) The accounting firm leaving office shall have the right to attend the following meetings:</p> <ol style="list-style-type: none"> 1. the general meeting at which its term of office would have expired; 2. the general meeting held to fill the vacancy as a result of its dismissal; 3. the general meeting held as a result of its voluntary resignation. <p>The accounting firm leaving office shall have the right to receive all notices of, or other information relating to, the abovementioned meetings, and may express its views at the aforementioned meetings on matters in relation to its previous appointment as the accounting firm of the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 333	Any amendments to be made to the Articles pursuant to a resolution of the general meeting shall be subject to the approval of the competent authorities, and shall obtain the approval of the competent authorities; if the amendment to the Articles involves any content of Mandatory Provisions, the said amendment shall be subject to approval by the company examination and approval authority authorized by the State Council and the securities regulatory authorities of the State Council; if registration matters are involved, the Bank shall apply for registration of the changes in accordance with the law.	Article 339	Any amendments to be made to the Articles pursuant to a resolution of the general meeting shall be subject to the approval of the competent authorities, and shall obtain the approval of the competent authorities; if the amendment to the Articles involves any content of Mandatory Provisions <u>the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> , the said amendment shall be subject to approval by the company examination and approval authority authorized by the State Council and the securities regulatory authorities of the State Council; if registration matters are involved, the Bank shall apply for registration of the changes in accordance with the law.
Article 348	Definitions (I) Cumulative voting system refers to that when a general meeting elects a director or supervisor, the number of voting rights attached to each share is the same as the number of directors or supervisors to be elected, and that the voting rights held by a shareholder may be exercised collectively, i.e. the voting rights held by a shareholder are the product of his/her shares and the number of directors to be elected, and the shareholder may concentrate his/her voting rights on one director or supervisor candidate or distribute his/her voting rights among several director or supervisor candidates, and the general meeting determines which candidate is elected based on the voting result.	Article 354	Definitions (I) Cumulative voting system refers to that when a general meeting elects a director or supervisor, the number of voting rights attached to each share is the same as the number of directors or supervisors to be elected, and that the voting rights held by a shareholder may be exercised collectively, i.e. the voting rights held by a shareholder are the product of his/her shares and the number of directors to be elected, and the shareholder may concentrate his/her voting rights on one director or supervisor candidate or distribute his/her voting rights among several director or supervisor candidates, and the general meeting determines which candidate is elected based on the voting result.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(II) Controlling shareholders refer to, according to Article 216 of the Company Law of the People’s Republic of China, those shareholders whose capital contribution accounts for more than 50% of the total capital of a limited liability company or whose shares account for more than 50% of the total shares of a joint stock company, and those shareholders who fail to meet the above requirements on capital contribution and shareholding but whose voting rights represented by their capital contribution or shareholding have a material influence on the resolutions of the board of shareholders and general meetings.</p> <p>Substantial shareholders refer to the shareholders who hold or control 5% or more shares or voting rights of the Bank or whose total capital or shareholding is less than 5% but have a major impact on the business operations of the Bank. The aforesaid “major impact” includes but is not limited to dispatching directors, supervisors or senior managers to the Bank, affecting the financial and business management decision-making of the Bank via agreements or by other means, and other circumstances identified by the banking regulatory authorities under the State Council or its local offices.</p>		<p>(II) Controlling shareholders refer to, according to Article 216 of the Company Law of the People’s Republic of China, those shareholders whose capital contribution accounts for more than 50% of the total capital of a limited liability company or whose shares account for more than 50% of the total shares of a joint stock company, and those shareholders who fail to meet the above requirements on capital contribution and shareholding but whose voting rights represented by their capital contribution or shareholding have a material influence on the resolutions of the board of shareholders and general meetings.</p> <p>Substantial shareholders refer to the shareholders who hold or control 5% or more shares or voting rights of the Bank or whose total capital or shareholding is less than 5% but have a major impact on the business operations of the Bank. The aforesaid “major impact” includes but is not limited to dispatching directors, supervisors or senior managers to the Bank, affecting the financial and business management decision-making of the Bank via agreements or by other means, and other circumstances identified by the banking regulatory authorities under the State Council or its local offices.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>Concerted action refers to the act or fact that an investor expands the amount of voting right of shares of a company that it can control jointly with other investors by way of agreement or other arrangements. Relevant investors agreeing to act in concert shall be persons acting in concert.</p> <p>Ultimate beneficiary refers to a person actually entitled to the return on the Bank's equity.</p> <p>(III) De facto controller refers to a person who, although is not a shareholder of the Bank, is capable of actually controlling the conduct of the Bank through investment relations, agreements or other arrangements according to Article 216 of the Company Law of the People's Republic of China.</p> <p>(IV) Related party relationship refers to the relationship between the controlling shareholders, de facto controller, directors, supervisors, senior managers of the Bank and the enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of interests of the Bank.</p> <p>According to relevant provisions of the banking regulatory authorities under the State Council, related parties of the Bank include related natural persons, legal persons or other organizations.</p>		<p><u>A major shareholder refers to a shareholder of a banking or insurance institution, meeting one of the following conditions as stipulated in the third article of the Measures for the Supervision of the Behavior of Major Shareholders of Banking and Insurance Institutions (Trial):</u></p> <ol style="list-style-type: none"> <u>1. Holding more than 15% of the equity interest of an institution such as a large state-owned commercial bank, national joint-stock commercial bank, foreign-funded bank with legal person status, private bank, insurance institution, financial asset management company, financial leasing company, consumer finance company, and auto finance company;</u> <u>2. Holding more than 10% of the equity interest of an institution such as a city commercial bank and rural commercial bank;</u> <u>3. Actually holding the largest portion of the equity interest in a banking or insurance institution, with a shareholding of no less than 5% (including shareholders who hold the same number of shares);</u> <u>4. Nominating two or more directors;</u> <u>5. Exerting controlling influence on a banking or insurance institution's operation and management in the view of the board of the banking or insurance institution;</u>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The related natural persons of the Bank include:</p> <ol style="list-style-type: none"> 1. the insiders of the Bank; 2. the major natural person shareholders of the Bank; 3. the close relatives of the insiders and major natural person shareholders of the Bank; 4. the natural person controlling shareholders, directors and major managerial personnel of the related legal persons or other organizations of the Bank. The “related legal persons or other organizations” as mentioned herein do not include the legal persons or other organizations that are directly, indirectly or jointly controlled by, or may be greatly influenced by the Bank’s insiders, major natural person shareholders and their close relatives; 5. persons acting in concert and ultimate beneficiaries of the substantial shareholders of the Bank and their related parties; and 6. other natural persons that have an important influence on the Bank. <p>The insiders of the Bank include the Bank’s directors, the senior managers of the head office and branches, and other persons who have the right to decide or participate in the Bank’s credit extension and transfer of assets.</p>		<p><u>6. Other circumstances identified by the China Banking and Insurance Regulatory Commission (hereinafter referred to as the CBIRC) or its local offices.</u></p> <p><u>The shareholding of a shareholder and its related parties and persons acting in concert shall be calculated on a consolidated basis. If the total shareholding meets the above requirements, the shareholder concerned is managed as a major shareholder.</u></p> <p>Concerted action refers to the act or fact that an investor expands the amount of voting right of shares of a company that it can control jointly with other investors by way of agreement or other arrangements. Relevant investors agreeing to act in concert shall be persons acting in concert.</p> <p>Ultimate beneficiary refers to a person actually entitled to the return on the Bank’s equity.</p> <p>(III) De facto controller refers to a person who, although is not a shareholder of the Bank, is capable of actually controlling the conduct of the Bank through investment relations, agreements or other arrangements according to Article 216 of the Company Law of the People’s Republic of China.</p> <p>(IV) Related party relationship refers to the relationship between the controlling shareholders, de facto controller, directors, supervisors, senior managers of the Bank and the enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of interests of the Bank.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The major natural person shareholders of the Bank refer to the natural person shareholders who hold or control 5% or more of the shares or voting rights of the Bank. The shares or voting rights held or controlled by the close relatives of the natural person shareholders and the shares or voting rights held or controlled by these natural person shareholders shall be calculated in a consolidated way.</p> <p>The close relatives include the parents, spouses, brothers and sisters and their spouses, adult sons and daughters and their spouses, the spouses' parents, the spouses' brothers and sisters and their spouses, the brothers and sisters of the parents and their spouses, adult sons and daughters of the brothers and sisters of the parents and their spouses.</p> <p>The related legal persons or other organizations of the Bank include:</p> <ol style="list-style-type: none"> 1. the major non-natural person shareholders of the Bank; 2. the legal persons or other organizations directly or indirectly controlled, together with the Bank, by the same enterprise; 3. the legal persons or other organizations that are directly, indirectly or jointly controlled by, or may be greatly influenced by the Bank's insiders and major natural person shareholders and their close relatives; 4. the controlling shareholders, de facto controllers, persons acting in concert and ultimate beneficiaries of the substantial shareholders of the Bank and their related parties; 		<p>According to relevant provisions of the banking regulatory authorities under the State Council, related parties of the Bank include related natural persons, legal persons or other organizations.</p> <p>The related natural persons of the Bank include:</p> <ol style="list-style-type: none"> 1. the insiders of the Bank; 2. the major natural person shareholders of the Bank; 3. the close relatives of the insiders and major natural person shareholders of the Bank; 4. the natural person controlling shareholders, directors and major managerial personnel of the related legal persons or other organizations of the Bank. The "related legal persons or other organizations" as mentioned herein do not include the legal persons or other organizations that are directly, indirectly or jointly controlled by, or may be greatly influenced by the Bank's insiders, major natural person shareholders and their close relatives; 5. persons acting in concert and ultimate beneficiaries of the substantial shareholders of the Bank and their related parties; and 6. other natural persons that have an important influence on the Bank. <p>The insiders of the Bank include the Bank's directors, the senior managers of the head office and branches, and other persons who have the right to decide or participate in the Bank's credit extension and transfer of assets.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>5. other legal persons or organizations that directly, indirectly or jointly control the Bank, or may have an important influence on the Bank.</p> <p>The major non-natural person shareholders of the Bank refer to the non-natural person shareholders who are able to directly, indirectly or jointly hold or control 5% or more of the shares or voting rights of the Bank.</p> <p>There should be no related party relationship between state-controlled enterprises solely because they are under the common control of the State.</p> <p>(V) Significant investment refers to any single equity investment business or fixed asset purchase business subject to the approval by the general meeting or the Board with amount exceeding 10% of the net assets of the Bank at the end of the previous year; significant asset disposal refers to any single non-performing asset disposal and write-off business or any fixed asset disposal with amount exceeding 10% of the net assets of the Bank at the end of the previous year; significant equity change refers to the change of more than 5% equity of a single shareholder and related parties.</p>		<p>The major natural person shareholders of the Bank refer to the natural person shareholders who hold or control 5% or more of the shares or voting rights of the Bank. The shares or voting rights held or controlled by the close relatives of the natural person shareholders and the shares or voting rights held or controlled by these natural person shareholders shall be calculated in a consolidated way.</p> <p>The close relatives include the parents, spouses, brothers and sisters and their spouses, adult sons and daughters and their spouses, the spouses' parents, the spouses' brothers and sisters and their spouses, the brothers and sisters of the parents and their spouses, adult sons and daughters of the brothers and sisters of the parents and their spouses.</p> <p>The related legal persons or other organizations of the Bank include:</p> <ol style="list-style-type: none"> 1. the major non-natural person shareholders of the Bank; 2. the legal persons or other organizations directly or indirectly controlled, together with the Bank, by the same enterprise; 3. the legal persons or other organizations that are directly, indirectly or jointly controlled by, or may be greatly influenced by the Bank's insiders and major natural person shareholders and their close relatives;

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p>4. the controlling shareholders, de facto controllers, persons acting in concert and ultimate beneficiaries of the substantial shareholders of the Bank and their related parties;</p> <p>5. other legal persons or organizations that directly, indirectly or jointly control the Bank, or may have an important influence on the Bank.</p> <p>The major non-natural person shareholders of the Bank refer to the non-natural person shareholders who are able to directly, indirectly or jointly hold or control 5% or more of the shares or voting rights of the Bank.</p> <p>There should be no related party relationship between state-controlled enterprises solely because they are under the common control of the State.</p> <p><u>(V) The close relatives refer to the spouse, parents, adult children and siblings.</u></p> <p><u>(VI) The other closely related family members refer to parents of the spouse, the spouse of children, the spouse of siblings, siblings of the spouse, and other family members who may be transferred, in addition to the spouse, parents, adult children and siblings.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p><u>(VII)</u> Significant investment refers to any single equity investment business or fixed asset purchase business subject to the approval by the general meeting or the Board with amount exceeding 10% of the net assets of the Bank at the end of the previous year; significant asset disposal refers to any single non-performing asset disposal and write-off business or any fixed asset disposal with amount exceeding 10% of the net assets of the Bank at the end of the previous year; significant equity change refers to the change of more than 5% equity of a single shareholder and related parties.</p> <p><u>(VIII)</u> <u>The on-site meeting refers to a meeting held by means of on-site, video, telephone, etc., which ensures immediate communication and discussion among participants.</u></p> <p><u>(IX)</u> <u>Circulation of written resolution refers to a meeting method in which resolutions are made on proposals through separate delivery for deliberation or circulation for deliberation.</u></p>
Article 351	The Articles shall be executed in Chinese. Where the articles of association in any other language or version disagree with the Articles, the Chinese version of the Articles latest registered and filed by the Luzhou City Administration for Industry & Commerce shall prevail.	Article 357	The Articles shall be executed in Chinese. Where the articles of association in any other language or version disagree with the Articles, the Chinese version of the Articles latest registered and filed by the Luzhou City Administration for <u>Market Regulation</u> Industry & Commerce shall prevail.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 355	The Articles shall come into effect and be implemented from the date of adoption at the general meeting, approval by the banking regulatory authorities under the State Council and the listing of H Shares involved in the public offering of the Bank on the Hong Kong Stock Exchange. The original Articles of Association of the Bank shall become null and void on the date the Articles enter into effect.	Article 361	The Articles shall come into effect and be implemented from the date of consideration and adoption approval at the general meeting, and approval by the banking regulatory authorities under the State Council and the listing of H Shares involved in the public offering of the Bank on the Hong Kong Stock Exchange. The original Articles of Association of the Bank shall become null and void on the date the Articles enter into effect.

Notes: (1) Since the proposed amendments to the Articles of Association involve adding or deleting articles and adjusting the serial numbers of the articles, the serial numbers involved in the relevant chapters, articles, and cross-references of the Articles of Association are also adjusted accordingly, and will not be stated separately. Save for the amendments above, other articles of the Articles of Association remain unchanged.

- (2) The proposed amendments to the Articles of Association are prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version of the Articles of Association, the Chinese version shall prevail.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 1	To further improve the method of deliberation and voting procedures of the Shareholders' general meeting of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as "the Bank"), urge the Shareholders and Shareholders' general meeting to effectively perform duties and improve the corporate governance structure of the Bank, these Rules are formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as "Company Law"), Law on Commercial Banks of the People's Republic of China (hereinafter referred to as "Law on Commercial Banks"), the Interim Measures for Management of Commercial Bank Equity, the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Listing Rules"), the Guidelines on Corporate Governance of Commercial Banks and the Articles of Association of Luzhou City Commercial Bank Co., Ltd. (applicable after listing of H Shares) (hereinafter referred to as "the Articles of Association").	Article 1	To further improve the method of deliberation and voting procedures of the Shareholders' general meeting of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as "the Bank"), urge the Shareholders and Shareholders' general meeting to effectively perform duties and improve the corporate governance structure of the Bank, these Rules are formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as "Company Law"), Law on Commercial Banks of the People's Republic of China (hereinafter referred to as "Law on Commercial Banks"), the Interim Measures for Management of Commercial Bank Equity, the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, <u>the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> , Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Listing Rules"), the Guidelines on Corporate Governance of Commercial Banks, <u>the Code of Corporate Governance of Banking and Insurance Institutions</u> and the Articles of Association of Luzhou City Commercial Bank Co., Ltd. (applicable after listing of H Shares) (hereinafter referred to as "the Articles of Association").

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 6	<p>The Shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:</p> <p>(I) to decide on the business policies and investment plans of the Bank;</p> <p>(II) to elect and replace Directors and Supervisors who are not appointed as representatives of the employees and to decide on the remuneration of the relevant Directors and Supervisors;</p> <p>(III) to examine and approve reports of the Board;</p> <p>(IV) to examine and approve reports of the Board of Supervisors;</p> <p>(V) to examine and approve the Bank's annual financial budgets and final accounts;</p> <p>(VI) to examine and approve the Bank's profit distribution plan and loss recovery plan;</p> <p>(VII) to resolve on the increase or reduction in the Bank's registered capital;</p> <p>(VIII) to resolve on the issuance of bonds or other securities or listing of the Bank;</p> <p>(IX) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Bank;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to examine and approve the report of evaluation by the Board of Supervisors on the Directors and by the independent Directors on each other and report of evaluation by the Board of Supervisors on the Supervisors and by the external Supervisors on each other;</p>	Article 6	<p>The Shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:</p> <p>(I) to decide on the business policies and investment plans of the Bank;</p> <p>(II) to elect and replace Directors and Supervisors who are not appointed as representatives of the employees and to decide on the remuneration of the relevant Directors and Supervisors;</p> <p>(III) to examine and approve reports of the Board;</p> <p>(IV) to examine and approve reports of the Board of Supervisors;</p> <p>(V) to examine and approve the Bank's annual reports, annual financial budgets and final accounts;</p> <p>(VI) to examine and approve the Bank's profit distribution plan and loss recovery plan;</p> <p>(VII) to resolve on the increase or reduction in the Bank's registered capital;</p> <p>(VIII) to resolve on the issuance of bonds or other securities or listing of the Bank;</p> <p>(IX) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Bank;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to examine and approve the report of evaluation by the Board of Supervisors on the Directors and by the independent Directors on each other and report of evaluation by the Board of Supervisors on the Supervisors and by the external Supervisors on each other;</p>

**APPENDIX II COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING**

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XII) to receive reports from the Board on the regulatory opinions of the financial regulators on the Bank and to examine the Bank's implementation of rectification;</p> <p>(XIII) to examine the equity incentive scheme;</p> <p>(XIV) to examine proposals raised by the Shareholders who individually or jointly hold above 3% of the total shares of the Bank;</p> <p>(XV) to examine these Rules, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board of Supervisors;</p> <p>(XVI) to examine and approve the Bank's equity investment business;</p> <p>(XVII) to examine and approve the Bank's guarantee businesses including external guarantee and letter of guarantee;</p> <p>(XVIII) to examine and approve the Bank's purchase of fixed assets;</p> <p>(XIX) to examine and approve the Bank's disposal and write-off of non-performing assets;</p> <p>(XX) to examine and approve the Bank's asset mortgage business;</p> <p>(XXI) to examine and approve the application of the Bank's holding or joint-stock companies for the Bank to recommend candidates and other voting matters (excluding equity investment);</p>		<p>(XII) to receive reports from the Board on the regulatory opinions of the financial regulators on the Bank and to examine the Bank's implementation of rectification;</p> <p>(XIII) (XII) to examine and approve the plans for the equity incentive scheme;</p> <p>(XIV) (XIII) to examine and approve proposals raised by the Shareholders who individually or jointly hold above 3% of the total shares of the Bank;</p> <p>(XV) (XIV) to examine and approve these Rules, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board of Supervisors;</p> <p>(XVI) (XV) to examine and approve the Bank's equity investment business;</p> <p>(XVI) to examine and approve matters relating to the purchase or sale of major assets or guarantees by the Bank within one year;</p> <p>(XVII) to examine and approve the Bank's guarantee businesses including external guarantee and letter of guarantee;</p> <p>(XVIII) to examine and approve the Bank's purchase of fixed assets;</p> <p>(XIX) to examine and approve the Bank's disposal and write-off of non-performing assets;</p> <p>(XX) to examine and approve the Bank's asset mortgage business;</p> <p>(XXI) to examine and approve the application of the Bank's holding or joint-stock companies for the Bank to recommend candidates and other voting matters (excluding equity investment);</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XXII) to examine and approve matters relating to the changes in the use of proceeds;</p> <p>(XXIII) to resolve on the engagement, dismissal or non-renewal of the accounting firm of the Bank;</p> <p>(XXIV) to examine other issues which should be decided by the Shareholders' general meeting as stipulated by the relevant laws, administrative regulations, other rules, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the locality where the securities of the Bank are listed or the Articles of Association and other internal rules.</p> <p>The aforesaid matters within the powers of the Shareholders' general meeting shall be considered and approved by the Shareholders' general meeting. Provided that in necessary and lawful circumstances, the Shareholders' general meeting may authorize the Board to decide. The authorization shall be clear and specific in content.</p>		<p>(XXII) to examine and approve matters relating to the changes in the use of proceeds;</p> <p>(XXIII) to resolve on the engagement, dismissal or non-renewal of the accounting firm of the Bank <u>or dismissal of accounting firms of the Bank that conduct regular statutory audit on the Bank's financial reports;</u></p> <p><u>(XXIV) to examine the purchase of the Bank's shares by the Bank;</u></p> <p>(XXIV)-(XXV) to examine other issues which should be decided by the Shareholders' general meeting as stipulated by the relevant laws, administrative regulations, other rules, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the locality where the securities of the Bank are listed or the Articles of Association and other internal rules.</p> <p>The aforesaid matters within the powers of the Shareholders' general meeting shall be considered and approved by the Shareholders' general meeting. Provided that in necessary and lawful circumstances, the Shareholders' general meeting may authorize the Board to decide, <u>unless the Company Law and the Code of Corporate Governance of Banking and Insurance Institutions stipulate that the powers of the Shareholders' general meeting shall not be delegated to the Board.</u> The authorization shall be clear and specific in content.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>With regard to an authorization granted by a Shareholders' general meeting to the Board, if the matter should be approved by the Shareholders' general meeting via an ordinary resolution according to the Articles of Association, it shall be passed by votes representing two-thirds of the voting rights held by the Shareholders (including their proxies) present at the meeting; and if the matter should be approved by the Shareholders' general meeting via a special resolution according to the Articles of Association, it shall be passed by votes representing more than two-thirds of the voting rights held by the Shareholders (including their proxies) present at the meeting.</p>		<p>With regard to an authorization granted by a Shareholders' general meeting to the Board, if the matter should be approved by the Shareholders' general meeting via an ordinary resolution according to the Articles of Association, it shall be passed by votes representing two-thirds of the voting rights held by the Shareholders (including their proxies) present at the meeting; and if the matter should be approved by the Shareholders' general meeting via a special resolution according to the Articles of Association, it shall be passed by votes representing more than two-thirds of the voting rights held by the Shareholders (including their proxies) present at the meeting.</p>
Article 7	<p>Shareholders' general meetings shall be convened by the Board. There are two types of Shareholders' general meetings: annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within six (6) months after the previous financial year end. The extraordinary general meeting shall be convened on an irregular basis.</p> <p>If the annual general meeting needs to be postponed for special reasons, a report shall be made to the banking regulatory authorities under the State Council at the location of the Bank and reasons for postponement shall be given.</p> <p>The Board shall convene an extraordinary general meeting within two (2) months from the date of occurrence of any of the following events:</p> <p>(I) the number of Directors is less than the minimum number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;</p>	Article 7	<p>Shareholders' general meetings shall be convened by the Board. There are two types of Shareholders' general meetings: annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within six (6) months after the previous financial year end. The extraordinary general meeting shall be convened on an irregular basis.</p> <p>If the annual general meeting needs to be postponed for special reasons, a report shall be made to the banking regulatory authorities under the State Council at the location of the Bank and reasons for postponement shall be given.</p> <p>The Board shall convene an extraordinary general meeting within two (2) months from the date of occurrence of any of the following events:</p> <p>(I) the number of Directors is less than the minimum number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;</p>

**APPENDIX II COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING**

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(II) the outstanding loss of the Bank reaches one-third of the Bank's total paid-in share capital;</p> <p>(III) shareholders who individually or jointly hold above 10% of the voting shares of the Bank have requested to convene the meeting in writing;</p> <p>(IV) the Board deems it necessary to convene the meeting;</p> <p>(V) the Board of Supervisors proposes to convene the meeting;</p> <p>(VI) above half of the independent Directors propose to convene the meeting;</p> <p>(VII) the chairman of the Board or the President proposes to convene the meeting in special circumstances;</p> <p>(VIII) above half of the external Supervisors propose to convene the meeting (if there are only two external Supervisors, then the two external Supervisors unanimously propose to convene);</p> <p>(IX) any other circumstances as stipulated by the laws, administrative regulations, other rules or the Articles of Association.</p> <p>Regarding the circumstance in (II) above, the time limit for convening an extraordinary general meeting shall start from the date when the Bank knows about the occurrence of the circumstance.</p> <p>The number of shares held in (III) above shall be calculated on the date of the Shareholders' written request.</p>		<p>(II) the outstanding loss of the Bank reaches one-third of the Bank's total paid-in share capital;</p> <p>(III) shareholders who individually or jointly hold above 10% of the voting shares of the Bank have requested to convene the meeting in writing;</p> <p>(IV) the Board deems it necessary to convene the meeting;</p> <p>(V) the Board of Supervisors proposes to convene the meeting;</p> <p>(VI) above half and no less than two of the independent Directors propose to convene the meeting;</p> <p>(VII) the chairman of the Board or the President proposes to convene the meeting in special circumstances;</p> <p>(VIII) above half of the external Supervisors propose to convene the meeting (if there are only two external Supervisors, then the two external Supervisors unanimously propose to convene);</p> <p>(IX) any other circumstances as stipulated by the laws, administrative regulations, other rules or the Articles of Association.</p> <p>Regarding the circumstance in (II) above, the time limit for convening an extraordinary general meeting shall start from the date when the Bank knows about the occurrence of the circumstance.</p> <p>The number of shares held in (III) above shall be calculated on the date of the Shareholders' written request.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 10	<p>An extraordinary general meeting may be held upon proposal by more than half of the independent Directors to the Board. Regarding the proposal of the independent Directors to hold an extraordinary general meeting, the Board shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether or not to hold the extraordinary general meeting within 10 days after receipt of the proposal.</p> <p>Where the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Where the Board does not agree to hold the extraordinary general meeting, it shall give the reasons.</p>	—	<p>An extraordinary general meeting may be held upon proposal by more than half of the independent Directors to the Board. Regarding the proposal of the independent Directors to hold an extraordinary general meeting, the Board shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether or not to hold the extraordinary general meeting within 10 days after receipt of the proposal.</p> <p>Where the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Where the Board does not agree to hold the extraordinary general meeting, it shall give the reasons.</p>
Article 18	<p>The conveners shall issue a written notice, 45 days prior to the date of the Shareholders' general meeting, to all Shareholders whose names appear on the share register, stating the matters to be considered at the meeting, and the date and venue of the meeting. Shareholders who wish to attend the Shareholders' general meeting shall provide a written reply of attendance to the Bank 20 days before the Shareholders' general meeting is convened.</p>	Article 17	<p>The convenersBank shall issue a written notice, 4520 days prior to the date of the <u>annual</u> Shareholders' general meeting, <u>or 15 days prior to the date of the extraordinary general meeting</u>, to all Shareholders whose names appear on the share register, stating the matters to be considered at the meeting, and the date and venue of the meeting. Shareholders who wish to attend the Shareholders' general meeting shall provide a written reply of attendance to the Bank 2010 days before the Shareholders' general meeting is convened.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 19	<p>The Bank shall calculate the proportion of voting shares held by Shareholders who wish to attend the meeting based on the written replies received 20 days before the Shareholders' general meeting. Where the proportion of voting shares held by Shareholders who wish to attend the meeting reaches above a half of the total voting shares of the Bank, the Bank will convene the Shareholders' general meeting. If this threshold is not met, the Bank shall inform the Shareholders within 5 days via an announcement stipulating the matters to be considered and the venue and date of the meeting. Once this announcement is made, the Bank may then proceed to convene the Shareholders' general meeting.</p> <p>An extraordinary general meeting shall not resolve on matters not specified in the notice.</p>	Article 18	<p>The Bank shall calculate the proportion of voting shares held by Shareholders who wish to attend the meeting based on the written replies received 2010 days before the Shareholders' general meeting. Where the proportion of voting shares held by Shareholders who wish to attend the meeting reaches above a half of the total voting shares of the Bank, the Bank will convene the Shareholders' general meeting. If this threshold is not met, the Bank shall inform the Shareholders within 5 days via an announcement stipulating the matters to be considered and the venue and date of the meeting. Once this announcement is made, the Bank may then proceed to convene the Shareholders' general meeting.</p> <p>An extraordinary general meeting shall not resolve on matters not specified in the notice.</p>
Article 21	<p>Unless otherwise stipulated by the laws, regulations, the provisions of the relevant regulatory authorities as well as the Articles of Association, the notice of a Shareholders' general meeting shall be delivered by hand or prepaid mail to all Shareholders (regardless of whether they have voting rights at the Shareholders' general meeting). The address of the recipients shall be the address on the share register. For holders of domestic shares, notices of a Shareholders' general meeting may be in the form of an announcement.</p> <p>The aforesaid announcement shall be published in one or more newspapers specified by the securities regulatory authorities under the State Council between the forty-five (45) to fifty (50) days interval prior to the date when the meeting is convened. All holders of domestic shares shall be deemed as having been notified of the forthcoming Shareholders' general meeting once the announcement is published.</p>	Article 20	<p>Unless otherwise stipulated by the laws, regulations, the provisions of the relevant regulatory authorities as well as the Articles of Association, the notice of a Shareholders' general meeting shall be delivered by hand or prepaid mail to all Shareholders (regardless of whether they have voting rights at the Shareholders' general meeting). The address of the recipients shall be the address on the share register. For holders of domestic shares, notices of a Shareholders' general meeting may be in the form of an announcement.</p> <p>The aforesaid announcement shall be published in one or more newspapers specified by the securities regulatory authorities under the State Council between the forty-five (45) twenty (20) to fifty (50) twenty-five (25) days interval prior to the date when the meeting is convened. All holders of domestic shares shall be deemed as having been notified of the forthcoming Shareholders' general meeting once the announcement is published.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 22	<p>Notices of Shareholders' general meeting, material or written statements issued to holders of overseas listed foreign shares shall be served 45 days prior to the meetings in any of the following ways:</p> <p>(I) delivered to each holder of overseas listed foreign shares by hand or mail according to the registered address thereof;</p> <p>(II) published on websites designated by the securities regulatory authorities or stock exchanges in the place where the securities of the Bank are listed in compliance with applicable laws, administrative regulations and relevant listing rules;</p> <p>(III) issued according to other requirements of the stock exchange and listing rules in the place where the securities of the Bank are listed.</p>	Article 21	<p>Notices of Shareholders' general meeting, material or written statements issued to holders of overseas listed foreign shares shall be served 45 days <u>prior to the meetings</u> in any of the following ways <u>according to the notification time provisions under Article 17 of these Rules</u>:</p> <p>(I) delivered to each holder of overseas listed foreign shares by hand or mail according to the registered address thereof;</p> <p>(II) published on websites designated by the securities regulatory authorities or stock exchanges in the place where the securities of the Bank are listed in compliance with applicable laws, administrative regulations and relevant listing rules;</p> <p>(III) issued according to other requirements of the stock exchange and listing rules in the place where the securities of the Bank are listed.</p>
Article 25	<p>The method and procedure for nominating Directors and Supervisors of the Bank are:</p> <p>(I) Regarding Directors and Supervisors elected and replaced at the Shareholders' general meeting, the preceding Board and the Board of Supervisors may respectively nominate candidates for Directors and Supervisors according to the number of Directors and Supervisors to be elected to the extent of the number specified by the Articles of Association; Shareholders individually or jointly holding above 3% of the Bank's total shares in issue with voting rights may nominate candidates for Directors or Supervisors to the Board, Board of Supervisors or other convenor of the Shareholders' general meeting, but the number of nominees shall comply with the Articles of Association and shall not exceed the number of Directors or Supervisors to be elected.</p>	Article 24	<p>The method and procedure for nominating Directors and Supervisors of the Bank are:</p> <p>(I) Regarding Directors and Supervisors elected and replaced at the Shareholders' general meeting, the preceding Board and the Board of Supervisors may respectively nominate candidates for Directors and Supervisors according to the number of Directors and Supervisors to be elected to the extent of the number specified by the Articles of Association; Shareholders individually or jointly holding above 3% of the Bank's total shares in issue with voting rights may nominate candidates for Directors or Supervisors to the Board, Board of Supervisors or other convenor of the Shareholders' general meeting, <u>and the nomination and remuneration committee of the Board shall have the right to nominate candidates for non-independent Directors</u>, but the number of nominees shall comply with the Articles of Association and shall not exceed the number of Directors or Supervisors to be elected.</p>

**APPENDIX II COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING**

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>Candidates for employee Directors shall be elected through democratic election at the employee representative meeting of the Bank.</p> <p>(II) The nomination and remuneration committee of the Board and the nomination committee of the Board of Supervisors shall make preliminary examination on the qualifications and conditions of the Director or Supervisor candidates, and submit the qualified candidates to the Board or the Board of Supervisors for consideration. Upon approval by the Board or the Board of Supervisors, the resume and basic information of the Director or Supervisor candidates shall be submitted as a written proposal to the Shareholders' general meeting.</p> <p>(III) The Director or Supervisor candidates shall prior to the Shareholders' general meeting provide written undertakings that they accept the nominations, that the information announced about them is true and adequate, and that they will diligently fulfil the duties as Director or Supervisor if elected.</p> <p>(IV) In the event of a temporary vacancy of Director or Supervisor, the Board or the Board of Supervisors shall propose a list of Director or Supervisor candidates for the Shareholders' general meeting to elect or replace.</p>		<p>Candidates for employee Directors (Supervisors) shall be elected through democratic election at the employee representative meeting of the Bank.</p> <p>(II) The nomination and remuneration committee of the Board and the nomination committee of the Board of Supervisors shall make preliminary examination on the qualifications and conditions of the Director or Supervisor candidates, and submit the qualified candidates to the Board or the Board of Supervisors for consideration. Upon approval by the Board or the Board of Supervisors, the resume and basic information of the Director or Supervisor candidates shall be submitted as a written proposal to the Shareholders' general meeting.</p> <p>(III) The Director or Supervisor candidates shall prior to the Shareholders' general meeting provide written undertakings that they accept the nominations, that the information announced about them is true and adequate, and that they will diligently fulfil the duties as Director or Supervisor if elected.</p> <p>(IV) In the event of a temporary vacancy of Director or Supervisor, the Board or the Board of Supervisors shall propose a list of Director or Supervisor candidates for the Shareholders' general meeting to elect or replace.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The Board, the Board of Supervisors or Shareholders individually or jointly holding above 1% of the Bank's shares in issue may nominate one candidate for independent Director to the Board or other convenor of the Shareholders' general meeting, which or who shall organize the list of candidates for independent Director into a written proposal within ten days after receipt of the list and submit the proposal to the Shareholders' general meeting for voting.</p> <p>A Shareholder and connected Shareholder may only nominate either one candidate for independent Director or one candidate for external Supervisor at one time. Shareholders who have nominated candidates for Directors shall not nominate candidates for independent Directors.</p>		<p>The Board, the Board of Supervisors or Shareholders individually or jointly holding above 1% of the Bank's <u>total</u> shares in issue <u>with voting rights, the Board, the nomination and remuneration committee of the Board or the Board of Supervisors of the Bank,</u> may nominate one candidates for independent Director, to <u>and</u> the Board or other convenor of the Shareholders' general meeting, which or who shall organize the list of candidates for independent Director into a written proposal within ten days after receipt of the list and submit the proposal to the Shareholders' general meeting for voting.</p> <p>A Shareholder and connected Shareholder may only nominate either one candidate for independent Director or one candidate for external Supervisor at one time. Shareholders who have nominated candidates for <u>non-independent</u> Directors <u>and his/her connected parties</u> shall not nominate candidates for independent Directors.</p>

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OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING**

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 26	<p>A Shareholder or his/her connected party shall not nominate candidates for Directors and Supervisors to the Shareholders' general meeting at the same time. Where a candidate for Director (Supervisor) nominated by a Shareholder or his/her connected party is approved to sit on the Board or the Board of Supervisors, the Shareholder or his/her connected party shall not nominate any candidate for Director (Supervisor) until the term of office of the said Director (Supervisor) expires. Generally, the number of candidates for Directors or Supervisors nominated by a Shareholder or his/her connected party shall not exceed one third of the number of members of the Board or the Board of Supervisors, except as otherwise prescribed by laws, administrative regulations, departmental rules, listing rules of the stock exchange where our securities are listed. If the election of Directors or Supervisors is proposed to be discussed at a Shareholders' general meeting, the notice of such meeting shall adequately disclose the detailed information of the Director or Supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including educational background, work experience, and concurrent positions;</p> <p>(II) whether he/she has any connected relation with the Bank, its Controlling Shareholders and actual controllers;</p> <p>(III) the number of shares of the Bank he/she holds;</p>	Article 25	<p>A Shareholder or his/her connected party shall not nominate candidates for Directors and Supervisors to the Shareholders' general meeting at the same time. Where a candidate for Director (Supervisor) nominated by a Shareholder or his/her connected party is approved to sit on the Board or the Board of Supervisors, the Shareholder or his/her connected party shall not nominate any candidate for Director (Supervisor) until the term of office of the said Director (Supervisor) expires. Generally, the number of candidates for Directors or Supervisors nominated by a Shareholder or his/her connected party shall not exceed one third of the number of members of the Board or the Board of Supervisors; <u>the nomination committee of the Board of Directors shall avoid being influenced by Shareholders and exercise the right to nominate Directors independently and prudently,</u> except as otherwise prescribed by laws, administrative regulations, departmental rules, listing rules of the stock exchange where our securities are listed. If the election of Directors or Supervisors is proposed to be discussed at a Shareholders' general meeting, the notice of such meeting shall adequately disclose the detailed information of the Director or Supervisor candidates, which shall at least include:</p> <p>(I) personal particulars, including educational background, work experience, and concurrent positions;</p> <p>(II) whether he/she has any connected relation with the Bank, its Controlling Shareholders and actual controllers;</p> <p>(III) the number of shares of the Bank he/she holds;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(IV) whether he/she has been punished by the financial regulatory authority of the state and any other relevant authorities or reprimanded by the stock exchange;</p> <p>(V) information that shall be disclosed according to Hong Kong Listing Rules.</p> <p>Subject to relevant laws, regulations and the Hong Kong Listing Rules, the Board shall disclose the particulars of Director candidates to Shareholders a month prior to the Shareholders' general meeting to ensure that the Shareholders are adequately informed of the candidates in voting.</p> <p>Unless a Director or Supervisor is elected via the cumulative voting system, each Director or Supervisor candidate shall be proposed via a single proposal.</p>		<p>(IV) whether he/she has been punished by the financial regulatory authority of the state and any other relevant authorities or reprimanded by the stock exchange;</p> <p>(V) information that shall be disclosed according to Hong Kong Listing Rules.</p> <p>Subject to relevant laws, regulations and the Hong Kong Listing Rules, the Board shall disclose the particulars of Director candidates to Shareholders a month prior to the Shareholders' general meeting to ensure that the Shareholders are adequately informed of the candidates in voting.</p> <p>Unless a Director or Supervisor is elected via the cumulative voting system, each Director or Supervisor candidate shall be proposed via a single proposal.</p>
Article 31	<p>An individual Shareholder attending a Shareholders' general meeting in person shall present his/her ID card or other valid identity certificate or share certificate; a proxy attending a Shareholders' general meeting on behalf of an individual Shareholder shall, other than the aforesaid material, present his/her valid ID card and the power of attorney of the Shareholder.</p> <p>For a corporate Shareholder, his/her legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her ID card, valid certificate bearing evidence of his/her qualifications as legal representative or share certificate; a proxy attending the meeting on behalf of the legal representative shall, other than the aforesaid material, present his/her ID card and the power of attorney legally issued by the legal representative of the corporate Shareholder.</p>	Article 30	<p>An individual Shareholder attending a Shareholders' general meeting in person shall present his/her ID card or other valid identity certificate or share certificate; a proxy attending a Shareholders' general meeting on behalf of an individual Shareholder shall, other than the aforesaid material, present his/her valid ID card and the power of attorney of the Shareholder.</p> <p>For a corporate Shareholder, his/her legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her ID card, valid certificate bearing evidence of his/her qualifications as legal representative or share certificate; a proxy attending the meeting on behalf of the legal representative shall, other than the aforesaid material, present his/her ID card and the power of attorney legally issued by the legal representative of the corporate Shareholder.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>If the Shareholder is a recognized clearing house or agent thereof as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the said Shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any Shareholders' general meeting or class meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons, and shall be signed by an authorized personnel of the recognized clearing house. The persons thus authorized may exercise rights on behalf of the recognized clearing house (or agent thereof) as if the said persons were the individual Shareholders of the Bank.</p>		<p>If the Shareholder is a recognized clearing house or agent thereof as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the said Shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any Shareholders' general meeting or class meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons, and shall be signed by an authorized personnel of the recognized clearing house. The persons thus authorized may <u>attend meetings (without presenting share certificates, notarized authorizations and/or further evidence to prove that they have been duly authorized)</u> and exercise rights on behalf of the recognized clearing house (or agent thereof) as if the said persons were the individual Shareholders of the Bank.</p>
Article 43	<p>When a connected transaction is considered at a Shareholders' general meeting, the connected Shareholders and their associates (as defined in the Hong Kong Listing Rules) shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes; the notice or announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-connected Shareholders.</p>	Article 42	<p><u>When the related-party (connected) transactions control committee, the Board of Directors and the Shareholders' general meeting of the Bank vote or make decisions on connected transactions, personnel who have an interest in the related party transactions shall abstain from voting or making decisions.</u></p> <p>When a connected transaction is considered at a Shareholders' general meeting, the connected Shareholders and their associates (as defined in the Hong Kong Listing Rules) shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes; the notice or announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-connected Shareholders.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>The avoidance and voting procedures for connected Shareholders are that they may choose proactive avoidance or be subject to any request for avoidance made by any other Shareholder or Shareholder representative attending the Shareholders' general meeting; if any request for avoidance is made by any other Shareholder or Shareholder representative but the relevant Shareholders think they are beyond the scope of avoidance, they shall state the reason. If after stating the reason the relevant Shareholders cannot persuade any Shareholder who has made the request, the Shareholders' general meeting may respectively record the voting results of the relevant proposals as to whether the Shareholder whose identity is in dispute participated in or did not participate in the voting. After the Shareholders' general meeting, the Board shall confirm the final voting results by applying to relevant authorities for identifying connected Shareholders and inform all Shareholders.</p>		<p>The avoidance and voting procedures for connected Shareholders are that they may choose proactive avoidance or be subject to any request for avoidance made by any other Shareholder or Shareholder representative attending the Shareholders' general meeting; if any request for avoidance is made by any other Shareholder or Shareholder representative but the relevant Shareholders think they are beyond the scope of avoidance, they shall state the reason. If after stating the reason the relevant Shareholders cannot persuade any Shareholder who has made the request, the Shareholders' general meeting may respectively record the voting results of the relevant proposals as to whether the Shareholder whose identity is in dispute participated in or did not participate in the voting. After the Shareholders' general meeting, the Board shall confirm the final voting results by applying to relevant authorities for identifying connected Shareholders and inform all Shareholders.</p> <p><u>If the Bank is unable to convene a Shareholders' general meeting due to the principle of avoidance, relevant issues shall still be reviewed by the Board of Directors and the provisions of the first paragraph of this article regarding avoidance shall not apply, provided that the related Directors shall issue a statement for non-existence of tunneling.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 59	<p>The following matters shall be approved by ordinary resolutions at a Shareholders' general meeting:</p> <p>(I) work reports of the Board and the Board of Supervisors;</p> <p>(II) profit distribution plan and loss recovery plan proposed by the Board;</p> <p>(III) the annual reports, annual budgets, final account reports, balance sheet, statements of profits and other financial statements of the Bank;</p> <p>(IV) report of evaluation by the Board of Supervisors on the Directors and by the independent Directors on each other;</p> <p>(V) report of evaluation by the Board of Supervisors on the Supervisors and by the external Supervisors on each other;</p> <p>(VI) supervision opinions of financial regulators and the Bank's rectification;</p> <p>(VII) matters other than those required by the laws, administrative regulations or Articles of Association to be approved by special resolutions.</p>	Article 58	<p>The following matters shall be approved by ordinary resolutions at a Shareholders' general meeting:</p> <p><u>(I) business policies of the Bank;</u></p> <p>(II)(II) work reports of the Board and the Board of Supervisors;</p> <p>(III)(III) profit distribution plan and loss recovery plan proposed by the Board;</p> <p>(IV)(IV) the annual reports, annual budgets,—and final account reports; balance sheet, statements of profits and other financial statements of the Bank;</p> <p>(V)(V) report of evaluation by the Board of Supervisors on the Directors and by the independent Directors on each other;</p> <p>(VI)(VI) report of evaluation by the Board of Supervisors on the Supervisors and by the external Supervisors on each other;</p> <p>(VII) supervision opinions of financial regulators and the Bank's rectification;</p> <p><u>(VII) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount not exceeding 10% of the latest audited net assets of the Bank;</u></p> <p><u>(VIII) equity investment business of the Bank;</u></p> <p><u>(IX) the nomination of candidates by the Bank for its holding or joint-stock companies and other voting matters (excluding equity investment);</u></p> <p><u>(X) matters relating to the changes in the use of proceeds;</u></p> <p><u>(XI) resolving on the engagement or dismissal of the accounting firm that conducts regular statutory audit for the financial reports of the Bank;</u></p> <p>(VII)(XII) matters other than those required by the laws, administrative regulations or Articles of Association to be approved by special resolutions.</p>

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Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 60	<p>The following issues shall be approved by special resolutions at a Shareholders' general meeting:</p> <p>(I) an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank;</p> <p>(II) the issuance of bonds or the listing of the Bank;</p> <p>(III) the division, merger, dissolution and liquidation or change in the corporate form of the Bank;</p> <p>(IV) amendments to the Articles of Association;</p> <p>(V) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount exceeding 10% of the latest audited net assets of the Bank;</p> <p>(VI) the Bank's buyback of its shares;</p> <p>(VII) equity incentive scheme;</p> <p>(VIII) appointment and removal of the members of the Board and the Board of Supervisors (save as otherwise stipulated in Article 148 of the Articles of Association), their remunerations and method of payment thereof;</p>	Article 59	<p>The following issues shall be approved by special resolutions at a Shareholders' general meeting:</p> <p>(I) an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank, <u>the issuance of bonds or other securities or listing of the Bank;</u></p> <p>(II) the issuance of bonds or the listing of the Bank <u>investment plans of the Bank;</u></p> <p>(III) the division, merger, dissolution and liquidation or change in the corporate form of the Bank;</p> <p>(IV) amendments to the Articles of Association, <u>these Rules, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board of Supervisors;</u></p> <p>(V) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount exceeding 10% of the latest audited net assets of the Bank;</p> <p><u>(VI) reviewing and approving the Bank's guarantee businesses, such as external guarantee and letter of guarantee;</u></p> <p><u>(VII) reviewing and approving the Bank's fixed asset purchase business;</u></p> <p><u>(VIII) reviewing and approving the Bank's disposal and write-off of non-performing assets;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	(IX) any other matters as required by the laws, regulations, regulatory documents, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the locality in which the securities of the Bank are listed or the Articles of Association, and confirmed by the Shareholders' general meeting by an ordinary resolution that they may have a material effect on the Bank and should be adopted by a special resolution.		<p><u>(IX) reviewing and approving the Bank's asset mortgage business;</u></p> <p>(VII)<u>(X)</u> the Bank's buyback of its shares;</p> <p>(VII)<u>(XI) the plans for the equity incentive scheme;</u></p> <p>(VII)<u>(XII)</u> appointment and removal of the members of the Board and the Board of Supervisors (save as otherwise stipulated in Article 155 of the Articles of Association), <u>and</u> their remunerations and method of payment thereof;</p> <p>(IX)<u>(XIII)</u> any other matters as required by the laws, regulations, regulatory documents, Hong Kong Listing Rules, provisions of the securities regulatory authorities in the locality in which the securities of the Bank are listed or the Articles of Association, and confirmed by the Shareholders' general meeting by an ordinary resolution that they may have a material effect on the Bank and should be adopted by a special resolution.</p>

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Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 62	<p>The Shareholders' general meetings shall have meeting minutes, which shall be recorded by the office of the Board of Directors. The meeting minutes shall record the following information:</p> <p>(I) the time, venue and agenda of the meeting, and the name of the convener;</p> <p>(II) the names of the presider, and the Directors, Supervisors, President and other senior managers attending or present at the meeting;</p> <p>(III) the number of attending Shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Bank;</p> <p>(IV) the consideration process of each proposal, summaries of the speeches and the voting result;</p> <p>(V) details of the inquiries or recommendations of the Shareholders, and the corresponding response or explanations;</p> <p>(VI) the name and identity of the witnessing lawyer, counting officer and monitoring officer; and</p> <p>(VII) other contents that shall be recorded in the meeting minutes in accordance with the Articles of Association.</p> <p>The convener shall ensure the meeting minutes are true, accurate and complete. Directors and Supervisors attending the meeting, the convener or representative thereof, the presider and the secretary of the Board shall sign the meeting minutes. The meeting minutes shall be kept as archives by the Bank for 20 years together with the book of signatures of the attending Shareholders, the power of attorney of the attending proxies and votes.</p>	Article 61	<p>The Shareholders' general meetings shall have meeting minutes, which shall be recorded by the office of the Board of Directors. The meeting minutes shall record the following information:</p> <p>(I) the time, venue and agenda of the meeting, and the name of the convener;</p> <p>(II) the names of the presider, and the Directors, Supervisors, President and other senior managers attending or present at the meeting;</p> <p>(III) the number of attending Shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Bank;</p> <p>(IV) the consideration process of each proposal, summaries of the speeches and the voting result;</p> <p>(V) details of the inquiries or recommendations of the Shareholders, and the corresponding response or explanations;</p> <p>(VI) the name and identity of the witnessing lawyer, counting officer and monitoring officer; and</p> <p>(VII) other contents that shall be recorded in the meeting minutes in accordance with the Articles of Association.</p> <p>The convener shall ensure the meeting minutes are true, accurate and complete. Directors and Supervisors attending the meeting, the convener or representative thereof, the presider and the secretary of the Board shall sign the meeting minutes. The meeting minutes shall be kept as archives by the Bank permanently for 20 years together with the book of signatures of the attending Shareholders, the power of attorney of the attending proxies and votes.</p>

**APPENDIX II COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING**

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 69	These Rules shall be formulated and revised by the Board of Directors and shall, upon approval by the Shareholders' general meeting, enter into force and be implemented on the date of listing of the H shares of the Bank on the Stock Exchange of Hong Kong Limited by way of public offering. The original Terms of Reference for Shareholders' General Meetings of the Bank shall become null and void automatically on the date when these Rules come into effect. Amendments to these Rules shall be submitted to the Shareholders' general meeting for adoption via special resolution.	Article 68	These Rules shall be formulated and revised by the Board of Directors and shall, upon consideration and approval by the Shareholders' general meeting, enter into force and be implemented on the date of listing of the H shares of the Bank on the Stock Exchange of Hong Kong Limited by way of public offering. The original Terms of Reference for Rules of Procedure of the Shareholders' General Meetings of the Bank shall become null and void automatically on the date when these Rules come into effect. Amendments to these Rules shall be submitted to the Shareholders' general meeting for adoption via special resolution.

- Notes:* (1) Since the proposed amendments to the Rules of Procedure of the Shareholders' General Meeting involve deleting articles, the serial numbers involved in the relevant articles, and cross-references of the Rules of Procedure of the Shareholders' General Meeting are also adjusted accordingly, and will not be stated separately. Save for the amendments above, other articles of the Rules of Procedure of the Shareholders' General Meeting remain unchanged.
- (2) The proposed amendments to the Rules of Procedure of the Shareholders' General Meeting are prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version of the Rules of Procedure of the Shareholders' General Meeting, the Chinese version shall prevail.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 1	To further improve the method of deliberation and voting procedures of the Board of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as “the Bank”), urge the Directors and the Board to effectively perform their duties and improve standard operation and scientific decision-making of the Board, these Rules are formulated pursuant to the Company Law of the People’s Republic of China, Law on Commercial Banks of the People’s Republic of China, Interim Measures for Management of Commercial Bank Equity, Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies, Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”), Guidelines on the Corporate Governance of Commercial Banks and the Articles of Association of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as “the Articles of Association”).	Article 1	To further improve the method of deliberation and voting procedures of the Board of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as “the Bank”), urge the Directors and the Board to effectively perform their duties and improve standard operation and scientific decision-making of the Board, these Rules are formulated pursuant to the Company Law of the People’s Republic of China, Law on Commercial Banks of the People’s Republic of China, Interim Measures for Management of Commercial Bank Equity, Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies, Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, <u>Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> , Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”), Guidelines on the Corporate Governance of Commercial Banks <u>the Code of Corporate Governance of Banking and Insurance Institutions</u> and the Articles of Association of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as “the Articles of Association”).

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 3	<p>The Board is composed of executive Directors and non-executive Directors (including independent Directors). Executive Directors are Directors who hold other senior management position at the Bank in addition to Director. Non-executive Directors are Directors who hold no management position at the Bank. The Board of the Bank shall be composed of eleven (11) to fifteen (15) Directors, including a chairman. In particular, the independent Directors shall account for no less than one-third of the total number of Directors and the number of independent Directors shall be no less than three (3), and there shall be one (1) employee Director at least.</p>	Article 3	<p>The Board is composed of executive Directors and non-executive Directors (including independent Directors). Executive Directors are Directors who hold other senior management position at the Bank in addition to Director. Non-executive Directors are Directors who hold no management position at the Bank. The Board of the Bank shall be composed of eleven (11) to fifteen (15) Directors, including a chairman. In particular, the independent Directors shall account for no less than one-third of the total number of Directors and the number of independent Directors shall be no less than three (3), and there shall be one (1) employee Director at least.</p>
Article 5	<p>In order to secure their independence, the following persons shall not act as independent Director of the Bank:</p> <p>(I) Shareholders holding 1% or more of the Bank's shares or natural persons among the top ten Shareholders of the Bank, or persons who hold positions in the Shareholders' institutions of the Bank;</p> <p>(II) persons who belonged to category (I) within the preceding year;</p> <p>(III) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank;</p> <p>(IV) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank within the three years before assumption of post;</p>	Article 5	<p>In order to secure their independence, the following persons shall not act as independent Director of the Bank:</p> <p>(I) Shareholders holding 1% or more of the Bank's shares or natural persons among the top ten Shareholders of the Bank, or persons who hold positions in the Shareholders' institutions of the Bank;</p> <p>(II) persons who belonged to category (I) within the preceding year;</p> <p>(III) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank;</p> <p>(IV) persons who hold positions in the Bank or the holding or controlling enterprises of the Bank within the three years before assumption of post;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(V) persons having outstanding loans payable to the Bank or persons holding positions in an enterprise having outstanding loans payable to the Bank;</p> <p>(VI) persons who hold positions in an institution which has business connections with the Bank in law, accounting, audit or management consulting or is interested in the Bank;</p> <p>(VII) any other persons who can be controlled or can be significantly influenced by the Bank by various means;</p> <p>(VIII) immediate relatives and other closely related family members of the aforesaid persons;</p> <p>(IX) other persons as designated by relevant laws, administrative regulations, other rules, the banking regulatory authorities under the State Council, the securities regulatory authorities in the place where the securities of the Bank are listed and other regulatory authorities or specified by the Articles of Association.</p> <p>The immediate relatives specified in the Articles of Association refer to parents, the spouse, siblings and spouses thereof, adult children and spouses thereof, parents-in-law, spouses' siblings and spouses thereof, parents' siblings and spouses thereof, and adult children of parents' siblings and spouses thereof.</p>		<p>(V) persons having outstanding loans payable to the Bank or persons holding positions in an enterprise having outstanding loans payable to the Bank;</p> <p>(VI) persons who hold positions in an institution which has business connections with the Bank in law, accounting, audit or management consulting or is interested in the Bank;</p> <p>(VII) any other persons who can be controlled or can be significantly influenced by the Bank by various means;</p> <p>(VIII) immediate relatives and other closely related family members of the aforesaid persons;</p> <p>(IX) other persons as designated by relevant laws, administrative regulations, other rules, the banking regulatory authorities under the State Council, the securities regulatory authorities in the place where the securities of the Bank are listed and other regulatory authorities or specified by the Articles of Association.</p> <p>The immediate relatives specified in the Articles of Association refer to parents, the spouse, siblings and spouses thereof, adult children and spouses thereof, parents-in-law, spouses' siblings and spouses thereof, parents' siblings and spouses thereof, and adult children of parents' siblings and spouses thereof.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 9	<p>The Board of Directors has established special committees including development and strategy committee, related party (connected) transactions control committee, risk management committee, audit committee, nomination and remuneration committee and consumer rights protection committee. The special committees shall be headed by Directors in principle and shall each have at least three members. In particular, the related party (connected) transactions control committee, nomination and remuneration committee and audit committee shall be headed by independent Directors. The audit committee shall comprise non-executive Directors only and have at least one independent Director who shall have relevant professional qualifications as specified in Hong Kong Listing Rules, or shall have due professional specialty in audit or related financial management. The majority of the audit committee and nomination and remuneration committee shall be independent Directors. Directors nominated by Controlling Shareholders shall not be members of the related party (connected) transactions control committee and the nomination and remuneration committee.</p>	Article 9	<p>The Board of Directors has established special committees including development and strategy committee, related party (connected) transactions control committee, risk management committee, audit committee, nomination and remuneration committee and consumer rights protection committee. <u>The members of special committees shall be directors and have professional knowledge or work experience catering to the duties of the special committees.</u> The special committees shall be headed by Directors in principle and shall each have at least three members. In particular, <u>the majority of the audit committee and nomination and remuneration committee shall be independent directors, and in principle, no less than one-third of the risk management committee and the related-party transactions control committee shall be independent directors,</u> and the related party (connected) transactions control committee, nomination and remuneration committee and audit committee shall be headed by independent Directors. The audit committee shall comprise non-executive Directors only, <u>who shall have professional knowledge and work experience in one aspect of finance, auditing, accounting or law, etc.,</u> and have at least one independent Director who shall have relevant professional qualifications as specified in Hong Kong Listing Rules, or shall have due professional specialty in audit or related financial management. The majority of the audit committee and nomination and remuneration committee shall be independent Directors. Directors nominated by Controlling Shareholders shall not be members of the related party (connected) transactions control committee and the nomination and remuneration committee.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 10	The Board shall formulate terms of reference and working procedures for respective special committees. The respective special committees shall formulate annual work plans, which shall be implemented upon examination and approval by the Board.	Article 10	The Board shall formulate terms of reference <u>the rules of procedure</u> and working procedures for respective special committees. The respective special committees shall formulate annual work plans, which shall be implemented upon examination and approval by the Board <u>may formulate annual work plans and hold meetings on a regular basis.</u>
Article 13	<p>The Board shall exercise the following functions and powers:</p> <p>(I) to convene a Shareholders' general meeting and report its work to the Shareholders' general meeting;</p> <p>(II) to implement resolutions of the Shareholders' general meeting;</p> <p>(III) to decide on the Bank's business plans, investment proposals and development strategies;</p> <p>(IV) to formulate the Bank's annual financial budgets, final accounts, risk capital allocation plans, profit distribution plans and loss recovery plans;</p> <p>(V) to formulate proposals for increases in or reductions of registered capital, issuance of bonds or other securities and listing plans of the Bank;</p> <p>(VI) to formulate plans for material acquisitions, purchase of shares of the Bank, merger, division, dissolution and transformation of the Bank;</p>	Article 13	<p>The Board shall exercise the following functions and powers:</p> <p>(I) to convene a Shareholders' general meeting and report its work to the Shareholders' general meeting;</p> <p>(II) to implement resolutions of the Shareholders' general meeting;</p> <p>(III) to decide on the Bank's business plans, investment proposals and <u>formulate</u> development strategies, <u>and supervise the implementation of the strategies;</u></p> <p>(IV) to formulate the Bank's annual financial budgets, final accounts, risk capital allocation plans, profit distribution plans and loss recovery plans;</p> <p>(V) to formulate proposals for increases in or reductions of registered capital, issuance of bonds or other securities and listing plans of the Bank;</p> <p>(VI) to formulate plans for material acquisitions, purchase of shares of the Bank, merger, division, dissolution and transformation of the Bank;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VII) to decide on major events of the Bank within the authorization of the Shareholders' general meeting, such as daily operations, external investments, acquisition, sales and swap of assets, external guarantees, pledge of assets, entrusted wealth management, financial lease, connected transactions and disposal of non-performing assets;</p> <p>(VIII) to appoint or dismiss senior managers including the President, vice President and secretary to the Board of the Bank as nominated by the chairman, and decide on their remunerations, rewards and punishments;</p> <p>(IX) to formulate the basic management system of the Bank, and decide on the rights of senior management on the formulation of business procedures and other specific rules;</p> <p>(X) to formulate proposals for any amendment to the Articles of Association;</p> <p>(XI) to be responsible for the Bank's information disclosure, and undertake the ultimate responsibility for the completeness and accuracy of the Bank's accounting and financial reports;</p>		<p>(VII) to decide on major events of the Bank within the authorization of the Shareholders' general meeting, such as daily operations, external investments, acquisition, sales and swap of assets, external guarantees, pledge of assets, entrusted wealth management, financial lease, connected transactions and disposal and write-offs of non-performing assets;</p> <p>(VIII) to appoint or dismiss <u>under regulatory requirements</u> senior managers including the President, vice President and secretary to the Board of the Bank as nominated by the chairman, and decide on their remunerations, rewards and punishments <u>for senior managers</u>;</p> <p>(IX) to formulate the basic management system of the Bank, and decide on the rights of senior management on the formulation of business procedures and other specific rules;</p> <p>(X) to formulate proposals for any amendment to the Articles of Association, <u>formulate the Rules of Procedure of the Shareholders' General Meeting and these Rules, and submit the same to the general meeting for consideration and approval; and to consider and approve the rules of procedure of the special committees under the Board;</u></p> <p>(XI) to be responsible for the Bank's information disclosure, and undertake the ultimate responsibility for the completeness and accuracy of the Bank's accounting and financial reports;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XII) to formulate a standard scheme for the remuneration and allowances of the Directors of the Bank;</p> <p>(XIII) to listen to work reports of the Bank's President and examine his/her work;</p> <p>(XIV) to decide on the Bank's risk management and internal control policies;</p> <p>(XV) to supervise the work performance of the Bank's senior management and deliberate senior management's evaluation on the Bank's President, vice President, chief financial officer and other senior managers and the reports of evaluation by the Bank's senior managers on each other; and to organize the evaluation on Directors and evaluation by independent Directors on each other and report relevant evaluation result to the Board of Supervisors;</p> <p>(XVI) to regularly evaluate and improve the Bank's governance;</p> <p>(XVII) to nominate the candidates of the next session of the Board;</p> <p>(XVIII) to apply for bankruptcy to the People's Court on behalf of the Bank according to the authorization of the Shareholders' general meeting;</p> <p>(XIX) to decide on the plans for establishment of internal management structure of the Bank and establishment and withdrawal of branches of the Bank;</p>		<p>(XII) to formulate a standard scheme for the remuneration and allowances of the Directors of the Bank;</p> <p>(XIII) to listen to work reports of the Bank's President and examine his/her work;</p> <p>(XIV) <u>to determine the risk tolerance level, to decide on the Bank's risk management and internal control policies of the Bank, and to assume the ultimate responsibility for the overall risk management;</u></p> <p>(XV) to supervise the work performance of the Bank's senior management and deliberate senior management's evaluation on the Bank's President, vice President, chief financial officer and other senior managers and the reports of evaluation by the Bank's senior managers on each other; and to organize the evaluation on Directors and evaluation by independent Directors on each other and report relevant evaluation result to the Board of Supervisors;</p> <p>(XVI) to regularly evaluate and improve the Bank's <u>corporate</u> governance;</p> <p>(XVII) to nominate the candidates of the next session of the Board;</p> <p>(XVIII) to apply for bankruptcy to the People's Court on behalf of the Bank according to the authorization of the Shareholders' general meeting;</p> <p>(XIX) to decide on the plans for establishment of internal management structure of the Bank and establishment and withdrawal of branches of the Bank;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XX) to establish an identification, investigation and management mechanism for the conflict of interest between the Bank and substantial Shareholders;</p> <p>(XXI) to undertake the ultimate responsibility for information technology risks and examination and approval of mid-and-long term information technology strategies, and regularly examine and approve the Bank's reports on information technology construction and risk management;</p> <p>(XXII) to have the right to determine the pricing and the business investment between the Bank and other financial institutions, including bond investment, entrusted wealth management, purchase of wealth management products, purchase of designated (specialized) asset management plans, trust plans, beneficiary certificates issued by securities companies, right to yields on claims of margin trading and short selling, securities investment funds and other business investment and pricing;</p> <p>(XXIII) to be in charge of determining green credit development strategies, examine and approve the green credit objectives determined and the green credit reports submitted by senior management, and supervise and appraise the Bank's implementation of green credit development strategies;</p>		<p>(XX) to establish an identification, investigation and management mechanism for the conflict of interest between the Bank and <u>Shareholders, especially substantial Shareholders, and assume the management responsibility for Shareholders' affairs;</u></p> <p>(XXI) to undertake the ultimate responsibility for information technology risks and examination and approval of mid-and-long term information technology strategies, and regularly examine and approve the Bank's reports on information technology construction and risk management;</p> <p>(XXII) to have the right to determine the pricing and the business investment between the Bank and other financial institutions, including bond investment, entrusted wealth management, purchase of wealth management products, purchase of designated (specialized) asset management plans, trust plans, beneficiary certificates issued by securities companies, right to yields on claims of margin trading and short selling, securities investment funds and other business investment and pricing;</p> <p>(XXIII) to be in charge of determining green credit development strategies, examine and approve the green credit objectives determined and the green credit reports submitted by senior management, and supervise and appraise the Bank's implementation of green credit development strategies;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XXIV) to assume the ultimate responsibility for the protection of consumer rights of the Bank, regularly listen to the reports on the progress of the protection of consumer rights; assume the ultimate responsibility for anti-money laundering (AML) management, and ensure that the Bank establishes and implements a complete and effective AML internal control system; and</p> <p>(XXV) to exercise other functions and powers that shall be exercised by the Board according to the laws, regulations, Hong Kong Listing Rules and the Articles of Association.</p> <p>The senior management in the preceding paragraph consists of the President, vice President and chief financial officer of our head office and other senior managers recognized by the Board.</p>		<p>(XXIV) to assume the ultimate responsibility for the protection of consumer rights of the Bank, <u>safeguard the legitimate rights of financial consumers and other stakeholders</u>, regularly listen to the reports on the progress of the protection of consumer rights; assume the ultimate responsibility for anti-money laundering (AML) management, and ensure that the Bank establishes and implements a complete and effective AML internal control system; and</p> <p><u>(XXV) to formulate the capital planning of the Bank, assume ultimate responsibility for capital or solvency management;</u></p> <p><u>(XXVI) to propose to the general meeting of the engagement or dismissal of the accounting firm that conducts regular and statutory audit on the financial reports of the Bank;</u></p> <p><u>(XXVII) to formulate the Bank's data strategy, approve or authorize the approval on major issues in relation to data governance, urge senior management to improve the effectiveness of data governance, and assume ultimate responsibility for data governance;</u></p> <p><u>(XXVIII) to be responsible for the Bank's anti-money laundering and counter terrorist financing policies, supervise the implementation of anti-money laundering and counter terrorist financing policies, and assume ultimate responsibility for the Bank's anti-money laundering and counter terrorist financing work; and</u></p> <p>(XXV)<u>(XXIX)</u> to exercise other functions and powers that shall be exercised by the Board according to the laws, regulations, Hong Kong Listing Rules and the Articles of Association.</p> <p>The senior management in the preceding paragraph consists of the President, vice President and chief financial officer of our head office and other senior managers recognized by the Board.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 16	<p>The chairman shall exercise the following functions and powers:</p> <p>(I) to preside over Shareholders' general meetings and convene and preside over Board meetings;</p> <p>(II) to supervise and examine the implementation of resolutions of the Board and report the work to the Board;</p> <p>(III) to exercise the functions and powers of the Bank's legal representative, and to sign the securities certificates issued by the Bank;</p> <p>(IV) to nominate or dismiss vice President, secretary to the Board and other senior managers after seeking advice from the President;</p> <p>(V) to formulate the plans for establishment of internal management structure of the Bank and establishment, relocation and withdrawal of branches of the Bank and submit the plans to the Board for approval;</p> <p>(VI) to determine the appointment or dismissal of middle management personnel and staff;</p> <p>(VII) to authorize senior managers, persons in charge of internal functional departments and branches to engage in operating activities;</p> <p>(VIII) to decide on the salaries, benefits and reward or punishment of the Bank's staff other than senior managers which should be decided by the Board within the scope of remuneration plans and management systems approved by the Board;</p>	Article 16	<p>The chairman shall exercise the following functions and powers:</p> <p>(I) to preside over Shareholders' general meetings and convene and preside over Board meetings;</p> <p>(II) to supervise and examine the implementation of resolutions of the Board and report the work to the Board;</p> <p>(III) to exercise the functions and powers of the Bank's legal representative, and to sign the securities certificates issued by the Bank;</p> <p>(IV) to nominate or dismiss vice President, secretary to the Board and other senior managers after seeking advice from the President;</p> <p>(V) to formulate the plans for establishment of internal management structure of the Bank and establishment, relocation and withdrawal of branches of the Bank and submit the plans to the Board for approval;</p> <p>(VII)<u>(V)</u> to determine the appointment or dismissal of middle management personnel and staff;</p> <p>(VII) to authorize senior managers, persons in charge of internal functional departments and branches to engage in operating activities;</p> <p>(VIII)<u>(VI)</u> to decide on the salaries, benefits and reward or punishment of the Bank's staff other than senior managers which should be decided by the Board within the scope of remuneration plans and management systems approved by the Board;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(IX) in any emergent force majeure event such as extraordinarily serious natural disasters or other emergencies, to exercise the special right of disposal in respect of the business of the Bank in compliance with laws and in the interests of the Bank, and to report to the Board and the Shareholders' general meeting of the Bank afterwards, with the amount for exercising the function and power accounting for not more than 10% of the Bank's net asset value;</p> <p>(X) to exercise other functions and powers conferred by the Board;</p> <p>(XI) to exercise functions and powers that shall be exercised by the chairman according to relevant laws, regulations and rules.</p>		<p>(IX)(VII) in any emergent force majeure event such as extraordinarily serious natural disasters or other emergencies, to exercise the special right of disposal in respect of the business of the Bank in compliance with laws and in the interests of the Bank, and to report to the Board and the Shareholders' general meeting of the Bank afterwards, with the amount for exercising the function and power accounting for not more than 10% of the Bank's net asset value;</p> <p>(X)(VIII) to exercise other functions and powers conferred by the Board;</p> <p>(XI)(IX) to exercise functions and powers that shall be exercised by the chairman according to relevant laws, regulations and rules.</p>
Article 22	<p>Directors shall observe the laws, administrative regulations and the Articles of Association, and fulfil the following obligations of diligence:</p> <p>(I) to exercise the rights conferred by the Articles of Association or the Shareholders' general meeting with due discretion, care and diligence to ensure the business operations of the Bank comply with State laws, administrative regulations and various economic policies of the State, and are within the business scope specified in the business license of the Bank;</p> <p>(II) to treat all Shareholders impartially;</p>	Article 22	<p>Directors shall observe the laws, administrative regulations and the Articles of Association, and fulfil the following obligations of diligence:</p> <p>(I) to exercise the rights conferred by the Articles of Association or the Shareholders' general meeting with due discretion, care and diligence to ensure the business operations of the Bank comply with State laws, administrative regulations and various economic policies of the State, and are within the business scope specified in the business license of the Bank;</p> <p><u>(II) to continuously pay attention to the operation and management status of the Bank, and have the right to require the senior management to provide relevant materials reflecting the operation and management status of the Bank in a comprehensive, timely and accurate manner or to give explanations on relevant issues;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(III) to carefully read various business and financial reports of the Bank and keep informed of the operation and management conditions of the Bank in a timely manner; to sign written confirmations of the regular reports of the Bank; and to ensure the information disclosed by the Bank is true, accurate and complete;</p> <p>(IV) to honestly provide the Board of Supervisors with relevant information, not to prevent the Board of Supervisors or Supervisors from exercising their functions and powers, and to accept the lawful supervision and rational suggestions of the Board of Supervisors on their performance of duties;</p> <p>(V) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by applicable laws or with the informed consent of Shareholders given at a Shareholders' general meeting, not to transfer the exercise of their discretion to others;</p> <p>(VI) to fulfil their public promises in a strict manner;</p> <p>(VII) to fulfil other obligations of diligence stipulated by laws, administrative regulations, other rules, provisions of the securities regulatory authorities in the locality where the securities of the Bank are listed and the Articles of Association.</p>		<p><u>(III) to participate in Board meetings on time, fully review the matters considered by the Board of Directors, express opinions in an independent, professional and objective manner, and vote independently on the basis of prudent judgments;</u></p> <p><u>(IV) to take responsibility for the resolutions of the Board; to supervise the implementation of the resolutions of the Shareholders' general meeting and the Board by the senior management;</u></p> <p><u>(V) to take active participation in trainings organized by the Bank and regulatory agencies, understand the rights and obligations of directors, be familiar with relevant laws, regulations and regulatory requirements, and continue to possess expertise and capabilities required to perform their duties;</u></p> <p><u>(VI) to be responsible to the company and all shareholders in fulfilling their duties,</u> to treat all Shareholders impartially;</p> <p>(VI)<u>(VII) to fulfil their public promises in a strict manner, implement high standards of professional ethics and consider the legitimate rights and interests of stakeholders;</u></p> <p><u>(VIII) to fulfill the obligations of honesty and diligence to the company, fulfill duties with due prudence and ensure they have enough time and energy to perform their duties;</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p>(II)<u>(IX)</u> to carefully read various business and financial reports of the Bank and keep informed of the operation and management conditions of the Bank in a timely manner; to sign written confirmations of the regular reports of the Bank; and to ensure the information disclosed by the Bank is true, accurate and complete;</p> <p>(IV)<u>(X)</u> to honestly provide the Board of Supervisors with relevant information, not to prevent the Board of Supervisors or Supervisors from exercising their functions and powers, and to accept the lawful supervision and rational suggestions of the Board of Supervisors on their performance of duties;</p> <p>(V)<u>(XI)</u> to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by applicable laws or with the informed consent of Shareholders given at a Shareholders' general meeting, not to transfer the exercise of their discretion to others;</p> <p>(VII)<u>(XII)</u> to fulfil other obligations of diligence stipulated by laws, administrative regulations, other rules, provisions of the securities regulatory authorities in the locality where the securities of the Bank are listed and the Articles of Association.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 24	<p>Directors shall attend Board meetings in an earnest and responsible manner and provide definite opinions on the matters deliberated. A Director shall attend at least two thirds of the Board meetings each year. If a Director fails to attend the said meetings consecutively for two times and fails to appoint other Directors of that same class to attend such meetings on his/her behalf, he/she shall be deemed incapable of performing his/her duties, and the Board shall suggest that the Shareholders' general meeting remove the said Director.</p> <p>Directors shall provide independent, professional and objective opinions at Board meetings.</p>	Article 24	<p>Directors shall attend Board meetings in an earnest and responsible manner and provide definite opinions on the matters deliberated. A Director shall attend at least two thirds of the <u>on-site</u> Board meetings each year. If a Director fails to attend the said meetings consecutively for two times and fails to appoint other Directors of that same class to attend such meetings on his/her behalf, he/she shall be deemed incapable of performing his/her duties, and the Board shall suggest that the Shareholders' general meeting remove the said Director.</p> <p>Directors shall provide independent, professional and objective opinions at Board meetings.</p>
Article 25	Directors shall attend trainings as required to learn about the rights and obligations of Directors, be acquainted with relevant laws and regulations, and acquire relevant required knowledge.	—	Directors shall attend trainings as required to learn about the rights and obligations of Directors, be acquainted with relevant laws and regulations, and acquire relevant required knowledge.
Article 30	<p>In any of the following circumstances, the Board shall convene an extraordinary meeting:</p> <p>(I) proposed by Shareholders representing more than one tenth of the total voting rights;</p> <p>(II) proposed by more than one third of the Directors jointly;</p> <p>(III) proposed by the Board of Supervisors;</p> <p>(IV) deemed necessary by the chairman;</p> <p>(V) proposed by more than half of the independent Directors jointly;</p> <p>(VI) proposed by the President;</p> <p>(VII) Any other circumstance so specified in the Articles of Association occurs.</p>	Article 29	<p>In any of the following circumstances, the Board shall convene an extraordinary meeting:</p> <p>(I) proposed by Shareholders representing more than one tenth of the total voting rights;</p> <p>(II) proposed by more than one third of the Directors jointly;</p> <p>(III) proposed by the Board of Supervisors;</p> <p>(IV) deemed necessary by the chairman;</p> <p>(V) proposed by more than half of the two independent Directors jointly;</p> <p>(VI) proposed by the President;</p> <p>(VII)(VI) Any other circumstance so specified in the Articles of Association occurs.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 34	<p>The notice of extraordinary Board meeting shall be served to all Directors by mail (including e-mail) or special delivery, at least five days in advance.</p> <p>Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.</p>	Article 33	<p>The notice of extraordinary Board meeting shall be served to all Directors and Supervisors by mail (including e-mail) or special delivery, at least five days in advance.</p> <p>Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.</p>
Article 40	<p>Board meetings shall in principle be held onsite. Where necessary, Board meetings may be held and pass resolutions by means of communications, with the resolutions signed by the voting Directors, provided that the Directors fully express their opinions. The Board meetings may also be held onsite and offsite simultaneously.</p> <p>Where a Board meeting is held offsite, the number of attending Directors shall be counted according to valid votes such as e-mails and written voting letters received within the prescribed period, or written confirmation submitted after the meeting by the Directors for attending the meeting.</p> <p>Matters not permitted to be voted on by means of communications under the Articles of Association shall not be voted on by means of communications.</p>	Article 39	<p>Board meetings shall in principle be held onsite. Where necessary, Board meetings may be held and pass resolutions through circulation of written resolution by means of communications, with the resolutions signed by the voting Directors, provided that the Directors fully express their opinions. The Board meetings may also be held onsite and offsite simultaneously.</p> <p>Where a Board meeting is held offsite, the number of attending Directors shall be counted according to valid votes such as e-mails and written voting letters received within the prescribed period, or written confirmation submitted after the meeting by the Directors for attending the meeting.</p> <p>Matters not permitted to be voted on by means of communications under the Articles of Association shall not be voted on by means of communications.</p> <p><u>The “directors” and “all directors” as referred to in counting the number of directors attending and voting at the Board meetings are directors whose qualifications have been approved by the regulatory authorities.</u></p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 44	Voting on Board meetings may be conducted by a show of hands, ballot and means of communications.	Article 43	Voting on Board meetings may be conducted by a show of hands, ballot and means of communications. <u>through on-site meeting and circulation of written resolution.</u>
Article 45	If a Shareholder pledges 50% or more of his/her shares in the Bank, the voting rights exercisable by the said Shareholder at the Shareholders' general meeting shall be the number of his/her unpledged shares and the Director nominated by him/her shall have no voting rights at Board meetings. Shareholders, particularly major Shareholders with their equity of the Bank pledged less than 50%, shall not be subject to restrictions on voting rights at Shareholders' general meetings.	Article 44	If a Shareholder pledges 50% or more of his/her shares in the Bank, the voting rights exercisable by the said Shareholder at the Shareholders' general meeting shall be the number of his/her unpledged shares and the Director nominated by him/her shall have no voting rights at Board meetings. Shareholders, particularly major Shareholders with their equity of the Bank pledged less than 50%, shall not be subject to restrictions on voting rights at Shareholders' general meetings. <u>However, in the event that a major Shareholder pledges equity of the Bank exceeding 50% of his/her shareholding, both the major Shareholder and the Director nominated by him/her shall not exercise voting rights at the Shareholders' general meetings and Board meetings.</u>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 48	<p>Following matters to be considered at Board meetings shall be approved by voting of more than two thirds of the Directors of the Board:</p> <p>(I) formulation of proposals for increase in or reductions of registered capital, issuance of corporate bonds or other securities and listing plans of the Bank;</p> <p>(II) formulation of plans for material acquisitions, purchase of shares of the Bank, merger, division, dissolution or transformation of the Bank;</p> <p>(III) formulation of proposals for any amendment to the Articles of Association;</p> <p>(IV) consideration of the Bank's profit distribution plans, risk capital allocation plans, significant investments, disposal of material assets, appointment or dismissal of senior managers, capital replenishment plan, material equity change and financial reorganization; and</p> <p>(V) other matters that may have a material impact on the Bank and accordingly shall be approved by voting of more than two thirds of all Directors as deemed by more than half of all Directors or according to laws, administrative regulations, provisions of relevant regulatory authorities and the Articles of Association. Where any matter in the preceding paragraph is considered at a Board meeting, the voting shall not be conducted by means of communications.</p>	Article 47	<p>Following matters to be considered at Board meetings shall be approved by voting of more than two thirds of the Directors of the Board:</p> <p>(I) formulation of proposals for increase in or reductions of registered capital, issuance of corporate bonds or other securities and listing plans of the Bank;</p> <p>(II) formulation of plans for material acquisitions, purchase of shares of the Bank, merger, division, dissolution or transformation of the Bank;</p> <p>(III) formulation of proposals for any amendment to the Articles of Association;</p> <p>(IV) consideration of the Bank's profit distribution plans, remuneration plans, risk capital allocation plans, significant investments, disposal of material assets, appointment or dismissal of senior managers, capital replenishment plan, material equity change and financial reorganization; and</p> <p>(V) other matters that may have a material impact on the Bank and accordingly shall be approved by voting of more than two thirds of all Directors as deemed by more than half of all Directors or according to laws, administrative regulations, provisions of relevant regulatory authorities and the Articles of Association. Where any matter in the preceding paragraph is considered at a Board meeting, the voting shall not be conducted by means of communications.</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 52	<p>In any of the following circumstances, the Directors shall abstain from voting on relevant proposals:</p> <p>(I) the circumstances under which Directors should abstain from voting according to laws, administrative regulations and other provisions;</p> <p>(II) the Directors themselves think they should abstain from voting;</p> <p>(III) the Directors are related with the enterprises involved by the proposals and shall therefore abstain from voting pursuant to the Articles of Association.</p> <p>Where any Director abstains from voting, the Board meeting may be held when more than half of the non-related Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-related Directors. If the number of non-related attending Directors is smaller than three, the relevant proposal shall not be voted on but shall be submitted to the Shareholders' general meeting for deliberation.</p>	Article 51	<p>In any of the following circumstances, the Directors shall abstain from voting on relevant proposals:</p> <p>(I) the circumstances under which Directors should abstain from voting according to laws, administrative regulations and other provisions;</p> <p>(II) the Directors themselves think they should abstain from voting;</p> <p>(III) the Directors are related with the enterprises involved by the proposals and shall therefore abstain from voting pursuant to the Articles of Association.</p> <p>Where any Director abstains from voting, the Board meeting may be held when more than half of the non-related Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half two thirds of the non-related Directors. If the number of non-related attending Directors is smaller than three, the relevant proposal shall not be voted on but shall be submitted to the Shareholders' general meeting for deliberation.</p>
Article 59	Archives of Board meetings, including meeting notices, meeting documents, attendance book, powers of attorney for proxy Directors, meeting recordings, votes, meeting minutes signed by the attending Directors, meeting summaries, minutes of resolutions, resolutions, etc., shall be kept by the Bank for at least 20 years.	Article 58	Archives of Board meetings, including meeting notices, meeting documents, attendance book, powers of attorney for proxy Directors, meeting recordings, votes, meeting minutes signed by the attending Directors, meeting summaries, minutes of resolutions, resolutions, etc., shall be kept permanently by the Bank for at least 20 years .

**APPENDIX III COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF DIRECTORS**

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 65	These Rules shall be formulated and revised by the Board of Directors and shall, upon approval by the Shareholders' general meeting, enter into force and be implemented on the date of listing of the H shares of the Bank on the Stock Exchange of Hong Kong Limited by way of public offering. The original Terms of Reference for Board Meetings of the Bank shall become null and void automatically on the date when these Rules come into effect. Amendments to these Rules shall be submitted to the Shareholders' general meeting for adoption via special resolution.	Article 64	These Rules shall be formulated and revised by the Board of Directors and shall, upon deliberation and approval by the Shareholders' general meeting, enter into force and be implemented on the date of listing of the H shares of the Bank on the Stock Exchange of Hong Kong Limited by way of public offering. The original Terms of Reference for Board Meetings Rules of Procedure of the Board of Directors of the Bank shall become null and void automatically on the date when these Rules come into effect. Amendments to these Rules shall be submitted to the Shareholders' general meeting for adoption via special resolution.

Notes: (1) Since the proposed amendments to the Rules of Procedure of the Board of Directors involve deleting articles, the serial numbers involved in the relevant articles, and cross-references of the Rules of Procedure of the Board of Directors are also adjusted accordingly, and will not be stated separately. Save for the amendments above, other articles of the Rules of Procedure of the Board of Directors remain unchanged.

(2) The proposed amendments to the Rules of Procedure of the Board of Directors are prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version of the Rules of Procedure of the Board of Directors, the Chinese version shall prevail.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 1	To improve the corporate governance structure of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as “the Bank”), ensure that the Board of Supervisors exercises supervisory power according to law independently and effectively, improve the efficiency and scientific supervision of the Board of Supervisors, and promote the Bank’s business operation and steady development according to law, the rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as “the Company Law”), the Law of the People’s Republic of China on Commercial Banks, the Interim Measures for Management of Commercial Bank Equity, and the Guidelines on Corporate Governance of Commercial Banks, the Guidelines on Independent Directors and External Supervisors of Joint Stock Commercial Banks and other relevant laws and regulations and the Articles of Association of Luzhou City Commercial Bank Co., Ltd. (applicable after listing of H-shares) (hereinafter referred to as “Articles of Association”).	Article 1	To improve the corporate governance structure of Luzhou City Commercial Bank Co., Ltd. (hereinafter referred to as “the Bank”), ensure that the Board of Supervisors exercises supervisory power according to law independently and effectively, improve the efficiency and scientific supervision of the Board of Supervisors, and promote the Bank’s business operation and steady development according to law, the rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as “the Company Law”), <u>the Securities Law of the People’s Republic of China</u> , the Law of the People’s Republic of China on Commercial Banks, the Interim Measures for Management of Commercial Bank Equity, and the Guidelines on Corporate Governance of Commercial Banks, the Guidelines on Independent Directors and External Supervisors of Joint Stock Commercial Banks <u>the Code of Corporate Governance of Banking and Insurance Institutions, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u> and other relevant laws and regulations and the Articles of Association of Luzhou City Commercial Bank Co., Ltd. (applicable after listing of H-shares) (hereinafter referred to as “Articles of Association”).

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 4	The Board of Supervisors shall include shareholder supervisors and proportionate employee representative supervisors of the Bank. In particular, employee representative supervisors and external supervisors shall not be less than one third of the total number of members of the Board of Supervisors. Employee representative supervisors in the Board of Supervisors shall be elected, removed or replaced by the employees of the Bank through the employee representative meeting; shareholder supervisors shall be elected, removed or replaced at the general meeting; external supervisors shall be nominated by the nomination committee of the Board of Supervisors, or shareholder(s) individually or jointly holding more than 1% of the total number of the voting shares of the Bank, and shall be elected, removed or replaced at the general meeting.	Article 4	The Board of Supervisors shall include shareholder supervisors and proportionate employee representative supervisors of the Bank. In particular, employee representative supervisors and external supervisors shall not be less than one third of the total number of members of the Board of Supervisors. Employee representative supervisors in the Board of Supervisors <u>shall be nominated by the Board of Supervisors and trade union of the Bank, and</u> shall be elected, removed or replaced by the employees of the Bank through the employee representative meeting; shareholder supervisors shall be elected, removed or replaced at the general meeting; <u>external non-employee representative</u> supervisors shall be nominated by the nomination committee of the Board of Supervisors, or shareholder(s) individually or jointly holding more than 1% of the total number of the voting shares of the Bank, and shall be elected, removed or replaced at the general meeting.
Article 5	The Board of Supervisors has established Nomination Committee and Audit and Supervisory Committee. The responsible persons of the Nomination Committee and the Audit and Supervisory Committee are acted by external supervisors in principle.	Article 5	The Board of Supervisors has established Nomination Committee and Audit and Supervisory Committee; <u>The each</u> responsible persons of the Nomination Committee and the Audit and Supervisory Committee <u>abovementioned committees</u> are is acted by external supervisors in principle.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 8	<p>The Board of Supervisors shall be accountable to the general meeting and exercise the following powers in accordance with the law:</p> <p>(I) to examine the regular reports and bonus scheme of the Bank prepared by the Board and produce written opinions thereon;</p> <p>(II) to examine and supervise the financial activities of the Bank;</p> <p>(III) to conduct off-office auditing for Directors, president and other senior management personnel and to guide the work of the internal audit department of the Bank;</p> <p>(IV) to inquire the Directors, president and other senior management personnel;</p> <p>(V) to supervise the fulfilment of duties of the Board of Directors, senior management, Directors, chairman and senior management personnel, and to propose dismissal of Directors and senior management personnel who have violated laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;</p> <p>(VI) to require the Directors, president or other senior management personnel to rectify their conducts that are detrimental to the Bank's interests;</p>	Article 8	<p>The Board of Supervisors shall be accountable to the general meeting and exercise the following powers in accordance with the law:</p> <p><u>(I) to supervise the Board to establish robust business philosophy and value standards and to formulate development strategies in line with the Bank's conditions;</u></p> <p><u>(II) to evaluate the scientificity, rationality and soundness of the Bank's development strategies and produce evaluation reports;</u></p> <p>(III) to examine the regular reports and bonus scheme of the Bank prepared by the Board and produce written opinions thereon;</p> <p>(IV) to examine and supervise the financial activities of the Bank;</p> <p>(V) to conduct off-office auditing for Directors, president and other senior management personnel and to guide the work of the internal audit department of the Bank <u>to supervise and guide the independent performance of its audit and oversight duties;</u></p> <p>(VI) to inquire the Directors, president and other senior management personnel;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(VII) to propose the convening of extraordinary general meeting and, in case the Board does not perform the obligations to convene and preside over the Shareholders' general meetings in accordance with the Company Law, to convene and preside over the Shareholders' general meetings;</p> <p>(VIII) to submit proposals to the Shareholders' general meeting;</p> <p>(IX) to initiate legal proceedings against the Directors and senior management personnel in accordance with Article 152 of the Company Law;</p> <p>(X) to conduct investigations if there are any doubts or irregularities in relation to the operation of the Bank, and if necessary, to engage professionals from accountant firms or law firms, professional auditors etc., to assist its duties at the expenses of the Bank;</p> <p>(XI) to formulate the standard scheme for the remuneration and allowances of the members of the Board of Supervisors of the Bank for review and determination at the Shareholders' general meeting;</p> <p>(XII) to audit the business decisions, risk management and internal controls of the Bank, and to supervise the information technology risks of the Bank;</p>		<p><u>(VII) to supervise the implementation of the Bank's remuneration management system and the scientificity and rationality of the remuneration plans for senior management personnel;</u></p> <p>(V)<u>(VIII)</u> to supervise the fulfilment of duties of the Board of Directors, senior management, Directors, chairman and senior management personnel, and to propose dismissal of Directors and senior management personnel who have violated laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;</p> <p>(VI)<u>(IX)</u> to require the Directors, president or other senior management personnel to rectify their conducts that are detrimental to the Bank's interests;</p> <p>(VII)<u>(X)</u> to propose the convening of extraordinary general meeting and, in case the Board does not perform the obligations to convene and preside over the Shareholders' general meetings in accordance with the Company Law, to convene and preside over the Shareholders' general meetings;</p> <p>(VIII)<u>(XI)</u> to submit proposals to the Shareholders' general meeting;</p> <p>(IX)<u>(XII)</u> to initiate legal proceedings against the Directors and senior management personnel in accordance with Article 152 of the Company Law;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
	<p>(XIII) to attend the Board meetings and obtain the meeting materials;</p> <p>(XIV) to supervise the Directors' recruiting procedures;</p> <p>(XV) to organize the evaluation of Supervisors and the mutual evaluation of the external Supervisors, and to report the evaluation results to the Shareholders' general meeting for deliberation;</p> <p>(XVI) to exercise other functions and powers stipulated by laws, administrative regulations and other regulations, or the Articles of Association, or granted by the Shareholders' general meetings.</p>		<p>(X)(XIII) to conduct investigations if there are any doubts or irregularities in relation to the operation of the Bank, and if necessary, to engage professionals from accountant firms or law firms, professional auditors etc., to assist its duties at the expenses of the Bank;</p> <p>(XI)(XIV) to formulate the standard scheme for the remuneration and allowances of the members of the Board of Supervisors of the Bank for review and determination at the Shareholders' general meeting;</p> <p>(XII)(XV) to audit supervise and inspect the business decisions, risk management and internal controls of the Bank, and to supervise the information technology risks of the Bank to urge relevant rectifications;</p> <p>(XIII)(XVI) to attend the Board meetings and obtain the meeting materials;</p> <p>(XIV)(XVII) to supervise the Directors' recruiting procedures;</p> <p>(XV)(XVIII) to organize the evaluation of Supervisors and the mutual evaluation of the external Supervisors a comprehensive evaluation on the duty performance of Directors and Supervisors, and to report the evaluation results to the Shareholders' general meeting for deliberation;</p>

Existing Article No.	Existing Article	Revised Article No.	Revised Article
			<p><u>(XIX) to supervise and evaluate the performance of duties of the Board and senior management in capital management, management of advanced capital measurement method and liquidity risk management, and report the evaluation results to the general meeting; and</u></p> <p>(XVI)<u>(XX)</u> to exercise other functions and powers stipulated by laws, administrative regulations and other regulations, or the Articles of Association, or granted by the Shareholders' general meetings.</p>
Article 31	The files of the meeting of the Board of Supervisors, including notices of meetings, meeting materials, meeting attendance forms, recordings of meetings, votes, meeting resolutions and minutes of meetings signed and confirmed by the Supervisors attending the meeting, and announcements of resolutions shall be kept by the Office of the Board of Supervisors for a period of 20 years.	Article 31	The files of the meeting of the Board of Supervisors, including notices of meetings, meeting materials, meeting attendance forms, recordings of meetings, votes, meeting resolutions and minutes of meetings signed and confirmed by the Supervisors attending the meeting, and announcements of resolutions shall be kept permanently by the Office of the Board of Supervisors for a period of 20 years.
Article 36	Matters uncovered herein shall be implemented in accordance with the laws and regulations such as the Company Law, the Law of the People's Republic of China on Commercial Banks, the Guidelines on Corporate Governance of Commercial Banks, the Guidance for Independent Directors and External Supervisors of Joint-Stock Commercial Banks, and the relevant provisions of the Articles of Association.	Article 36	Matters uncovered herein shall be implemented in accordance with the laws and regulations such as the Company Law, the Law of the People's Republic of China on Commercial Banks, the Guidelines on Corporate Governance of Commercial Banks, the Guidance for Independent Directors and External Supervisors of Joint-Stock Commercial Banks, <u>the Securities Law, the Banking Supervision and Regulatory Law, the Code of Corporate Governance of Banking and Insurance Institutions, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies,</u> and the relevant provisions of the Articles of Association.

Existing Article No.	Existing Article	Revised Article No.	Revised Article
Article 39	The Rules are formulated and revised by the Board of Supervisors and take effect from the date of the listing of the H shares publicly issued by the Bank on the Stock Exchange of Hong Kong Limited after being approved by the Shareholders' general meeting. Since the effective date of the Rules, the former Terms of References of the Board of Supervisors of the Bank are automatically lapsed. The amendments to the Rules shall be implemented after being reviewed and approved by the special resolution of the Shareholders' general meeting.	Article 39	The Rules are formulated and revised by the Board of Supervisors and take effect from the date of the listing of the H shares publicly issued by the Bank on the Stock Exchange of Hong Kong Limited after being approved by the Shareholders' general meeting. Since the effective date of the Rules, the former Terms of References Rules of Procedure of the Board of Supervisors of the Bank are automatically lapsed. The amendments to the Rules shall be implemented after being reviewed and approved by the special resolution of the Shareholders' general meeting.

Notes: (1) Save for the amendments above, other articles of the Rules of Procedure of the Board of Supervisors remain unchanged.

- (2) The proposed amendments to the Rules of Procedure of the Board of Supervisors are prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version of the Rules of Procedure of the Board of Supervisors, the Chinese version shall prevail.

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING



泸州银行股份有限公司*
LUZHOU BANK CO., LTD.

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

(Stock Code: 1983)

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2023 first extraordinary general meeting (the “EGM”) of Luzhou Bank Co., Ltd. (the “**Bank**”) will be held at 9:00 a.m. on Thursday, October 12, 2023 at Meeting Room 1101, 11th Floor, Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the People’s Republic of China (the “**PRC**”) to consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the 2022 profit distribution plan of the Bank.
2. To consider and approve the write-off of the following three non-performing assets with a principal amount of over RMB10.00 million by the Bank:
 - 2.1 The write-off of a non-performing asset with a principal amount of RMB145.61 million;
 - 2.2 The write-off of a non-performing asset with a principal amount of RMB250.00 million; and
 - 2.3 The write-off of a non-performing asset with a principal amount of RMB38.00 million.
3. To consider and approve the disposal of certain collaterals by the Bank.

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTIONS

4. To consider and approve the proposed amendments to the articles of association of the Bank.
5. To consider and approve the proposed amendments to the rules of procedure of the shareholders' general meeting of the Bank.
6. To consider and approve the proposed amendments to the rules of procedure of the board of directors of the Bank.
7. To consider and approve the proposed amendments to the rules of procedure of the board of supervisors of the Bank.

By order of the Board
Luzhou Bank Co., Ltd.*
YOU Jiang
Chairman

Luzhou, the PRC, August 28, 2023

* *Luzhou Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*

Notes:

1. The register of members of the Bank will be closed from Tuesday, September 12, 2023 to Thursday, October 12, 2023 (both dates inclusive), during which period no transfer of shares of the Bank (“Shares”) will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents together with the relevant share certificates must be deposited at the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC) (for Domestic Shareholders) for registration by no later than 4:30 p.m. on Monday, September 11, 2023.
2. Pursuant to the 2022 profit distribution plan, the Board of Directors proposes to distribute a cash dividend of RMB0.8 (tax inclusive) per 10 Shares to all Shareholders. The Bank will distribute cash dividends of RMB217.42 million in total (tax inclusive), based on its number of total issued shares of 2,717,752,062 Shares. With the approval of the EGM, the dividends will be distributed to the Domestic Shareholders and H Shareholders whose names appear on the register of members of the Bank on Tuesday, October 24, 2023. In order to determine the entitlement to the final dividend, the register of members for Domestic Shares and H Shares will be closed from Thursday, October 19, 2023 to Tuesday, October 24, 2023 (both dates inclusive). H Shareholders of the Bank who wish to receive the final dividend shall lodge all transfer documents accompanied by the relevant H share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) for share transfer registration no later than 4:30 p.m. on Wednesday, October 18, 2023. It is expected that the dividend payment date will be on Friday, December 8, 2023.
3. A shareholder of the Bank (the “Shareholder”) who is entitled to attend and vote at the EGM may appoint one or more proxies (the “Proxy” or “Proxies”) to attend and, in the event of a poll, vote on his or her behalf. A Proxy need not be a Shareholder.

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

4. The instrument appointing a proxy must be in writing under the hand of the attorney duly authorized by a Shareholder in writing. In the case of a corporate Shareholder, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same.
5. In order to be valid, the form of proxy must be deposited to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000) (for Domestic Shareholders), not less than 24 hours before the time for holding the EGM (i.e. not later than 9:00 a.m. on Wednesday, October 11, 2023). If the form of proxy is signed by a person under a power of attorney or other authority, a notarial certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.
6. Shareholders shall produce their identity documents and supporting documents in respect of the shares held when attending the EGM. If a corporate Shareholder appoints an authorized representative to attend the EGM, the authorized representative shall produce his/her identity documents and a notarial certified copy of the relevant authorization instrument signed by the Board of Directors or other authorized parties of the corporate Shareholders or other notarial certified documents allowed by the Bank. Proxies shall produce their identity documents and the form of proxy signed by the Shareholders or their attorney when attending the EGM.
7. Shareholders who intend to attend and vote at the EGM should complete and return the reply slip in writing by hand, by fax or by post to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; fax number: +852-28650990) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000; fax number: +86-830-3100625) (for Domestic Shareholders) on or before Thursday, September 21, 2023.
8. The EGM is expected to be held for less than half a day. Shareholders who intend to attend the EGM shall arrange and bear their own transportation and accommodation expenses.
9. The name and address of the Bank's H Share Registrar are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: +852-2862 8555
Fax: +852-2865 0990
10. The registered address of the Bank in the PRC is as follows:

Building 1, No. 18, Section 3, Jiucheng Avenue
Jiangyang District
Luzhou City, Sichuan Province
the PRC
Contact person: office of the Board of Directors
Tel: +86-830-2362606
Fax: +86-830-3100625