

Set out below is a summary of the principal provisions of our Articles of Association, the principal objective of which is to provide investors with an overview of our Articles of Association.

As the information contained below is in summary form, it does not contain all the information that may be important to potential investors. Copies of the full English and Chinese texts of our Articles of Association are available for inspection as mentioned in “Appendix IX – Documents Delivered to the Registrar of Companies and Available for Inspection”.

Our Articles of Association were adopted by our shareholders in the shareholders’ general meeting held on 10 May 2013 and were approved by the CBRC Heilongjiang Bureau on 22 January 2014. Our Articles of Association will become effective on the date that our H Shares are listed on the Hong Kong Stock Exchange.

Directors and Other Officers

Power to Allot and Issue Shares

There is no provision in our Articles of Association empowering the directors to allot and issue shares.

To increase the capital of our Bank, the proposal must be submitted by the Board, the Board of Supervisors or the shareholder(s) who individually or in aggregate hold 3% or more of the total issued and outstanding shares of our Bank with voting rights for approval by a special resolution at a shareholders’ general meeting.

Power to Dispose of the Assets of Our Bank or Any Subsidiary

The Board shall not, without the prior approval of shareholders in a shareholders’ general meeting, dispose of, or agree to dispose of, any fixed assets of our Bank where the sum of the estimated value of the consideration for the proposed disposition and the aggregate amount of the consideration for all dispositions of fixed assets of our Bank completed within four months immediately preceding the proposed disposition exceeds 33% of the value of our Bank’s fixed assets as shown on the last balance sheet reviewed at a shareholders’ general meeting.

The validity of a disposition by our Bank of fixed assets shall not be affected by the breach of the above paragraph.

For the purposes of our Articles of Association, a disposition of fixed assets includes an act involving the transfer of an interest in such assets but does not include the provision of such assets as a form of security.

Emoluments and Compensation for Loss of Office

Our Bank shall, with the prior approval at a shareholders’ general meeting, enter into a contract in writing with each of the directors or supervisors wherein his emoluments are stipulated. The aforesaid emoluments include:

- emoluments in respect of his service as a director, a supervisor or senior management of our Bank;
- emoluments in respect of his service as a director, a supervisor or senior management of any subsidiary of our Bank;
- emoluments in respect of the provision of other services in connection with the management of the affairs of our Bank or of any subsidiary of our Bank; and

- compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against our Bank for any benefit due to him in respect of the above matters.

Contracts concerning emoluments between our Bank and our directors or supervisors should provide that, in the event of a takeover of our Bank, the directors or supervisors shall, subject to the prior approval of the shareholders in a shareholders' general meeting, have the right to receive compensation or other payment in respect of a loss of office or retirement. A "takeover of our Bank" referred to in this paragraph means either:

- an offer made by any person to all shareholders; or
- an offer made by any person with a goal of becoming "controlling shareholder" within the meaning set out in our Articles of Association. See the meaning of "controlling shareholder" in "– Rights of Minority Shareholders".

If the relevant director or supervisor does not comply with the preceding provision, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer. The expenses incurred in distributing such sum *pro rata* amongst those persons shall be borne by the relevant director or supervisor and shall not be paid out of the sum to be received by him.

Loans to Directors, Supervisors and Other Officers

Our Bank may not provide loans or loan guarantees directly or indirectly to a director, supervisor, president or other senior management of our Bank unless the terms and conditions are not more favourable than the normal commercial terms and conditions, and our Bank may not provide loans or loan guarantees to a related person of such individual either. Related person means:

- (a) a spouse or minor children of a director, supervisor, president or other senior management of our Bank;
- (b) an entruster of a director, supervisor, president or other senior management of our Bank or an individual described in subparagraph (a);
- (c) a partner of a director, supervisor, president or other senior management of our Bank or an individual described in subparagraphs (a) and (b);
- (d) a company under sole control of a director, supervisor, president or other senior management of our Bank or under common control with an individual described in subparagraphs (a), (b) and (c) or other director, supervisor, president or other senior management of our Bank; and
- (e) a director, supervisor, president or other senior management of a company described in subparagraph (d).

The preceding provision will not apply to the following circumstances:

- our Bank provides loans or loan guarantees to its subsidiary; and
- our Bank provides loans, loan guarantees or other payment to a director, supervisor, president or other senior management to meet expenditure incurred by him/her for the purposes of our Bank or enabling him/her to fulfil his/her fulfilment of the responsibilities, in accordance with the contract of service approved by a shareholders' general meeting.

A loan made by our Bank in breach of the above provisions shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

Financial Assistance for the Acquisition of Shares in Our Bank

Subject to the exceptions in our Articles of Association, our Bank and any subsidiary shall not, by any means at any time, provide any kind of financial assistance (as defined below) to a person who is acquiring or is proposing to acquire shares of our Bank. Such acquirer of shares of our Bank includes a person who directly or indirectly incurs any obligations (as defined below) due to the acquisition of shares. Our Bank and any subsidiary shall not, by any means at any time, provide financial assistance to such acquirer for the purpose of reducing or discharging the obligations assumed by that person.

The following activities shall not be deemed to be prohibited activities:

- the provision of financial assistance by our Bank where the financial assistance is given in good faith in the interest of our Bank, and the principal purpose in giving financial assistance is not for the acquisition of shares, or the giving of financial assistance is an incidental part of a major plan of our Bank;
- the distribution of our Bank's assets through dividends;
- the allotment of bonus shares as dividends;
- a reduction of registered capital, a repurchase of shares or a reorganisation of the share capital structure of our Bank effected in accordance with our Articles of Association;
- the lending of money by our Bank within its scope of business and in the ordinary course of business (provided that the net assets of our Bank are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits); and
- the provision of money by our Bank for contributions to an employees' shareholding plan (provided that the net assets of our Bank are not thereby reduced or, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits).

For these purposes:

- "financial assistance" includes, but without limitation, the following:
 - a gift;
 - a guarantee (including any liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation due to our Bank's own default) or release or waiver of any rights;
 - provision of a loan or any other contract under which the obligations of our Bank are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such a loan or contract; or
 - any other form of financial assistance given by our Bank when our Bank is insolvent or has no net assets, or when its net assets would thereby be reduced by a material extent; and
- "incurring an obligation" includes the incurring of obligations by entering into a contract, the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons) or any other means that result in the change of the obligor's financial position.

Disclosure of Interests in Contracts with Our Bank

Where a director, supervisor, president or other senior management of our Bank is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement, or proposed contract, transaction or arrangement, with our Bank (other than his contract of service with our Bank), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, regardless of whether such contract, transaction or arrangement is otherwise subject to the approval of the Board.

Unless the interested director, supervisor, president or other senior management discloses his interests in accordance with our Articles of Association and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, supervisor, president or other senior management is not counted in the quorum and refrains from voting, the contract, transaction or arrangement in which a director, supervisor, president or other senior management is materially interested is voidable at the request of our Bank except as against a bona fide party acting without notice of the breach of duty by the interested director, supervisor, president or other senior management.

For the purposes of this provision, a director, supervisor, president or other senior management of our Bank is deemed to be interested in a contract, transaction or arrangement in which one of his related person is interested.

If a director, supervisor, president or other senior management of our Bank, before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by our Bank, gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in the contracts, transactions or arrangements and such contracts, transactions or arrangements are subsequently made by our Bank, such notice shall be deemed to be a sufficient declaration of his interests for the purpose of the above paragraphs to the extent of such disclosure in such notice.

Remuneration

The remuneration of directors must be approved by shareholders in a shareholders' general meeting. See “– Emoluments and Compensation for Loss of Office”.

Appointment, Removal and Retirement

The qualification of a director shall be examined and approved by the relevant banking regulatory authorities. The term of office of directors shall be three years, renewable upon re-election. Directors shall be elected and removed by the shareholders' general meeting.

Our Board, Board of Supervisors and shareholder(s) individually or in aggregate holding 1% or more of the issued shares of our Bank are entitled to nominate candidates for independent directors to be elected by shareholders' general meetings. The term of office of an independent director is the same with other directors, renewable upon re-election but limited to a maximum term of six years.

The Board shall consist of 11 to 15 directors, of which at least one-third shall be independent directors. The Board shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected by a majority of all directors.

A director, supervisor, president or other senior management of our Bank may not be:

- a person without legal capacity or with restricted legal capacity;
- a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging of the social economic order, and has been

punished for the commission of such an offence, where less than five years have elapsed since the date of completion of the sentence; or who has been deprived of his political rights, where less than five years have elapsed since the date of completion of this deprivation;

- a person who has been a director, factory manager or manager of a company or enterprise which has entered into an insolvency liquidation and is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who is a former legal representative of a company or enterprise which had its business licence revoked, or been ordered to close down, due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of revocation of the business licence;
- a person who has a relatively large amount of debts and who is in default of such debts;
- a person who is under criminal investigation by a judicial organisation for violation of the criminal law for which investigation is not yet concluded;
- a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- a non-natural person;
- a person convicted of contravening provisions of relevant securities regulations by a relevant supervising authority involving a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;
- a person who is currently prohibited from the securities market by relevant regulatory authority of the State Council;
- a person who is currently prohibited from the market by banking regulatory authority in the PRC; and
- other circumstances prescribed in laws, administrative regulations and departmental rules.

The validity of an act of a director, president or other senior management acting on behalf of our Bank is not, *vis-à-vis*, a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Borrowing Powers

Our Articles of Association do not specifically provide for the manner in which borrowing powers may be exercised nor do they contain any specific provision in respect of the manner in which such borrowing powers may be amended, except for:

- provisions which authorise the Board to formulate proposals for the issuance of debentures and other securities by our Bank; and
- provisions which provide that the issuance of debentures and other securities shall be approved by the shareholders' general meeting by a special resolution.

Amendments to the Articles of Association of Our Bank

Our Articles of Association may be amended by special resolution of the shareholders in a shareholders' general meeting. If the amendments are subject to approval by the relevant PRC government authorities, such approval shall be obtained for such amendments. If a registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws.

Change of Rights of Existing Shares or Classes of Shares

Rights conferred on any class of shareholders in the capacity of shareholders, or class rights, may not be changed or abrogated unless approved by a special resolution of shareholders in a shareholders' general meeting and by holders of shares of that class at a separate meeting conducted in accordance with our Articles of Association.

The following circumstances shall be deemed a change or abrogation of the class rights of a shareholder class:

- an increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of such class having voting or distribution rights or privileges equal or superior to those of the shares of such class;
- an exchange of all or part of the shares of such class into shares of another class, or an exchange or the creation of a right to exchange all or part of the shares of another class into the shares of such class;
- the removal or reduction of rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- the reduction or removal of a dividend preference or a liquidation preference attached to shares of such class;
- the addition, removal or reduction of conversion privileges, options, voting rights or transfer or pre-emptive rights attached to shares of such class, or rights to obtain securities of our Bank;
- the removal or reduction of rights to receive payment payable by our Bank in particular currencies attached to shares of such class;
- the creation of a new class of shares having voting or distribution rights or privileges equal or superior to those of the shares of such class;
- the restriction of the transfer or ownership of the shares of such class or any addition to such restriction;
- the issuance of rights to subscribe for, or convert into, shares in our Bank of such class or another class;
- the increase of the rights or privileges of shares of another class;
- the restructuring of our Bank where the proposed restructuring will result in different classes of shareholders bearing different degrees of responsibility in respect of liability; and
- the variance or abrogation of provisions of "special procedures for voting in class shareholders' general meetings" as contained in our Articles of Association.

Interested shareholders (as defined below) shall not be entitled to vote at "class shareholders' general meetings".

Resolutions of a class of shareholders shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class present at "class shareholders' general meetings".

Written notice of a "class shareholders' general meeting" shall be given 45 days before the date of the meeting to notify all of the shareholders in the share register of the class of the matters to be considered, the date and the place of such meeting.

Notice of "class shareholders' general meetings" need only be served on shareholders entitled to vote thereat.

Meetings of any class of shareholders shall be conducted in a manner as similar as possible to that of shareholders' general meetings of all shareholders. The provisions of our Articles of Association relating to the manner of conducting a shareholders' general meeting shall apply to any meeting of a class of shareholders.

Holders of domestic shares and H Shares are deemed to be shareholders of different classes.

The special procedures for approval by a class of shares shall not apply in the following circumstances:

- where our Bank issues, upon the approval by a special resolution of its shareholders in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas-listed shares;
- where our Bank's plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within 15 months of the date of approval of the securities authority of the State Council; or
- where holders of domestic shares transfer their shares, upon the approval by the securities regulatory authority of the State Council, to overseas investors and the shares are listed or traded on the overseas stock exchange.

For the purposes of the class rights provisions of our Articles of Association, the meaning of "interested shareholder(s)" is:

- in the case of a repurchase of shares by offers to all shareholders on a *pro rata* basis or through public trading on a stock exchange, a "controlling shareholder" within the meaning of our Articles of Association;
- in the case of a repurchase of shares by a privately negotiated contract, a shareholder to which the proposed contract relates; and
- in the case of a restructuring of our Bank, a shareholder within a class who bears a less than proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Resolutions – Majority Required

Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one-half of the voting rights represented by the shareholders (including shareholders' proxies) present at the meeting must be exercised in favour of the resolution.

To adopt a special resolution, votes representing two-thirds or more of the voting rights represented by the shareholders (including shareholders' proxies) present at the meeting must be exercised in favour of the resolution.

Voting Rights

The ordinary shareholders of our Bank have the right to attend or appoint a proxy to attend shareholders' general meetings and vote thereat. A shareholder (including shareholders' proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of voting shares and each voting share shall have one vote.

At any shareholders' general meeting, a resolution shall be decided on a show of hands unless otherwise required by the relevant securities regulatory authorities of place(s) where our shares are listed or a poll is (before or after any vote by a show of hands) demanded:

- by the chairman of the meeting;
- by at least two shareholders entitled to vote present in person or by proxy; or
- by one or more shareholders present in person or by proxy representing in aggregate 10% or more of all voting shares at the meeting.

Unless required by the relevant securities regulatory authorities of place(s) where our shares are listed or a poll is demanded, the chairman, in accordance with the voting result by a show of hands, may declare the voting result and make an entry to that effect in the minutes of the meeting, which shall be conclusive evidence of the fact.

The demand for a poll may be withdrawn by the person who makes such demand.

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any other items on the agenda may proceed, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting on the matter for which the poll was demanded.

On a poll taken at a meeting, a shareholder (including shareholders' proxy) entitled to two or more votes need not cast all his votes in the same way.

Requirement for Annual Meetings

An annual shareholders' general meeting shall be convened within six months of the close of a fiscal year.

Accounts and Audit

Our Bank shall establish its financial and accounting system in accordance with the laws, administrative regulations and rules stipulated by relevant regulatory authorities.

The Board of our Bank shall have a board audit committee which reports and is responsible to the Board. The audit committee shall consist of not less than three members, and shall have such responsibilities and powers as prescribed by our Articles of Association.

The Board shall place before the shareholders at every annual shareholders' general meeting such annual financial reports prepared by our Bank that are required by any laws, administrative regulations or any other regulatory documents promulgated by the relevant regional governments and regulatory authorities.

Our Bank's annual financial reports shall be made available at our Bank for shareholders' inspection 20 days before the date of such annual shareholders' general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports. Our Bank shall deliver to each H Share holder our annual financial reports at least 21 days before the date of such annual shareholders' general meeting by courier, through publication on our website or other methods as stipulated by our Articles of Association.

Unless otherwise required by applicable laws, regulations or relevant listing rules, the financial statements of our Bank shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either IFRS or the applicable accounting standards of the overseas stock exchange on which our Bank's shares are listed. If there is any material difference between the annual financial statements prepared in accordance with the two accounting standards, such difference shall be stated in an appendix to the annual financial statements. When our Bank is to distribute its after-tax profits, it may only distribute from the lower of the after-tax profits as shown in the two financial statements.

Our Bank shall publish its financial reports four times every fiscal year. The annual financial report shall be published within 120 days of the expiration of each fiscal year, the interim financial report shall be published within 60 days of the expiration of the first six months of each fiscal year and the quarterly financial report shall be published within one month of the expiration of the first three months and first nine months of each fiscal year.

Notice of Meetings and Business to be Conducted Thereat

Shareholders' general meetings are divided into annual shareholders' general meetings and extraordinary shareholders' general meetings.

Under any of the following circumstances, our Bank shall convene an extraordinary shareholders' general meeting within two months of the occurrence of any of the following:

- when the number of directors is less than the number of directors required by the PRC Company Law or two-thirds of the number of directors specified in our Articles of Association;
- when the unrecovered losses of our Bank amount to one-third of the total amount of its paid-up share capital;
- when such meeting is requested in writing by shareholder(s) holding individually or in aggregate 10% or more of our Bank's voting shares;
- when the Board deems it necessary;
- when such meeting is proposed by the Board of Supervisors; or
- in other situations as prescribed by laws, administrative regulations, rules or our Articles of Association.

When our Bank convenes a shareholders' general meeting, written notice of the meeting shall be given 45 days before the date of the meeting to notify all the shareholders in the share register of the matters to be considered and the date and the place of the meeting. A shareholder who intends to attend the meeting shall deliver his written reply concerning the attendance of the meeting to our Bank 20 days before the date of the meeting.

When our Bank convenes an annual shareholders' general meeting, the Board, the Board of Supervisors and the shareholder(s) individually or in aggregate holding 3% or more of the total issued and outstanding voting shares of our Bank shall have the right to propose new motions in writing.

Our Bank shall, based on written replies from the shareholders received 20 days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting is one-half or more of our Bank's total voting shares, our Bank may hold the

meeting. Otherwise, our Bank shall within five days notify the shareholders again by public notice of the matters to be considered and the place and the date for the meeting. Our Bank then may hold the meeting after the publication of such notice.

A notice of a meeting of shareholders must:

- be in writing;
- state the venue, date, time, duration and form of the meeting;
- state the matters to be considered at the meeting and the proposals;
- provide such information and explanations as are necessary for the shareholders to exercise an informed judgement on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge our Bank with another, to repurchase shares, to reorganise the share capital or to restructure our Bank in any other way, the terms of the proposed transaction must be provided in detail together with the proposed contract, if any, and the cause and effect of such proposal must be properly explained;
- contain a disclosure of the nature and extent of any material interest of a director, supervisor, president or other senior management in the matters for discussion and the effect of such interest on his capacity as a shareholder insofar as it is different from the interest of the shareholders of the same class;
- contain the full text of any proposed special resolution to be voted at the meeting;
- contain a prominent statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder;
- specify the time and place for lodging proxy forms for the relevant meeting;
- specify the record date on which the shareholders are eligible to attend the meeting; and
- list the name and the phone number of the permanent contact person of the meeting.

Unless otherwise required by relevant laws, regulations, listing rules of place(s) where our shares are listed or our Articles of Association, notice of a shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by delivery or prepaid mail to their addresses as shown in the share register, or publication on our website or other methods as stipulated in our Articles of Association. For the holders of domestic shares, notice of the meetings may be issued by public notice.

The public notice shall be published in one or more newspapers designated by the securities regulatory authority of the State Council between 45 days and 50 days before the date of the meeting. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

The following matters shall be decided by an ordinary resolution at a shareholders' general meeting:

- work reports of the Board and the Board of Supervisors;
- plans formulated by the Board for the distribution of profits and for the making up of losses;
- appointment and removal of the members of the Board and members of the Board of Supervisors, their emoluments and method of payment;

- annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of our Bank;
- the annual report of our Bank;
- alteration to the use of raised funds; and
- other matters unless required to be approved by special resolutions in accordance with the applicable laws and regulations or otherwise as stipulated by our Articles of Association.

The following matters shall be decided by a special resolution at a shareholders' general meeting:

- the increase or decrease of share capital and the issuance of shares of any class, warrants for share subscription and other similar securities;
- the issue of debentures of our Bank or listing;
- the separation, merger, dissolution and liquidation, or change of corporate form of our Bank;
- amendments to our Articles of Association;
- investment on fixed assets, provision of external guarantee or external investment that should be submitted to a shareholders' general meeting for approval prescribed by relevant laws, administrative regulations and rules, rules of place(s) where our shares are listed, our Articles of Association or other internal regulations;
- share incentive plans; and
- any other matters prescribed by the relevant laws, administrative regulations and rules, rules of place(s) where our shares are listed or our Articles of Association, or resolved by the shareholders at a shareholders' general meeting by an ordinary resolution that are significant to our Bank and should be adopted by a special resolution.

Transfer of Shares

Subject to the relevant laws, administrative regulations and rules and approval of the securities regulatory authority of the State Council, shares of our Bank registered on our domestic share register may be converted into H shares, and such converted shares may be listed or traded on an overseas stock exchange. The listing or trading of the converted shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such overseas stock exchange. Such listing and trading of the converted shares on an overseas stock exchange does not require the convening of a class shareholders' general meeting to be voted on.

All the fully paid-up H Shares can be freely transferred in accordance with our Articles of Association. For H Shares listed on the Hong Kong Stock Exchange, if the requirements stipulated in our Articles of Association are not met, the Board may refuse to accept any transfer documents without giving explanation for such refusal.

The alteration to, or rectification of, any part of the share register shall be carried out in accordance with the laws of the place where the share register is maintained.

No changes resulting from share transfers may be made to the register of H Share holders within 30 days before the date of a shareholders' general meeting or within five days before a record date for our Bank's distribution of dividends.

Power of Our Bank to Repurchase Our Own Shares

We may, in accordance with the stipulations of laws, administrative regulations and rules, and our Articles of Association, repurchase our issued shares under the following circumstances:

- for the reduction of our registered capital;
- when merging with another company that holds shares in our Bank;
- when offering the shares to our employees as a bonus;
- when the shareholder disagrees with the resolution of the shareholders' general meeting on the merger or separation of our Bank and requires our Bank to repurchase his shares; and
- under other circumstances permitted by the applicable laws or administrative regulations.

We may, with the approval of the relevant regulatory authority, conduct the repurchase in any one of the following ways:

- making a *pro rata* offer of repurchase to all of our shareholders;
- repurchasing shares through public trading on a stock exchange;
- repurchasing by a privately negotiated agreement; or
- by other means as stipulated by the applicable laws and regulations or as approved by the relevant regulatory authority.

Where we repurchase our shares by a privately negotiated agreement, the prior approval of shareholders shall be obtained in accordance with our Articles of Association. We may release, vary or waive any rights under such a contract with the prior approval of shareholders obtained in the same manner.

Shares repurchased by our Bank shall be cancelled within the period prescribed by the applicable laws or administrative regulations.

Unless our Bank is being liquidated, it must comply with the following provisions in relation to the repurchase of our issued shares:

- where our Bank repurchases our shares at par value, payment shall be made out of our distributable profits or out of proceeds of a fresh issue of shares made for that purpose;
- where our Bank repurchases our shares at a premium to par value, payment equivalent to the par value shall be made out of our distributable profits or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows: (i) if the shares being repurchased were issued at par value, payment shall be made out of our distributable profits; or (ii) if the shares being repurchased were issued at a premium to par value, payment shall be made out of our distributable profits or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall exceed neither the aggregate of the premiums received by our Bank on the issue of the shares repurchased nor the current amount (including the premiums on the fresh issue) of our capital reserve account;
- payment by our Bank in consideration of the following shall be made out of our distributable profits: (i) acquisition of rights to repurchase our shares; (ii) amendment of any contract to repurchase our shares; and (iii) release of any of our obligations under any contract to repurchase our shares; and
- after our registered share capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits for payment of the par value portion of the shares repurchased shall be transferred to our capital reserve account.

Right of Our Subsidiaries to Own Shares in Our Bank

There are no provisions in our Articles of Association preventing a subsidiary of our Bank from owning any of our shares.

Dividends and Other Methods of Profit Distribution

Our Bank may distribute dividends in the form of cash or shares.

Cash dividends or other payments declared by our Bank to be payable to holders of domestic shares shall be calculated and declared in Renminbi and paid in Renminbi. Those payable to holders of H Shares shall be calculated and declared in Renminbi and paid in Hong Kong dollars.

Our Bank shall appoint receiving agents to receive on behalf of holders of the H Shares dividends declared and all other monies payable by our Bank in respect of their H Shares. The receiving agents appointed on behalf of holders of the H Shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Our Bank shall have the right to terminate sending dividend warrants to holders of overseas listed shares by mail, but our Bank shall exercise the right only after a dividend warrant fails to be redeemed for two consecutive occasions, however our Bank can exercise the right after the first occasion on which such a dividend warrant is returned as undelivered.

Our Bank shall have the power to sell, in such manner as the Board thinks fit, any overseas listed shares of a shareholder of who is untraceable, but is subject to the following conditions: (i) our Bank has distributed dividends for at least three times in respect of such shares within 12 years, but none of such dividends was claimed; and (ii) our Bank, after the expiration of a period of 12 years, made an advertisement on one or more newspapers of the place which our Bank is listed, stating its intention to sell such shares, and notified the stock exchange of the place which our Bank is listed of such intention.

Proxies

Any shareholder entitled to attend and vote at a meeting of our Bank shall be entitled to appoint one or more other persons (whether a shareholder or not) as his proxy to attend and vote on his behalf, and a proxy so appointed shall:

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

Shareholders shall entrust the proxy in writing, and the proxy shall be signed by the shareholders or agents authorised by the shareholders in writing. If the shareholder is a legal entity, the instrument shall be sealed with the legal entity's stamp or signed by its directors or agents authorised in writing. The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney on behalf of the appointer, a notary certified copy of that power of attorney or other authority shall be deposited at the residence of our Bank or at such other place as is specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting at which the proxy proposes to vote or 24 hours before the time specified for voting.

If the appointer is a legal entity, its legal representative or such person as is authorised by its Board or other decision-making authorities may attend our shareholders' general meeting as a representative of the appointer.

Any proxy form used by a shareholder for appointing a proxy to attend and vote at a shareholders' general meeting shall enable the shareholder to instruct the proxy to vote in favour of or against each resolution put to vote at the meeting individually. Such a proxy form shall contain a statement, that in the absence of instructions by the shareholder, the proxy may vote as he thinks appropriate.

A vote given in accordance with the terms of an instrument appointing the proxy shall be valid notwithstanding the death or incapacity of the appointer or revocation of the proxy or of the authorisation granted by the executed appointing instrument, or the relevant shares in respect of which the proxy is given have been transferred, provided that no notice in writing of such death, incapacity, revocation or transfer has been received by our Bank before the commencement of the meeting at which the proxy is used.

Calls on Shares and Forfeiture of Shares

There are no provisions in our Articles of Association relating to the making of calls on shares or for the forfeiture of shares.

Rights of Shareholders (Including Inspection of Register of Shareholders)

The ordinary shareholders of our Bank shall enjoy the following rights:

- entitlements to dividends and other distributions in proportion to the number of shares held;
- the right to attend or appoint a proxy to attend shareholders' general meetings and vote at the meetings in proportion to the number of shares held;
- the right to supervise the management and business operations of our Bank, and the right to present proposals or to raise inquiries in relation thereto;
- the right to transfer shares in accordance with laws, regulations, the relevant requirements of the regulatory authorities of the place(s) where our shares are listed and the provisions of our Articles of Association;
- the right to obtain relevant information in accordance with the provisions of our Articles of Association, including:
 - the right to obtain a copy of our Articles of Association, subject to payment of the cost of obtaining such a copy;
 - the right to inspect and copy, subject to payment of a reasonable charge:
 - all parts of the register of shareholders;
 - the information regarding directors, supervisors, a president or other senior management of our Bank;
 - our share capital;
 - reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by our Bank since the end of the last accounting year, and the aggregate expenses incurred by our Bank for this purpose; and
 - minutes of the shareholders' general meetings;
- in the event of termination or liquidation of our Bank, the right to participate in the distribution of the remaining assets of our Bank in accordance with the number of shares held;
- in the event that the shareholder disagrees with the resolution of the shareholders' general meeting on the merger or separation of our Bank, the right to require that our Bank repurchase its shares; and
- other rights conferred by the applicable laws, administrative regulations or our Articles of Association.

Quorum for Meetings and Separate Class Meetings

Our Bank may convene a shareholders' general meeting or "class shareholders' general meeting" where our Bank has received 20 days before such meeting written replies from shareholders who are entitled and intend to attend the meeting and the number of voting shares held by those shareholders is one-half or more of our voting shares or the voting shares of that class. Otherwise, our Bank shall, within five days, notify the shareholders again by public notice of the matters to be considered and the place and the date for the meeting. Our Bank then may hold the shareholders' general meeting or "class shareholders' general meeting."

Rights of Minority Shareholders

In addition to obligations on controlling shareholders imposed by the applicable laws, administrative regulations requirements imposed by the stock exchange(s) on which our shares are listed, our Articles of Association provide that a controlling shareholder shall not exercise his voting rights, in a manner prejudicial to the interest of the shareholders in general or a part of the shareholder group of our Bank in respect of the following matters:

- to relieve a director or supervisor of his duty to act honestly and in the best interest of our Bank;
- to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person), under any disguise, of our Bank's assets, including (without limitation) opportunities beneficial to our Bank; or
- to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the rights of other shareholders, including (without limitation) rights to distributions and voting rights, except pursuant to a restructuring submitted to the shareholders' general meeting for approval in accordance with our Articles of Association.

For these purposes, a "controlling shareholder" means a person who satisfies any one of the following conditions:

- alone, or acting in concert with others, has the power to elect half or more of the Board;
- alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in our Bank;
- alone, or acting in concert with others, holds 30% or more of the shares of our Bank; or
- alone, or acting in concert with others, having de-facto controls our Bank in any other manner.

Procedures on Liquidation

Our Bank shall be dissolved and liquidated upon the occurrence of any of the following events:

- the term of operation expires;
- a resolution for dissolution is passed by shareholders at a shareholders' general meeting;
- dissolution is necessary due to a merger or separation of our Bank;
- our Bank is ordered to have its business licence revoked or be closed down or dissolved pursuant to the law;
- our Bank meets any serious difficulty in its operations or management so that the interests of the shareholders will face significant loss if it continues to exist and the problem cannot be solved by any other means; the shareholders who hold 10% or more of the voting rights of the issued shares of the company may ask the people's court to dissolve the company; or

- our Bank is legally declared bankrupt due to its failure to repay debts due.

Where the Board decides to liquidate our Bank due to reasons other than insolvency, the Board shall include a statement in its notice convening a shareholders' general meeting to the effect that, after making full inquiry into the affairs of our Bank, the Board is of the opinion that our Bank will be able to repay its debts in full within 12 months of the commencement of the liquidation.

Upon the adoption of the resolution to liquidate our Bank in a shareholders' general meeting, all functions and powers of the Board shall cease immediately.

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

Other Provisions Material to Our Bank and Our Shareholders

General Provisions

Our Articles of Association become effective on the date our H Shares are listed on the Hong Kong Stock Exchange. Thereafter, our Articles of Association constitute a legally binding document regulating our organisation and activities, and the rights and obligations between our Bank and each shareholder and among the shareholders *inter se*.

Our Bank may, based on its needs for operation and development and in accordance with applicable laws and regulations, increase its capital upon resolution at the shareholders' general meeting and subject to approval by the banking regulatory authority of the State Council approving the increase of its capital.

Our Bank may increase its capital in the following ways:

- offering new shares to unspecified investors for subscription;
- placing new shares to its existing shareholders;
- distributing new shares to its existing shareholders;
- covering capital reserve into capital; and
- using any other ways permitted by the applicable laws, administrative regulations and relevant regulatory authority.

Any increase of capital by issuing new shares shall, after being approved in accordance with the provisions of our Articles of Association, be conducted in accordance with the procedures stipulated by the applicable laws and administrative regulations.

Each shareholder of our Bank shall assume the following obligations:

- to abide by laws, administrative regulations and our Articles of Association;
- to pay subscription monies according to the number of shares subscribed and the method of subscription;
- not to withdraw the shares unless in circumstances as permitted by the applicable laws and regulations;

- not to abuse his shareholder's rights to the detriment of any of the interests of our Bank or of other shareholders, or to abuse the limited liability status of a corporation to defraud any creditor of our Bank. Where any of the shareholders of our Bank causes any loss to our Bank or to other shareholders by abusing the shareholder's rights, it shall be liable for compensating the company or the other shareholders. Where any of the shareholders of our Bank evades the payment of its debts by abusing the limited liability status of our Bank, resulting in serious prejudice to the interests of any creditor of our Bank, it shall bear several and joint liability for such debts of our Bank;
- we shall define and determine our liquidity squeeze and conduct a stress test by strictly following the relevant the CBRC rules. If the possibility that we will encounter liquidity squeeze arises, all shareholders that have taken out loans from our Bank shall repay the loans that are due immediately and undue loans shall be prepaid;
- shareholders shall protect the interests and benefits of our Bank. The shareholders who borrow from our Bank are not entitled to more favourable terms than other borrowers if the loans concerned are in the same category; if a shareholder manipulates its status as our shareholder to maliciously interfere with the lawful operation of our Bank or cause damage to the interests of our Bank, our Bank is entitled to bring a lawsuit to the court to stop the illegal action;
- the credit balance to a single shareholder may not exceed 10% of the net capital of our Bank. The loans extended by our Bank to the affiliate(s) of a single shareholder are counted in aggregation with the loans extended to the shareholder, the total amount of which shall not exceed 15% of the net capital of our Bank;
- if the capital adequacy ratio of our Bank falls below the statutory standard and relevant requirements by the CBRC, the shareholders shall support the measures put forward by the Board to raise the capital adequacy ratio;
- shareholders shall, in a timely, accurate and complete manner, report to the Board information about their affiliate(s), connected relationship with other shareholders, equity participation in other commercial banks and connected transactions with our Bank. Corporate shareholders shall report to the Board their material changes such as change of legal representatives, corporate name, registered address and connected parties in a timely manner; and
- to assume other obligations imposed by the applicable laws and administrative regulations or our Articles of Association.

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

Directors' Qualification Shares

A director is a natural person, who does not necessarily hold the shares of our Bank.

Board of Supervisors

Our Bank shall establish a Board of Supervisors. The directors, president and other senior management shall not act concurrently as supervisors. The Board of Supervisors shall be composed of five to nine supervisors. The Board shall have one chairman and one vice chairman. The term of office of supervisors shall be three years, renewable upon re-election. The election or removal of the chairman shall be determined by two-thirds or more of the members of the Board of Supervisors, and the election or removal of the vice chairman shall be determined by a majority of the Board of Supervisors. A resolution of the Board of Supervisors shall be passed by two-thirds or more of the members of the Board of Supervisors.

The Board of Supervisors shall consist of external supervisor(s) elected and removed by a shareholders' general meeting. Supervisors representing shareholders shall be elected and removed by a shareholders' general meeting; the employee supervisors shall be elected by the employees of our Bank at a staff representative assembly, general staff meeting or otherwise.

The Board of Supervisors shall be accountable to the shareholders and exercise the following powers in accordance with law:

- to review the regular reports by our Board and opine on the reports in writing;
- to examine and supervise our financial activities;
- to oversee and evaluate the conduct of our directors and senior management in carrying out their duties;
- to demand that director and senior management rectify their conduct when such conduct is prejudicial to the interests of our Bank, and report such conduct to shareholders' general meetings or relevant regulatory authorities;
- to conduct self-appraisal for the work carried out by the Board of Supervisors, and assess the performance of duties by our Supervisors;
- to propose the convening of extraordinary shareholders' general meetings, and to convene the shareholders' general meetings if our Board fails to call such a meeting as required;
- to present proposals to the shareholders' general meetings;
- to attend meetings of the Board and Board Committees, and, if necessary, to attend meetings of senior management and raise inquiries or suggestions on the proposals;
- to carry out an audit of any resigning senior management;
- to inquire into directors, the Board and senior management;
- to review and provide written opinions on our Bank's profit distribution proposals;
- to oversee the engagement and performance of the accounting firm of our Bank;
- to conduct auditing over the issues in connection with our financial activities, operation and decision-making, risk management and internal control;
- to bring actions against directors and senior management according to the PRC Company Law;
- to investigate any irregularities in the operations of our Bank, and may engage accounting firms, law firms or other professional firms to assist its work if necessary; and
- to exercise other powers prescribed by our Articles of Association, and powers conferred by the shareholders' general meeting.

President

Our president shall be responsible to the Board and exercise the following powers:

- to be in charge of the daily operation of our administration, and report on his work to the Board;
- to organise the implementation of the resolutions of the Board, our annual plan and our investment proposal;

- to draft plans for the establishment, dissolution and merger of our internal management departments and our outlets;
- to draft our basic management system and to formulate specific rules for our Bank;
- to propose to the Board to appoint or dismiss senior management (other than those required to be proposed by the chairman of the Board);
- to appoint or dismiss management (other than those required to be appointed or dismissed by the Board);
- to authorise senior management, chief officers of our internal departments and the branches to engage in business operation;
- to decide emoluments, welfares and the imposition of any disciplinary measures of employees;
- to decide the engagement and dismissal of employees; and
- to exercise other powers conferred by our Articles of Association or granted by the Board or chairman of the Board.

Our president shall be present at meetings of the Board. However, the president shall have no voting rights at the meetings unless he is also a director.

Board

The Board is accountable to the shareholders and exercises the following powers:

- to convene shareholders' general meetings and to report on its performance to shareholders at the shareholders' general meetings;
- to implement the resolutions of the shareholders' general meetings;
- to decide on our development plans, operational plans, investment plans and material asset disposal plans;
- to formulate our proposed annual preliminary and final financial budgets;
- to formulate our profit distribution plans and plans for recovery of losses;
- to formulate proposals for increases in or reductions of our registered share capital, issuance of bonds or other securities and listing plans;
- to formulate proposals for material acquisitions, the repurchase of our shares, merger, separation, change of the form of our Bank or dissolution or liquidation of our Bank;
- to conduct regular evaluations and improve our Bank's corporate governance;
- within the scope authorised by our shareholders' general meetings, to decide on external investments, purchases and sales of assets, pledges of assets, provision of guarantees, and connected transaction matters;
- to decide on the establishment of our internal management departments, outlets, number of staff and size of management team;
- to appoint or remove our president and secretary to our Board based on the nominations by the chairman; to appoint or remove the vice presidents, assistants to the president, head of finance department and other senior management based on the nominations by the president and to decide on matters relating to their emoluments and on the imposition of any disciplinary measures;

- to establish our basic management system;
- to formulate proposals for any amendment to our Articles of Association;
- to manage our disclosure of information;
- to propose the appointment or change of the accounting firms auditing our Bank;
- to review working reports of the president and to examine the president's performance;
- to review information disclosed in accordance with Hong Kong Listing Rules; and
- to exercise any other power prescribed by the applicable laws, administrative regulations and rules, as well as any other power conferred by our Articles of Association.

Meetings of the Board shall be held by the Board at least four times every year and be convened by the chairman of the Board. Notice of the meeting shall be served on all of the directors and supervisors 14 days before the date of a regular meeting.

Meetings of the Board shall be held only if more than half of the directors are present. Each director shall have one vote.

Resolution of Disputes

Whenever any disputes or claims arise from any rights or obligations provided in our Articles of Association, the PRC Company Law or any other relevant laws, administrative regulations and such claims concern the affairs of our Bank and are between holders of the H Shares and our Bank, holders of the H Shares and our directors, supervisors, president or other senior management, or holders of the H Shares and holders of our domestic shares, the relevant parties shall forthwith refer such disputes or claims to arbitration for resolution.

A claimant may elect for arbitration at either the CIETAC in accordance with its rules or the 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 a claimant elects for arbitration 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.

If any disputes or claims of rights are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided by relevant laws and administrative regulations.

Where a dispute or claim 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, shall abide by the arbitration, provided that such person is our shareholder, director, supervisor, president or other senior management.

The decision of an arbitration body shall be final, conclusive and binding on all parties.