
APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

This Appendix contains a summary of PRC company and securities laws and regulations, certain material differences between the PRC Company Law and the Companies Ordinance and additional regulatory provisions introduced by the Hong Kong Stock Exchange in relation to PRC joint stock limited companies. The principal objective is to provide potential investors with an overview of the principal legal and regulatory provisions applicable to us. As the information contained below is a summary form, it does not contain all the information that may be important to potential investors. For discussions of laws and regulations specifically governing finance-related activities, see the section entitled “Supervision and Regulation.”

PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (中華人民共和國憲法) and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomy regulations, rules and regulations of State Council departments, rules and regulations of local governments, international treaties of which the PRC Government is a signatory, and other regulatory documents. The PRC Constitution defines the basic system and basic tasks of the state and is the fundamental law of the state; it is enacted by the National People’s Congress (“NPC”) and has supreme legal force. Court case verdicts do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the constitution and laws.

The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, subject to the constitution, laws and administrative regulations. The people’s congresses of larger cities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the relevant provinces or autonomous regions but such local regulations shall conform with the constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomy regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The ministries, commissions, PBOC, National Audit Office of the State Council and institutions with administrative functions directly under the State Council may formulate department rules within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council. The people’s governments of provinces, autonomous regions, municipalities and larger cities may formulate rules based on the laws,

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

administrative regulations and local regulations of such provinces and autonomous regions and municipalities.

According to the PRC Constitution, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (全國人民代表大會常務委員會關於加強法律解釋工作的決議) passed on June 10, 1981, the Supreme People's Court has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. Supreme People's Procuratorate has the power to give interpretation on questions involving the specific application of laws and decrees in procuratorial work. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Pursuant to the Organic Law of the People's Courts of the People's Republic of China (中華人民共和國人民法院組織法) passed on July 1, 1979 and amended on December 2, 1986 and October 31, 2006, The judicial authority of the People's Republic of China is exercised by the following people's courts: (i) local people's courts at various levels; (ii) special people's courts such as military courts; (iii) the Supreme People's Court. The local people's courts are divided into three levels: the primary people's courts, the intermediate people's courts and the higher people's courts.

The primary people's courts are divided into criminal, civil, and economic divisions as well as certain people's courts based on the natures of the region, population and cases. The intermediate and higher people's courts are divided into criminal, civil, and economic divisions as well as other divisions as necessary. The Supreme People's Court is the highest judicial organ of the PRC, which is divided into criminal, civil, and economic divisions as well as other necessary divisions. The Supreme People's Court supervises the administration of justice by the local people's courts at various levels and by the special people's courts and gives interpretation on questions involving the specific application of laws and decrees in court trials.

The people's courts adopt a "second instance as final" appellate system in the trial of cases. A party to the case concerned may appeal against the judgment and ruling of the first instance by the local people's courts to the people's courts at the next higher level in accordance with the legal procedures. The people's procuratorate may appeal to the people's court at the next higher level in accordance with the legal procedures. In the absence of any appeal by any parties to the case concerned or any appeal by the people's procuratorate within the stipulated period, the judgment and ruling of the first instance by the local people's courts shall be final and legally binding. Judgments and rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and the judgments and rulings of the first instance of the Supreme People's Court shall be the final judgments and rulings and shall be legally-binding. The death penalty shall be reported to the Supreme People's Court for approval unless it is otherwise adjudged by the Supreme People's Court.

If the presidents of the people's courts find errors in the confirmed facts or the application of laws in respect of their judgments and rulings which have become legally effective, the case must be

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

submitted to the judicial committee for settlement. If the Supreme People's Court or a people's court at a higher level finds errors in the judgments and rulings which have become legally effective in the local people's courts at a lower level, the case may be brought to trial by the Supreme People's Court or a retrial of the case may be conducted by the people's court at a lower level according to the command of the people's court at a higher level. If the Supreme People's Procuratorate or the people's procuratorate at a higher level find errors in the judgments and rulings which have become legally effective in the local people's courts at a lower level, an appeal may be lodged in accordance with the trial and supervision procedures.

Civil Procedure

The PRC Civil Procedure Law (中華人民共和國民事訴訟法), which was promulgated in 1991 and amended in 2007 and 2012, sets forth the jurisdiction, trial organization, withdrawal, participants in proceedings, testimony, time periods and service, conciliation, property preservation and preliminary execution, compulsory measures against impairment of civil actions, litigation costs, trial procedures (including ordinary procedure of the first instance, summary procedure, procedure of the second instance, special procedure, procedure for trial supervision, procedure of supervision and procedure for public invitation to assert claims), execution procedures and special stipulations for civil procedures involving foreign interests (including jurisdiction, time periods and service, arbitration and judicial assistance). All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law.

A civil case is generally heard by a court located in the defendant's place of domicile. The parties to disputes involving contracts or other property rights may also, by written agreement and subject to the provisions of level jurisdiction and exclusive jurisdiction, select the people's courts with its locality with effective connection of the disputes, such as the defendant's place of domicile, the place of performance of the contract, the place of execution of the contract, the plaintiff's place of domicile or the place of the object of the action.

Foreign individuals, stateless individuals and foreign enterprises and organizations shall have the same litigation rights and obligations as the citizens, legal persons and other organizations of the PRC when initiating actions or defending against litigations at the people's courts. Should the judicial court of a foreign country limit the civil litigation rights of the citizens, legal persons and other organizations of the PRC, the PRC courts may apply the same limitations to the citizens, enterprises and organizations of that foreign country. The foreign individual, stateless individual or foreign enterprise or organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's courts. In accordance with the international treaties in which the PRC is a signatory or a participant or the principle of reciprocity, the people's court and foreign court may request each other to serve legal documents on their behalf, conduct investigation and collect evidence and conduct other actions. The people's courts shall not enforce any request made by the foreign courts which will result in the violation of sovereignty, security or public interests of the PRC.

All legally effective judgment and rulings shall be performed by all parties to a civil lawsuit. Where a party refuses to perform a binding judgment or ruling, the other party may apply to the people's court for execution of the judgment or ruling. Alternatively, a judge may refer such judgment or ruling to an enforcement officer for enforcement. The time limit applicable to applications to

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

enforce a judgment is two years. The enforcement officer shall serve an enforcement notice to the person subject to enforcement and may adopt enforcement measures immediately, upon receipt of application for enforcement or reference of enforcement.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A people's court may also request a foreign court for recognition and enforcement of the judgment or ruling in accordance with the international treaties to which the PRC is a signatory or a participant or the principle of reciprocity. In the case of an application or request for recognition and enforcement of a legally effective judgment or ruling of a foreign court, the people's court shall, after having examined it in accordance with the international treaties entered into or acceded to by the PRC or with the principle of reciprocity and having arrived at the conclusion that it does not contravene the primary principles of the laws of the PRC nor violates its sovereignty, security or social and public interests, recognize the validity of the judgment or ruling, and, if required, issue a writ of enforcement and enforce it in accordance with the relevant regulations of the law. If the application or request contravenes the primary principles of the laws of the PRC or violates its sovereignty, security or social and public interests, the people's court shall not recognize and enforce it.

THE PRC COMPANY LAW

A joint stock limited company which is incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in China:

- The PRC Company Law (中華人民共和國公司法), which was promulgated by the Standing Committee of the NPC on December 29, 1993, took effect on July 1, 1994 and was revised as of December 25, 1999, August 28, 2004 and October 27, 2005 respectively;
- The Special Regulations on Overseas Offering and Listing of Shares by Joint Stock Limited Companies, which were promulgated by the State Council on August 4, 1994 (the "Special Regulations") (國務院關於股份有限公司境外募集股份及上市的特別規定); and
- The Mandatory Provisions for the Articles of Association of Companies Listed Overseas (到境外上市公司章程必備條款) (the "Mandatory Provisions"), which were jointly promulgated by the Securities Committee and the State Restructuring Commission on August 27, 1994, and must be incorporated into the articles of association of a joint stock limited company seeking an overseas listing.

Set out below is a summary of the provisions of the PRC Company Law, the Special Regulations and the Mandatory Provisions applicable to us.

General

A "company" is a limited liability company or joint stock limited company incorporated in the PRC in accordance with the PRC Company Law. A "company" is a corporate legal person with independent legal person properties and entitlements to such legal person properties and liability to the extent of its total assets. The liability of shareholders of a limited liability company is limited to the amount of capital they contribute, while the liability of shareholders of a joint stock limited company is limited to the amount of shares they subscribe.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

Incorporation

A joint stock limited company shall be incorporated by a minimum of two promoters while its maximum thereof is 200, and at least half or more of the promoters must have residences within the PRC. Pursuant to the provisions of the PRC Company Law, the minimum registered capital of a joint stock limited company is RMB5 million or as required by the laws or administrative regulations, whichever is higher.

The promoters must convene an inaugural meeting within 30 days after the shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing more than half of our total shares. At the inaugural meeting, matters including the adoption of draft articles of association proposed by the promoter(s) and the election of the board of directors and the board of supervisors of the Bank will be dealt with. All resolutions of the inaugural meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must submit those documents required by the law and apply to the registration authority for registration of the establishment of the company. Joint stock limited companies established by the subscription method must file the approval on the offering of shares issued by the securities administration department of the State Council with the company registration authority for record.

A joint stock limited company's promoters must be liable for: (i) the payment of all liabilities and expenses incurred in the act of incorporation jointly and severally if the company cannot be incorporated; (ii) the repayment of subscription monies to the subscribers, together with interest, at bank rates for a deposit of the same term jointly and severally if the company cannot be incorporated; and (iii) damages suffered by the company as a result of the default of the promoters in the course of incorporation of the company.

Share Capital

Under the PRC Company Law, a joint stock limited company's shareholders may make capital contributions in cash, in kind or by way of intellectual property rights, land use rights or other transferable non-cash property based on their appraised value, save for assets prohibited to be contributed as capital by the law or administrative regulations. If a capital contribution is made with non-cash property, a valuation and verification of the property contributed must be carried out without any overvaluation or undervaluation. Where the law or administrative regulations in place have any other provisions on valuation, such provisions shall prevail. The amount of monetary contribution by all shareholders shall not be less than 30% of the registered capital of the limited liability company. Pursuant to the Special Regulations, overseas-listed foreign investment shares issued must be in registered form, denominated in Renminbi and subscribed for in a foreign currency. Domestic shares issued must be in registered form.

The issuance of shares shall be conducted in a fair and equitable manner. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any units or individuals subscribing for shares. The share offering price may be equal to or greater than the par value of the share, but may not be less than the par value.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

A company must obtain the approval of the CSRC to offer its shares to the overseas public. Under the Special Regulations, shares issued to foreign investors by joint stock limited companies and listed overseas are known as “overseas-listed foreign investment shares.” Shares issued to investors within the PRC by joint stock limited companies, which also issues overseas listed and foreign shares, are known as “domestic shares.” Upon approval of the securities regulatory authorities of the State Council, a company issuing overseas-listed foreign investment shares in total shares determined by the issuance program may agree with underwriters in the underwriting agreement to retain not more than 15% of the aggregate number of overseas-listed foreign investment shares outside the underwritten amount. The issuance of the retained shares is deemed to be a part of this issuance.

Under the PRC Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

Increase of Share Capital

According to the PRC Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders’ general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. When the company launches a public issuance of new shares with the approval of the securities regulatory authorities under the State Council, it must publish a prospectus and financial accounts, and prepare the share subscription form. After the new share issuance has been paid up, the change must be registered with the company registration authorities and an announcement must be made.

Reduction of Share Capital

According to the provisions of the PRC Company Law, a company shall prepare a balance sheet and a property list for the purpose of the reduction of its registered capital. The company shall inform its creditors of the reduction in capital within ten days and publish an announcement of the reduction in the newspaper within 30 days after the resolution regarding the reduction is made. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts. The reduced registered capital cannot be lower than the statutory minimum registered capital requirements.

Repurchase of Shares

According to the PRC Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares to its employees as incentives; and (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies in a shareholders’ general meeting.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

The purchase of shares on the grounds set out in (i) to (iii) above shall require approval by way of a resolution passed by the shareholders' general meeting. Following the purchase of shares in accordance with the foregoing, such shares shall be cancelled within ten days from the date of purchase in the case of (i) above and transferred or cancelled within six months in the case of (ii) or (iv) above. Shares purchased in accordance with (iii) above shall not exceed 5% of the total number of the company's issued shares. Such purchase shall be financed by funds appropriated from the company's profit after tax, and the shares so purchased shall be transferred to the company's employees within one year.

Transfer of Shares

The shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders must be carried out at a lawfully established securities exchange or in other manners stipulated by the State Council. Registered shares may be transferred after the shareholders endorse their signatures on the back of the share certificates or in any other manner specified by the law or administrative regulations. Following the transfer, the company shall enter the name of the transferee and its address into the share register. No modifications of registration in the share register provided in the foregoing shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, whereas there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail. Pursuant to the Mandatory Provisions, no modifications of registration in the share register caused by transfer of shares shall be carried out within 30 days prior to convening of shareholder's general meeting or five days prior to any base date for determination of dividend distributions. The transfer of bearer's share certificate shall become effective upon the delivery of such share certificate to the transferee by the shareholder.

Under the PRC Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company that their shareholdings in the company and any alternation of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date of the company's listing on a stock exchange, or six months after their resignation from their positions with the company.

Finance and Accounting

Under the PRC Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to PRC Company Law, the company shall deliver its financial statements to all the shareholders within the time limit stipulated in the articles of association and make its financial statements available at the company for inspection by the shareholders at least 20 days before the

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

convening of an annual general meeting of shareholders. A joint stock limited company issuing its shares in public must publish its financial statements.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory reserve fund (except where the fund has reached more than 50% of its registered capital). If its statutory reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory reserve fund pursuant to the above provisions. After allocation of the statutory reserve fund from after-tax profits, it may, upon a resolution passed by the shareholders' general meeting, allocate discretionary reserve fund from after-tax profits.

The joint stock limited company's remaining after-tax profits after making up losses and allocation of reserve fund must be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Profit distributed to shareholders by the shareholders' general meeting or the board of directors before making up losses and allocation of statutory reserve fund in violation of the foregoing provisions must be returned to the company. Shares held by the company shall not be entitled to any distribution of profit.

The premium received by the joint stock limited company through issuance of shares at prices above par value and other incomes required by the finance authority of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

Our reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. However, the capital reserve fund cannot be applied to make good the company's losses. Upon the conversion of statutory reserve fund into capital, the balance of the statutory reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of an individual.

Appointment and Retirement of Accounting Firms

Pursuant to PRC Company Law, the appointment or dismissal of accounting firms responsible for the audit business of the company shall be determined by shareholders' general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm that we employ without any refusal, withholding and misrepresentation.

The Special Regulations requires us to employ an independent accounting firm complying with the relevant regulations to audit our annual report and review and check our other financial reports. The accounting firm's term of office shall commence from their appointment at a shareholders' annual general meeting to the end of the next shareholders' annual general meeting.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

Distribution of Profits

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the reserve fund is drawn. Under the Mandatory Provisions, a company shall appoint receiving agents on behalf of holders of the overseas-listed foreign investment shares to receive on behalf of such shareholders dividends and other distributions payable in respect of their overseas-listed foreign investment shares.

Amendments to Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. Pursuant to Mandatory Provisions, the company may amend its articles of association according to the laws, administrative regulations and our Articles of Association. The amendment of articles of association involving content of Mandatory Provisions will only be effective upon approval of the department in charge of company examination and approval and the securities regulatory department authorized by the State Council. It must process the registration of changes involving matters of company registration in accordance with laws.

Dissolution and Liquidation

According to the PRC Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding our shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardships in its operation and management that cannot be resolved through other means, and that the ongoing existence of the company would bring significant losses for shareholders.

In the event of (i) above, it may carry on its existence by amending its articles of association. The amendment of our Articles of Association in accordance with provisions set out above shall require approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting. Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors or the personnel appointed by the shareholders' general meeting. If a liquidation group is not established within the stipulated period, creditors can apply to the people's court, requesting the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

- to notify creditors through notice;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to handle the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within ten days after its establishment, and issue public notices in the newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of our properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and our debt shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, but cannot carry on any operating activities that are not related to the liquidation. The company's properties shall not be distributed to the shareholders before repayment are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that we do not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy. Following such declaration, the liquidation group shall hand over all affairs of the liquidation to the people's court. Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to our registration authority in order to cancel the company's registration, and a public notice of its termination shall be issued. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abuse of their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

Members of the liquidation group shall perform their duty honestly and discharge the obligation of liquidation in accordance with laws. Members of the liquidation group shall be prohibited from abuse of their powers to accept bribes or other unlawful income and from misappropriating the company's properties. A member of the liquidation group is liable to indemnify the company or its creditors in respect of any loss arising from his willful or material default.

Overseas Listing

According to the Special Regulations, a company may issue shares to overseas investors, whether intended or not, and its shares can be listed overseas upon approval of the securities regulatory authorities of the State Councils. Subject to approval of the company's plans to issue overseas-listed foreign investment shares and domestic shares by the securities regulatory authorities of the State Council, the board of directors of the company may make arrangement to implement such plans for the issue of such shares. The company's plans to issue overseas-listed foreign investment shares and domestic shares respectively pursuant to the provisions aforesaid may be implemented respectively within 15 months from the date of approval of the securities regulatory authorities of the State Councils.

Loss of Share Certificates

According to the PRC Company Law, a shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court in the event that his/her share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for the issue of replacement certificate(s). A separate procedure regarding the loss of overseas listed and foreign invested share certificates is provided for in the Mandatory Provisions.

PRC SECURITIES LAW AND REGULATIONS

The PRC Securities Law (中華人民共和國證券法) (the "PRC Securities Law") took effect on July 1, 1999 and was amended as of August 28, 2004, October 27, 2005 and June 29, 2013 respectively. The PRC Securities Law comprehensively regulates the PRC securities market, and contains provisions governing, among other matters, the issue and trading of securities, takeovers by listed companies, securities exchanges, and securities companies and the duties and responsibilities of the CSRC. Pursuant to the PRC Securities Law, no domestic enterprises shall issue securities overseas directly or indirectly or listing shares outside the PRC before obtaining approval from the securities regulatory authorities of the State Council in accordance with the State Council's requirements.

The CSRC is the supervisory and regulatory institution for securities in China. It is responsible for the formulation of policies relating to securities, the drafting of securities laws and regulations, the supervision of the securities markets, market intermediaries and participants, the supervision and regulation of the domestic and overseas public offerings of securities by PRC companies, as well as the supervision and regulation of securities transactions.

Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC. An overseas listing of our shares must comply with the Special Regulations.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the People's Republic of China (中華人民共和國仲裁法) (the "Arbitration Law") was passed by the Standing Committee of the NPC on August 31, 1994 and became effective on September 1, 1995. According to the Arbitration Law, any disputes over contracts and other interests

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

among citizens, legal persons and other organizations with equal status may be settled by arbitration. Both parties shall reach an arbitration agreement voluntarily in order to settle the dispute through arbitration. The arbitration commission shall not accept any application for arbitration from a single party without arbitration agreement. The People's Court shall not accept filing of suit from a single party with arbitration agreement, except for invalid arbitration agreement. The arbitration commission shall be selected by the parties by agreement. In arbitration, there shall be no jurisdiction by level and no territorial jurisdiction. The award of arbitration shall be final and conclusive. Neither the arbitration commission nor the People's Court shall accept any application of arbitration or filing of suit in relation to the same dispute once the award had been made. If the award is revoked or refused execution by the People's Court, the parties may apply for arbitration in accordance with a new mutual arbitration agreement or file a suit at the People's Court.

The Listing Rules and the Mandatory Provisions require an arbitration clause to be included in the articles of association of an issuer and, in the case of the Listing Rules, also in contracts between the issuer and each of its directors and supervisors, to the effect that whenever any disputes or claims arise (i) between holders of shares and the issuer; and (ii) between holders of shares and the issuer's directors, supervisors, manager or other senior management officers. Matters in arbitration include any disputes or claims in relation to the issuer's affairs or as a result of any rights or obligations arising under its articles of association, the PRC Company Law or other relevant laws and administrative regulations.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, must comply with the arbitration. Disputes in respect of the definition of shareholder and disputes in relation to the issuer's register of shareholders need not be resolved by arbitration.

A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with its rules or the Hong Kong International Arbitration Center ("HKIAC") in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If the claimant elects for arbitration to be carried out at the HKIAC, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the HKIAC.

Under the Arbitration Law and PRC Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural or membership irregularity specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention must be recognized and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

On June 18, 1999, an arrangement was made between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. Under the arrangement, awards made by PRC arbitral authorities recognized under the Arbitration Ordinance of Hong Kong can be enforced in Hong Kong subject to the satisfaction of certain legal requirements, Hong Kong arbitration awards are also enforceable in China subject to the satisfaction of certain PRC legal requirement.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN CERTAIN COMPANY LAW MATTERS IN THE PRC AND HONG KONG

The Hong Kong law applicable to a company incorporated in Hong Kong is based on the Companies Ordinance and supplemented by common law and the rules of equity that apply to Hong Kong. As a joint stock limited company established in the PRC that is seeking a listing of H shares on the Hong Kong Stock Exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

In the following sections, we summarize certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing under the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

Under Hong Kong company law, a company having share capital, is incorporated and will acquire an independent corporate existence after the Companies Registry of Hong Kong has issued a certificate of incorporation. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain pre-emptive provisions. A public company’s articles of association do not contain such pre-emptive provisions.

Under the PRC Company Law, a joint stock limited company may be incorporated by promotion or public subscription. A joint stock limited company must have a minimum registered capital of RMB5 million, or a higher amount as may otherwise be required by laws and regulations. Under the PRC Company Law, the monetary contributions by all the promoters of a joint stock company must be no less than 30% of the registered capital.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

Hong Kong law does not prescribe any minimum capital requirement for a Hong Kong company.

Share Capital

Under Hong Kong law, the authorized share capital of a Hong Kong company is the amount of share capital that the company is authorized to issue. A company is not bound to issue the entire amount of its authorized share capital. The authorized share capital of a Hong Kong company may be larger than its issued share capital. Hence, the directors of a Hong Kong company may, with the prior approval of the shareholders (if necessary), cause the company to issue new shares. The PRC Company Law does not provide for authorized share capital. Our registered capital is the amount of our issued share capital. Any increase in our registered capital must be approved by our shareholders' general meeting and the relevant PRC governmental and regulatory authorities.

Under the PRC Securities Law, a company which is authorized by the relevant securities regulatory authority to list its shares on a stock exchange must have a total share capital of not less than RMB30 million. Hong Kong law does not prescribe any minimum capital requirements for companies incorporated in Hong Kong.

Under the PRC Company Law, a joint stock limited company's shareholders may make capital contributions in cash, in kind or by way of intellectual property rights, land use rights or other transferable non-cash property based on their appraised value, save for assets prohibited to be contributed as capital by the law or administrative regulations. If a capital contribution is made with non-cash property, a valuation and verification of the property contributed must be carried out without any overvaluation or undervaluation. There is no such restriction on a Hong Kong company under Hong Kong law.

Restrictions on Shareholding and Transfer of Shares

Under PRC law, A shares, which are denominated and subscribed for in Renminbi, may only be subscribed for or traded by the State, PRC legal persons, natural persons, qualified foreign institutional investors, or eligible foreign strategic investors. Overseas listed H shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau and Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors.

Under the PRC Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management of the company cannot transfer their shares within one year from the day when the shares are listed and traded on a stock exchange. There are no such restrictions on shareholdings and transfer of shares in respect of such persons under Hong Kong law.

Financial Assistance for Acquisition of Shares

Although the PRC Company Law does not prohibit or restrict a company or its subsidiaries from providing financial assistance for the purpose of an acquisition of shares, the Mandatory Provisions contain restrictions on a company and its subsidiaries from providing such financial assistance similar to those under the Hong Kong company law.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

Variation of Class Rights

The PRC Company Law makes no special provision relating to variation of class rights. However, the PRC Company Law states that the State Council can promulgate regulations relating to other kinds of shares. The Mandatory Provisions contain elaborate provisions relating to the circumstances which are deemed to be variations of class rights and the approval procedures required to be followed in respect thereof.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the approval of a special resolution of the holders of the relevant class at a separate meeting, (ii) with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class in question, (iii) by agreement of all the members of the company or (iv) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Directors

The PRC Company Law, unlike Hong Kong company law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval. The Mandatory Provisions, however, contain certain restrictions on major dispositions and specify the circumstances under which a director may receive compensation for loss of office.

Board of Supervisors

Under the PRC Company Law, a company's directors and managers are subject to the supervision of a Board of Supervisors. There is no mandatory requirement for the establishment of a board of supervisors for a company incorporated in Hong Kong. The Mandatory Provisions provide that supervisors owe duties, in the exercise of their authorities endowed by the company, to act honestly and in good faith in what he considers to be in the best interests of the company and to exercise the care, diligence and skill that a reasonably prudent person would exercise under comparable circumstances.

Derivative Action by Minority Shareholders

Hong Kong law permits minority shareholders to initiate a derivative action on behalf of the company against directors who have committed a breach of their fiduciary duties to the company if the directors control a majority of votes at a general meeting, thereby effectively preventing a company from suing the directors in breach of their duties in its own name. The PRC Company Law gives shareholders the right to initiate proceedings in the people's court to restrain the implementation of any resolution passed by a shareholders' general meeting, or by the Board, that violates any law, administrative rules or articles of association or if the directors, supervisors or senior managers violate laws, administrative rules or articles of association when performing their duties and cause losses to the company. The Mandatory Provisions provide certain remedies against the directors, supervisors and senior management officers who breach their duties to the company. In addition, as a condition to the listing of H shares on the Hong Kong Stock Exchange, each director and supervisor is required to

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors in default.

Protection of Minority Shareholders

Under Hong Kong law, a shareholder who complains that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his interests may petition to the court to either wind up the company or make an appropriate order regulating the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong. Under the Mandatory Provisions, in addition to obligations imposed by laws, administrative regulations or the listing rules required by the stock exchange on which shares of the company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of the all or part of the shareholders: (1) to relieve the responsibility of a director or supervisor to act honestly in the best interests of the company; (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person), in any way, of the company's assets, including (without limitation to) opportunities beneficial to the company; or (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation to) rights to distributions and voting rights save pursuant to a restructuring proposal submitted to shareholders for approval in accordance with the articles of association.

Notice of Shareholders' Meetings

Under the PRC Company Law, notice of a shareholders' general meeting (containing time, place of and matters to be considered at the meeting) must be given to each shareholder 20 days before the meeting, while notice of an extraordinary meeting must be given to each shareholder 15 days before the meeting. Under the Special Regulations and the Mandatory Provisions, a written notice of a shareholders' general meeting must be given 45 days before the meeting, informing the shareholders whose names are on the register of shareholders about the matters to be considered at the meeting as well as the date and place appointed for holding the meeting. For a company incorporated in Hong Kong, the minimum period of notice of a general meeting, where convened for the purpose of considering ordinary resolutions, is 14 days and, where convened for the purpose of considering special resolutions, is 21 days. The notice period for an annual general meeting is 21 days.

Quorum for Shareholders' Meetings

Under Hong Kong law, the quorum for a meeting of a company must be at least two members unless the articles of association of the company otherwise provide. For companies with only one member, a quorum must be one member. The PRC Company Law does not specify any quorum requirement for a shareholders' general meeting. However, the Special Regulations and the Mandatory Provisions provide that, the company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the company's total voting shares, the company may hold the meeting; if not, the company shall within 5 days notify the

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

shareholders by public notice of the matters to be transacted at, the date and place for, the meeting and the company may convene such meeting after making such announcement.

Voting

Under Hong Kong law, an ordinary resolution is passed by a simple majority of votes cast by members present in person or by proxy at a general meeting and a special resolution is passed by a majority of not less than three-fourths of votes cast by members present in person or by proxy at a general meeting. Under the PRC Company Law, the passing of any resolution at a general meeting requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting except in cases of amendments to a company's articles of association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights represented by the shareholders who attend the general meeting.

Financial Disclosure

Under the PRC Company Law, a joint stock limited company is required to make available at the Bank for inspection by shareholders its financial report 20 days before its shareholders' annual general meeting. A joint stock limited company issuing its shares in public must publish its financial report. The Companies Ordinance requires a company incorporated in Hong Kong to send to every shareholder a copy of its balance sheet, auditors' report and report of the directors not less than 21 days before such meeting.

Under the Mandatory Provisions, financial statements shall, in addition to be prepared by the company in accordance with the Generally Accepted Accounting Principles of China and applicable laws, rules and regulations in China, be also prepared in accordance with the generally accepted accounting principles of the international community or the overseas places where the shares are listed. Any material discrepancies in the two sets of statements prepared based on above-mentioned principles shall be explained in the explanatory notes attached. The lower of the after-tax profits of a specific fiscal year stated in the statements prepared based on the above-mentioned principles shall prevail in the allocation of such profits. The company shall publish its financial reports twice in each accounting year. An interim financial report shall be published within 60 days after the end of the first six months of each accounting year, and an annual financial report shall be published within 120 days after the end of each accounting year.

Under the Special Regulations, there should not be any contradiction between the documents prepared by the company to disclose information within and outside the PRC. If there are differences in the information disclosed within and outside the PRC or in different countries and regions outside the PRC in accordance with the relevant PRC and overseas laws, regulations and requirements of the relevant stock exchanges, such differences should also be disclosed simultaneously on the relevant stock exchanges.

Information on Directors and Shareholders

Under the PRC Company Law, shareholders have the right to inspect and copy the company's articles of association, minutes of the shareholders' general meetings, resolutions passed at meetings of the board of directors, resolutions passed at meetings of the board of supervisors and financial and

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

accounting reports, similar to that available to shareholders of Hong Kong companies under Hong Kong law.

Receiving Agent

Under the PRC Company Law and Hong Kong law, dividends once declared are debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC law this limitation period is two years. Under the Mandatory Provisions, a company shall appoint receiving agents on behalf of holders of the overseas-listed foreign investment shares to receive on behalf of such shareholders dividends and other distributions payable in respect of their overseas-listed foreign investment shares. The receiving agents appointed by the company shall meet the requirements of the laws of the place where the company's shares are listed or the relevant regulations of those stock exchanges.

Corporate Reorganization

Corporate reorganizations involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the Bank in the course of being wound up voluntarily to another company pursuant to Section 237 of the Companies Ordinance or a compromise or arrangement between the Bank and its creditors or between the Bank and its members pursuant to Section 166 of the Companies Ordinance, which requires the sanction of the court. For PRC companies, such reorganizations are administratively considered and sanctioned under the PRC Company Law.

Dispute Arbitration

In Hong Kong, disputes between shareholders on the one hand, and a company incorporated in Hong Kong or its directors on the other, may be resolved through the courts. The Mandatory Provisions provide that the party seeking arbitration may elect for arbitration to be carried out at either the CIETAC in accordance with its rules or the HKIAC in accordance with its Securities Arbitration Rules.

Mandatory Deductions

Under the PRC Company Law, when allocating the after-tax profits of the current year, the company shall allocate ten percent (10%) of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the company has reached more than fifty percent (50%) of the registered capital of the company, no allocation is needed. There are no corresponding provisions under the Companies Ordinance.

Remedies of the Company

Under the PRC Company Law, if a director, supervisor or senior executive officer infringes any law, administrative regulation or the articles of association of the company in carrying out his duties, which results in damage to the company, that director, supervisor or senior executive officer should be responsible to the company for such damages. Furthermore, according to the requirements of the Mandatory Provisions, the articles of association shall set out other measures that a company is entitled to take in addition to those rights and remedies provided in laws and administrative regulations in the

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

event that a director, supervisor, manager and other senior executive officer of the company fails to discharge his/her obligations to the company. These measures are similar to those available under the Hong Kong law (including rescission of the relevant contract and recovery of profits made by a director, supervisor or senior executive officer).

Dividends

The company has the power in certain circumstances to withhold, and pay to the relevant tax authorities, any tax payable under PRC law on any dividends or other distributions payable to a shareholder. Under Hong Kong law, the limitation period for an action to recover a debt (including the recovery of dividends) is six years, whereas under PRC laws, the relevant limitation period is two years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of H shares until after the expiry of the applicable limitation period.

Fiduciary Duties

In Hong Kong, there is the common law concept of the fiduciary duty of directors. Under the Special Regulations, directors, supervisors, managers and other senior executive officers of a company have fiduciary duties and obligations of diligence toward the company. They shall comply with the articles of association, loyally perform their duties, safeguard the interests of the company and may not use their positions and powers in the company to seek private gain for themselves.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days under special circumstances) in a year, whereas, as required by the Mandatory Provisions, no revision of the register of shareholders shall be registered on account of a share transfer within 30 days before the date of a shareholders' meeting or within 5 days before the base date for dividend distribution as decided upon by the company.

HONG KONG LISTING RULES

The Listing Rules provide additional requirements which apply to us as an issuer incorporated in the PRC as a joint stock limited company and seeking a primary listing or whose primary listing is on the Hong Kong Stock Exchange. Set out below is a summary of the principal provisions containing the additional requirements which apply to us.

Compliance adviser

A listed company is required to appoint a compliance adviser acceptable to the Hong Kong Stock Exchange for the period commencing on the Listing Date and ending on the date of publication of its financial results for the first full financial year commencing after the Listing Date, to provide it with professional advice on continuous compliance with the Listing Rules, and to act at all times, in addition to its two authorized representatives, as the principal channel of communication with the Hong Kong Stock Exchange. The appointment of the compliance adviser may not be terminated until a replacement acceptable to the Hong Kong Stock Exchange has been appointed.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

If the Hong Kong Stock Exchange is not satisfied that the compliance adviser is fulfilling its responsibilities adequately, it may require the listed company to terminate the compliance adviser's appointment and appoint a replacement.

The compliance adviser must keep the listed company informed on a timely basis of changes in the Listing Rules and any new or amended laws, regulations or codes in Hong Kong applicable to the company. It must act as the listed company's principal channel of communication with the Hong Kong Stock Exchange if the authorized representatives of the listed company are expected to be frequently outside Hong Kong.

Accountant's Report

An accountant's report will not normally be regarded as acceptable by the Hong Kong Stock Exchange unless the relevant accounts have been audited to a standard comparable to that required in Hong Kong. Such report will normally be required to conform to either HKFRS or IFRS.

Process Agent

A listed company is required to appoint and maintain a person authorized to accept service of process and notices on its behalf in Hong Kong throughout the period during which its securities are listed on the Hong Kong Stock Exchange and must notify the Hong Kong Stock Exchange of his, her or its appointment, the termination of his, her or its appointment and his, her or its contact particulars.

Public Shareholding

If at any time there are existing issued securities of a PRC issuer other than foreign shares which are listed on the Hong Kong Stock Exchange, the Listing Rules require that the aggregate amount of H Shares and other securities held by the public must constitute not less than 25% of the PRC issuer's issued share capital and that the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital, having an expected market capitalization at the time of listing of not less than HK\$50 million. The Hong Kong Stock Exchange may, at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalization at the time of listing of over HK\$10,000 million.

Independent Non-Executive Directors and Supervisors

Independent non-executive Directors are required to demonstrate an acceptable standard of competence and adequate commercial or professional expertise to ensure that the interests of the listed company's general body of shareholders will be adequately represented. Supervisors must have the character, expertise and integrity and be able to demonstrate a standard of competence commensurate with their position as Supervisors.

Restrictions on Repurchase of Securities

Subject to governmental approvals and its articles of association, a listed company may repurchase its own shares on the Hong Kong Stock Exchange in accordance with the provisions of the Listing Rules. Approval by way of a special resolution of the holders of class shares at separate class meetings conducted in accordance with the articles of association is required for share repurchases. In

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

seeking approvals, a listed company is required to provide information on any proposed or actual purchases of all or any of its equity securities, whether or not listed or traded on the Hong Kong Stock Exchange. It must also state the consequences of any purchases which will arise under either or both of the Hong Kong Takeovers Code or any similar PRC law of which directors are aware, if any. Any general mandate given to directors to repurchase shares must not exceed 10% of the total number of its issued shares.

Redeemable Shares

A listed company must not issue any redeemable shares unless the Hong Kong Stock Exchange is satisfied that the relative rights of its shareholders are adequately protected.

Pre-emptive Rights

Except in the circumstances mentioned below, directors are required to obtain approval by way of a special resolution of shareholders at general meeting, and the approvals by way of special resolutions of the holders of class shares (each being otherwise entitled to vote at general meetings) at separate class meetings conducted in accordance with and as required by the articles of association, prior to authorizing, allotting, issuing or granting shares or securities convertible into shares, options, warrants or similar rights to subscribe for any shares or such convertible securities.

No such approval will be required to the extent that the existing shareholders have by special resolution in general meeting given a mandate to the board of directors, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to authorize, allot or issue, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares and foreign shares as at the date of the passing of the relevant special resolution, or such shares are issued as part of our plan at the time of our establishment to issue domestic shares and foreign shares and which plan is implemented within 15 months from the date of approval by the State Council Securities Policy Committee or such other competent state council securities regulatory authorities.

Supervisors

A listed company is required to obtain the approval of its shareholders at a general meeting (at which the relevant supervisor and his associates must abstain from voting on the matter) prior to the company or any of its subsidiaries entering into a service contract of the following nature with a supervisor or proposed supervisor of the listed company or any of its subsidiaries: (1) the term of the contract exceeds three years; or (2) the contract expressly requires the company (or the subsidiaries) to give more than one year's notice or to pay compensation or make other payments equivalent to the remuneration more than one year in order for it to terminate the contract.

The nomination and remuneration committee of the listed company or an independent board committee must form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the listed company and its shareholders as a whole and advise shareholders on how to vote.

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

Amendment to Articles of Association

A listed company may not permit or cause any amendment to its articles of association which would cause them to cease to comply with the PRC Company Law, the Mandatory Provisions or the Listing Rules.

Documents for Inspection

A listed company is required to make available at a place in Hong Kong for inspection by the public and our shareholders free of charge, and for copying by its shareholders at reasonable charges the following:

- complete duplicate register of shareholders;
- report showing the state of its issued share capital;
- its latest audited financial statements and the reports of the directors, auditors (if any) and supervisors (if any) thereon;
- special resolutions;
- reports showing the number and nominal value of securities repurchased by it since the end of the last financial year, the aggregate amount paid for such securities and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between class shares);
- copy of the latest annual return filed with the PRC SAIC or other competent PRC authority; and
- for shareholders only, copies of minutes of meetings of shareholders.

Receiving Agents

Under Hong Kong law, a PRC issuer is required to appoint one or more receiving agents in Hong Kong and pay to such agents dividends declared and other monies owed in respect of the H shares to be held, pending payment, in trust for the holders of such H shares.

Statements in Share Certificates

A PRC issuer is required to ensure that all its listing documents and share certificates include the statements stipulated below and to instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to the share registrar a signed form in respect of those shares bearing statements to the following effect, that the acquirer of shares:

- agrees with the company and each shareholder, and it agrees with each shareholder, to observe and comply with the PRC Company Law, the Special Regulations and its articles of association;
- agrees with the company, each shareholder, director, supervisor, manager and other senior executive officer and it (acting both for the Bank and for each director, supervisor, manager and other senior executive officer), agree with each shareholder to refer all differences and claims arising from the articles of association or any rights or obligations

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning its affairs to arbitration in accordance with the articles of association. Any reference to arbitration will be deemed to authorize the arbitration tribunal to conduct its hearing in open session and to publish its award. Such arbitration will be final and conclusive;

- agrees with the company and each shareholder that shares are freely transferable by the holder thereof; and
- authorizes the company to enter into a contract on his behalf with each director and senior executive officer whereby such directors and senior executive officers undertake to observe and comply with their obligations to shareholders as stipulated in the articles of association.

Legal Compliance

A PRC issuer is required to observe and comply with the PRC Company Law, the Special Regulations and its articles of association.

Contract between the PRC Issuer and Directors, Senior Executive officers and Supervisors

A PRC issuer is required to enter into a contract in writing with every director and senior executive officer containing at least the following provisions:

- an undertaking by the director or senior executive officer to itself to observe and comply with the PRC Company Law, the Special Regulations, its articles of association, the Hong Kong Takeovers Code and an agreement that it must have the remedies provided in its articles of association and that neither the contract nor his office is capable of assignment;
- an undertaking by the director or senior executive officer to it acting as agent for each shareholder to observe and comply with his/her obligations to the shareholders as stipulated in the articles of association;
- an arbitration clause which provides that whenever any differences or claims arise from the contract, its articles of association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant law and administrative regulations concerning affairs between us and its directors or senior executive officers and between a holder of H shares and a director or senior executive officer, such differences or claims will be referred to arbitration at either the CIETAC in accordance with its rules or the HKIAC in accordance with its Securities Arbitration Rules, at the election of the claimant and that once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. Such arbitration will be final and conclusive;
- if the party seeking arbitration elects to arbitrate the dispute or claim at HKIAC, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of HKIAC;
- PRC laws shall govern the arbitration of disputes or claims referred to above, unless otherwise provided by law or administrative regulations;
- the award of the arbitration body is final and shall be binding on the parties thereto;

APPENDIX VI SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

- the agreement to arbitrate is made by the Director or officer with our Bank on our own behalf and on behalf of each Shareholder; and
- any reference to arbitration shall be deemed to authorize the arbitral tribunal to conduct hearings in open session and to publish its award.

The relevant company is required to enter into a contract in writing with every supervisor containing terms substantially similar to those for directors. If the party seeking arbitration elects to arbitrate the dispute or claim at HKIAC, then either party may apply to have such arbitration conducted in Shenzhen, according to the Securities Arbitration Rules of HKIAC. PRC laws must govern the arbitration of disputes or claims referred to above, unless otherwise provided by law or administrative regulations. The award of the arbitral body is final and must be binding on the parties thereto. Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

Subsequent Listing

A PRC issuer must not apply for the listing of its H shares on a PRC stock exchange unless the Hong Kong Stock Exchange is satisfied that the relative rights of the holders of its H shares are adequately protected.

GENERAL

If any change in the PRC law or market practices materially alters the validity or accuracy of any basis upon which the additional requirements have been prepared, the Hong Kong Stock Exchange may impose additional requirements or make listing of H shares by a PRC issuer subject to special conditions as the Hong Kong Stock Exchange may consider appropriate. Whether or not any such changes in the PRC law or market practices occur, the Hong Kong Stock Exchange retains its general power under the Listing Rules to impose additional requirements and make special conditions in respect of any company's listing. Upon listing on the Hong Kong Stock Exchange, companies listed on the Hong Kong Stock Exchange will be subject to the provisions of the Hong Kong Securities and Futures Ordinance, the Hong Kong Takeovers Code and such other relevant ordinances and regulations as may be applicable.

SECURITIES ARBITRATION RULES

The Securities Arbitration Rules of the HKIAC contain provisions allowing, upon application by any party, an arbitral tribunal to conduct a hearing in Shenzhen for cases involving the affairs of companies incorporated in the PRC and listed on the Hong Kong Stock Exchange so that PRC parties and witnesses may attend. Where any party applies for a hearing to take place in Shenzhen, the tribunal must, where satisfied that such application is based on bona fide grounds, order the hearing to take place in Shenzhen conditional upon all parties, including witnesses and the arbitrators, being permitted to enter Shenzhen for the purpose of the hearing. Where a party, other than a PRC party or any of its witnesses or any arbitrator, is not permitted to enter Shenzhen, then the tribunal must order that the hearing be conducted in any practicable manner, including the use of electronic media. For the purpose of the Securities Arbitration Rules, a PRC party means a party domiciled in the PRC other than the territories of Hong Kong, Macau and Taiwan.