

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 the 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 the Articles of Association are available for inspection as mentioned in Appendix X "Documents Delivered to the Registrar of Companies and Available for Inspection".

The Articles of Association were adopted by the general meeting of shareholders on February 2, 2007 (Friday), and shall enter into force on the day on which our bank's overseas-listed foreign shares become tradable on Stock Exchange upon the approval by the CBRC on March 15, 2007 (Thursday).

On March 8 and March 26, 2007, we made a few changes to the Articles of Association⁽¹⁾. Up to the Latest Practicable Date, these amendments have not been approved by the CBRC.

The Articles of Association comply with the Mandatory Provisions, except for certain provisions, which are different from the Mandatory Provisions but in compliance with the laws or regulations that supersede the Mandatory Provisions in terms of legislative superiority, or were amended based on the actual situations of our bank with necessary approvals from the relevant regulatory authorities. We have been advised by our PRC legal counsel, King & Wood, that those exceptions do not violate the applicable PRC laws and regulations.

Power of directors and other senior officers to allot and issue shares

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

Proposals to increase capital of our bank must be submitted for approval by the shareholders' meeting. Any such increase is subject to prior approval of relevant regulatory authorities of the PRC.

Power to dispose of fixed assets of our bank

Without the prior approval of the general shareholders' meeting, the board of directors may not dispose or agree to dispose the fixed assets where the sum of the expected value of the consideration for the proposed disposal and the value of the consideration for disposed fixed assets in the four months period immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets shown in the last balance sheet presented at the general shareholders' meeting.

A disposal of fixed assets in this context shall include the assignment of certain interest in assets other than by way of providing security interest by using fixed assets as collaterals.

The validity of transactions whereby our bank disposes of fixed assets shall not be affected by the breach of the above paragraph hereof.

Emoluments, compensation or payments for loss of office

Our bank shall execute a written contract with each director and supervisor of our bank concerning his/her emoluments. Such a contract shall be approved by the shareholders' meeting before it is entered into. The above-mentioned emoluments shall include:

- emoluments in respect of his/her service as a director, supervisor or senior management personnel of our bank;

(1) Pursuant to resolutions passed by our shareholders on March 8, 2006, we propose to, inter alia, change the address of our registered office from Block C, Fuhua Mansion, 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, China to Jingcheng Mansion, 6 Xinyuan Nanlu, Chaoyang District, Beijing, China. Pursuant to resolutions passed by our shareholders on March 26, 2007, we propose to, inter alia, increase the number of our supervisors. Amendments to the Articles of Association in light of the above proposals were submitted by us to the CBRC, pending approval by the CBRC.

- emoluments in respect of his/her service as a director, supervisor or senior management personnel of a subsidiary of our bank;
- emoluments otherwise in connection with the provision of management or other services to our bank or any subsidiary thereof; and
- funds as compensation for his/her loss of office or retirement to the aforementioned directors and supervisors.

A director or supervisor may not sue our bank for his/her benefits due to him/her on the basis of the above-mentioned matters, except under a contract as mentioned above.

The contract concerning the emoluments between our bank and each director or supervisor of our bank should provide that in the event of a takeover of our bank, a director or supervisor of our bank shall, subject to prior approval of the shareholders' general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement.

For the purposes of this paragraph, the term "a takeover of our bank " shall refer to any of the following circumstances:

- anyone makes a tender offer to all the shareholders; or
- anyone makes a tender offer so that the offeror becomes a controlling shareholder as defined in the Articles of Association.

If the relevant director or supervisor has failed to comply with this Article of Association, any fund received by him/her shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

Loans to Directors, Supervisors, the President and other senior officers

Our bank may provide loans, loan guarantee to its related parties, provided such provisions of loans and loan guarantees are preconditioned on ordinary commercial terms; our bank shall not provide loans to its related parties on terms and conditions more favorable than the similar types of loans provided to other borrowers.

The related parties stated above shall mean:

- the directors, supervisors, management personnel, credit/borrowing status of our bank and their respective lineal relatives;
- companies, enterprises and other economic entities in which the above mentioned persons invest in or hold senior management positions.

Financial assistance for the acquisition of our shares

Our bank or its subsidiaries shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in our bank for their purchase or proposed purchase of the shares in our bank. Such purchasers of our bank's shares referred to above shall include persons that directly or indirectly undertake obligations for the purpose of purchasing shares in our bank.

Our bank or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.

However, the acts listed below are not prohibited:

- where our bank provides the relevant financial assistance truthfully for the benefit of our bank and the main purpose of the financial assistance is not to purchase shares in our bank, or the financial assistance is an incidental part of an overall plan of our bank;

- lawful distribution of our bank's property in the form of dividends;
- distribution of dividends in the form of shares;
- reduction of registered capital, buy-back of shares, shareholding structure adjustment, etc., in accordance with the Articles of Association of our bank;
- provision of a loan by our bank within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of our bank or that if the same constitutes a reduction, the financial assistance is paid out of our bank's distributable profits); and
- the provision of funds by our bank for an employee shareholding plan (provided that the same does not lead to a reduction in the net assets of our bank or that if the same constitutes a reduction, the financial assistance is paid out of our bank's distributable profits).

For these purposes:

- "financial assistance" shall include but not limited to:
 - gift;
 - guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from our bank's own fault) and release or waiver of rights;
 - provision of a loan or conclusion of a contract under which the obligations of our bank are to be fulfilled prior to the obligation of performance by the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract; and
 - financial assistance in any other form when our bank is insolvent or has no net assets or when such assistance would lead to a major reduction in our bank's net assets.
- "undertake obligations" shall include the undertaking of an obligation by the obligator by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligator individually or jointly with any other person) or by changing its financial position in any other way.

Disclosure of contractual interests with us

In cases where a director of our bank, a supervisor, the president and other senior management personnel has directly or indirectly vested a material interest in any contract, transaction or arrangement concluded or planned by our bank (except his/her engagement contract with our bank), he/she shall disclose the nature and extent of his/her interest to the board of directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the board of directors.

Unless the interested director, supervisor, president or other senior management personnel of our bank has disclosed such interest to the board of directors as required under the preceding paragraph hereof and the matter has been approved by the board of directors at a meeting in which he/she was not counted in the quorum and was abstained from voting, our bank shall have the right to revoke the contract, transaction or arrangement, except the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, president or other senior management personnel concerned.

If a director, a supervisor, president or other senior management personnel of our bank gives a written notice to the board of directors before the conclusion of the contract, transaction or arrangement is first considered by our bank, stating that due to the contents of the notice, he/she has an interest in the contract, transaction or arrangement that may subsequently be made by our bank, such director, supervisor, president or other senior management personnel shall be deemed for the purposes of the above paragraphs hereof to have declared his/her interest, insofar as attributable to the scope stated in the notice.

Remuneration

The remuneration of Directors shall be approved by shareholders at the shareholders' general meeting, as referred to under the section headed "— Emoluments, compensation or payments for loss of office" above.

Retirement, appointment and removal

Our bank shall establish a board of directors. The Board shall be composed of 15 directors, of which at least one-third shall be independent directors. The Board shall have one chairman and one vice chairman.

Directors shall be elected or replaced by the shareholders' meeting and serve a term of office of three years. A director may serve consecutive terms if re-elected upon the expiration of his/her term. The shareholders' meeting may remove any directors by ordinary resolution (but without prejudice to any claims for damages under any contracts) prior to the expiration of the term of such directors.

Directors are not required to hold shares of our bank.

None of the following persons may serve as a director, supervisor, president or other senior management personnel of our bank:

- persons without capacity or with limited capacity for civil acts;
- persons who have been sentenced for crimes for corruption, bribery, encroachment or embezzlement of property or disruption of the social or economic order where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime where five years have not lapsed following the serving of the sentence;
- directors, or factory directors or managers who bear personal liability for the bankruptcy or liquidation of their companies or enterprises due to mismanagement where three years have not lapsed of following the date of completion of such bankruptcy or liquidation;
- the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and three years have not lapsed following the date of revocation of such business licenses;
- persons with relatively heavy individual debts that have not been settled upon maturity;
- persons whose cases have been established for investigation by the judicial authorities as a result of violation of the criminal law, and have not been closed;
- persons who may not act as leaders of enterprises by virtue of laws and administrative regulations;
- non-natural persons;
- persons convicted of violating relevant securities laws and regulations by the securities regulatory authority of the State Council, and such conviction involves a finding that he or she has acted fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;
- persons who are currently banned from the market by the securities regulatory authority of the State Council and have not been released yet; and
- other matters stipulated by laws, administration regulations and rules.
- Persons who hold positions other than director in our controlling shareholder or de facto controlling person of our bank may not serve as senior management of our bank.

The validity of an act of a director, president or other senior management personnel of our bank on behalf of our bank towards a bona fide third party shall not be affected by any irregularity in his/her current position, election or qualifications.

Shareholders holding individually or jointly at least 3% of our shares entitled to vote shall have the right to nominate candidates for election to the board (except for independent directorship) at a shareholders' meeting by submission of a written proposal.

A director shall attend personally at least two thirds of the board meetings each year. The director shall be deemed to be incapable of fulfilling his or her duty if he or she fails to attend the board meeting either personally or by entrusting other directors to attend on his or her behalf twice consecutively, or fails to personally attend at least two thirds of the board meetings within one year, and the board of directors shall propose to the shareholders' meeting to remove such director.

There is no provision in the Articles of Association regarding retirement or non-retirement of directors under an age limit.

In addition to those prevented from holding the position of a director of our bank, the following persons shall also be prohibited from holding the position of an independent director:

- persons holding a position in our bank or entities in which our bank controls majority shares or is the de facto controller (excluding the position of independent director);
- persons who directly or indirectly hold 1% or more of all the voting shares of our bank, or hold a position in entities that directly or indirectly hold 1% or more of all the voting shares of our bank;
- persons who met the aforesaid circumstances in the previous three years before assuming their office (excluding the position of independent directors);
- persons who hold a position in enterprises owing overdue loans to our bank;
- persons who hold a position in entities that have business connection or interests with our bank in areas of law, accounting, audit and management consultation, etc.;
- other persons who may be controlled or materially influenced through various ways by our bank;
- the close relatives of the above persons (the term "close relatives" refers to spouses, parents, children, grandparents, siblings, mothers- or fathers-in-law, daughters- or sons-in-law, siblings' spouses and spouses' siblings);
- officers of the state authorities; and
- other persons specified or determined by the banking regulatory authority of the State Council, the securities regulatory authorities of the place of listing and other regulatory authorities.

The term of office of independent directors shall be 3 years. An independent director may continue to serve as the director of our bank, but he/she cannot continue to serve as an independent director upon the expiration of his/her term.

If an independent director fails to attend the board meeting personally for three times consecutively, the board of directors shall propose to the shareholders' meeting to replace such independent director.

Independent directors shall be elected through methods set forth below:

- Our bank's board of directors, board of supervisors and shareholders who severally or jointly hold no less than 1% of the voting shares in our bank may nominate candidates for independent director. The independent directors shall be decided through election by shareholders' meeting;
- After the independent directors are elected at the shareholders' general meeting, the nomination of the independent directors shall be submitted to the banking supervision and regulation authorities of the state council for the review of the qualification of serving independent directors.

Duties

In addition to obligations imposed by laws, administrative regulations or listing rules of the stock exchange(s) on which shares of our bank are listed, our bank's directors, supervisors, president and other

senior management personnel shall have the following obligations to each shareholder in the exercise of the functions and powers granted to them by our bank:

- not to cause our bank to act beyond the scope of business stipulated in its business license;
- to act honestly in the best interests of our bank;
- not to deprive our bank of its property in any way, including (but not limited to) any opportunities that are favorable to our bank; and
- not to deprive any shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring plan of our bank submitted to and adopted by the shareholders' general meeting in accordance with the Articles of Association.

Our bank's directors, supervisors, president and other senior management personnel shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with due care, diligence and skills as a reasonable and prudent person should do under similar circumstances.

Our bank's directors, supervisors, president and other senior management personnel must, in the exercise of their duties, abide by the principle of loyalty and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

- to act honestly in the best interests of our bank;
- to exercise powers within the scope of their functions and powers and not to act beyond such powers;
- to personally exercise the discretion invested to him/her, not to allow himself/herself to be manipulated by another person and, not to delegate the exercise of his/her discretion to another party unless permitted by laws and administrative regulations or with the consent of the shareholders' general meeting that has been informed;
- to be impartial to shareholders of the same category and fair to shareholders of different categories;
- not to conclude a contract or enter into a transaction or arrangement with our bank except as otherwise provided in the Articles of Association or with the consent of the shareholders' general meeting that has been informed;
- not to use our bank's property for his/her own benefit in any way without the consent of the shareholders' general meeting that has been informed;
- not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate our bank's property in any way, including (but not limited to) any opportunities that are favorable to our bank;
- not to accept commissions in connection with our bank's transactions without the consent of the shareholders' general meeting that has been informed;
- to abide by the Articles of Association, perform his/her duties faithfully, protect the interests of our bank and not to seek personal gain with his position, functions and powers in our bank;
- not to compete with our bank in any way without the consent of the shareholders' general meeting that has been informed;
- not to embezzle our bank's funds or lend them to others in violation of applicable regulations, not to deposit our bank's assets in accounts opened in his/her own or in another's name, not to illegally use

our bank's assets to provide security interest for the debts of our bank shareholders or other individuals; and

- not to disclose confidential information relating to our bank that was acquired by him/her during his/her term of office without the consent of the shareholders' general meeting that has been informed, and not to use such information except for the interests of our bank; however, such information may be disclosed to the court or other government authorities if:
- required by law;
- required in the public interest; or
- required in the own interest of such director, supervisor, president or other senior management personnel.

A director, a supervisor, the president or other senior management personnel of our bank may not procure the following persons or organizations ("Connected Persons") to do what such director, supervisor, president or other senior management personnel may not do:

- the spouse or minor children of such director, supervisor, president or other senior management personnel of our bank;
- the trustee of a director, supervisor, president or other senior management personnel of our bank or of any person referred in the aforesaid item hereof;
- the partner of a director, supervisor, president or other senior management personnel of our bank or of any person referred in aforesaid two items hereof;
- a company over which a director, supervisor, president or other senior management personnel of our bank, individually or jointly with any person referred to in aforesaid three items hereof or any other director, supervisor, president or other senior management personnel of our bank, has actual control; and
- a director, a supervisor, the president or other senior management personnel of the company being controlled as referred to in aforesaid item hereof.

The fiduciary duty of our bank's directors, supervisors, president and other senior management personnel do not necessarily cease with the termination of their term of office. Their confidentiality obligation in relation to our bank's trade secrets shall remain upon termination of their term of office. The term for continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with our bank terminates.

If a director, a supervisor, the president or other senior management personnel of our bank breaches his/her obligations to our bank, our bank shall, in addition to any rights and remedies provided by laws and administrative regulations, have a right to:

- require the relevant director, supervisor, president or other senior management personnel to compensate for the losses sustained by our bank as a consequence of his/her dereliction of duty;
- rescind any contract or transaction concluded by our bank with the relevant director, supervisor, president or other senior management personnel and contracts or with a third party (where such third party is aware or should be aware that the director, supervisor, president or other senior management personnel representing our bank was in breach of his/her obligations to our bank);
- require the relevant director, supervisor, president or other senior management personnel to surrender the gains derived from the breach of his/her obligations;

- recover any funds received by the relevant director, supervisor, president or other senior management personnel that should have been received by our bank, including (but not limited to) commissions; and
- require the relevant director, supervisor, president or other senior management personnel to return the interest earned or possibly earned on the funds that should have been given to our bank.

A director, a supervisor, president or other senior management personnel of our bank may be relieved from liability for a specific breach of obligations by the shareholders' general meeting which has been fully informed, except the circumstances as specified in the Articles of Association.

Borrowing powers

The 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 authorize directors 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' meeting by a special resolution.

Amendments to constitutional documents

Our bank may amend the Articles of Association in accordance with laws, administrative regulations and the provisions of the Articles of Association.

Our bank shall amend the Articles of Association if any of the following circumstances occurs:

- if any terms contained in the Articles of Association becomes inconsistent with the provisions of the amended laws and administrative regulations after the PRC Company Law, PRC Commercial Banking Law or other relevant laws and regulations are amended;
- if certain changes of our bank occur resulting in the inconsistency with certain terms specified in the Articles of Association; or
- if the shareholders' meeting adopts a resolution to amend the Articles of Association.

An amendment to the Articles of Association passed by the resolution of shareholders' meeting, shall subject to review of the banking supervision and regulation authorities of the State Council where it so requires. Where an amendment in the Articles of Association shall be subject to registration, our bank shall register the amendment according to law.

Variation of rights of existing shareholders of different classes

Shareholders who hold different categories of shares in our bank shall be shareholders of different categories. Shareholders of different categories shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association.

In addition to shareholders of other categories of shares, shareholders of domestic-listed shares classes and foreign-listed shall be deemed as shareholders of different classes of shares.

Upon the approval of the securities regulatory institution of the State Council, domestic shares of our bank may be totally or partially transferred or converted to foreign shares and become publicly tradable on overseas stock exchange. The listing of such shares in overseas stock exchange shall be in compliance with relevant regulations, rules and requirements effective at the place of listing. The listing of such shares in overseas stock exchange does not need approval from shareholders of different categories.

Any proposal by us to change or abrogate the rights of shareholders of different categories, shall be approved by the shareholders' meeting by a special resolution and by a separate shareholders' meeting convened by the affected shareholders of different categories in accordance with the Articles of Association.

The rights of shareholders of a certain category shall be deemed to have been changed or abrogated in the following conditions:

- an increase or decrease in the number of shares of such category or an increase or decrease in the number of shares of a category having voting rights, distribution rights or other privileges equal or superior to those of the shares of such category;
- a change of all or part of the shares of such category into shares of another category, a change of all or part of the shares of another category into shares of such category or the grant of the right to such change;
- a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such category;
- a reduction or removal of a dividend preference or property distribution preference during liquidation of our bank, attached to shares of such category;
- an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of our bank attached to shares of such category;
- a removal or reduction of rights to receive amounts payable by our bank in a particular currency attached to shares of such category;
- a creation of a new category of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that category;
- an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such category;
- an issuance of rights to subscribe for, or convert into, shares of such category or other categories;
- an increase in the rights and privileges of shares of other categories;
- restructuring of our bank causes shareholders of different categories to bear liability to different extents during the restructuring; or
- an amendment or cancellation of "special voting procedures for shareholders of different categories" as contained in the Articles of Association.

Interested shareholders(as defined below) shall not have the right to vote at meetings of shareholders of different categories.

Resolutions of a meeting of shareholders of different categories may be passed only by way of poll by two-thirds or more of the voting rights of that category represented at the meeting who are entitled to vote at meetings of shareholders of different categories.

When our bank is to convene a meeting of shareholders of different categories, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that category of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver a written reply to our bank on meeting attendance.

The notice of a meeting of shareholders of different categories needs to be delivered only to the shareholders entitled to vote thereat.

The procedures according to which a meeting of shareholders of different categories is held shall, to the extent possible, be identical to the procedures according to which a shareholders' meeting is held. Provisions of

the Articles of Association relevant to procedures for the holding of a shareholders' meeting shall be applicable to meetings of shareholders of different categories.

The special voting procedures for shareholders of different categories shall not apply in the following circumstances:

- where, as approved by way of a special resolution of the shareholders' meeting, our bank issues, either separately or concurrently, domestic investment shares and foreign investment shares listed outside the PRC every 12 months, and the number of the domestic investment shares and foreign investment shares listed outside the PRC intended to be issued does not exceed 20% of the issued and outstanding shares of the respective categories; or
- where the plan for, issuance of domestic investment shares and foreign investment shares listed outside the PRC upon our incorporation is completed within 15 months since being approved by the securities regulatory authorities of the State Council;
- the shares of our bank held by founding shareholder(s) are transferred or converted to foreign investment shares upon the approval of the State Council or its authorized approving authorities and publicly tradable on overseas stock exchange.

For the purposes of the provisions of the rights of shareholders of different categories, the "interested shareholders" shall have the following meanings:

- if our bank has made a buy-back offer to all shareholders in the same proportion or has bought back its own shares through open transactions on a stock exchange in accordance with the Articles of Association, the controlling shareholders as defined in the Articles shall be "interested shareholders";
- if our bank has bought back its own shares by an agreement outside a stock exchange in accordance with the Articles of Association, shareholders of share in relation to such agreement shall be "interested shareholders"; or
- under a restructuring proposal of our bank, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same category, or shareholders who have an interest in a restructuring proposal of our bank that is different from the interest in such restructuring proposal of other shareholders of the same category shall be "interested shareholders".

Resolutions-majority required

Resolutions of shareholders' meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by shareholders' meeting shall be adopted by more than half of voting shares represented by the shareholders attending the shareholders' meeting (including their proxies).

Special resolutions made by shareholders' meeting shall be adopted by two-thirds(2/3) or more of voting shares represented by the shareholders attending the shareholders' meeting (including their proxies).

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

Shareholders (including their proxies) exercise voting rights according to the voting shares they hold, and each share shall have one voting right. But the shares of our bank held by our bank shall not carry voting right.

Votes of the shareholders' meeting shall be taken by raising hands for resolutions, unless requested by the listing rules of the place where our banks' shares are listed or the following persons require voting by poll before or after any vote by raising hands for resolutions:

- the chairman of the meeting;
- at least two shareholders with voting rights or their proxies; or

- one or several shareholders (including proxies) holding jointly or separately 10% or more of the shares carrying the right to vote at the meeting.

Unless somebody proposes voting by ballot, the chairman of the meeting shall declare whether the proposal has been adopted according to the results of the vote by raising hands, and shall record the same in the minutes of the meeting, which shall serve as the final evidence without having to state the number or proportion of the votes for or against resolution adopted at the meeting.

The demand for a vote by ballot may be withdrawn by the person who made it.

If the matter demanded to be voted by ballot is the election of the chairman or the adjournment of the meeting, a ballot shall be taken immediately. If a ballot is demanded for any other matters, such ballot shall be taken at the time decided upon by the chairman and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution passed at that meeting.

When a ballot is held, shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in the same way.

When the number of votes for and against a resolution is equal, regardless whether the vote is taken by raising hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.

Requirements for annual shareholders' meeting

Annual shareholders' meeting shall be held once a year within six months after the end of the last fiscal year and shall be convened and presided over by the chairman of the Board.

Accounts and audit

Our bank shall formulate its accounting system in compliance with laws, administrative regulations and relevant stipulations in the general accepted accounting principles of China formulated by the Financial regulatory authorities and the regulations promulgated by the CBRC.

The board of directors of our bank shall submit to the shareholders at each shareholders' annual meeting such Financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities-in-charge require our bank to prepare.

The Financial reports of our bank shall be made available for inspection by shareholders 20 days prior to an annual shareholders' meeting. Each shareholder of our bank shall have the right to obtain a copy of the Financial reports.

The Financial statements of our bank shall be prepared not only in accordance with the PRC generally accepted accounting principles, laws and regulations but also in accordance with IFRS or the accounting standards of the place(s) outside the PRC where shares of our bank are listed. If there are major differences in the Financial statements prepared in accordance with these two sets of accounting principles, such differences shall be stated in the notes appended to such Financial statements. For purposes of our bank's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of Financial statements shall govern.

Interim results or Financial information published or disclosed by our bank shall be prepared in accordance with PRC GAAP, laws and regulations as well as IFRS or the accounting standards of the place(s) outside the PRC where shares of our bank are listed.

Notice of meetings and business to be conducted thereat

There are two types of shareholders' meetings: the annual shareholders' meetings and the extraordinary shareholders' meetings.

The extraordinary shareholders' meeting shall be convened within two (2) months upon the occurrence of any of the following events:

- the number of directors is less than the number stipulated by PRC Company Law or less than two-thirds of the number required by the Articles of Association;
- the outstanding balance of our bank's loss that had not been made-up reaches one-third of our bank's total paid-in share capital;
- shareholders holding severally or jointly ten percent (10%) or more of our bank's voting rights presents a written request to convene an extraordinary shareholders' meeting;
- the board of directors deems it as necessary or the board of supervisors proposes that the meeting be convened;
- half or more of independent directors propose that the meeting be convened;
- half of external supervisors propose that the meeting be convened; if there are only two external supervisors, unanimous consent of all external supervisors is required for making such proposal;
- Other situations, as stipulated in laws, administrative regulations, rules and the Articles.

Any shareholders who hold, severally or jointly with others, 3% or more voting shares of our bank shall have the right to propose and submit in writing to the persons who convene shareholders' meeting special proposals 10 days prior to the convening of shareholders' meeting. The convening persons shall issue a supplementary notice with the contents of the special proposals within 2 days of receipt of such proposals and include in the agenda for the meeting the matters in the proposals that fall within the scope of duties of the shareholders' meeting.

When our bank is to convene a shareholders' meeting, it shall issue a written notice 45 days prior to the meeting, informing all the registered shareholders of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the shareholders' meeting shall, within 20 days prior to the meeting, deliver a written reply to our bank on the meeting attendance.

The notice of a shareholders' meeting shall be delivered to the shareholders (whether or not entitled to vote on the shareholders' meeting) by courier or per-paid mail to the recipient's address shown in the register of shareholders. For shareholders of domestic-listed shares, the notice of a shareholders' meeting may also be given by public announcement. The public announcement referred to in the preceding paragraph shall be published in one or more newspapers or periodicals designated by the securities regulatory authorities of the State Council during the period between 45 and 50 days before the meeting is held. Once the announcement is made, all shareholders of domestic-listed shares shall be deemed to have received the notice of the relevant shareholders' meeting.

A meeting and the resolutions adopted to thereof shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

The notice of a shareholders' meeting shall meet the following requirements:

- it shall be made in writing;
- it shall specify the place, date and time of the meeting;
- it shall state the date on which equity of shareholders entitled to attend shareholders' meeting is registered;
- it shall describe the matters to be discussed at the meeting;
- it shall provide necessary information and explanations to the shareholders so as to enable them fully understand the matters to be discussed and make decisions accordingly. This Principle shall apply (but not limited to) when our bank proposes a merger, buy-back of shares, reorganization of share

capital or other restructuring, it shall provide the specific conditions and contracts (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;

- it shall disclose the nature and extent of conflict of interests, if any, of any director, supervisor, president or other senior management personnel in any matter to be discussed; and provide an explanation of the differences, if any, between the way in which the matter to be discussed would affect such director, supervisor, president or other senior management personnel in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same category;
- it shall contain the full text of any special resolutions proposed to be adopted at the meeting;
- it shall contain a conspicuous statement that shareholders entitled to attend and vote have the right to entrust one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder;
- it shall state the time and place for the delivery of the meeting's proxy's forms; and
- the name and telephone number of the permanent contact person for the meeting.

Based on the written replies received 20 days prior to a shareholders' meeting, our bank shall calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by the shareholders intending to attend the meeting is half or more of the total number of our bank's voting shares, our bank may convene the shareholders' meeting. If not, our bank shall within five days inform the shareholders once again of the matters to be examined at the meeting as well as the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, our bank may convene the shareholders' meeting.

Unless under unusual circumstances such as any crisis, without the prior approval of the shareholders' meeting or those authorized by the shareholders' meeting, our bank may not conclude any contract with any person other than a director, supervisor, president or other senior management personnel of our bank for the delegation of the whole business management or part of the important business management of our bank to such person.

Resolutions on the following items shall be adopted in the form of ordinary resolutions by a shareholders' meeting:

- working report of the board of directors and the board of supervisors;
- plans made by the board of directors on profit distribution and loss make-up;
- business strategies and proposals for significant investments of our bank;
- nomination and removal of members of the board of directors and the board of supervisors (except for the employee representative supervisors), and their remunerations and methods of payment;
- annual report of our bank;
- annual budget, final accounts, balance sheet, profit statement and other financial statements of our bank;
- engagement or dismissal of accounting firms and determination of their remuneration or the means to determine their remuneration; and
- items other than those stipulated by laws, administrative regulations or the Articles of Association to be adopted by special resolutions.

The following items shall be adopted in the form of special resolutions:

- increase or reduction of our bank's registered capital or issuance of any category of shares, warrants of share subscription or other similar securities;

- issuance of bonds;
- purchase or sale of material assets or provision of security interest with an amount of more than 30% of our bank's audited total assets value for the most recent period;
- division, merger, dissolution, liquidation or change of organizational form of our bank;
- amendment to the Articles of Association;
- share option incentive plans;
- repurchase of shares of our bank; and
- other matters stipulated by the Articles of Association and decided in ordinary resolutions adopted by the shareholders' meeting as having significant impact on our bank and requiring adoption by way of special resolutions.

Transfer of shares

Unless otherwise provided by laws and administrative regulations or required by the securities regulatory authorities in the places where the shares are listed, our bank's shares may be transferred free of any encumbrances, provided that any transfer resulting in the change of shareholders who hold 5% or more of all of our shares is subject to the approval of the banking regulatory authority of the State Council. For all fully-paid H Shares listed on the Stock Exchange, if the conditions stipulated in the Articles of Association are not met, the board of directors may refuse to accept any transfer instrument without stating any reasons.

Any changes to or correction of any parts of the register of shareholders shall be conducted in accordance with the laws of the place where such parts of the register of shareholders are kept.

No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders' general meeting or 5 days prior to the record date set by our bank for the purpose of distribution of dividends.

Power of our bank to purchase our own shares

If permitted under applicable laws, administrative regulations and the listing rules of the place of listing, after being approved under the procedures stipulated by the Articles of Association and obtaining approvals from CBRC and other relevant regulatory authorities, our bank may repurchase shares of our bank in the following circumstances:

- to cancel the shares for the purpose of reducing the registered capital of our bank;
- to merge with other companies holding the shares of our bank;
- to give the shares to employees as awards;
- to be requested to repurchase the shares held by the shareholders who object to the resolutions adopted at the shareholders' meeting concerning consolidation and division of our bank; or
- other circumstances where laws and administrative regulations so permit.

The repurchase of our bank's shares, upon the approval by relevant State authorities, may be conducted in any of the following manners:

- making a buy-back offer pro rata to all shareholders;
- buy-back through open transactions in a stock exchange;
- buy-back through contractual arrangements outside a stock exchange; or
- other means approved by laws, administrative regulations and authorities authorized by the State Council.

When our bank is to buy back shares through contractual arrangements outside a stock exchange, prior approval shall be obtained from the shareholders' general meeting in accordance with the procedures provided in the Articles of Association. Upon prior approval of the shareholders' general meeting obtained in the same manner, our bank may rescind or change contracts concluded in the manner set forth above or waive any of its rights under such contracts.

- for the purposes of the above paragraph, contracts for the buy-back of shares shall include (but not limited to) agreements whereby buy-back obligations are undertaken and buy-back rights are acquired.
- our bank may not assign contracts for the buy-back of its own shares or any of its rights thereunder.
- our bank shall apply to the State Administration for Industry and Commerce for the change of the registered capital registration in the event that the repurchased shares are cancelled due to the repurchase thereof.
- the amount of our bank's registered capital shall be reduced by the total par value of the shares so cancelled.
- unless our bank has already entered the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:
 - where our bank buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares;
 - where our bank buy backs shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:

where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profit;

where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new share issuance may not exceed the total premium obtained at the time of issuance of the old shares nor may it exceed the amount in our bank's capital reserve funds account (including the premiums from the new share issuance) at the time of buy-back;

- the amount paid by our bank for the purposes set forth below shall be paid out of our bank's distributable profits:
 - acquisition of the right to buy back its own shares;
 - modification of any contract for buy-back of its own shares;
 - release from any of its obligations under any buy-back contracts.
- after the par value of the cancelled shares has been deducted from the registered capital of our bank in accordance with relevant regulations, that portion of the amount deducted from the distributable profit and used to buy back shares at the par value shall be included in our bank's capital reserve account.

Power for our subsidiaries to own shares in our bank

There are no provisions in the Articles of Association restricting the ownership of shares in us by any of our subsidiaries.

Dividends and other methods of profits distribution

Our bank may distribute the dividends in the form of cash or stock.

Our bank shall appoint recipient agents for shareholders of foreign investment shares listed outside the PRC to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of foreign investment shares listed outside the PRC.

The recipient agents appointed by our bank for shareholders of foreign investment shares listed in Hong Kong shall be a company which is registered as a trust company under the Trustee Ordinance of Hong Kong.

After complying with relevant PRC laws, administrative regulations and rules, our bank may expropriate dividends no one claimed for, but such right of expropriation shall only be exercised upon the expiration of the applicable statutory limitation.

Proxies

Any shareholders entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be shareholders) as his/her proxies to attend and vote on his/her behalf. Such proxy may exercise the following rights according to his/her entrustment by the shareholder:

- the shareholder's right to speak at the shareholders' meeting;
- the right to demand a ballot by himself/herself or in conjunction with others; and
- the right to vote by hand or by ballot, except that if a shareholder has appointed more than one proxy, the proxies may only exercise the voting rights by ballot.

Shareholders shall entrust the proxy in writing, and the proxy shall be signed by the entrusting party or the agent authorized by the shareholders in writing. If the entrusting party is a legal person, the instrument shall be sealed with the legal person's stamp or signed by its director or formally authorized agent.

Legal person shareholders shall be represented by its legal representative or proxy entrusted by its legal representative to attend the meeting. Legal representative attending the meeting shall present his/her identification card and effective proof to his/her qualification as a legal representative. When a proxy is entrusted to attend the meeting, he/she shall present his/her identification card and written proxy or authorization letter issued by the legal representative of the legal person shareholder.

The proxy letter issued by a shareholder to entrust proxy to attend shareholders' meeting shall contain the following contents:

- Name of the proxy;
- Proxy's voting right;
- Instructions on each item to be discussed on the agenda of shareholders' meeting, stating whether the shareholder agrees to, object to or abstain from voting the resolution respectively;
- The issuing date of proxy letter and its effective period; and
- Signature or seal of the entrusting party; if the entrusting party is a domestic legal person, the proxy letter shall be sealed by it.

Any form issued by the board of directors of our bank to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative, negative or abstention vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit.

Where the entrusting party has died, lost capacity for acts, revoked the proxy or the signed instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given

in accordance with the terms of proxy letter shall remain valid as long as our bank did not receive a written notice of the event before the commencement of the relevant meeting.

Calls on shares and forfeiture of shares

There are no provisions in our Articles of Association relating to the making of calls on shares and forfeiture of shares. Subject to certain conditions, our bank has right to sell the H Shares held by a shareholder, with whom we are unable to get into contact for a prescribed period of time.

Rights of shareholders (including inspection of register)

Shareholders of ordinary shares of our bank shall enjoy rights as follows:

- collect dividends and other kinds of interests distributed based on the number of shares held by them;
- request for convention of, convene, preside over, attend or entrust a proxy to attend shareholders' meetings in accordance with the applicable laws and the Articles of Association;
- exercise voting rights based on the number of shares held by them;
- supervise the business operation of our bank, and make suggestions and enquiries accordingly;
- transfer, donate or pledge or otherwise dispose shares held by the shareholders in compliance with laws, administrative regulations, relevant requirements of securities regulatory authorities in the places where the shares are listed and the Articles of Association;
- obtain relevant information in accordance with the Articles of Association, including:
 - obtaining the Articles of Association after paying relevant cost;
 - inspecting the following documents after paying reasonable costs:
 1. minutes of shareholders' meetings;
 2. resolutions of board of directors' meetings and board of supervisors' meetings;
 3. personal materials of director, supervisor, president and other senior management of our bank;
 4. status of share capital and counterfoil of bonds of our bank;
 5. all parts of the register of shareholders;
 6. reports of the aggregate par value, number of shares, and highest and lowest prices of each category of shares bought back by our bank since the last fiscal year as well as all the expenses paid by our bank therefor; and
 7. financial report.
- participate in the distribution of our bank's remaining assets based on the number of shares held by the shareholders when our bank is terminated or liquidated; and
- request our banks to purchase its shares if objects to the resolutions adopted by the shareholders' meeting on merger or separation;
- other rights permitted by laws, administrative regulations and the Articles of Association.

Quorum for meetings and separate category meetings

Based on the written replies received 20 days prior to a shareholders' meeting, our bank shall calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by the shareholders intending to attend the meeting is more than half of the total

number of our bank's voting shares, our bank may convene the shareholders' meeting. If not, our bank shall within five days inform the shareholders once again of the matters to be examined at the meeting as well as the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, our bank may convene the shareholders' meeting. Relevant public announcement shall be published in newspaper in compliance with relevant provisions.

If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that category carrying the right to vote at the meeting, our bank may hold the meeting of shareholders of different categories. If not, our bank shall within five days inform the shareholders once again of the matters to be examined at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, our bank may hold the meeting of shareholders of different categories.

Relevant public announcement shall be published in newspapers in compliance with relevant provisions.

Rights of minority shareholders in relation to fraud or oppression

In addition to obligations imposed by laws, administrative regulations or the listing rules of the stock exchange(s) on which the shares of our bank are listed, while exercising voting rights, the controlling shareholders shall not make such decisions to the detriment of all or part of the shareholders' interests as below:

- relieving a director or supervisor of the responsibility to act honestly in the best interest of our bank;
- approving a director or a supervisor (for his/her own or other person's benefit) to deprive our bank of its property in any form, including (but not limited to) any opportunities that are favourable to our bank; or
- approving a director or a supervisor (for his/her own or other person's benefit) to deprive other shareholders of their rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of our bank submitted to and adopted by the shareholders' meeting in accordance with the Articles of Association.

The term "controlling shareholder(s)" in the Articles of Association shall refer to the person(s) satisfying any of the following conditions:

- acting alone or in concert with others, has the power to elect half or more number of the directors;
- acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of our bank's voting rights;
- acting alone or in concert with others, hold 30% or more of shares of our bank; or
- acting alone or in concert with others, can obtain actual control of our bank in any other manner.

Procedures on liquidation

Should any of the following circumstances occur, our bank shall be dissolved and liquidated pursuant to law:

- if the shareholders' meeting resolves to dissolve our bank;
- if a dissolution is necessary as a result of the merger or division of our bank;
- if our bank is declared bankruptcy pursuant to law because it is unable to pay off matured debts;
- if no other solutions can be pursued when our bank has serious difficulties in its operation and management, and its continued existence will cause great loss to the shareholders' interests; or
- if our bank's business licence is lawfully suspended, and our bank is lawfully declared to be closed or revoked.

If the board of directors decides that our bank should be liquidated (except the liquidation as a result of our bank's declaration of bankruptcy), the notice of the general shareholders' meeting convened for such purpose shall include a statement to the effect that the board of directors has made full investigation into the position of our bank and that the board holds the opinion that our bank can pay its debts in full within 12 months after the announcement of liquidation.

Dissolution and liquidation of our bank shall be in compliance with the relevant provisions stipulated under the PRC Company Law and the PRC Commercial Banking Law.

The functions and powers of the board of directors shall terminate immediately after the general shareholders' meeting has adopted a resolution to carry out liquidation.

Our bank shall not engage in any new business activities during the period of liquidation.

The liquidation committee shall follow the instructions from the general shareholders' meeting, and report to the general shareholders' meeting at least once a year on the committee's income and expenditure, the business of our bank and the progress of the liquidation. It shall make a final report to the general shareholders' meeting when the liquidation is completed.

Other provisions material to our bank or our shareholders

General provisions

Our bank is a joint stock limited company having perpetual existence.

From the date on which the Articles of Association came into effect, the Articles of Association constitute a legally binding public document regulating our organization and activities, and the rights and obligations between us and each shareholder and among the shareholders themselves.

Our bank may invest in other limited liability enterprises and joint stock enterprises in accordance with law and shall be held responsible for the invested enterprises within the limitation of the amount of our bank's capital contribution or shares subscription.

In light of the demands of operation and business development and based on relevant laws and administrative regulations, after obtaining separate resolutions of the shareholders' meeting and the approval of CBRC, our bank may increase its capital through the following ways:

- offering new shares to non-specific investors;
- offering new shares to the public;
- placing new shares to existing shareholders;
- distributing new shares to existing shareholders;
- transferring capital reserve funds;
- other methods permitted by competent supervisory authorities or by laws and administrative regulations.

Our bank's increase of its capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant State laws and administrative regulations after having been approved in accordance with the Articles of Association.

Our bank may reduce its registered capital in accordance with the provisions of the Articles of Association. The reduction of registered capital shall follow the procedures set forth in the PRC Company Law, the PRC Commercial Banking Law and other laws, administrative regulations and provisions of the Articles of Association.

When our bank is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

Our bank shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in newspapers within 30 days. Creditors shall, within 30 days since receiving a written notice or within 45 days since the date of the public announcement for those who have not received a written notice, be entitled to require our bank to pay off its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of our bank may not be less than the statutory minimum.

Shareholders of ordinary shares of our bank shall undertake the following obligations:

- abide by laws, administrative regulations and the Articles of Association;
- contribute share capital according to the number of shares subscribed by them and the methods of capital contribution;
- shareholders who have received loans from our bank shall repay the loans due immediately and shall repay those undue ahead of schedule when our bank is likely to suffer liquidity difficulties;
- unless otherwise stipulated by laws and administrative regulations, shareholders shall not withdraw their share capital;
- shareholders shall support the reasonable measures suggested by the board of directors to raise the ratio when the capital adequacy ratio of our bank is lower than the legal standard;
- not to use his shareholder's rights inappropriately to harm the interests of our bank or of other shareholders, or to misuse the independent legal person status of our bank and limited liability status of a shareholder to harm the interests of creditor of our bank;
- where any of the shareholders of our bank causes any loss to our bank or to other shareholders by using the shareholder's rights inappropriately, it shall be liable for compensation; and
- where any of the shareholders of our bank evades the payment of its debts by misusing the independent legal person status of our bank and the limited liability status of a shareholder, and it seriously harm the interest of any creditor of our bank, it shall bear joint and several liability for such debts of our bank.
- other obligations imposed by laws, administrative regulations and the Articles of Association.

Other than the conditions agreed by the subscribers of shares at the time of subscription, shareholders shall not be liable to subscribe for any additional share capitals subsequently.

Secretary of Board

- The Board has a secretary and the board secretary is a senior management personnel of our bank.
- the major duties of the board secretary shall be:
 - to ensure that our bank keeps complete organizational documents and records;
 - to ensure that our bank prepares and submits according to law the documents and reports required by relevant authorities;
 - to keep the list of shareholders and ensure that our bank's register of shareholders is properly established;
 - to exercise other powers conferred by the board of directors and other powers as may be required or provided for under laws of the places within or outside of PRC where our shares are listed.

Board of Supervisors

Our bank shall have a board of supervisors. The board of supervisors shall be composed of seven supervisors, one of whom shall be elected as the chairman of the board of supervisors. The chairman of the board of supervisors shall be elected and replaced by two-thirds or more of all the supervisors. The term of office of each supervisor shall be 3 years. A supervisor may serve consecutive terms if reelected upon the expiration of his/her term.

Directors, president and other senior management personnel may not serve as supervisors concurrently.

The board of supervisors is the supervisory authority of our bank, and shall be responsible to the shareholders' meeting and perform the following duties:

- to examine and supervise the financial activities of our bank;
- to supervise the performance of duties by the directors and senior management personnel of our bank, and dismissal of the directors and senior management personnel who violate laws, administrative regulations, the Articles of Association or resolutions of the general shareholders' meeting and to bring legal proceedings against the said persons in accordance with laws;
- to require the directors, the president, and other senior management personnel to correct any act that is harmful to our bank' interests;
- to audit the directors and senior management personnel who intend to leave their posts, if necessary;
- to audit the business decision-making, risk management and internal control of our bank if necessary;
- to verify financial information such as financial reports, business reports, profit distribution plans, etc. that the board of directors intends to submit to the shareholders' meeting and, if in doubt, to be able to appoint, in the name of our bank, a certified accountant or practicing auditor to assist in reviewing such information;
- to query the directors, the chairman of the board of directors, and senior management personnel;
- to propose to hold an extraordinary shareholders' meeting, and to convene and preside over a shareholders' meeting when the board of directors fails to perform its duty of convening and presiding over such meeting under the PRC Company Law;
- to make proposals to the shareholders' meetings;
- to opine on each items regarding credit asset quality, assets and liabilities ratio, risk management and other matters in the reports that the senior management proposes to submit to the banking regulatory authority of the State Council on a regular basis pursuant to relevant regulations within 5 working days after receiving such reports;
- to propose the convening of special meeting of directors, and
- other duties provided for in laws, administrative regulations and the Articles of Association or authorized by the shareholders' meetings.

A supervisor can attend the board meetings as a non-voting attendee and shall have the right to express its opinions. The board of supervisors may appoint a supervisor to attend the meetings of senior management as a non-voting attendee when it deems necessary.

President of our bank

The president of our bank shall be accountable to the Board and shall have the right to exercise the following powers:

- in charge of daily administration, business operation and accounting management, and report to the board of directors;

- organize the implementation of resolutions of the board of directors;
- formulate and organize the implementation of middle- and long-term development plans, and annual operation and investment plans;
- formulate the draft of the basic administrative system, internal management framework and important sub-entities establishment structure of our bank and report to the board of directors for approval;
- propose to the board of directors for the appointment or dismissal of Vice President, Assistant President; appoint or dismiss president or vice president of a branch as well as other senior management not appointed by the board of directors;
- appoint or dismiss officers of all internal departments and branches;
- formulate remuneration plans of our senior management and determine remuneration plans of other employees; decide on or authorize to decide on appointment and dismissal of employees;
- propose the convening of special meeting of board of directors;
- authorize senior management personnel, officers in-charge of internal departments and branches to conduct business activities under the authorization of the board of directors;
- determine significant investment and assets purchase and disposal with an amount less than RMB 200 million in each transaction;
- exercise the special authority at his disposal in relation to our bank's affairs in accordance with laws and our bank's interests upon the occurrence of significant contingency situations or other urgent circumstances, and report to the board of directors, the board of supervisors and the banking regulatory authority of the State Council; and
- other powers authorized by laws, administrative regulations and rules, and other relevant provisions and by shareholders' general meetings and the board of directors.

The president and the management team shall abide by laws, administrative regulations and the Articles of Association and perform his duties faithfully, honestly and diligently.

Board

The Board shall exercise the following functions and powers:

- convening shareholders' general meetings and reporting on its performance to shareholders at such meetings;
- executing the resolutions of the shareholders' general meetings;
- determining our development strategies, business plans and investment proposals;
- formulating our proposed annual budgets and final accounts;
- formulating our profit distribution plans and plans for recovery of losses;
- determining proposals for material investment, material asset disposal and other significant matters in accordance with our articles of association and within the scope authorized in our shareholders' general meetings;
- formulating proposals for increases in or reductions of our registered share capital, and proposals for merger, separation, dissolution, liquidation or change of the nature of our company;
- formulating proposals for issuance of bonds or other marketable securities and listing plans;
- formulating proposals for repurchase of our shares;
- formulating proposals for any amendment to our articles of association;

- appointing or dismissing our president and secretary of the board, and deciding on matters relating to their emoluments and on the imposition of any disciplinary measures;
- appointing or dismissing our vice presidents, assistant presidents and other executive officers based on the nomination of our president, and deciding on matters relating to their emoluments and on the imposition of any disciplinary measures;
- deciding on the establishment of our fundamental management system and structure;
- deciding on the establishment and cancellation of domestic tier one branch and overseas branch;
- deciding on policies and procedures on our disclosure of information;
- deciding on our information reporting system that requires the senior management personnel to report on operation matters of our bank to it on a regular basis;
- proposing the appointment or dismissal of our reporting accountant;
- formulating procedures on management of related party transactions; reviewing and approving or authorizing the audit and related party transactions control committee to approve related party transactions (except for the related party transactions that should be approved by the shareholders' general meetings in accordance with the applicable laws); reporting on related party transactions and the relevant procedures to the shareholders' general meetings;
- reviewing and approving proposals submitted by each board committee;
- reviewing working reports of our president and other executive officers; monitoring and ensuring the effective discharge of managerial responsibilities;
- reviewing and approving the terms of reference of each board committee; and
- exercising any other authorities conferred by shareholders' general meetings or prescribed by the applicable laws, regulations or our articles of association.

Regular meetings of the board of directors shall be held at least four times a year. Meetings of the board of directors shall be convened by the chairman of the board. Meeting notice shall be served in writing 10 days before the meeting is held to all the directors and supervisors.

The chairman of the board shall convene and preside a special board meeting within 5 working days under one of the following circumstances:

- shareholders representing one tenth or more voting rights propose;
- the chairman of the board considers necessary;
- one third or more of the directors propose jointly;
- half or more of the independent directors propose;
- the board of supervisors proposes; or
- the president of our bank proposes on urgent situation.

Meetings of the Board may be held only if more than half of the directors (including proxies) attend. Resolutions of the Board shall be adopted by the affirmative votes of more than half of all the directors.

Each director shall have one vote.

The special committees set up under the board of directors include without limitation: Strategy Development Committee, Risk Management Committee, Nomination and Remuneration Committee, and Audit and Related Party Transaction Control Committee.

Appointment of an accounting firm

Our bank shall engage an independent accounting firm that complies with relevant State regulations to audit the annual Financial reports, Financial statements and other Financial reports of our bank. The term of engagement of an accounting firm engaged by our bank shall be between the end of the annual shareholders' meeting of our bank and the end of the next annual shareholders' meeting.

The general shareholders' meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding any provisions in the engagement contract between the accounting firm and our bank, without prejudice to such accounting firm's right, if any, to claim damages from our bank in respect of such dismissal.

The engagement, dismissal or refusal of the renewal of the engagement of an accounting firm shall be decided upon by the shareholders' general meeting and reported to the securities regulatory authorities of the State Council.

The remuneration or method of remuneration of an accounting firm shall be decided upon by the shareholders' general meeting. The payment scheme to an accounting firm appointed by the board of directors shall be determined by the board of directors.

Loans to Shareholders

Our bank shall not provide more preferential conditions to its shareholders who hold 5 percent or more of our voting shares than other borrowers who apply for the same type of loans.

When our bank is having liquidity difficulty as prescribed by valid laws and administrative regulations and relevant provisions concerning settlement risks of commercial bank by the CBRC, shareholders who have borrowed from our bank shall immediately repay the loans that are due, and the loans that are not yet due should also be repaid in advance.

Shareholders who hold 5 percent or more voting shares of our bank and owe overdue loans to our bank shall be restricted from exercising voting right during the loan overdue period and the shares they hold shall not be included in the total voting shares of the shareholders who attend the shareholders' meeting. Our bank shall have the right to withhold the dividends of such shareholders as the repayment of their overdue loans. Any assets to be distributed to such shareholders in our bank's liquidation process shall also be used in priority for the repayment of our bank's outstanding loans.

Shareholders who hold 5 percent or more voting shares of our bank shall not pledge our bank's shares if the outstanding balance of the loans they borrowed from our bank exceeds the audited net book value of the shares held by them in the previous year, and they have not provided other security interest with bank deposit receipts or treasury bonds.

Major Investment and Disposal of Assets

The scope of authorization to the board of directors regarding decision power on investment, assets purchase and assets disposal shall be determined by the shareholders' meeting. The board of directors shall establish stringent review and approval procedures and policies in respect of its exercise of the aforesaid authorization, and such procedures and policies shall be submitted to the shareholders' meeting for its approval.

Dispute resolution

If any disputes or claims related to our bank's business based on the rights or obligations provided in the Articles of Association, the PRC Company Law and other relevant laws or administrative regulations arise between the shareholders of foreign investment shares listed outside the PRC and our bank, between the shareholders of foreign investment shares listed outside the PRC and the directors, supervisors and other senior management personnel of our bank or between the shareholders of foreign investment shares listed

outside the PRC and other shareholders, the parties concerned may submit such dispute or claim for arbitration.

A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant has submitted the dispute or claim for arbitration, the other party must carry out arbitration in the arbitration institution selected by the applicant.

If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Centre, either party may request arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

Unless otherwise provided by laws or administrative regulations, the laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred in the above paragraph.

When such disputes or claims as described above are submitted for arbitration, such disputes or claims they shall be submitted in their entirety, and all persons that have a cause of action due to the same events or whose participation is necessary for the settlement of such disputes or claims, and if such persons being our bank shareholders, directors, supervisors, the president or other senior management personnel of our bank, shall abide by the arbitration result.

Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration.

The award of the arbitration institution shall be final and binding upon each party.