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## WAIVERS AND EXEMPTION FROM COMPLIANCE WITH THE HONG KONG LISTING RULES

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In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Hong Kong Listing Rules:

### MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Hong Kong Listing Rules require that an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Currently, all of our executive Directors reside in China. As the headquarters and the business operations of the Bank are in China, we do not, and in the foreseeable future, will not, have sufficient management presence in Hong Kong. We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Hong Kong Listing Rules.

We have proposed the following arrangements for maintaining regular communication with the Hong Kong Stock Exchange for the purpose of Rules 8.12 and 19A.15 of the Hong Kong Listing Rules and the waiver was granted on the basis:

- (i) our Bank will appoint two authorised representatives pursuant to Rule 3.05 of the Hong Kong Listing Rules who will act as our Bank's principal communication channel with the Hong Kong Stock Exchange and will ensure that they comply with the Hong Kong Listing Rules at all times. We have appointed Mr. LIU Zhuo (劉卓先生), an executive Director and secretary to the Board of our Bank, and Ms. SUN Feixia (孫飛霞女士) the joint company secretary of our Bank as the two authorised representatives of our Bank. They are both PRC residents. Each of the two authorised representatives has been duly authorised to communicate on behalf of our Bank with the Hong Kong Stock Exchange and each of them will be readily available to meet with the Hong Kong Stock Exchange in Hong Kong within a reasonable time frame upon request and will be readily contactable by telephone, facsimile or email;
- (ii) both of the authorised representatives have means to contact all members of the Board promptly at all times as and when the Hong Kong Stock Exchange wishes to contact the Board on any matters;
- (iii) our Bank has, in compliance with Rule 3A.19 of the Hong Kong Listing Rules, appointed CMB International Capital Limited as our compliance adviser who will have access at all times to our Bank's authorised representatives, Directors and other officers and will serve as our Bank's additional communication channel with the Hong Kong Stock Exchange. Our compliance adviser will advise our Bank on on-going compliance requirements and other issues arising under the Hong Kong Listing Rules for the period commencing on the Listing Date and ending on the date on which our Bank distributes the annual report for the first full financial year after the Listing Date;
- (iv) all Directors who are not ordinarily residents in Hong Kong have confirmed that they hold valid travel documents to visit Hong Kong and will be able to meet with the Hong Kong Stock Exchange in Hong Kong upon reasonable notice, when required; and
- (v) to enhance communications among the Hong Kong Stock Exchange, the authorised representatives and the Directors, we have implemented a policy whereby (a) all Directors shall provide their respective office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the authorised representatives as well as the Hong Kong Stock Exchange; and (b) in the event that a Director expects to travel and be out of office, he shall provide the phone number of the place of his accommodation to the authorised representatives.

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### COMPANY SECRETARY

In accordance with Rules 3.28 and 8.17 of the Hong Kong Listing Rules, we must appoint a company secretary, by virtue of his/her academic or professional qualifications or relevant experience, who is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. The academic or professional qualifications that are acceptable to the Hong Kong Stock Exchange are as follows:

- (i) a member of The Hong Kong Institute of Chartered Secretaries;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance, Chapter 159 of the Laws of Hong Kong); or
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance, Chapter 50 of the Laws of Hong Kong).

We have appointed Ms. SUN Feixia (孫飛霞女士) as one of our joint company secretaries. Ms. Sun has been the general manager of the Office of the Board since 2008 possessing rich experience in both the Board and corporate governance practices of our Bank and has an extensive knowledge of the operations and business of our Bank. However, Ms. Sun does not satisfy the appointment qualifications strictly set out under Rule 3.28 of the Hong Kong Listing Rules. Therefore, we have appointed Dr. NGAI Wai Fung (魏偉鋒博士), who satisfies the qualifications under Rule 3.28 of the Hong Kong Listing Rules, to be the other joint company secretary. Dr. Ngai will provide assistance to Ms. Sun for an initial period of three years from the Listing Date to fully satisfy the requirements set out under Rules 3.28 and 8.17 of the Hong Kong Listing Rules.

Dr. Ngai will work closely with Ms. Sun in the discharge of their duties and responsibilities as our joint company secretaries and will provide assistance to Ms. Sun to acquire the relevant experience set out under Rule 3.28 of the Hong Kong Listing Rules. In addition, Ms. Sun will participate relevant trainings to improve and promote her knowledge and understanding of the Hong Kong Listing Rules as well as other applicable laws and regulations.

We have submitted our application to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rule 8.17 of the Hong Kong Listing Rules, for an initial period of three years from the Listing Date, provided that Dr. Ngai will act as a joint company secretary and provide assistance to Ms. Sun in the discharge of her duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Hong Kong Listing Rules during this period. The waiver will be revoked immediately when Dr. Ngai, during this period, ceases to provide assistance to Ms. Sun. At the expiry of the three-year period, we will make a further evaluation of Ms. Sun's qualifications and experience to determine whether the requirements set out under Rule 3.28 of the Hong Kong Listing Rules are satisfied. We and Ms. Sun would then endeavour to demonstrate to Hong Kong Stock Exchange's satisfaction that Ms. Sun, having had the benefit of Dr. Ngai's assistance for three years, will have acquired the relevant experience under Rule 3.28 of the Hong Kong Listing Rules, so that a further waiver will not be necessary.

### HONG KONG FINANCIAL DISCLOSURE REQUIREMENTS

In accordance with Rule 4.10 of the Hong Kong Listing Rules, the information to be disclosed in respect of Rules 4.04 to 4.09 of the Hong Kong Listing Rules must be in accordance with best practice which is at least that as required to be disclosed in respect of those specific matters in the accounts of a company under the Companies Ordinance and HKFRS, IFRS or CASBE in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements and, in the case of banking companies, the "Financial Disclosure by Locally Incorporated Authorised Institutions" ("FD-1") from the Supervisory Policy Manual issued by HKMA.

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The Banking Disclosure Rules issued by HKMA for the purpose of implementing the requirements of, among other things, the capital adequacy framework based on the reform of Basel Accords, replace, *inter alia*, FD-1 and are applicable to authorised institutions from the beginning of its first financial year commencing on or after 1 January 2007. Our Bank is engaged in banking activities and therefore, pursuant to Rule 4.10 of the Hong Kong Listing Rules, the financial information disclosed in this prospectus should include information that is required to be disclosed in respect of those specific matters under the Banking Disclosure Rules.

We are unable to fully comply with the disclosure requirements under the Banking Disclosure Rules for the reasons as described below. We believe that the financial disclosure requirements that we are unable to comply with are immaterial to potential investors of the Global Offering.

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

Section Number <sup>(1)</sup>	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 categorised into corporate loans and personal 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 45 to the Accountants' Report as set out in Appendix I of this prospectus. Our Bank considers that the current disclosure is sufficient to serve HKMA's disclosure objectives.	N/A

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Section Number <sup>(1)</sup>	Disclosure Requirements	Reason for a Waiver in relation to the Specific Disclosure	Proposal for Disclosure	Expected Timing for Full Compliance
50	An authorised 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 HKMA 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 authorised institution using STC approach to calculate its credit risk for non-securitisation 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 Banking Disclosure Rules.	N/A

*Note:*

- (1) The relevant sections under the Banking Disclosure Rules for which our Bank is currently unable to provide the required disclosures.

Further to the above, as a financial institution incorporated and based in the PRC, our Bank is required to comply with requirements of the CBRC and the PBOC. Certain provisions of the Banking Disclosure Rules require disclosure in respect of our Bank's capital structure, capital base (in particular, relating to the Bank's level of capital adequacy), cross border claims, liquidity ratios, PRC non-bank exposures and credit risks. Our Bank has maintained and compiled data relating to these matters in accordance with the regulatory requirements of the CBRC and the PBOC. Our Bank believes that the CBRC and the PBOC requirements attempt to address similar disclosure considerations to the requirements of the Banking Disclosure Rules and the differences between the above disclosure requirements under the two regulatory regimes are minimal and immaterial. It will be unduly burdensome for our Bank to attempt to comply with such items under the Banking Disclosure Rules in parallel with the CBRC or the PBOC regulations as our Bank would be required, in our view, to carry out unnecessary additional work to compile similar information already required and maintained in accordance with the CBRC and the PBOC regulations. As a result, our Bank proposes to disclose information which complies with the CBRC and the PBOC regulations in this regard instead of strictly following the disclosure regime provided for under the Banking Disclosure Rules, which will result in the compilation of similar

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data. Our Bank is of the view that this prospectus will contain sufficient information for investors to make their investment decision notwithstanding the differences between the CBRC and the PBOC requirements on the one hand, and the requirements of the Banking Disclosure Rules on the other. The Joint Sponsors concur with the view of our Bank based on the reasoning set out above.

Based on the above, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 4.10 of the Hong Kong Listing Rules, such that our Bank will not fully comply with the requirements in respect of financial disclosures provided for under the Banking Disclosure Rules and the Companies Ordinance on the condition that the Bank shall comply with the requirements of Rule 4.10 to the extent such information is available to our Bank.

### **RULE 4.04(1) OF THE HONG KONG LISTING RULES AND PARAGRAPHS 27 AND 31 OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

According to Rule 4.04(1) of the Hong Kong Listing Rules, the Accountants' Report contained in this prospectus must include, *inter alia*, the results of our Bank in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Hong Kong Stock Exchange.

According to paragraph 27 of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance, our Bank is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Bank during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance, our Bank is required to include in this prospectus a report by our auditor with respect to profits and losses and assets and liabilities of our Bank in respect of each of the three financial years immediately preceding the issue of this prospectus.

Pursuant to section 342A of the Companies (Winding up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

The Accountants' Report for each of the years ended 31 December 2010, 2011 and 2012 and the nine months ended 30 September 2013 has been prepared and is set out in Appendix I to this prospectus.

An application was made to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Hong Kong Listing Rules, and such waiver was granted by the Hong Kong Stock Exchange on the conditions that:

- (i) our Bank lists on the Hong Kong Stock Exchange by 31 March 2014;
- (ii) our Bank obtains a certificate of exemption from the SFC from similar requirements under paragraphs 27 and 31 of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance; and

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- (iii) this prospectus must include the financial information for the latest financial year and a commentary on the results for the year. The financial information to be included in the prospectus must (a) follow the same content requirements as for a preliminary results announcements under Rule 13.49 of the Hong Kong Listing Rules; and (b) be agreed with the reporting accountants following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants.

An application has also been made to the SFC for a certificate of exemption from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance on the grounds that it would be unduly burdensome and there would not be sufficient time for our Bank and the reporting accountant to complete the work on the financial statements for the full financial year ended 31 December 2013 for inclusion in the prospectus. A certificate of exemption has been granted by the SFC under section 342A of the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Our Directors confirmed that all information that is necessary for the public to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Bank has been included in this prospectus, as such the waiver granted by the Hong Kong Stock Exchange and the exemption granted by the SFC from strict compliance with Rule 4.04(1) of the Hong Kong Listing Rules and paragraph 27 and paragraph 31 of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance, respectively, will not prejudice the interests of the investing public.

Our Directors and the Joint Sponsors confirmed that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial position or prospects since 30 September 2013 and there is no event since 30 September 2013 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this prospectus.

### **PUBLICATION OF PRELIMINARY RESULTS**

Pursuant to Rule 13.49(1) of the Hong Kong Listing Rules, an issuer is required to publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than three months after the end of the financial year.

Our Bank has included in this prospectus the unaudited financial information and a commentary on the results of our Bank for the year ended 31 December 2013, and Jun He Law Offices Beijing, our PRC legal adviser, has confirmed that our Bank is not in breach of our Articles of Association, PRC laws and regulations or other regulatory requirements regarding our obligation to publish annual results announcements if we do not publish our preliminary results announcement for the year ended 31 December 2013 in accordance with Rule 13.49(1) of the Hong Kong Listing Rules. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 13.49(1) of the Hong Kong Listing Rules in respect of the publication of the preliminary results announcement for the year ended 31 December 2013 on such basis.