

This appendix contains a summary of our articles of association. The principal objective is to provide potential investors with an overview of our articles of association. As the information contained below is a summary form, it does not contain all the information that may be important to potential investors. As stated in the paragraph headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix X, a copy of our articles of association, together with an English translation, is available for inspection.

Our articles of association was adopted by our shareholders in the extraordinary general meeting held on August 27, 2005 and was approved by the CBRC on September 16, 2005. Our articles of association will become effective on the date when our H shares will be 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 company, the board must submit a proposal for approval at a shareholders’ general meeting by way of special resolution.

Power to Dispose of the Assets of Our Company or any Subsidiary

The board is accountable to the shareholders.

The board shall not, without the prior approval or consent of shareholders in a general meeting, dispose or agree to dispose of, any fixed assets of our company where the estimated value of the consideration, for the proposed disposition, and the aggregate amount of the consideration for any such disposition of any fixed assets of our company that has been completed in the period of four months immediately preceding the proposed disposition, exceeds 33% of the value of our company’s fixed assets as shown in the last balance sheet placed before the shareholders in a general meeting.

The validity of a disposition by our company 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 assets but does not include the provision of fixed assets by way of security.

Emoluments, Compensation or Payments for Loss of Office

Our company shall, with the prior approval of shareholders in a 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, supervisor or executive officer of our company;
- emoluments in respect of his service as a director, supervisor or executive officer of any subsidiary of our company;
- emoluments in respect of the provision of other services in connection with the management of the affairs of our company and any of its subsidiaries; and
- payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.

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

The contracts concerning the emoluments between our company and its directors or supervisors should provide that, in the event of a takeover of our company, the directors or supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A “takeover of our company” 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 view to the offeror becoming a “controlling shareholder” within the meaning set out in our articles of association (see the section headed “Rights of the Minorities in Relation to Fraud or Oppression” below).

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

Loans to Directors, Supervisors and Other Officers

Our company shall not directly or indirectly make a loan to, or provide any guarantee in connection with the making of a loan to a director, supervisor, president or other executive officer of our company and its parent company or any of their respective associates. However, the following situations are not subject to such prohibition:

- the provision by us of a loan or a guarantee of a loan to a company which is our subsidiary;
- the provision by us of a loan or a guarantee in connection with the making of a loan or any other funds to any of our directors, supervisors, president and other executive officers to meet expenditure incurred or to be incurred by him for the purposes of our company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting; and
- we may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, president and other executive officers or their respective associates in the ordinary course of our business on normal commercial terms, provided that the ordinary course of business of our company includes the lending of money or the giving of loan guarantees.

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

A guarantee provided by our company in breach of the above provisions shall be unenforceable against our company, unless:

- the guarantee was provided in connection with a loan to an associate of any of the directors, supervisors, president and other executive officers of our company or of our company’s holding company and at the time the loan was advanced the lender did not know the relevant circumstances; or

- the collateral provided by our company has been lawfully disposed of by the lender to a bona fide purchaser.

Financial Assistance for the Acquisition of Shares in Our Company or any Subsidiary

Subject to the exceptions in our articles of association, our company and our subsidiaries 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 company. Such acquirer of shares of our company includes a person who directly or indirectly incurs any obligations (as defined below) due to the acquisition of shares. Our Company and our subsidiaries 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 company where the financial assistance is given in good faith in the interest of our company, and the principal purpose in giving the financial assistance is not for the acquisition of shares, or the giving of the financial assistance is an incidental part of a major plan of our company;
- the distribution of our company's assets by way of dividend;
- the allotment of bonus shares as dividends;
- a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of our company effected in accordance with our articles of association;
- the lending of money by our company within its scope of business and in the ordinary course of its business (provided that the net assets of our company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits); and
- the provision of money by our company for contributions to staff and workers' share schemes (provided that the net assets of our company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).

For these purposes:

- "financial assistance" includes (without limitation) the following:
 - gift;
 - guarantee (including any liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of our company's own default) or release or waiver of any rights;
 - provision of loan or any other contracts under which the obligations of our company are to be fulfilled before the obligations of another party, or a change in the parties to, or the novation of, or the assignment of rights arising under, such loan or agreement; or
 - any other form of financial assistance given by our company when our company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

- “incurring an obligation” includes the incurring of obligations by the changing of the obligor’s financial position by way of the entering into a contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Disclosure of Interests in Contracts with Our Company or any of its Subsidiaries

Where a director, supervisor, president or other executive officer of our company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with our company (other than his contract of service with our company) he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board.

Unless the interested director, supervisor, president or other executive officer discloses his interests in accordance with the 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 executive officer is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that director, supervisor, president or other executive officer is materially interested is voidable at the instance of our company except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, supervisor, president or other executive officer.

For these purposes, a director, supervisor, president or other executive officer of our company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

Where a director, supervisor, president or other executive officer of our company, before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of our company, gives to the board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description, which may subsequently be made by our company, such notice shall be deemed for the purposes of this paragraph to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned.

Remuneration

The remuneration of directors must be approved by shareholders in general meeting. Please see the section headed “Emoluments, Compensation or Payments for Loss of Office” above.

Appointment, Removal and Retirement

The term of office of the chairman of the board and the other board members shall be three years. If the term of appointment of a director expires and he is re-elected, the director may be re-appointed for consecutive terms.

Directors shall be elected and removed by the shareholders in general meeting. The general procedures for the nomination, election and appointment of directors are set forth below:

- subject to the maximum number of directors prescribed in the articles association, candidates for directors are nominated by the board;
- the candidates for directors, after receiving the board’s approval, shall be referred to the shareholders’ meeting for consideration by way of a written resolution. The board shall provide

some basic background information, including the resumes, of the candidates to the shareholders; and

- the shareholders' meeting shall hold a vote on the election of each candidate separately.

Shareholders holding at least 5% of our issued shares have the right to nominate any number of candidates for election to the board at a shareholders' meeting. The board of supervisors is entitled to nominate candidates of independent non-executive directors.

The board shall consist of 16 directors, of which at least two-thirds shall be non-executive directors and at least three shall be independent non-executive directors. The board shall have one chairman and one vice-chairman. The chairman and vice-chairman shall be elected and removed by a majority of all of the directors. A director is not required to hold shares of our company.

A person may not serve as a director, supervisor, president or other executive officer of our company if any of the following circumstances apply:

- a person without legal or with restricted legal capacity;
- a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights;
- a person who has been a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and he is personally liable for the insolvency of such company or enterprise;
- a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability;
- a person who has been removed from his position by other commercial banks or institutions for the reason of his failure to discharge the fiduciary duty;
- a person who has a relatively large amount of debts due and outstanding;
- a person who is under criminal investigation or prosecution by judicial organization for violation of the criminal law which investigation or prosecution is not yet concluded;
- a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- a non-natural person; or
- a person convicted of the contravention of provisions of relevant securities regulations by a relevant supervising authority, and such conviction involves a finding that he has acted fraudulently or dishonestly.

The validity of an act of a director, supervisor, president or executive officer on behalf of our company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Borrowing Powers

On condition of compliance with applicable laws and regulations of the PRC, our company has the power to raise and borrow money, which power includes, without limitation, the issue of debentures, the

charging or mortgaging of part or whole of our company's business or properties and other rights permitted by PRC laws and administrative regulations. Our articles of association do not contain any specific provision in respect of the manner in which borrowing powers may be exercised by the directors nor do they contain any specific provision in respect of the manner in which such powers may be varied, other than: (a) provisions which give the directors the power to formulate proposals for the issuance of debentures by our company; and (b) provisions which provide that the issuance of debentures must be approved by the shareholders in a general meeting by way of a special resolution.

Alterations to the Articles of Association of the Company

Our articles of association may be amended by special resolution of our shareholders in general meeting and are subject to approval by the relevant PRC government authorities.

Variation 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 varied or abrogated unless approved by a special resolution of shareholders in 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 to be variation or abrogation of the class rights of a class:

- to increase or decrease the number of shares of such class, or increase or decrease the number of shares of class having voting or distribution rights or privilege equal or superior to those of the shares of such class;
- to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;
- to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- to reduce or remove a dividend preference or a liquidation preference attached to shares of such class;
- to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights attached to shares of such class, or rights to obtain securities of our company;
- to remove or reduce rights to receive payment payable by our company in particular currencies attached to shares of such class;
- to create a new class of shares having voting or distribution right or privileges equal or superior to those of the shares of such class;
- to restrict the transfer or ownership of the shares of such class or add to such restriction;
- to issue rights to subscribe for, or convert into, shares in our company of such class or another class;
- to increase the rights or privileges of shares of another class;
- to restructure our company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring; and

- to vary or abrogate provisions of “special procedures for voting in class meetings” as contained in our articles of association.

Interested shareholders (as defined below) shall not be entitled to vote at class 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 presented at the relevant meeting who are entitled to vote at class meetings.

Written notice of a class meeting shall be given 45 days before the date of the class 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 the class meeting.

Notice of class 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 general meetings of shareholders. The provisions of our articles of association relating to the manner of conducting any shareholders’ general meeting shall apply to any meeting of a class of shareholders.

Holders of non-overseas-listed domestic shares and H shares are deemed to be shareholders of different classes.

The special procedures for class approval shall not apply in the following circumstances:

- where our company issues, upon the approval by a special resolution of its shareholders in 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; or
- where our company’s plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within 15 months from the date of approval of the Securities Authority of the State Council.

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 or public dealing on a stock exchange, a “controlling shareholder” within the meaning of our articles of association;
- in the case of a repurchase of shares by an off-market contract, a shareholder to which the proposed contract relates; and
- in the case of a restructuring of our company, a shareholder within a class who bears less than a 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 proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

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

Voting Rights (generally, on a poll and right to demand a poll)

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

At any general meeting of shareholders, a resolution shall be decided on a show of hands unless a poll is required in accordance with relevant rules and regulations of the regulators on which our shares are listed, or a poll is (before or after any vote by 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 and representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll be so demanded, the chairman, in accordance with the voting result on a show of hands, may declare the voting result (including the level of proxies lodged on each resolution and the balance for and against the resolution) and makes 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 business, other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

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

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to one additional vote.

Requirements for Annual General Meetings

The board shall convene an annual general meeting within six months from the close of the preceding financial year.

Accounts and Audit

Our company shall establish its financial and accounting system and internal audit system in accordance with the laws, administrative regulations, PRC accounting standards formulated by the financial industry's regulatory department of the State Council and the relevant regulations stipulated by the banking industry's regulatory department of the State Council.

Our company shall have an audit committee which reports and is responsible to the board. The audit committee shall act within such terms of reference and shall have such responsibilities and powers as the board may from time to time determine.

The audit committee shall be appointed by the board from among the directors of our company and shall consist of not less than five members.

The board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or any other regulatory documents promulgated by competent regional and central governmental authorities to be prepared by our company.

Our company's financial reports shall be made available at the Company for shareholders' inspection at our company 20 days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports.

The financial statements of our company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either IFRS, or the accounting standard of the overseas place where our company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When our company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

The preparation and presentation of any interim results or financial information published or disclosed by our company must also accord with PRC accounting standards and regulations, and also in accordance with either international accounting standards or the accounting standards of the overseas place where our company's shares are listed.

Our company shall publish its financial reports twice every fiscal year, that is, the interim financial report shall be published within 60 days after the expiration of the first six months of each fiscal year and the annual financial report shall be published within 120 days after the expiration of each fiscal year.

Notice of Meetings and Business to be Conducted Thereat

Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board.

Under any of the following circumstances, the board shall convene an extraordinary general meeting within two months:

- 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 company amount to one-third of the total amount of its share capital;
- when shareholders holding 10% or more of our company's issued and outstanding shares carrying voting rights request in writing the convening of an extraordinary general meeting;
- when deemed necessary by the board or as requested by the board of supervisors;
- when more than half of independent non-executive directors request convening of an extraordinary general meeting;
- other situations prescribed by the banking regulatory body under the State Council; or

- the relevant requirements of laws, regulations, regulatory documents of the regulatory body of the place where the Company's shares are listed and other situations as prescribed by our articles of associations.

When our company convenes a shareholders' general meeting, written notice of the meeting shall be given 45 days before the date of the meeting to notify all of 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 company 20 days before the date of the meeting.

When our company convenes a shareholders' annual general meeting, shareholders holding 5% or more of the total voting shares of our company shall have the right to propose new motions in writing, and our company shall place matters in the proposed motions within the scope of functions and powers of the shareholders' general meeting on the agenda.

A shareholders' extraordinary general meeting shall not decide on those matters not stated in the notice of meeting.

Our company shall, based on the written replies received 20 days before the date of the shareholders' general meeting from the shareholders, 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 reaches one half or more of our company's total voting shares, our company may hold the meeting. If not, then our company shall within five days notify the shareholders again by public notice of the matters to be considered, the place and the date for the meeting. Our Company then may hold the meeting after such publication of such notice.

A notice of meeting of shareholders shall comply with the following requirements:

- be in writing;
- state the venue, date and time of the meeting;
- state the matters to be discussed at the meeting where all matters to be considered shall be sufficiently disclosed, and in case of any alterations to any shareholders' resolutions passed previously, the relevant part of the resolutions to be amended shall be completely disclosed, not just being the alterations;
- provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate our company with another, to repurchase shares, to reorganize the share capital; or to restructure our company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;
- contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, president or other executive officer in the matters for discussion and the effect of the matters for discussion on them in their capacity as shareholders insofar as it is different from the effect on the interests of the shareholders of the same class;
- contain the full text of any special resolution proposed to be moved 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 instead of him 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 out the name and the phone number of the contact person of the meeting.

Notice of 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 register of shareholders. For the holders of domestic-invested shares, notice of the meetings may be issued by way of public notice.

The public notice shall be published in one or more newspapers designated by the securities governing authority of the State Council within the interval between 45 days and 50 days before the date of the meeting. After the publication of such notice, the holders of domestic-invested 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 resolved by an ordinary resolution at a shareholders' general meeting:

- our company's operating objectives and investment plans;
- work reports of the board and the board of supervisors;
- plans formulated by the board for the distribution of profits and for making up losses;
- appointment and removal of the members of the board and members of the board of supervisors (except staff's representative in the board of supervisors, and the directors and supervisors removed by the shareholders' meeting before the expiry of the relevant session), their remuneration, method of payment and matters regarding occupational liabilities insurance;
- executive officers' occupational liabilities insurance;
- annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of our company;
- material acquisition matters;
- our company's material investments in shares and debentures, acquisition and disposal of assets, written-off of assets, pledging of assets and other guarantee matters relating to non-commercial banking business;
- appointment, removal or re-appointment of auditors; and
- matters other than those shall be approved by special resolutions in accordance with the laws, regulations, regulatory constitutions, the relevant requirements of securities regulatory body of the place of jurisdictions on which the shares of our company are listed or as stipulated by our articles of association.

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

- the increase or decrease of share capital and the issue of shares of any class, warrants and other similar securities;

- the repurchase of shares of our company;
- the issue of convertible bonds;
- the issue of subordinate bonds;
- the issue of debentures of our company;
- the separation, merger, dissolution and liquidation of our company;
- amendments to our articles of association, Meeting Procedures for the Shareholders' Meetings, Meeting Procedures for the Board of Directors and Meeting Procedures for the Board of Supervisors;
- removal of directors and supervisors whose appointment has not expired; and
- any other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on our company and should be adopted by a special resolution.

Transfer of shares

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 any 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 in the shareholders' register due to the transfer of shares may be made within 30 days before the date of a shareholders' general meeting or within five days before the record date for our company's distribution of dividends.

Power of Our Company to Purchase our Own Shares

We may, with approval according to the procedures provided in our articles of association and subject to the approval of the relevant governing authority of the State, repurchase our issued shares under the following circumstances:

- cancellation of shares for the reduction of our capital;
- merging with another company that holds shares in our company; and
- other circumstances permitted by laws and administrative regulations.

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

- making a pro rata offer of repurchase to all of our shareholders;
- repurchase shares through public dealing on a stock exchange; or
- repurchase by an off-market agreement.

Where we repurchase our shares by an off-market agreement, the prior sanction of shareholders shall be obtained in accordance with our articles of association. We may release, vary or waive our rights under a contract so entered into by our company with the prior approval of shareholders obtained in the same manner.

Shares repurchased in accordance with law by our company shall be cancelled within the period prescribed by laws and administrative regulations. With the approval from the banking regulatory authority of the State Council, our company shall apply to the original companies registration authority for registration of the change of our registered share capital. The amount of our registered share capital shall be reduced by the aggregate par value of those cancelled shares.

Unless our company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of our issued shares:

- where our company 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 company 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 its 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 proceed of the fresh issue shall not exceed the aggregate of premiums received by our company on the issue of the shares repurchased nor the current amount (including the premiums on the fresh issue) of our share premium account (or capital reserve account);
- payment by our company in consideration of the following shall be made out of our distributable profits: (i) acquisition of rights to repurchase our shares; (ii) variation of any contract to repurchase our shares; and (iii) release of any of our obligation 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 our the distributable profits for payment of the par value portion of the shares repurchased shall be transferred to our share premium account (or capital reserve account).

Power for Any Subsidiary of Our Company to Own Shares in Our Company

There are no provisions in our articles of association preventing a subsidiary of our company from owning any of our shares.

Dividends and Other Methods of Profit Distribution

Our company may distribute dividends in the following manner:

- cash; or
- shares.

Dividends or other payments declared by our company to be payable to holders of domestic-invested shares shall be declared and calculated in RMB, and paid in RMB. Those payable to holders of foreign-

invested shares shall be declared and calculated in Renminbi, and paid in the local currency at the place where such foreign-invested shares are listed.

Our company shall appoint receiving agents on behalf of the H shares to receive on behalf of such shareholders dividends declared and all other monies payable by our company 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 (Chapter 29 of the Law of Hong Kong).

In the event that any holders of H shares do not claim a dividend for a long period of time, the Company may forfeit such unclaimed dividends. The exercise of such power shall be subject to the restrictions under the PRC laws and regulations and where such power is taken, it shall not be exercised until after the expiration of the applicable limitation period under the PRC laws and regulations.

Proxies

Any shareholder entitled to attend and vote at a meeting of our company 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 general meeting;
- have authority to demand or join in demanding a poll; and
- have the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity either under seal or under the hand of a director or attorney duly authorized. The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority 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 company 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 appointed for voting.

If the appointer is a legal entity, its legal representative or such person as is authorized by its board of directors or other governing body to act as its representative may attend at any meeting of shareholders of our company as a representative of the appointer.

Any form issued to a shareholder by the board for use by him for appointing a proxy to attend and vote at a general meeting of our company shall be in such blank form so as to enable the shareholder according to his intention, to instruct the proxy to vote in favor of, against or to abstain from voting any resolution put to vote at the general meeting. Such a proxy form shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or incapacity of the appointer or revocation of the proxy or of the authority under which the appointing instrument was executed, or the relevant shares in respect of which the proxy is given have been transferred, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by our company at its residence before the commencement of the meeting at which 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 company 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 to vote thereat;
- the right of supervisory management over our company's business operations, and the rights to present proposals or to raise enquires in relation thereto;
- the right to transfer, give, charge or dispose of shares in accordance with laws, regulations, regulatory constitutions, the relevant requirements pursuant to the regulatory authority of the place(s) where our shares are listed, and 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 such copy;
 - the right to inspect and copy, subject to payment of a reasonable charge:
 - (a) all parts of the register of shareholders;
 - (b) our share capital;
 - (c) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by our company since the end of the last accounting year and the aggregate amount incurred by our company for this purpose;
 - (d) minutes of shareholders' general meetings;
 - (e) our latest audited financial accounts and reports from the board, auditors and board of supervisors; and
 - (f) copies of the latest returns for the year which have already been submitted to the State Administration of Industry and Commerce or other competent authority for registration.

Our company shall place each of the above documents at our residence and at a place in Hong Kong for inspection by the public and shareholders free of charge, and on collection of reasonable charges to provide copies of such documents to shareholders;

- in the event of the termination or liquidation of our company, to participate in the distribution of remaining assets of our company in accordance with the number of shares held; and
- other rights conferred by laws, regulations, regulatory constitutions, the relevant requirements pursuant to the regulatory authority of the place where our shares are listed, and our articles of association.

Quorum for Meetings and Separate Class Meetings

Our company may convene a shareholders' general meeting or class meeting where our company has received 20 days before such meeting written replies from shareholders who are entitled and intend to attend the meeting and the number of shares which carry the right to vote held by those shareholders is more than one half of our voting shares. If not, our company shall within five days notify the shareholders again of the matters to be considered, the place and the date for the meeting. Our company then may hold the general meeting or class meeting, as the case may be.

Rights of the Minorities in Relation to Fraud or Oppression

In addition to obligations imposed by laws, administrative regulations or requirements by the regulatory authority of the place where our shares 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 shareholders generally or of some part of the shareholders of our company:

- to relieve a director or supervisor of his duty to act honestly in the best interests of our company;
- to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person), in any guise, of our company's assets, including (without limitation) opportunities beneficial to our company; or
- 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) rights to a distributions and voting rights save pursuant to a restructuring submitted to shareholders' 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:

- he alone, or acting in concert with others, has the power to elect more than half of the board;
- he 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 company;
- he alone, or acting in concert with others, holds 30% or more of the issued and outstanding shares of our company; or
- he alone, or acting in concert with others, in any other manner controls our company in fact.

Procedures on Liquidation

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

- a resolution for dissolution is passed by shareholders at a general meeting;
- dissolution is necessary due to a merger or separation of our company;
- our company is legally declared bankrupt due to its failure to repay debts due; or
- our company is ordered to close down because of its violation of laws and administrative regulations.

The dissolution of our company has to be approved by the banking regulatory authority of the State Council.

Where the board proposes to liquidate our company due to causes other than where our company has declared that it is insolvent, the board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of our company, the board is of the opinion that our company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of our company, all functions and powers of the board shall cease immediately.

The liquidation team 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 team's receipts and payments, the business of our company and the progress of the liquidation and to present a final report to the shareholders' general meeting on completion of the liquidation.

Other Provisions Material to Our Company and our Shareholders

General Provisions

Our articles of association take effect from the date our H shares are listed on the Hong Kong Stock Exchange. From the date of our articles of association becoming effective, our articles of association constitute a legally binding document regulating our organization and activities, and the rights and obligations between our company and each shareholder and among the shareholders inter se.

Our company may, based on its requirements for operation and development and in accordance with the relevant provisions of our articles of association, approve an increase of its capital.

Our company may increase its capital in the following ways:

- offering new shares to non-specially-designated investors for subscription;
- placing new shares to its existing shareholders;
- distributing new shares to its existing shareholders by way of bonus issues;
- increasing share capital by capitalization of capital reserve; and
- any other way permitted by law and administrative regulations.

Our company's 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 relevant laws and administrative regulations.

The ordinary shareholders of our company shall assume the following obligations:

- to abide by our articles of association and resolutions approved at shareholders' meeting;
- to pay subscription funds according to the number of shares subscribed and the method of subscription;
- not to withdraw the shares unless in circumstances as permitted by laws and regulations;
- to support the measures proposed by the board of directors to improve our capital adequacy ratio in case that our capital adequacy ratio does not meet the statutory requirements; and
- other obligations imposed by laws, administrative regulations and 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.

Board of Supervisors

Our company shall establish a board of supervisors. The directors, president and chief financial officers shall not act concurrently as supervisors. The board of supervisors shall be composed of seven supervisors. One of the members of the board of supervisors shall act as the chairman. The term of office of supervisors shall be three years, renewable upon re-election and reappointment. The election or removal of the chairman of the board of supervisors shall be determined by two-thirds or more of the members 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 comprise representatives of shareholders, representative(s) of staff and workers of our company and representative(s) from outsiders of our company. The representatives of shareholders shall be elected and removed by shareholders' general meeting; the representative of workers and staff of our company shall be elected and removed democratically by the authority representing the workers and staff of our company.

The board of supervisors shall be accountable to the shareholders' general meeting and exercise the following powers in accordance with law:

- to supervise the board of directors and executive officers in discharging their duties;
- to supervise the diligence of directors, chairman and executive officers;
- to demand rectification from a director, chairman or executive officers when the acts of such persons are harmful to the interest of the Company and all shareholders;
- to carry out audit if required against the resigning directors and the executive officers;
- to examine and supervise our financial situation;
- to review the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board to the shareholders' general meetings and, should any queries arise, to authorize, in the name of our company, the certified public accountants and practicing auditors of our company to assist in the re-examination of the same;
- to review the operation decisions, risk management and internal control and to provide guidance to internal audit;
- to carry out inquiries against directors, president and the senior executive officers;
- to propose to convene a shareholders' extraordinary general meeting;
- to represent our company in negotiation with or bringing an action against a director;
- to formulate proposals for any amendments to the Meeting Procedures for the Board of Supervisors and to formulate the relevant systems, regulations and implementation rules for the Board of Supervisors;
- nominate candidates of independent non-executive directors;
- to oversee matters regarding breach of laws, administrative rules, articles of association or violation of resolutions approved by the shareholders by directors, or executive officers in carrying

out their work, and to make proposals to shareholders meetings and board to remove directors and executive officers; and

- to exercise other powers conferred by the laws, regulations, regulatory constitutions, the relevant requirements by the regulatory authority of the place where our shares are listed and our articles of association regarding the powers exercisable by the board of supervisors.

Members of the board of supervisors shall be present at meetings of the board. If considered necessary by the board of supervisors, it can authorize supervisors to attend meetings held at the office of the president.

President

Our president shall be accountable to the board and exercise the following powers:

- to be in charge of our operation and management and to organize the implementation of the resolutions of the board;
- to submit to the board our business plan and investment plan and after having obtained approval of the same from the board, to organize their implementation;
- to draft plans for the establishment of our internal organizational structure;
- to draft our basic management system;
- to formulate concrete regulatory systems of our company;
- to propose the appointment or dismissal of our vice presidents and executive officers (except secretary to the board and chief auditor);
- to appoint or dismiss management personnel for internal departments of our company and the principal officers of branch offices other than those required to be appointed or dismissed by the board;
- to authorize executive officers (except chief auditor and secretary to the board), each of the internal operational departments and the chief officer of all branches to engage in business activities;
- to establish accountability system for the president, to conduct business review with all managers of operational and functional departments, and with presidents of all branches;
- to propose to convene an extraordinary meeting of the board;
- upon the happening of material event like a run on the Company, to take emergency measures, and to report immediately to the relevant government authorities, including the government regulatory agent of banking industry under the State Council, the board and the board of supervisors; and
- to exercise other powers conferred by the laws, rules, regulatory constitutions and our articles of association the authorities resolved to be exercised by the president pursuant to the shareholders' general meeting and the meeting 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.

Our president, in performing his functions and powers, shall act honestly and diligently and in accordance with laws, regulations, the requirements by the regulatory authority of the place where our shares are listed and our articles of association.

Board

The board is responsible to the shareholders' meeting and exercises the following powers:

- to be responsible for convening shareholders' general meetings and to report on its work to the shareholders' general meeting;
- to implement the resolutions of the shareholders' general meetings;
- to decide on our business plans and investment plans;
- to formulate our proposed annual preliminary and final financial budget;
- to formulate our profit distribution plan and plan for recovery of losses;
- to formulate proposals for increases in or reductions of our registered share capital, issue of convertible bonds, subordinated bonds, corporate debentures or other valuable securities and plans for listing;
- to formulate our material acquisition matter and plans for repurchase of our shares;
- to draw up plans for the merger, separation, dissolution and liquidation of our company;
- within the scope authorized by shareholders' general meeting, to decide on the investment in equity and debentures, acquisition and disposal of assets, written-off of assets, pledges of assets and other guarantee matters for non-commercial banking business;
- to decide on the establishment of our internal management structure;
- to decide on establishment of the first class branches within the PRC and of the branches overseas;
- to appoint or remove our president, chief accountant and secretary to the board, and to decide matters on their remuneration and punishment;
- based on the recommendations of the president, to appoint or remove the vice presidents and other executive officers (except the chief accountant and secretary to the board), and to decide matters on their remuneration and punishment;
- to establish our basic management system and to oversee its implementation;
- to formulate proposals for any amendment to our articles of association, Meeting Procedures for the Shareholders' Meetings, Meeting Procedures for the Board of Directors and other system, regulations and rules for the board;
- to propose to the shareholders' general meeting on appointment, dismissal or re-appointment of accountants' firms;
- to report to the shareholders' general meeting on matters regarding the management system for implementation of connected transactions and a specific connected transaction;
- to review working reports of the president and to supervise, examine and evaluate president's work and to enforce the accountability system applicable to the president;
- to review working reports from chief auditor and the officer-in-charge of our auditing department, and to examine, supervise, verify and assess internal auditing works; and

- to exercise any other powers conferred by the shareholders in general meetings, laws, rules, regulatory constitutions and the stipulations of regulatory authority of the place on which our shares are listed and our articles of association.

Regular meetings of the board shall be held at least four times every year and convened by the chairman of the board. Notice of the meeting shall be served on all of the directors 14 days before the date of a regular meeting. In case of any urgent matters, an extraordinary meeting of the board may be held.

Meetings of the board shall be held only if one half or more of the directors are present. Each director shall have one vote. Where the number of votes cast for and against a resolution are equal, the chairman of the board shall have the deciding vote.

Resolution of Disputes

Whenever any disputes or claims arise between holders of the H shares and our company, holders of the H shares and our directors, supervisors, president or other senior executive officers, or holders of the H shares and holders of Domestic Shares, based on our articles of association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws, regulations and regulatory constitutions concerning the affairs of our company, the relevant parties shall forthwith refer such disputes or claims to arbitration for resolution.

A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre 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 arbitration at Hong Kong International Arbitration Centre, 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 Hong Kong International Arbitration Centre.

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

Where a dispute or claim of rights 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 company or our shareholder, director, supervisor, president or other senior executive officers. Disputes in relation to the identification of shareholders and disputes in relation to the share register need not be referred to arbitration.

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