

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.

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

Our articles of association were adopted by our shareholders in the extraordinary shareholders' general meeting held on June 22, 2009 and were approved by the CBRC on July 16, 2009. Our articles of association will become effective on the date that our H Shares are listed on the Hong Kong Stock Exchange.

Directors and Other Officers

Power to Allot and Issue Shares

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

To increase the capital of our Bank, the Board must submit a proposal for approval at a shareholders' general meeting by a special resolution.

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

The Board is accountable to the shareholders.

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

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

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

Emoluments and Compensation for Loss of Office

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

- emoluments in respect of his service as a director, supervisor, president or senior executive officer of our Bank;
- emoluments in respect of the provision of other services in connection with the management of the affairs of our Bank; and
- compensation for loss of office, or as consideration for or in connection with his retirement from office.

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

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

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

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

Loans to Directors, Supervisors and Other Officers

Our Bank shall not grant credit loans to a related person. Our Bank may only provide loans or loan guarantees to a related person if the terms and conditions are on normal commercial terms and conditions, and our Bank may not provide guaranteed loans to a related persons unless the terms and conditions on such loans are not more favorable than the terms and conditions of the same type of loans provided to other borrowers. Related person means:

- a director, supervisor, executive officer or employee engaged in credit business of our Bank, or any close relatives of such an individual; and
- a company, enterprise or other economic organization in which one of the above persons invests or of which such a person is a senior executive officer.

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

Financial Assistance for the Acquisition of Shares in Our Bank

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

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

- the provision of financial assistance by our Bank where the financial assistance is given in good faith in the interest of our Bank, and the principal purpose in giving the financial assistance is not for the acquisition of shares, or the giving of the financial assistance is an incidental part of a major plan of our Bank;
- the distribution of our Bank's assets through dividends;
- the allotment of bonus shares as dividends;
- a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of our Bank effected in accordance with our Articles of Association;

- the lending of money by our Bank within its scope of business and in the ordinary course of business (provided that the net assets of our Bank are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits); and
- the provision of money by our Bank for contributions to an employees' shareholding plan (provided that the net assets of our Bank are not thereby reduced or, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits).

For these purposes:

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

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

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

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

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

If a director, supervisor, president or other senior executive officer of our Bank, before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the president, gives to the Board a general notice in writing stating that,

by reason of the facts specified in the notice, he is interested in the contracts, transactions or arrangements and such contracts, transactions or arrangement are subsequently made by our Bank, such notice shall be deemed to be a sufficient declaration of his interests for the purpose of the above paragraphs to the extent of such disclosure in such notice.

Remuneration

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

Appointment, Removal and Retirement

The term of office of the chairman of the Board and the other Board members shall be three years. The qualification of a director shall be examined and approved by the banking regulatory authority of the State Council.

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

- upon the consultations with shareholders and the review of each candidate's qualification to act as director of a commercial bank, the nomination committee under the Board will submit the proposals to the Board for deliberations;
- proposal on director candidates shall be submitted to the shareholders' meeting in the form of a written motion by the last Board; and
- the shareholder(s) or the supervisory board having objection to the director candidates may submit a new motion to the Board, which will resolve whether to submit the motion to be deliberated on by the shareholders' general meeting.

Our Board, supervisory board and shareholders(s) individually or aggregately holding 1% or more of the issued shares of our Bank are entitled to nominate candidates for independent directors to be elected by shareholders' general meetings. The term of office of an independent director shall be three years.

The Board shall consist of 18 directors, of which at least one-third shall be independent directors. The Board shall have one chairman and a certain number of vice-chairman. The chairman and vice chairman shall be elected by a majority of all directors.

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

- a person without legal capacity or with restricted legal capacity;
- a person who has committed an offense of corruption, bribery, infringement of property, misappropriation of property or sabotaging of the social economic order and has been punished because he committed such an offense, where less than five years have elapsed since the date of completion of the sentence; or who has been deprived of his political rights, where less than five years have elapsed since the date of completion of this deprivation;
- a person who has been a director, factory manager or manager of a company or enterprise which has entered into an insolvency liquidation and is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of revocation of the business license;

- a person who has a relatively large amount of debts and who is in default of such debts;
- a person who is under criminal investigation by a judicial organization for violation of the criminal law for which investigation is not yet concluded;
- a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- a non-natural person; or
- a person convicted of contravening provisions of relevant securities regulations by a relevant supervising authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of conviction.

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

Borrowing Powers

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

Amendments to the Articles of Association of Our Bank

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

Change of Rights of Existing Shares or Classes of Shares

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

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

- an increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of such class having voting or distribution rights or privilege equal or superior to those of the shares of such class except for where shares of our Bank held on our domestic share register may be transferred to overseas investors, and such transferred shares may be listed or traded on any overseas stock exchange, subject to the approval of the securities authority of the State Council;
- an exchange of all or part of the shares of such class into shares of another class or an exchange or the creation of a right to exchange all or part of the shares of another class into the shares of such class except for where shares of our Bank held on our domestic share

register may be transferred to overseas investors, and such transferred shares may be listed or traded on any overseas stock exchange, subject to the approval of the securities authority of the State Council;

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

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

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

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

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

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

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

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

- where our Bank issues, upon the approval by a special resolution of its shareholders in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas-listed shares; or

- where our Bank's plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within 15 months from the date of approval of the Securities Authority of the State Council.

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

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

Resolutions — Majority Required

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

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

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

Voting Rights

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

At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is (before or after any vote by a show of hands) demanded:

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

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

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

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any other items on the

agenda may proceed, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting on the matter that the poll was demanded.

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

In the case of a tie, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Requirement for Annual Meetings

The Board shall convene an annual shareholders' general meeting within six months from the close of a fiscal year.

Accounts and Audit

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

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

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

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

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

The annual financial report to be published or disclosed by our Bank must also be prepared in accordance with both PRC accounting standards and regulations and either IFRS or the applicable accounting standards of the overseas stock exchange on which our Bank's shares are listed.

Our Bank shall publish its financial reports four times every fiscal year. The annual financial report shall be published within 120 days after the expiration of each fiscal year, the interim financial report shall be published within 60 days after the expiration of the first six months of each fiscal year and the quarterly financial report shall be published within 30 days after the expiration of the first three months and first nine months.

Notice of Meetings and Business to be Conducted Thereat

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

Under any of the following circumstances, the Bank shall convene an extraordinary shareholders' general meeting within two months from the date that such event occurs:

- when the number of directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in our Articles of Association;
- when the unrecovered losses of our Bank amount to one-third of the total amount of its share capital;
- when such meeting is requested by one or more shareholders representing in aggregate 10% or more of our Bank's voting shares;
- when such meeting is requested by one-half or more of the independent directors;
- when the Board deem it necessary;
- when the supervisory board; or
- in other situations as prescribed by laws, administrative regulations, department rules or our Articles of Association.

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

When our Bank convenes an annual shareholders' general meeting, the shareholders holding 3% or more of the total issued and outstanding voting shares of our Bank or the supervisory board shall have the right to propose new motions in writing, and our Bank shall place on the agenda those matters in the proposed motions that are within the scope of functions and powers of the shareholders' general meeting.

Our Bank shall, based on written replies from the shareholders received 20 days before the date of the shareholders' general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting is one-half or more of our Bank's total voting shares, our Bank may hold the meeting. Otherwise, our Bank shall within five days notify the shareholders again by public notice of the matters to be considered and the place and the date for the meeting. Our Bank then may hold the meeting after the publication of such notice.

A notice of a meeting of shareholders must:

- be in writing;
- state the venue, date, time and duration of the meeting;
- state the matters to be considered at the meeting and the proposals;
- contain a prominent statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder;
- specify the record date on which the shareholders are eligible to attend the meeting;
- list the name and the phone number of the contact person of the meeting
- provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge our Bank with another, to repurchase shares, to reorganize the share capitals or to restructure our Bank in any other way, the terms of the proposed transaction must be provided in detail together with copies of the

proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

- contain a disclosure of the nature and extent of any material interest of a director, supervisor, president or other senior executive officer in the matters for discussion and the effect of such interest on his capacity as a shareholder insofar as it is different from the interest of the shareholders of the same class;
- contain the full text of any proposed special resolution to be voted at the meeting; and
- specify the time and place for lodging proxy forms for the relevant meeting.

Notice of a shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by delivery or prepaid mail to their addresses as shown in the register of shareholders. For the holders of domestic shares, notice of the meetings may be issued by public notice.

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

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

- work reports of the Board and the supervisory board;
- plans formulated by the Board for the distribution of profits and for the making up of losses;
- appointment and removal of the members of the Board and members of the supervisory board, their emoluments and method of payment;
- annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of our Bank; and
- the annual report of our Bank;
- the annual plan for the distribution of profits of our Bank;
- the engagement or dismiss of the accounting firms;
- other matters unless required to be approved by special resolutions in accordance with the applicable laws and regulations or otherwise as stipulated by our Articles of Association.

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

- the increase or decrease of share capital and the issuance of shares of any class, warrants for share subscription and other similar securities;
- the issue of debentures of our Bank;
- the separation, merger, change of corporate form, dissolution or liquidation of our Bank;
- amendments to our Articles of Association;
- share incentive plans;

- any purchase or sale of our material assets within one year, or provision of guaranty within one year where the amount exceeds 30% of the total amount of our Bank's assets as audited in the latest period; and
- any other matters prescribed by the applicable laws and regulations or our Articles of Association, or resolved by the shareholders at a shareholders' general meeting, by an ordinary resolution, to be of a nature that may have a material impact on our Bank and should be adopted by a special resolution.

Transfer of Shares

Subject to the approval of the securities authority of the State Council, shares of our Bank held on our domestic share register may be transferred to overseas investors, and such transferred shares may be listed or traded on an overseas stock exchange. Any listing or trading of the transferred shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such overseas stock exchange. Such listing and trading of the transferred shares on an overseas stock exchange does not require the convening of a class shareholders' meeting to be voted on.

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

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

No changes resulting from share transfers may be made to the register of H Share holders within 30 days before the date of a shareholders' general meeting or within 5 days before a record date for our Bank's distribution of dividends. Changes made to the register of A-share holders are subject to the applicable domestic laws and regulations.

Power of Our Bank to Repurchase Our Own Shares

We may, in accordance with the stipulations of laws, administrative regulations, departmental rules and our Articles of Association and subject to necessary approvals of the relevant government authority, repurchase our issued shares under the following circumstances:

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

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

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

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

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

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

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

Right of Our Subsidiaries to Own Shares in Our Bank

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

Dividends and Other Methods of Profit Distribution

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

Cash dividends or other payments declared by our Bank to be payable to holders of domestic shares shall be calculated and declared in Renminbi and paid in Renminbi. Those payable to holders of H Shares shall be calculated and declared in Renminbi and paid in Hong Kong dollar. According to our Articles of Association, the accumulative profit distribution in cash for the last three years shall be no less than 30% of the annual average distributable profit realized for the last three years.

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

Proxies

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

- have the same right as the shareholder to speak at the shareholders' general meeting;
- have authority to demand a poll or join in such a demand; and
- have the right to vote by hand or on a poll, except that the proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

The instrument appointing a proxy shall be in writing signed by the appointer or his attorney duly authorized in writing. If the appointer is a legal entity, it shall either be executed under seal or be signed by an attorney duly authorized. The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney on behalf of the appointer, a notary certified copy of that power of attorney or other authority shall be deposited at the residence of our Bank or at such other place as is specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting at which the proxy proposes to vote or 24 hours before the time specified for voting.

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

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

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

Calls on Shares and Forfeiture of Shares

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

Rights of Shareholders (Including Inspection of Register of Shareholders)

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

- entitlements to dividends and other distributions in proportion to the number of shares held;
- the right to require, convene, moderate, attend or appoint a proxy to attend shareholders' general meetings and vote at the meetings in proportion to the number of shares held;
- the right to supervise the management and business operations of our Bank, and the right to present proposals or to raise inquiries in relation thereto;
- the right to transfer, give or pledge shares in accordance with laws, regulations, the relevant requirements of the regulatory authorities of the place(s) where our shares are listed, and the provisions of our Articles of Association;

- the right to obtain relevant information in accordance with the provisions of our Articles of Association, including:
 - the right to obtain a copy of our Articles of Association, subject to payment of the cost of obtaining such a copy;
 - the right to inspect and copy, subject to payment of a reasonable charge:
 - (a) all parts of the register of shareholders;
 - (b) the information regarding directors, supervisors, president or other executive officers of our Bank;
 - our share capital;
 - our latest audited financial reports and reports of the Board, auditors and supervisory board;
 - our special resolutions;
 - reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by our Bank since the end of the last accounting year and the aggregate amount incurred by our Bank for this purpose;
 - copies of the latest annual inspection report submitted to Industry and Commerce Administration authorities or other authorities for recordation;
 - counterfoils of debentures of our Bank;
 - minutes of the shareholders' general meetings
- in the event of termination or liquidation of our Bank, participating in the distribution of the remaining assets of our Bank in accordance with the number of shares held;
- in the event that the shareholder disagrees with the resolution of the shareholders' general meeting on the merger or separation of our Bank, requiring that our Bank repurchase his shares; and
- other rights conferred by the applicable laws, administrative regulations, departmental rules, or our Articles of Association.

Quorum for Meetings and Separate Class Meetings

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

Rights of Minority Shareholders

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

- to relieve a director or supervisor of his duty to act honestly and in the best interest of our Bank;

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

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

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

Procedures on Liquidation

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

- a resolution for dissolution is passed by shareholders at a shareholders' general meeting;
- dissolution is necessary due to a merger or separation of our Bank;
- our Bank is legally declared bankrupt due to its failure to repay debts due;
- our Bank is ordered to have its business license revoked or be closed down or dissolved because of its violation of laws and administrative regulations; or
- our Bank meets any serious difficulty in its operations or management so that the interests of the shareholders will face significant loss if it continues to exist and the problem cannot be solved by any other means, the shareholders who hold ten percent or more of the voting rights of the issued shares of the company may ask the people's court to dissolve the company.

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

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

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

Other Provisions Material to Our Bank and Our Shareholders

General Provisions

Our articles of association become effective on the date our H Shares are listed on the Hong Kong Stock Exchange. Thereafter, our Articles of Association constitute a legally binding document

regulating our organization and activities, and the rights and obligations between our Bank and each shareholder and among the shareholders *inter se*.

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

Our Bank may increase its capital in the following ways:

- offering new shares to unspecified investors for subscription;
- placing new shares to its existing shareholders;
- distributing new shares to its existing shareholders;
- offering new shares to specified investors; and
- using any other ways permitted by the applicable laws and administrative regulations.

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

Each shareholder of our Bank shall assume the following obligations:

- to abide by laws, administrative regulations and our Articles of Association;
- to pay subscription funds according to the number of shares subscribed and the method of subscription;
- not to withdraw the shares unless in circumstances as permitted by the applicable laws, regulations and rules;
- not to use his shareholder's rights inappropriately to injure any of the interests of our Bank or of other shareholders, or to misuse the limited liability status of a corporation to defraud any creditor of our Bank. Where any of the shareholders of our Bank causes any loss to our Bank or to other shareholders by using the shareholder's rights inappropriately, it shall be liable for compensating the company or the other shareholders. Where any of the shareholders of our Bank evades the payment of its debts by misusing the limited liability status of our Bank, if it seriously injures the interest of any creditor of our Bank, it shall bear several and joint liability for such debts of our Bank;
- if the capital adequacy ratio (capital adequacy ratio) of the Bank fall below the statutory standard, the shareholders shall support the measures put forward by the board to raise the capital adequacy ratio;
- we shall identify and decide on liquidity squeeze by strictly following the payment risks for commercial banks, as set forth by the banking regulatory authority under the State Council. If the possibility that the we will encounter liquidity squeeze arises, all shareholders that have taken out loans from the Bank shall repay the loans that are due immediately and undue loans shall be prepaid;
- shareholders shall maintain and protect the interests and benefits of us such that the shareholders to take out loans from the us are not entitled to more favorable terms than other borrowers if the loans concerned are in the same category; if the Shareholders intentionally prevents our Bank's proper operations or interests by taking advantage of its shareholder status, we are entitled to institute a legal action with the competent people's court to have such illegal activities stopped; the balancing of the loans a single shareholder may take out from us shall not exceed 10% of the net capital of our Bank. For this purpose, the loans extended by our Bank to the affiliate(s) of the shareholder are counted in as part of the loans extended to the single shareholder. A shareholder's voting right is limited before it has repaid its loans to our Bank in full.

- to assume other obligations imposed by the applicable laws and administrative regulations or articles of association.

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

Supervisory Board

Our Bank shall establish a Supervisory Board. The directors, president, vice president, chief financial officer and secretary to the Board shall not act concurrently as supervisors. The Supervisory Board shall be composed of nine supervisors. One of the members of the Supervisory Board shall act as the chairman. The term of office of supervisors shall be three years, renewable upon re-election and reappointment. The election or removal of the chairman of the Supervisory Board shall be determined by two-thirds or more of the members of the Supervisory Board. A resolution of the Supervisory Board shall be passed by two-thirds or more of the members of the Supervisory Board.

The Supervisory Board shall consist of outside supervisor(s) elected by the shareholders' general meeting, representative(s) of employees of our Bank and representative(s) of shareholders. The representatives of shareholders and the outside supervisor(s) shall be elected and removed by a shareholders' general meeting; the representative of employees of our Bank shall be elected and removed by the employees of our Bank.

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

- to review the regular reports by our Board and opine on the reports in writing;
- to examine and supervise our financial activities, and may, when necessary, engage another accounting firm for the purpose of conducting independent auditing on financial status;
- to oversee the conduct of our directors, president, vice president, chief financial officer and secretary to our Board in carrying out their duties;
- to demand that a director, president, vice president, chief financial officer and secretary to our Board rectify his conduct when such conduct is prejudicial to the interests of our Bank, and report such conduct to shareholders' general meetings or relevant regulatory authorities if necessary; and make proposals to remove our directors and senior officers if they breach any applicable laws, regulations or our Articles of Association;
- to conduct auditing over the issues in connection with the our operation and decision-making, risk management and internal control as and when necessary;
- to carry out an audit, if required, of any resigning director or senior officer;
- to issue opinions on the engagement of an accounting firm by us;
- to propose the convening of extraordinary shareholders' general meetings, and, if our Board fails to call such a meeting as required under our Articles of Association, to convene the shareholders' general meetings;
- to propose to convene an extraordinary board meeting and submit proposals to the shareholders' general meeting;
- to bring actions against directors and senior officers according to the Company Law;
- to investigate any irregularities in the operations of our Bank if necessary, and may engage accounting firms, law firms or other professional firms to assist its work at the costs of our Bank;
- to exercise the other powers prescribed by our Articles of Association, and powers conferred by the shareholders' general meeting.

Members of the Supervisory Board may be present at meetings of the Board and are entitled to speak their opinions at the meetings.

President

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

- to be in charge of daily operation of our administration, and report on his work to the Board;
- to organize the implementation of the resolutions of the Board, our annual plan and investment proposal;
- to draft plans for the establishment of our internal management structure and branches;
- to draft our basic management system;
- to formulate concrete regulatory systems for our Bank;
- to nominate the candidates for and propose to the Board the appointment or dismissal of executive vice presidents, chief finance officer and other senior management, and to appoint or dismiss other executive officers (other than those required to be appointed or dismissed by the Board);
- to nominate the candidates for and propose to the Board for the appointment or dismissal of presidents of our branches;
- to decide on the remuneration of, benefits for, incentives for and punishment of our employees, and to decide the engagement and dismissal of our employees;
- to propose the convening of an extraordinary meeting of the Board;
- to decide on the establishment, dissolution and merger of the branches, and to authorize the chief officers of the branches to engage in ordinary operation and management;
- to exercise other powers conferred by our Articles of Association or granted by the Board.

Our president shall be present at meetings of the Board. However, the president shall have no voting rights at the meetings unless he is also a director. (Art. 203)

Board

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

- to convene shareholders' general meetings and to report on its performance to shareholders at the shareholders' general meetings;
- to implement the resolutions of the shareholders' general meetings;
- to decide on our operational plans and investment plans;
- to formulate our proposed annual preliminary and annual final financial budgets;
- to formulate our profit distribution plans and plans for recovery of losses;
- to formulate proposals for increases in or reductions of our registered share capital, issuance of bonds or other securities and listing plans;
- to formulate proposals for material acquisitions, the purchase of our shares, merger, separation, change of the nature of our Bank, or dissolution or liquidation of our Bank;

- within the scope authorized by our shareholders' general meetings, to decide on external investments, purchases and sales of assets, pledges of assets, material guarantees, and connected transaction matters;
- to decide on the establishment of our internal management structure;
- to appoint or remove our president and chief finance officer based on the recommendation of the nomination committee; to appoint secretary to our Board based on the recommendations of the chairman of our Board; to appoint or remove the executive vice presidents and other executive finance officers based on the recommendations of the president and to decide on matters relating to their emoluments and on the imposition of any disciplinary measures;
- to approve the appointment or dismissal of the president, executive vice president of our branches and their senior management as determined by China Banking Regulatory Commission;
- to establish our basic management system;
- to formulate proposals for any amendment to our Articles of Association;
- to manage our disclosure of information;
- to propose the appointment or change of the accounting firms to audit our Bank;
- to review working reports of the president and to examine the president's performance;
- our Board shall establish a supervisory system to ensure that the management body will formulate a code of conduct and working principles for the management staff and the business personnel at all levels and that the regulatory documents will specifically require employees at all levels promptly report any possible conflict of interests, provide detailed rules and establish corresponding mechanism;
- our Board shall establish a reporting system and require the senior management report to our Board the operational issues of our Bank; and
- to exercise any other power prescribed by the applicable laws, administrative regulations and departmental rules, as well as any other power conferred by our Articles of Association.

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

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

Resolution of Disputes

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

A claimant may elect arbitration at either the CIETAC in accordance with its rules or the HKIAC in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at the HKIAC, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the HKIAC.

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

Where a dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration, provided that such person is an employee of our Bank or our shareholder, director, supervisor, president or other senior executive officer.

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