
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have applied the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER FROM HONG KONG FINANCIAL DISCLOSURE REQUIREMENTS

Pursuant to Rule 4.10 of the Listing Rules, the financial information to be disclosed in our Accountant’s Report must be in accordance with best practice, which is at least that as required to be disclosed in respect of specific matters in the accounts of a company under the Companies Ordinance, Hong Kong Financial Reporting Standards or IFRS, and in the case of banking companies, the Banking (Disclosure) Rules (the “Disclosure Rules”) issued by the Hong Kong Monetary Authority.

We are currently unable to provide certain disclosures described below as required by the Disclosure Rules as such information is currently not available and/or not applicable to us. We believe that the financial disclosures which we are currently unable to provide are immaterial to potential investors in the Global Offering. We endeavor to collect the relevant information so that we will be in a position to provide such required disclosures under the Disclosure Rules within a reasonable time frame in the future, as outlined below. We have applied to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rule 4.10 of the Listing Rules to the extent that our disclosure does not fully comply with the Disclosure Rules and the Companies Ordinance.

Position of our Bank in relation to disclosures under the Disclosure Rules

Section Number	Disclosure Requirements	Reason for a Waiver in relation to the Specific Disclosure	Proposal for Disclosure	Expected Timing for Full Compliance
26	(1) An authorized institution shall disclose the gross amount of loans and advances to customers, broken down into— (b) trade finance.	Our Bank did not segregate the gross amount of loans and advances to customers for trade finance.	N/A	Our Bank endeavors to collect the relevant information so that our Bank will be in a position to provide such required disclosures under the Disclosure Rules for the year ending December 31, 2014.
35	(1) An authorized institution shall disclose for the annual reporting period particulars of— (a) the institution’s net gains or net losses on— (iii) held-to-maturity investments; (v) loans and receivables.	Our Bank’s net gains or net losses on held-to-maturity investments and loans and receivables were not material during the relevant periods, hence our Bank considered it inappropriate to disclose the figures separately.	N/A	Our Bank endeavors to collect the relevant information so that our Bank will be in a position to provide such required disclosures under the Disclosure Rules for the year ending December 31, 2014.

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Section Number	Disclosure Requirements	Reason for a Waiver in relation to the Specific Disclosure	Proposal for Disclosure	Expected Timing for Full Compliance
36	<p>(4) An authorized institution—</p> <p style="padding-left: 20px;">(b) shall, in respect of the movements in provisions referred to in that subsection, disclose particulars of—</p> <p style="padding-left: 40px;">(ii) the amount of provisions released back to profit and loss in the annual reporting period.</p>	<p>Our Bank did not segregate the amount of provisions released from the amount of new provisions charged to the income statement during the relevant periods.</p>	N/A	<p>Our Bank endeavors to upgrade the loan system so that our Bank will be in a position to provide such required disclosures under the Disclosure Rules for the year ending December 31, 2014.</p>
45 51	<p>Capital structure and adequacy</p> <p>Current assets</p>	<p>As a financial institution incorporated and based in the PRC, our Bank maintained and compiled data on capital management and liquidity management in accordance with the requirements of the CBRC which attempt to address similar disclosure purpose as the requirements of the Disclosure Rules. Although the two regimes are slightly different, if our Bank was to attempt to comply with such items under the Disclosure Rules in parallel with the CBRC regulations, our Bank would be required to carry out unnecessary additional work to compile similar information already required and maintained in accordance with the CBRC regulations, and produce duplicate data for the purposes of the requirements of the Disclosure Rules.</p>	<p>Our Bank can provide relevant capital structure and adequacy in accordance with the disclosure requirements from the CBRC's requirements. Our Bank believes that such requirements attempt to address similar disclosure purpose as the requirements of the Disclosure Rules.</p>	N/A

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Section Number	Disclosure Requirements	Reason for a Waiver in relation to the Specific Disclosure	Proposal for Disclosure	Expected Timing for Full Compliance
47	Sector information	Our Bank maintains a breakdown of loans and advances to customers by industry sectors as set out in the Classification and Codes of National Economic Industries in its loans system for the purpose of filing a return to the CBRC.	For our Bank, all the loans and advances to customers are used in the PRC instead of in Hong Kong. Our Bank is subject to the supervision of the CBRC and maintains a breakdown of loans and advances in industry sector based on the classification system as prescribed by the CBRC, e.g. loans are categorized into corporate loans and individual loans which are further classified into detailed sub-categories by industry/nature. Our Bank has disclosed the loans and advances in industry sectors in accordance with its management reports based on the CBRC classification in Note 21 to the Accountant's Report as set out in Appendix I to this prospectus—Loans and advances to customers. Our Bank considers that the current disclosure is sufficient to serve the Hong Kong Monetary Authority's disclosure objectives.	N/A

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Section Number	Disclosure Requirements	Reason for a Waiver in relation to the Specific Disclosure	Proposal for Disclosure	Expected Timing for Full Compliance
50	(1) An authorized institution shall disclose its non-HK\$ currency exposures which arise from trading, non-trading and structural positions in accordance with the return relating to non-HK\$ currency positions it submitted to the Hong Kong Monetary Authority pursuant to section 63 of the Banking Ordinance in respect of the annual reporting period.	Our Bank's accounts are settled in RMB, which means that our Bank only disclosed non-RMB currency exposures instead of non-HK\$ currency exposures.	N/A	N/A
53 – 64	Additional annual disclosure to be made by an authorized institution using STC approach to calculate its credit risk for non-securitization exposures	The computation basis for risks is promulgated by the CBRC as set out in the Core Indicators (Provisional).	Our Bank can provide relevant capital structure and adequacy in accordance with the disclosure requirements from the CBRC's requirements. Our Bank believes that such requirements attempt to address similar disclosure purpose as the requirements of the Disclosure Rules.	N/A

Paragraph 13(1)(g) of the Tenth Schedule to the Companies Ordinance requires separate disclosure of interest income from listed and from unlisted investments. We did not segregate the amount of interest income as such, and in lieu of that, we broke down the total amount of investment income into interest income and net income from securities investment. We will endeavor to update our system and expect to make disclosure in compliance with the separate categories requirements by December 31, 2014.

Further to the above, as a financial institution incorporated and based in the PRC, we are required to comply with requirements laid down by the CBRC and PBOC.

Certain provisions in the Disclosure Rules require disclosure in respect of our capital base (in particular, relating to our capital adequacy/short fall), cross border claims, liquidity ratios, PRC non-bank exposures and credit risks. We have maintained and compiled data in such respects in accordance with similar regulatory requirements of the CBRC and PBOC. While we believe that such CBRC and PBOC requirements attempt to address similar disclosure objectives as the requirements of the Disclosure Rules, the two regimes are slightly different. If we were to attempt to comply with such items under the Disclosure Rules in parallel with the CBRC or PBOC regulations, we would be required to carry out unnecessary additional work to compile similar information already required and

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maintained in accordance with the CBRC and PBOC regulations, and produce duplicate data for the purposes of the Disclosure Rules' requirements.

In such circumstances, given that there are comparable CBRC and PBOC regulations covering the requirements of such items under the Disclosure Rules, we propose to disclose information which complies with the CBRC and PBOC regulations in this regard instead of strictly following the disclosure regime provided for under the Disclosure Rules.

To enhance comparability of our financial information published in Hong Kong and the PRC, after the completion of the Global Offering, we will publish annual and semi-annual financial reports under IFRS.

WAIVER ON MANAGEMENT PRESENCE REQUIREMENTS UNDER THE LISTING RULES

According to Rule 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong, normally meaning that at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Currently, none of our executive directors resides in Hong Kong. Since our principal operations are located in China, we do not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong. We will have certain internal arrangements to maintain effective communication with the Hong Kong Stock Exchange, including (i) appointing Mr. Wu Xuemin and Dr. Ngai Wai Fung as authorized representatives to act as our principal channel of communication with the Hong Kong Stock Exchange. Each of our authorized representatives has access to the Board and senior management at all times. Each Director has provided their respective mobile phone numbers, office phone numbers, email addresses and facsimile numbers to the Hong Kong Stock Exchange. Each of our Directors, through the authorized representatives, will be readily contactable by telephone, facsimile or email. Each of our Directors who are not ordinary residents of Hong Kong can apply for valid travel documents to visit Hong Kong and meet with the Hong Kong Stock Exchange within a reasonable period after requests from the Hong Kong Stock Exchange; and (ii) appointing Guotai Junan Capital Limited, who will have access at all times to our Bank's authorized representatives, Directors and officers, as our compliance adviser to act as our additional channel of communication with the Hong Kong Stock Exchange for the period commencing on the Listing Date and ending on the day on which we distribute our annual report of the first full financial year immediately following the Listing Date to our Shareholders pursuant to Rule 3A.19 and Rule 19A.06(4) of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 and 19A.15 of the Listing Rules, subject to the conditions that, among other things, we have appointed two authorized representatives, Mr. Wu Xuemin and Dr. Ngai Wai Fung, who will act at all times as our principal channel of communication with the Hong Kong Stock Exchange, and compliance adviser, Guotai Junan Capital Limited, who will act as our principal channel of communication with the Hong Kong Stock Exchange in addition to our authorized representatives pursuant to Rules 3A.19 and 19A.06(4) of the Listing Rules.

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WAIVER ON QUALIFICATION OF COMPANY SECRETARY

Mr. Hu Dongdong has been the secretary of our Board since April 2011 and appointed as a joint company secretary in July 2013, with effect from the Listing Date. As Mr. Hu does not possess the qualifications as stipulated under Rule 3.28 and 8.17 of the Listing Rules, our Bank has on October 22, 2013 appointed Dr. Ngai Wai Fung, with effect from the Listing Date, who is ordinarily resident in Hong Kong and who has the requisite knowledge and experience as required under Rule 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and assist Mr. Hu in discharging the duties of a company secretary of our Bank, for a term until the third anniversary of our Listing Date. In this regard, we also have procedures in place to provide Mr. Hu with appropriate training in order to enable Mr. Hu to acquire such necessary experience upon the expiry of such three-year period. We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from the requirements of Rule 3.28 and 8.17 of the Listing Rules. The waiver will be revoked if Dr. Ngai ceases to be the other joint company secretary to assist Mr. Hu during the three years after the Listing Date. Upon the expiry of the three-year period, we will re-evaluate the qualifications of Mr. Hu to determine whether the requirements of Rule 3.28 and 8.17 of the Listing Rules can be satisfied.