

CONNECTED TRANSACTIONS

Upon the listing of our H Shares on the Hong Kong Stock Exchange, transactions between us and our connected persons (as defined under the Hong Kong Listing Rules) will constitute connected transactions for us under Chapter 14A of the Hong Kong Listing Rules.

The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under International Accounting Standard 24, "Related Party Disclosures", and its interpretations by the IASB. Accordingly, connected transactions set out in this section, which are described and disclosed in accordance with Chapter 14A of the Hong Kong Listing Rules, differ from the related party transactions set out in Note 36 to Appendix I — "Accountant's Report".

Further, as our A Shares are listed on the Shanghai Stock Exchange, some of the transactions described below will, in addition to being subject to and regulated by the Hong Kong Listing Rules, continue to be subject to and regulated by the Shanghai Listing Rules and other applicable laws and regulations in the PRC as long as our A Shares remain listed. However, the requirements of the Hong Kong Stock Exchange in relation to connected transactions differ from those of the Shanghai Stock Exchange. In particular, the definition of connected persons pursuant to the Hong Kong Listing Rules is different from the definition of related parties pursuant to the Shanghai Listing Rules. Therefore, a connected transaction pursuant to the Hong Kong Listing Rules may not constitute a related party transaction pursuant to the Shanghai Listing Rules, and vice versa.

We set out below details of our connected transactions.

Waiver for counterparties from being treated as connected persons

We were founded in the PRC in early 1996 by 59 Promoters. Under the Hong Kong Listing Rules, promoters of a PRC issuer and their associates are treated as connected persons of the issuer. We have made our best efforts to contact the Promoters to obtain information on the connected transactions (if any) that may have been entered into between the Promoters and/or their respective associates and ourselves. Since many of the Promoters now have either minimal or no shareholding in our Group and some of them have ceased to exist, they did not respond to our request for information. We are therefore unable to fully and completely ascertain all possible connected transactions or business relationships between the Promoters and/or their respective associates and ourselves. As we are offering a broad range of commercial banking services and products on normal commercial terms in our ordinary course of business, it would be impractical and burdensome, and would create unduly onerous administrative difficulties for us to try to identify and keep track of whether any of the Promoters and/or their respective associates has any business relationship with any of our branches or departments. The information set out in the sub-paragraphs headed "Commercial banking services provided in the ordinary course of business — Deposit taking, debt/credit card services and others" and "Commercial banking services provided in the ordinary course of business — Loans to connected persons" may not therefore cover all relevant transactions between the Promoters and/or their respective associates and ourselves. We have applied to the Hong Kong Stock Exchange for a waiver to the effect that only those Promoters who have nominated representatives on our Board and our Supervisory Board or who have an interest of 5% or more each in our share capital ("**Connected Promoters**") be treated as our connected persons, and have obtained such waiver.

CONNECTED TRANSACTIONS

As at the Latest Practicable Date, none of the Promoters have an interest of 5% or more in our share capital, and the following Promoters or their associate(s) have nominated representatives on our Board and our Supervisory Board:

<u>Name of Promoter</u>	<u>Representatives serving as Directors / Supervisors elected at the shareholders meeting held on March 23, 2009</u>
中國船東互保協會 (China Shipowners Mutual Assurance Association)	Mr. Wang Yugui (Non-executive Director)
福信集團有限公司 (前稱廈門福信集團有限公司) (Fuxin Group Co., Ltd. (formerly known as Xiamen Fuxin Group Co., Ltd.))	Ms. Wong Hei (Non-executive Director)
中國中小企業投資有限公司 (前稱中國鄉鎮企業投資開發有限公司) (China Small and Medium Enterprise Investment Development Co., Ltd. (formerly known as China Town and Township Enterprises Investment and Development Co., Ltd.))	Mr. Chen Jian (Non-executive Director)
哈爾濱哈投投資股份有限公司 (前稱哈爾濱歲寶熱電股份有限公司) (Harbin Hatou Investment Co., Ltd. (formerly known as Harbin Shirble Electric-Heat Co., Ltd.))	Mr. Xing Jijun (Deputy Chief Supervisor of the Supervisory Board)
希望集團有限公司 (Hope Group Co., Ltd.)	Mr. Liu Yonghao (Vice Chairman and non-executive Director) Mr. Wang Hang (Non-executive Director)
泛海集團有限公司 (前稱山東泛海集團公司) (Oceanwide Group Co., Ltd. (formerly known as Shandong Oceanwide Group Company))	Mr. Lu Zhiqiang (Vice Chairman and non-executive Director)

Exempt Connected Transactions

Set forth below are details of various connected transactions between our Group and certain Directors, Supervisors and Promoters and/or their respective associates. These transactions are entered into on normal commercial terms in the ordinary and usual course of our business, and are exempted from the reporting, disclosure and shareholders approval requirements under the Hong Kong Listing Rules.

Commercial banking services provided in the ordinary course of business — Deposit taking, debit/credit card services and others

We provide commercial banking services and products to members of the public in the PRC in the ordinary and usual course of our business, including the taking of deposits from certain of our Directors, Supervisors, Promoters and/or their respective associates at normal deposit rates and on normal commercial terms. It is likely that such connected persons will continue to utilize our services and products (including deposit-taking, debt/credit card services and other products). The connected persons are not provided with any preferential treatment in respect of their deposits and the deposits are placed with our Bank at normal deposit rates, on normal commercial terms and in our ordinary and usual course of business. However, it is the policy of our Bank that our senior employees (which includes but not limited to executive Directors and employee representative Supervisors) are eligible for waivers or discounts on annual fees for specified types of credit cards issued by our Bank and held by them.

CONNECTED TRANSACTIONS

Because the commercial banking transactions between our Group and our connected persons (including Directors, Supervisors, Promoters and their associates) are in the ordinary and usual course of business and on terms and conditions comparable or no more favorable than to those offered to independent third parties (including our other comparable employees who are not connected persons), these transactions will constitute exempt continuing connected transactions pursuant to (a) Rule 14A.33(1) of Chapter 14A of the Hong Kong Listing Rules (namely the acquisition as consumer or realization in the ordinary and usual course of business of consumer goods or services by a listed issuer from or to a connected person on normal commercial terms); (b) Rule 14A.65(4) of Chapter 14A of the Hong Kong Listing Rules (namely financial assistance provided by a connected person for the benefit of a listed issuer on normal commercial terms or better to the listed issuer) where no security over the assets of the listed issuer is granted in respect of the financial assistance; and/or (c) Rule 14A.65(1) of Chapter 14A of the Hong Kong Listing Rules (namely financial assistance provided by a listed issuer in its ordinary and usual course of business for the benefit of a connected persons on normal commercial terms, or better to the listed issuer). These transactions will, thus, be exempt from the reporting, announcement and independent shareholders' approval requirements contained in Rules 14A.45 to 14A.48 of the Hong Kong Listing Rules.

Commercial banking services provided in the ordinary course of business — Loans to connected persons

In the ordinary course of our business, we extend loans and credit facilities to certain Directors, Supervisors, Promoters and/or their respective associates on normal commercial terms with reference to prevailing market rates. It is likely that our Bank will in the future continue to provide loans and credit facilities to our connected persons.

The provision of loans and credit facilities by our Group to our connected persons are in the ordinary and usual course of our business and on terms and conditions available to independent third parties. Therefore, they will constitute exempt continuing connected transactions pursuant to Rule 14A.65(1) of the Hong Kong Listing Rules (namely financial assistance provided by a listed issuer in its ordinary and usual course of business for the benefit of a connected person on normal commercial terms). They will thus be exempt from the reporting, announcement and independent shareholders' approval requirements contained in Rules 14A.45 to 14A.48 of the Hong Kong Listing Rules.