
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Zhongyuan Bank Co., Ltd.***, you should at once hand this circular, together with the form(s) of proxy and the reply slip(s) to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2018
FINAL ACCOUNT REPORT FOR 2018
FINANCIAL BUDGET REPORT FOR 2019
PROFIT DISTRIBUTION PLAN FOR 2018
APPOINTMENT OF ACCOUNTING FIRM FOR 2019
DIRECTORS REMUNERATION REPORT FOR 2018
SUPERVISORS REMUNERATION REPORT FOR 2018
ELECTION OF THE EXTERNAL SUPERVISOR OF THE SECOND SESSION OF
THE BOARD OF SUPERVISORS
AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR THE CONNECTED (RELATED)
TRANSACTIONS OF ZHONGYUAN BANK CO., LTD.
AMENDMENTS TO THE MEASURES FOR THE EQUITY
MANAGEMENT OF ZHONGYUAN BANK CO., LTD.
AMENDMENTS TO THE WORK RULES OF INDEPENDENT DIRECTORS OF
ZHONGYUAN BANK CO., LTD.
NOTICE OF 2018 ANNUAL GENERAL MEETING

The Letter from the Board is set out on pages 1 to 9 of this circular.

The Bank will convene the AGM at 2:30 p.m. on May 20, 2019 (Monday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Jinshui District, Zhengzhou, Henan Province, the PRC. The notice of the AGM is set out on pages VI-1 to VI-5 of this circular, and was despatched by the Bank on April 4, 2019 (Thursday).

If you are attending the AGM in person or by proxy, you are requested to complete the reply slip(s) in accordance with the instructions printed thereon and return the reply slip(s) to the H Share Registrar (for the H Shareholders) or to the office of the Board (for the Domestic Shareholders) on or before April 30, 2019 (Tuesday). Whether or not you intend to attend and/or vote at the AGM in person, you are requested to complete the form(s) of proxy in accordance with the instructions printed thereon and return the form(s) of proxy to the H Share Registrar (for the H Shareholders) or to the office of the Board (for the Domestic Shareholders) as soon as possible and in any event not less than 24 hours before the scheduled time for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form(s) of proxy will not preclude you from attending in person or voting at the AGM or any adjournment thereof should you so wish. The forms of proxy and reply slips for the AGM were despatched on April 4, 2019 (Thursday).

* *Zhongyuan Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), is not subject to the supervision of the Hong Kong Monetary Authority, and is not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“AGM” or “2018 Annual General Meeting”	the 2018 Annual General Meeting to be held by the Bank at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Jinshui District, Zhengzhou, Henan Province, the PRC at 2:30 p.m. on May 20, 2019 (Monday)
“Articles of Association”	the articles of association of the Bank, as amended, supplemented or otherwise modified from time to time
“Bank”	Zhongyuan Bank Co., Ltd.* (中原銀行股份有限公司*), a joint stock company incorporated on December 23, 2014 in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange, and, if the context requires, includes its predecessors, branches, sub-branches and subsidiaries
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	the ordinary share(s) issued by the Bank in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
“Domestic Shareholder(s)”	the holder(s) of Domestic Share(s)
“Group”	Zhongyuan Bank Co., Ltd.* (中原銀行股份有限公司*), a joint stock company incorporated on December 23, 2014 in the PRC with limited liability pursuant to the relevant PRC laws and regulations, and, if the context requires, includes its predecessors, branches, sub-branches and all subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	the overseas-listed ordinary share(s) in the share capital of the Bank, which are listed on the Main Board of the Stock Exchange (stock code: 1216) and traded in Hong Kong dollars, and has a nominal value of RMB1.00 each
“H Shareholder(s)”	the holder(s) of the H Share(s)
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H share registrar of the Bank
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Preference Shares” or “Offshore Preference Shares”	69,750,000 non-cumulative and perpetual offshore preference shares of the Bank issued and listed on the Stock Exchange, with a par value of RMB100 each
“Reporting Period”	the year ended December 31, 2018
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Supervisor(s)” the supervisor(s) of the Bank

“%” per cent

Certain amounts and percentage figures in this circular have been subject to rounding adjustments. Accordingly, figures shown as currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

LETTER FROM THE BOARD

中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

Executive Directors:

Mr. Dou Rongxing (*Chairman*)
Mr. Wang Jiong
Mr. Li Yulin
Mr. Wei Jie

Non-executive Directors:

Mr. Li Qiaocheng
Mr. Li Xipeng
Mr. Mi Hongjun

Independent non-executive Directors:

Ms. Pang Hong
Mr. Li Hongchang
Mr. Jia Tingyu
Mr. Chan Ngai Sang Kenny

Registered office in the PRC:

Zhongke Golden Tower
No. 23 Shangwu
Waihuan Road
Zhengdong New District
Zhengzhou
Henan Province, the PRC

***Principal place of
business in Hong Kong:***

40/F, Sunlight Tower
248 Queen's Road East
Wanchai
Hong Kong

To the Shareholders,

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2018
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2018
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NOTICE OF 2018 ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The Bank will convene the AGM at 2:30 p.m. on May 20, 2019 (Monday), at which resolutions will be proposed for the Shareholders to consider and approve, if thought fit, the following matters, including: (1) Work Report of the Board of Directors for 2018; (2) Work Report of the Board of Supervisors for 2018; (3) Final Account Report for 2018; (4) Financial Budget Report for 2019; (5) Profit Distribution Plan for 2018; (6) Appointment of Accounting Firm for 2019; (7) Directors Remuneration Report for 2018; (8) Supervisors Remuneration Report for 2018; (9) Election of the External Supervisor of the Second Session of the Board of Supervisors; (10) Amendments to the Administrative Measures for the Connected (Related) Transactions of Zhongyuan Bank Co., Ltd.; (11) Amendments to the Measures for the Equity Management of Zhongyuan Bank Co., Ltd.; and (12) Amendments to the Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd.

The purpose of this circular is to provide you with the details of the resolutions above. The notice of the AGM is set out on pages VI-1 to VI-5 of this circular, and was despatched by the Bank on April 4, 2019 (Thursday).

II. MATTERS TO BE RESOLVED AT THE AGM

1. Work Report of the Board of Directors for 2018

For the Work Report of the Board of Directors for 2018, please refer to Appendix I to this circular.

2. Work Report of the Board of Supervisors for 2018

For the Work Report of the Board of Supervisors for 2018, please refer to Appendix II to this circular.

3. Final Account Report for 2018

For the audited final financial account for the year ended December 31, 2018 prepared in accordance with the International Financial Reporting Standards, please refer to the financial statements set out in the announcement of annual results for the year ended December 31, 2018 dated March 28, 2019.

LETTER FROM THE BOARD

4. Financial Budget Report for 2019

It is estimated that the capital expenditure budget for 2019 of the Bank's parent company will be approximately RMB1,617 million, which is mainly used for the construction of large-scale infrastructure projects of the head office and branches, the transformation of intelligent halls, the investment in science and technology development of the Bank, and the capital investment in business operation.

5. Profit Distribution Plan for 2018

According to the relevant laws and regulations and as considered and approved at the Board meeting convened on March 28, 2019, the Profit Distribution Plan for 2018 proposed by the Board at the AGM for consideration and approval by the Shareholders is as follows:

- (1) The parent company of the Bank shall draw 10% of its net profit for the year, i.e. approximately RMB243 million, and put it into the statutory surplus reserve;
- (2) The parent company of the Bank shall draw a total of approximately RMB7.802 billion as the provision for general risks. As at the end of 2018, the Bank has drawn approximately RMB6.321 billion, with a shortfall of approximately RMB1.481 billion for 2018;
- (3) On the basis of a total share capital of 20,075,000,000 Shares, the Bank will make a cash dividend payment of RMB0.35 (tax inclusive) for every 10 Shares, representing a cash dividend payout of approximately RMB703 million (tax inclusive).

6. Appointment of Accounting Firm for 2019

The Board proposes to appoint KPMG Huazhen LLP and KPMG as the Bank's domestic and international auditors for 2019 respectively, with a term from the date of approval by the Shareholders at the AGM to the end of the next annual general meeting of the Bank. Details of the proposal of appointment of auditors of the Bank for 2019 are as below:

KPMG Huazhen LLP will provide services of annual audit and agreed-upon procedures of quarterly financial information for 2019 in accordance with the PRC principles. KPMG will provide services of annual audit and interim review for 2019 in accordance with international standards.

The Bank will pay KPMG Huazhen LLP and KPMG a total of RMB4.13 million for the audit during the year. Should significant changes occur in the Bank's operations, the Bank will communicate with KPMG Huazhen LLP and KPMG on the adjustment to the audit service fees for the additional workload.

LETTER FROM THE BOARD

Should there be any additional audit items deemed necessary during the term of such cooperation, the Bank will make a proposal to the general meeting for authorization granted to the Board, which shall in turn authorize the management to enter into agreements with KPMG Huazhen LLP and KPMG according to the actual needs of the Bank to determine the details of services and the service fees.

7. Directors Remuneration Report for 2018

In 2018, the annual remuneration approved for the four executive Directors of the Bank was RMB11.461 million (before tax), of which RMB6.945 million was already paid and RMB4.516 million was deferred in payment.

In 2018, the Bank had three non-executive Directors, and paid the job allowance for its non-executive Directors of RMB160,000 (before tax).

In 2018, the Bank had four independent non-executive Directors, and paid a total remuneration of RMB1.715 million (before tax), including annual remuneration of RMB1.20 million and RMB515,000 for the job allowance (before tax).

8. Supervisors Remuneration Report for 2018

In 2018, the annual remuneration approved for the three employee representative Supervisors of the Bank was RMB5.832 million (before tax), of which RMB4.007 million was already paid and RMB1.825 million was deferred in payment.

In 2018, the Bank had three Shareholder representative Supervisors, and paid the job allowance of RMB205,000 (before tax).

In 2018, the Bank had three external Supervisors, and paid a total remuneration of RMB735,000 (before tax), including annual remuneration of RMB450,000 and RMB285,000 for the job allowance (before tax).

9. Election of the External Supervisor of the Second Session of the Board of Supervisors

Reference is made to the announcement of the Bank dated January 17, 2019 in relation to, among others, the proposed election of an external Supervisor. On January 17, 2019, the Board of Supervisors of the Bank proposed to elect Mr. Pan Xinmin (“**Mr. Pan**”) as an external Supervisor of the second session of the Board of Supervisors at the sixth meeting of the second session of the Board of Supervisors. The term of office commences from the date of approval of the AGM and ends at the re-election of the second session of the Board of Supervisors.

LETTER FROM THE BOARD

The biographic details of Mr. Pan are as follows:

Mr. Pan, aged 62, has 38 years of working experience in economics. He has been a senior researcher of Henan Songshan Think Tank (河南嵩山智庫) since November 2018. He served as an inspector in the inspection group at the head office of China Merchants Bank (中國招商銀行總行) from December 2015 to February 2017, the president and secretary to the CPC Committee of China Merchants Bank Kunming Branch (中國招商銀行昆明分行) from December 2009 to December 2015, the principal of the organization panel of China Merchants Bank Zhengzhou Branch (中國招商銀行鄭州分行) from July 2002 to December 2002, and the president and secretary to the CPC Committee of the same from December 2002 to December 2009. Mr. Pan was the president and secretary to the CPC Committee of China Everbright Bank Dalian Branch (光大銀行大連分行) from April 2001 to July 2002. He successively held several positions in China Construction Bank (中國建設銀行) from April 1980 to April 2001, including: (i) clerk of Henan Branch (河南省分行), (ii) deputy chief officer of Henan Branch, (iii) vice president and member of the CPC Committee of Zhumadian Branch (駐馬店分行), (iv) deputy director of Sanding office of Henan Branch, (v) the general manager of Henan Trust Investment Co., Ltd. (河南省信託投資公司), (vi) the president and secretary to the CPC Committee of Shangqiu Branch (商丘分行), (vii) vice president and member of the CPC Committee of Henan Branch. The working experience of Mr. Pan also includes being employed as a worker at the Third Coal Mine of Hebi Mining Bureau (鶴壁礦務局第三煤礦) from September 1977 to April 1978.

Mr. Pan graduated from Henan Accounting School (河南省會計學校) in February 1980, and graduated from Henan Radio and Television University (河南廣播電視大學) majoring in Chinese language and literature in July 1985. He studied in the Party School of the CPC Committee of Henan Province (河南省委黨校) from September 1992 to July 1994 and obtained the graduation certificate majoring in economics management for undergraduates at the evening college of the Party School. He completed the on-the-job postgraduate courses and obtained a master degree of economics from Zhongnan University of Finance (中南財經大學) (currently known as Zhongnan University of Economics and Law (中南財經政法大學)) in July 1996, and completed education in international finance (as an off-the-job transferred student) and graduated at the Business School of Wuhan University (武漢大學商學院) and obtained a bachelor degree of economics in July 1999. He completed the on-the-job postgraduate courses and obtained a doctorate in management from the School of Management of Huazhong University of Science and Technology (華中科技大學) in December 2008. Mr. Pan obtained the senior economist qualification in March 1994 and the certified public accountant qualification from the Chinese Institute of Certified Public Accountants in December 1997.

LETTER FROM THE BOARD

The Bank will enter into a service contract with Mr. Pan. The term of office of Mr. Pan will be for a period from the date of election by the AGM to the expiry date of the term of office of the second session of the Board of Supervisors. Mr. Pan is subject to re-election in accordance with, among other things, the Listing Rules, relevant laws and regulations, the Articles of Association and the internal procedures of the Bank. The Bank will determine the remuneration packages of Mr. Pan in accordance with applicable laws, regulations and regulatory requirements and the relevant remuneration policies of the Bank, and will make appropriate disclosure in accordance with the Listing Rules.

Save as disclosed above, Mr. Pan does not (i) hold any Directorship in any other listed companies or take up any post in any affiliated companies of the Bank in the past three years; (ii) have any relationship with any other Directors, Supervisors, senior management or substantial Shareholders of the Bank; or (iii) have any equity interest in the Bank within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Bank is not aware of any other matter relating to the election of Mr. Pan that needs to be brought to the attention of the Shareholders, and there is no other information that shall be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules.

10. Amendments to the Administrative Measures for the Connected (Related) Transactions of Zhongyuan Bank Co., Ltd.

The Shareholders will consider and approve the revised Administrative Measures for the Connected (Related) Transactions of Zhongyuan Bank Co., Ltd. at the AGM. For the full texts of the measures, please refer to Appendix III to this circular.

11. Amendments to the Measures for the Equity Management of Zhongyuan Bank Co., Ltd.

The Shareholders will consider and approve the revised Measures for the Equity Management of Zhongyuan Bank Co., Ltd. at the AGM. For the full texts of the measures, please refer to Appendix IV to this circular.

12. Amendments to the Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd.

The Shareholders will consider and approve the revised Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd. at the AGM. For the full texts of the rules, please refer to Appendix V to this circular.

LETTER FROM THE BOARD

III. THE AGM

The Bank will convene the AGM at 2:30 p.m. on May 20, 2019 (Monday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Jinshui District, Zhengzhou, Henan Province, the PRC to consider and approve, if thought fit, the resolutions as set out in the notice of the AGM. The notice of the AGM is set out on pages VI-1 to VI-5 of this circular, and was despatched to the Shareholders on April 4, 2019 (Thursday).

If you are attending the AGM in person or by proxy, you are requested to complete and return the reply slip(s) in accordance with the instructions printed thereon. Whether or not you intend to attend and/or vote at the AGM in person, you are requested to complete and return the form(s) of proxy in accordance with the instructions printed thereon. Completion and return of the form(s) of proxy will not preclude you from attending or voting in person at the AGM or any adjournment thereof should you so wish. The respective forms of proxy and reply slips for the AGM were despatched on April 4, 2019 (Thursday) in accordance with the Listing Rules.

IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote by the Shareholders at the AGM shall be taken by the way of poll except where the chairman of the AGM in good faith decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

To the best knowledge of the Directors, no Shareholder or its associate (as defined under the Listing Rules) is deemed to have a material interest in any of the resolutions to be proposed at the AGM, and therefore no Shareholder is required to abstain from voting on any resolutions at the AGM.

The voting results of the AGM will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

LETTER FROM THE BOARD

V. CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM

The Bank's register of members will be closed from April 19, 2019 (Friday) to May 20, 2019 (Monday), both days inclusive, during which period no transfer of Shares will be effected. The Shareholders whose names appear in the Bank's register of members on May 20, 2019 (Monday) shall be entitled to attend and vote at the AGM.

For a Shareholder to be eligible for attending and voting at the AGM, all transfer documents together with the relevant share certificates and other appropriate documents must be lodged with the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 4:30 p.m., April 18, 2019 (Thursday) for registration.

If approved by the Bank's AGM, the payment of the final dividend is expected to be brought forward on June 28, 2019. The Bank's register of members will be closed from May 24, 2019 (Friday) to May 29, 2019 (Wednesday), both days inclusive, during which period no transfer of Shares will be effected. The Shareholders whose names appear in the Bank's register of members on May 29, 2019 (Wednesday) shall be entitled to receive the 2018 final dividend.

For a Shareholder to be eligible for the 2018 final dividend, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 4:30 p.m., May 23, 2019 (Thursday) for registration.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that all resolutions to be proposed at the AGM are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favor of all resolutions to be proposed at the AGM.

VII. OTHER INFORMATION

You are kindly requested to pay attention to other information as set out in Appendices I to V to this circular.

By Order of the Board
Zhongyuan Bank Co., Ltd.*
Dou Rongxing
Chairman

Zhengzhou, the PRC

April 26, 2019

* Zhongyuan Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), is not subject to the supervision of the Hong Kong Monetary Authority, and is not authorized to carry on banking and/or deposit-taking business in Hong Kong.

Work Report of the Board of Directors of Zhongyuan Bank Co., Ltd. for 2018

In 2018, by strictly abiding by the requirements of relevant laws and regulations such as the Company Law, the Guidelines on Corporate Governance of Commercial Bank (《商業銀行公司治理指引》), Hong Kong Listing Rules and the Articles of Association of the Bank, the Board of Directors of Zhongyuan Bank Co., Ltd. (hereinafter referred to as the “**Bank**”) performed their duties diligently and faithfully, implemented the decisions of the general meeting, formulated business development plans and focused on the implementation of the strategies of the Bank. All Directors utilized their expertise in actively offering advises and suggestions to provide a guarantee for the stable and rapid development of the Bank. The work of the Board of Directors for 2018 is hereby reported as follows.

I. REVIEW OF OPERATION DURING THE REPORTING PERIOD

Faced with the fierce market competition and stringent regulatory requirements, as at the end of the Reporting Period, the total assets of the Bank reached RMB620.444 billion (at the Group’s caliber, the same below), representing an increase of 18.9% as compared to the beginning of the year. Our Bank realized net operating income of RMB16.784 billion, representing an increase of 31.0% as compared to the beginning of the year. We recorded a net profit of RMB2.365 billion. The balance of deposits (excluding accrued interests) amounted to RMB346.189 billion, representing an increase of 12.9% as compared to the end of last year. The balances of the Bank’s loans (excluding accrued interests) amounted to RMB254.370 billion, representing an increase of 27.9% as compared to the end of last year. The ratio of non-performing loans was 2.44%. All the operating indicators reached a favorable banking level.

Benefiting from the sound operating results, the Bank’s social influence continued to improve. It was awarded the “Ten Best City Commercial Banks” for four consecutive years by Financial Times, Golden Cicada Award (金蟬獎) – the financial science and technology innovation bank award for two consecutive years by China Times, Ten Best Iron-horse Banks (鐵馬十佳銀行) by Modern Bankers, Golden Bauhinia Award – “the Best Listed Company” by China Securities and Evergreen Award – “Small and Medium-sized Bank with Most Financial Technology Value for the Year” from 2019 Sustainability Finance Summit and Caijing Magazine (《財經》). In the Top 1,000 world banks in 2018 announced by The Banker (UK), our Bank ranked 196th among world banks and ranked 31st among Chinese banks in terms of tier-one capital.

II. REVIEW OF MAJOR WORK OF THE BOARD

In 2018, the Board further strengthened the construction of work functions, seized opportunities, made decisions scientifically and accomplished specific goals successfully.

(I) Stable operation of corporate governance and successful completion of re-election of the Board

Upon the expiration of the term of the first session of the Board of the Bank, the Board and the Nomination and Remuneration Committee under the Board carefully reviewed the qualifications of candidates for director in accordance with the provisions of the Company Law and the Articles of Association of the Bank, and actively communicated with the regulatory authorities and relevant shareholders. It carried out the procedures of nomination, election, regulation and approval strictly in compliance with the laws, regulations and the Articles of Association of the Bank, and completed the first re-election of the Board upon the establishment of Zhongyuan Bank in a legitimate, compliant and efficient manner, ensuring the stable operation of corporate governance.

(II) Developing a diversified capital replenishment and consolidating a sustainable business foundation

As the continuous growth of business size, and in order to meet the prudential requirements of macro regulation and needs of full provision for impairment losses, the Bank actively learned from the latest practical experience in relation to capital replenishment in domestic and overseas financial markets in 2018 to further study the innovation of capital instrument and optimize its types and term match, so as to continuously expand the channels of capital replenishment. It completed the issuance of Tier-2 capital instruments with an amount of RMB10 billion and Offshore Preference Shares with an amount of US\$1.395 billion, which further enhanced the capacity to ward off risks, promoted sustainable development of the Bank and consolidated a sustainable business foundation.

(III) Compliant and efficient operation of the governance mechanism and effectively playing the leading role of the Board in decision-making

In 2018, the Bank continued to improve the construction of corporate governance mechanism. The Board earnestly performed its duties in various work and effectively played its leading role in decision-making.

- 1. Convening meetings to control the development direction of the Bank.** During the Reporting Period, the Bank convened one annual general meeting with eight resolutions considered and approved, one extraordinary general meeting with eight resolutions considered and approved; two shareholders class meetings with eight resolutions considered and approved; ten board meetings with 63 resolutions considered and approved; 18 meetings of respective special committees with 38 resolutions considered and approved, and 11 professional independent opinions gave by the independent Directors of the Board. The matters for consideration covered various aspects such as the Bank's business development, amendments to the Articles of Association, bond issuance and internal control compliance, ensuring the efficient operation and scientific decision-making of the Board.
- 2. Pairing new regulations to improve the corporate governance system in a timely manner.** Firstly, the Bank amended and improved the Articles of Association to incorporate the Party building into the Articles of Association, and clearly implemented the statutory status of the Party organization in the corporate governance structure. Secondly, the Bank amended the Administrative Measures for the Related Transactions, the Measures for the Equity Management and Work Rules of Independent Directors in accordance with various regulatory systems issued by the China Banking and Insurance Regulatory Commission and the People's Bank of China, ensuring the scientificity, rationality and feasibility of various systems.
- 3. Optimizing the composition of the special committees of the Board to strengthen the construction of professional functions.** Upon the establishment of the second session of the Board, the Bank established the consumer rights protection committee to integrate the protection of consumer rights into the corporate governance and business development strategy, further enriching and optimizing the functions of the special committee of the Board and improving the decision-making efficiency and the degree of professionalization of the Board.

(IV) Continuous strengthening equity business management and constantly optimizing shareholders' service process

In 2018, under the premise of legal compliance and controllable risks, the Bank further optimized the processes of equity pledge, equity transfer, equity inheritance and shareholder information change to continue to carry out equity ownership confirmation. As of the end of 2018, the Bank's equity ownership confirmation rate reached 99.43%. In accordance with the regulatory requirements, the Bank conducted a comprehensive analysis on the Bank's shareholders and equity management from the substantial shareholders to the de facto controllers and ultimate beneficiaries to give a sweeping panoramic perspective of the Bank's equity management.

(V) Prompt, accurate and complete information disclosure and continuous strengthening of the compliance awareness as a listed company

In accordance with the Guidelines on Corporate Governance of Commercial Bank (《商業銀行公司治理指引》), the Hong Kong Listing Rules and the Information Disclosure Management Measures of the Bank and other relevant requirements, the Bank carried out information disclosure in compliance with laws and regulations, and successfully completed the disclosure of various regular reports and other temporary information. During the Reporting Period, the disclosures completed by the Bank included: announcements and circulars related to the extraordinary general meeting and the annual general meeting, announcements of board meetings for disclosing results, announcements of resignation, re-election and appointment of Directors and Supervisors, monthly returns and announcements of matters relating to the issuance of bonds and preference shares.

(VI) Further strengthening the management of related transactions and continuous improving the risk management measures

In accordance with the Administrative Measures for Connected Transactions between Commercial Banks and Insiders and Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》) and Interim Measures on Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》), the Bank implemented dynamic management on the list of related parties according to the actual situation of the Bank. Through filing the general related transaction and reviewing major related transaction in accordance with the laws and regulations, the Bank ensured that related transactions were lawful and compliant, eliminating the potential risks that related transactions may bring to the Bank from the source.

(VII) Continuously strengthening the self-construction of the Board to effectively enhanced performance capability of Directors

According to the professional expertise of the Bank's Directors, the Bank continued to optimize the structure of the special committees and enhanced the performance capability of the special committees of the Board. In 2018, the Bank assigned Directors to participate in corporate governance seminars to study new policies and understand regulatory trends, which further improved the level of expertise and performance capability of Directors.

(VIII) Keep promoting the construction of strategy and corporate culture and actively implementing social responsibility

By adhering to the "three major development strategies" and continuing to promote the layout of "Internetization and Ruralization of Banking Services (上網下鄉)", the Bank carried out digital strategic transformation and adhered to inclusive finance to carry out financial poverty alleviation. Through the continuous advancement of Internetization and Ruralization of Banking Services, the Bank solved the practical needs of financial services from rural areas and farmers, continuously innovated the methods of financial poverty alleviation, effectively improved the rural financial service environment and actively fulfilled the Bank's social responsibilities.

III. WORK ARRANGEMENTS FOR THE BOARD IN 2019

In 2019, the Board will earnestly implement national control policies and regulatory requirements, strictly comply with the standards of listed banks to further strengthen corporate governance and strategic management, strengthen risks management and internal controls, continuously enhancing the Board's duty performance ability, strengthening the prospective, innovative and scientific basis of decision-making, strive to build the Bank into an outstanding listed bank with high-growth competitive strength and create a more favorable investment return for Shareholders.

(I) To strengthen the construction of corporate governance and continue to enhance corporate governance

The Board continued to improve and enhance the corporate governance of the Bank. In 2019, according to the latest external regulatory requirements, the Board will earnestly summarize the current conditions of corporate governance of the Bank since its listing for two years, identify, locate and make up the deficiencies, optimize the methods of duties performance of Directors, improve performance capacity of Directors, so as to effectively play the leading role of the Board in decision-making, ensure the scientific and stable operation of the governance structure of "Three Meetings and One Layer" and continuously improve the corporate governance level of the Bank.

(II) To continue to promote the digital strategic transformation and achieve high quality development

In 2019, the Board will continue to unswervingly promote the implementation of digital strategic transformation in the Bank. Firstly, we will further promote the adjustment and construction of the organizational structure of branches, and urge senior management to facilitate the development of supporting mechanism. Secondly, we will vigorously develop agile culture within the Bank, guide all staff to learn agile methods, develop agile thinking and integrate into agile organization. Thirdly, we will continuously improve the data governance system to continuously consolidate the data foundation.

(III) To strengthen comprehensive risk management and continuously improve the quality of risk control

Faced with the fierce market competition and ever changing market environment, in 2019, the Bank will continue to strengthen the construction of a comprehensive risk management system, and further improve and enhance the level and management effectiveness of the Bank's comprehensive risk management by combining the digital transformation.

(IV) To innovate working ideas and strengthen investor relations management

Faced with the complicated and ever changing market environment, and in order to further strengthen the communication between investors and the Bank, and to promote investors' understanding and recognition of the Bank, in 2019, we will continue to innovate our working ideas in information disclosure and shareholders' services, and optimize the service process, so as to effectively implement the maintenance of investor relations.

Work Report of the Board of Supervisors of Zhongyuan Bank Co., Ltd. for 2018

In 2018, in accordance with the Company Law, the Guidelines on Corporate Governance of Commercial Bank (《商業銀行公司治理指引》), the Guidelines on the Duties of the Board of Supervisors of Commercial Banks (《商業銀行監事會工作指引》), the Articles of Association of Zhongyuan Bank Co., Ltd. (hereinafter referred to as the “**Articles of Association of the Bank**”) and the rules and regulations of the Board of Supervisors, the Board of Supervisors of Zhongyuan Bank Co., Ltd. (hereinafter referred to as “**Zhongyuan Bank**” or the “**Bank**”) closely focused on the priority work in the Bank and performed its duties with due diligence, playing a positive role in improving corporate governance, promoting business development and strengthening risk control, with a view to ensure the standard operation and healthy development of the Bank. The work of the Board of Supervisors for 2018 is hereby reported as follows:

I. SUPERVISION OF THE BANK’S OPERATING RESULTS DURING THE REPORTING PERIOD

In 2018, faced with the complicated and ever changing economic and financial situation and the arduous and onerous transformation and development tasks, under the scientific decision-making of the Board and the unremitting efforts of the management, and by adhering to complying with laws and regulations, implementing stable operations, actively participating in competition and proactively planning transformation, the Bank obtained better operating results and achieved a good beginning for the second three years of development: as at the end of the Reporting Period, the total assets of the Bank reached RMB620.444 billion (at the Group’s caliber, the same below), representing an increase of RMB98.455 billion or 18.9% as compared to the beginning of the year. The balance of deposits (excluding accrued interest) amounted to RMB346.189 billion, representing an increase of RMB39.481 billion or 12.9% as compared to the beginning of the year, which was 4.6 percentage points higher than the provincial average growth rate. Total loans (excluding accrued interest) amounted to RMB254.370 billion, representing an increase of RMB55.467 billion or 27.9% as compared to the beginning of the year, which was 12.9 percentage points higher than the provincial average growth rate. Our Bank realized net operating income of RMB16.784 billion, representing an increase of 31.0%. We recorded the ratio of non-performing loans of 2.44% and a net profit of RMB2.365 billion.

Benefiting from the sound operating results, the social influence of Zhongyuan Bank continued to improve significantly. It was awarded the “Ten Best City Commercial Banks” for four consecutive years by Financial Times, Golden Cicada Award (金蟬獎) – the financial science and technology innovation bank award for two consecutive years by China Times, Ten Best Iron-horse Banks (鐵馬十佳銀行) by Modern Bankers, Golden Bauhinia Award – “the Best Listed Company” by China Securities and Evergreen Award – “Small and Medium-sized Bank with Most Financial Technology Value for the Year” from 2019 Sustainability Finance Summit and Caijing Magazine (《財經》). In the Top 1000 world banks in 2018 announced by The Banker (UK), our Bank ranked 196th among world banks and ranked the 31st among Chinese banks in terms of tier-one capital.

II. MAJOR WORK OF THE BOARD OF SUPERVISORS DURING THE REPORTING PERIOD**(I) Highlighting the key work to enhance the effectiveness of duties performance**

- 1. Convening meetings of the Board of Supervisors according to the laws and regulations.** In 2018, the Board of Supervisors convened six meetings of the Board of Supervisors with a total of 33 resolutions considered, listened three reports, convened four meetings of special committees with 11 resolutions considered, covering various important aspects of work such as profit distribution, performance evaluation, financial budget and final accounts, system revision, the Supervisors' election and the issuance of bonds and Offshore Preference Shares. It also further discussed the annual operation report, internal control evaluation report, comprehensive risk analysis report, regulatory opinion rectification report and shareholders' connected transactions audit report. The Supervisors took full advantage of independence, professionalism and objectiveness, and actively offered advice to make effective contributions in the promotion of key work of the Bank.

- 2. Diligent performance of the supervisory duties.** The members of the Board of Supervisors effectively supervised the relevant decision-making process and performance of the Board by attending meetings. It carefully listened to the considerations at the meeting, discussed and exchanged with the members of the Board if necessary, and proposed independent supervision opinions and suggestions in due course. Meanwhile, based on the needs of the work, the Supervisors' representatives also attended various important meetings such as business meetings and office meetings of the Bank, and kept abreast of the major issues in the Bank's operations and management to supervise the implementation of the Board's resolutions by operation managers, digital transformation and risk management. It also supervised and recorded the Board and senior management in aspect of attendance of meetings, proposal of independent opinion and submission of reports in accordance with regulatory requirements, and carried out performance evaluation, formed a comprehensive and objective performance evaluation report, and urged the Directors and senior management to perform their duties diligently, so as to ensure the lawful and compliant corporate governance.

3. **Continuing to strengthen financial supervision.** In 2018, by focusing on the preparation and disclosure of the Bank's annual and interim financial reports, as well as other major financial activities, the Board of Supervisors further conducted supervision to promote the continuous enhancement of financial management by the Bank. **Firstly**, it participated in the trilateral meeting on the audit of the 2017 financial statements among the Bank and Henan Office of CBIRC and KPMG, in which it made independent and professional opinions on improving the contents of the report. **Secondly**, it earnestly reviewed the 2017 financial statements, the 2017 profit distribution plan and the 2018 interim financial statements, and provided audit opinions on the authenticity and completeness of the financial statements and profit distribution plan. **Thirdly**, it supervised the preparation and reporting procedures for the 2017 annual report and the decision-making process for the profit distribution plan.

4. **Focusing on strengthening the risk prevention and control and internal control.** **Firstly**, according to the changes in the domestic and international economic situation, it initiated to place the enhancement of prevention and mitigation of systemic risks in a more important position, further strengthened the focus on credit risk, market risk, operational risk, liquidity risk and prevention and control, and promoted the implementation of risk management responsibilities and the risk management and control mechanism at the corporate governance level. In respect of the risk-prone areas, it urged the management to strengthen policy research, improve the risk system, deepen the research and application of big data, strengthen risk measurement and promote the establishment of a full-process, full-coverage, online and digital risk control network. **Secondly**, it practically carried out internal control construction. In order to unblock the information communication channels, enrich the means of performance and facilitate the institutionalization and standardization of supervision, in 2018, the Board of Supervisors paid close attention to the research and consideration of the systems such as the Basic Requirements for Internal Control of Zhongyuan Bank Co., Ltd. (《中原銀行股份有限公司內部控制基本規定》) and the Management Measures on Internal Control Evaluation of Zhongyuan Bank Co., Ltd. (《中原銀行股份有限公司內部控制評價管理辦法》) to improve the internal control system. It exchanged opinions with the management with regard to the standardization of management process of the internal control system and the improvement of compliance organizational structure of internal control, promoted the launch of internal control compliance and operational risk management information system, and built an integrated internal control compliance management work platform, management platform, information sharing and analysis platform with high integration and unified standard.

5. **Diligent implementation and supervision of the regulatory series policies.** **Firstly**, it diligently implemented the work requirements of the regulatory authorities on implementation of classification of assets and reducing non-performing loans, supervised the asset classification rectification and deployment, implementation and effectiveness of non-performing asset disposal by listening to reported information and on-site supervision, and investigated, urged, coordinated and dealt with major problems and difficulties encountered in the process of reducing non-performing loans in a timely manner. It strengthened the communication and contact with the regulatory authorities, and made special reports on implementation of classification of assets and reducing non-performing loans to the regulatory authorities, and urged the management to successfully complete the target of implementation of quality of credit assets in 2018 with the Board. **Secondly**, it proactively paid attention to and actively promoted the “rectification of the banking market chaos”, “self-examination and evaluation of consumer rights protection”, “staff’s conduct and operational risk investigation” and “special rectification for cracking down on illegal fund-raising activities”, established a rectification and implementation supervision mechanism for the problems found in external inspection, supervision notification, special governance and self-inspection and self-examination, so as to promptly prevent the potential risks.

(II) Enriching the means of performance and enhancing the performance capacity

1. **Actively carrying out on-site investigations.** Closely focusing on business development and risk prevention and control, it strengthened various work research through going deep into grassroots and off-site inspections, and actively offered reference advice for the Bank’s business development. During the Reporting Period, by focusing on the key works of the Bank including the development of online business, reducing and controlling non-performing loans and financial poverty alleviation, the Supervisors visited Nanyang Branch, Xiasi Village, Baihe Town, Songxian County and direct banking to conduct on-site investigations and research. It listened reports from branches and relevant departments of the headquarters, organized interviews with staff, checked business outlets, and comprehensively and truly understood the real problems and potential risks existing in the relevant operating entities through going deep into the front-lines and grassroots, put forward pertinent opinions and suggestions and provided feedback to the Board of Directors and senior management on the difficulties, problems and suggestions reflected by grassroots to facilitate the deep research and scientific decision making on the problems.

2. **Strengthening cooperation with audit institutions.** On the one hand, it strengthened the communication with external audit institutions, listened to the audit opinion from KPMG on the Bank's annual financial statements, and fully discussed to supervise the financial activities and financial status of the Bank; on the other hand, it established an inter-communication mechanism for the Board of Supervisors and internal audit, sent staff to participate in audit projects, completed audits and investigations such as economic responsibility audit of senior management, loan risk classification management audit, connected transaction audit, consumer rights protection audit and employee conduct management audit. Through exchanging and sharing information with the audit department, it carried out joint supervision to promote the audit line to better play the role of the third line of defense of internal control.

(III) Strengthening self-construction and guarantees for performance

1. **Successful completion of the re-election of the Board of Supervisors.** In accordance with the relevant laws and regulations and the relevant provisions of the Articles of Association of the Bank, the Board of Supervisors successfully completed its re-election in the first half of 2018. Following the requirements of diversification, specialization, streamlining and efficiency, and upon the consideration and approval at the fifth meeting of the first session of the employee representatives general meeting, the fifteenth meeting of the first session of the Board of Supervisors and the 2018 first extraordinary general meeting of the Bank, it elected a total of 9 Supervisors as the second session of the Board of Supervisors of the Bank, including 3 employee representative Supervisors, 3 shareholder representative Supervisors and 3 external Supervisors, all of whom are professionals who are familiar with finance and economics.
2. **Optimizing the staff allocation of the special committees.** Upon the consideration and approval at the first meeting of the second session of the Board of Supervisors, it established the second session of Supervision Committee and Nomination Committee under the Board of Supervisors, which consisted of 9 members and 6 members respectively. The chairman was acted by external supervisor for provision of basic guarantees for objective and independent performance of the Board of Supervisors.

3. **Actively participating in training and exchanges.** It invited Paul Hastings and KPMG to provide training for Supervisors, and laid a solid foundation for carrying out the supervision through continuous study of various domestic and overseas regulatory systems and documents. It organized Supervisors to participate in corporate governance seminars, so as to continuously enhance the forecast capacity of macroeconomic situation and capacity of interpreting the focus of regulation, deepen the understanding and grasp of the corporate governance of small and medium-sized commercial banks, and effectively improve the performance capacity and performance standard of Supervisors. At the same time, it exchanged with the Huishang Bank, Bank of Gansu, Bank of Guiyang and Jincheng Bank on the work of the Board of Supervisors to learn the industry experience.

III. THE GENERAL IDEA OF THE WORK OF THE BOARD OF SUPERVISORS IN 2019

In 2019, in light of the internal and external environment of the current business development of banking industry, the Board of Supervisors will diligently implement the relevant national laws, regulations, rules and systems, and the Articles of Association of the Bank and other relevant requirements, and the responsible attitude for the general meeting, we will take the responsibility in maintaining the interests of listed company and shareholders, practically perform our duties, effectively play the supervision function and further improve the efficiency of the Bank's operations and management to ensure the sound operation of various businesses.

(I) To perform the duties according to the regulations and adhere to stringent supervision

1. **Carrying out stringent supervision by focusing on the national macro-policy.** We will pay close attention to the development and changes of the economic and financial situation, carry out supervision by focusing on improving the quality and efficiency of serving real economy, enhancing the capacity to prevent and control financial risks and implementing the tasks of deepening financial reforms, so as to promote the Bank's focusing on the principal business and returning back to the original business. On the one hand, we will strictly implement each resolution of the general meeting, support and cooperate with the work of the Board and the management, and provide more constructive opinions to the Board and the management in light of the national macro-policy, and made the supervision with initiative, forward-looking and independence. On the other hand, we will fully participate in various meetings and activities of the "Three Meetings and One Layer", and convene the meeting of the Board of Supervisors in compliance with laws and regulations to ensure the smooth progress and scientific decision-making of the meeting; at the same time, we will attend the general meetings, the board meetings and the management meetings to practically perform the supervisory duties.

- 2. Carrying out stringent supervision by focusing on the banking regulatory policies.** In compliance with laws and regulations is the premise and code for the management of Zhongyuan Bank. In 2019, the Board of Supervisors will further strengthen its communication with the banking regulatory authorities, understand the regulatory policies and regulatory priorities in a timely manner, actively participate in the regulatory talks, strive for more policy guidance and regulatory support, and pertinently conduct supervision taking into account the Bank's actual situation. Firstly, in accordance with the domestic and overseas new supervision regulations, we will continuously improve the system of the Board of Supervisors, refine the operational procedures and enhance the level and effectiveness of supervision and management. Secondly, we will pay attention to the rectification implementation of internal and external inspections, listen to the rectification progress of problems such as regulatory notifications, rationalization of internal control and risk auditing, urge the establishment of rectification ledger to effectively improve the effectiveness of rectification.
- 3. Carrying out stringent supervision by focusing on the strategic direction determined by the Board.** The Board of Supervisors will participate in the promotion and implementation of various deployments by focusing on decision-making of the Board, and strive to improve the promotion of supervision to operation and business development. 2019 is the ending year of the Bank's first medium-and long-term strategic development plan – "2015–2019 Strategic Development Plan". The Board of Supervisors will conduct a comprehensive assessment on the implementation process and implementation results of the development strategy in a timely manner, and carry out supervision and inspection of the implementation of the objective of strategic planning. In addition, we will closely follow up the global issues in the execution of strategy and the risk control, organize special supervision such as strategic implementation, case prevention and control, and control of the new debts while painstakingly reducing old debts, to understand the fact, collect and sort out cases, and discuss countermeasures and suggestions.
- 4. Carrying out stringent supervision by focusing on the work objectives of the management.** By focusing on the work objectives and work measures prepared by the management, we will continue to implement a research plan covering 18 branches of the Bank, mainly carrying our supervision on the strategy implementation of the branches, the construction of the management mechanism, and the risk prevention and control, ensuring all the activities of the Bank are coordinated as in a chess game and all employees across the Bank are of one mind. By focusing on key areas and risk-prone aspects of operation, we will organize external Supervisors and relevant departments to conduct special inspections, and constantly enhance the effectiveness of internal control and compliance management through measures such as enhanced supervision and compliance rectification.

(II) To focus on the overall effect and implement scientific supervision

- 1. Further enriching the means of performance to build an efficient and coordinated “overall supervision pattern”.** On the basis of strengthening regular supervision means such as reviewing reports, attendance at meetings and research, the Board of Supervisors will comprehensively use a variety of methods such as off-site monitoring, inspection, inquiry and interviews to carry out supervision. In terms of the supervision content, we will not only urge not to cross the “red line”, not to overstep the “prescribed limit” and not to cross the “forbidden zone”, but also focus on whether the duties are performed and the responsibilities are taken. We will further enhance the online level of supervision of the Board of Supervisors, strengthen the collection, study and analysis of various types of information with the help of audit information systems, risk early warning systems and big data risk control models, strengthen the application and transformation of results, give risk alerts in a timely manner, and constantly improve online, full-process and full-coverage risk control network. We will also organize internal and external Supervisors to practically strengthen compliance supervision in key areas and risk-prone areas, integrate audit, compliance and monitoring, and build an efficient and coordinated “overall supervision pattern” through information sharing and overall linkages.

- 2. Strengthening internal and external communication and cooperation, and focusing on the overall effect of supervision by the Board of Supervisors.** We will give full play to the political core role of the Party organization, focus on the Party building, and promote effective exercise of the supervision duties of the Board of Supervisors to ensure the due performance of duties without any bias. We will smooth the communication channels between the Board of Supervisors and shareholders, strengthen exchanges among shareholders, and protect the lawful rights and interests of shareholders, especially the minority shareholders. We will also strengthen exchanges with peers, especially the listed banks, jointly discuss the key issues of the organizational structure, responsibilities, performance methods and supervision methods of the Board of Supervisors, and draw on each other’s merits for continuously improving the work of the Board of Supervisors.

3. **Improving self-construction and continuously enhancing the supervision level of the Board of Supervisors.** Through improving measures such as further clarifying responsibilities, replenishing strength and strengthening learning, we will continue to improve self-construction of the Board of Supervisors and enhance the scientific and effective supervision of the Board of Supervisors. Firstly, we will cooperate with professional consulting organizations to comprehensively review the structure of the Board of Supervisors and clarify the boundaries of duties to establish standardization tools for the operation process of the Board of Supervisors. We will jointly initiate research projects with higher education colleges to explore the supervision work methodology of the Board of Supervisors, diagnose and analyze the work practices of the Board of Supervisors, and put forward specific optimization suggestions. Secondly, we will actively organize Supervisors to participate in various types of training organized by regulatory authorities and the Bank, strengthen Supervisors' study of regulatory policies and understanding of the macroeconomic situation, constantly improve the performance capacity and level of the Supervisors. Thirdly, we will strictly carry out the performance evaluation and standardize the performance of Supervisors. We will also conduct self-evaluation and mutual evaluation of Supervisors to further enhance the performance effectiveness of the Board of Supervisors.

(III) Contributing to the innovation and transformation and focusing on prudence and inclusion

In 2019, the Bank will further promote digital transformation, innovation will become the norm in the course of operation and management of the Bank. The Board of Supervisors will carry out a series of multi-level and diversified compliance construction events in a planned and targeted manner, through inviting external Supervisors, industry experts, domestic and foreign lawyers, and regulatory experts to conduct compliance training and publicity, establish a normalized compliance education and training mechanism, with a view to develop a good compliance culture for innovation and transformation. In addition, we will further optimize the supervision concept and supervision method, properly grasp the new situations and new problems emerging in the innovation and transformation, and create a good environment with innovation-encouraged, responsibility-supported, mistakes-allowed and errors-tolerated, so as to promote the elimination of thoughts of unwillingness to innovate or no courage of innovation.

The Administrative Measures for the Connected (Related) Transactions of Zhongyuan Bank Co., Ltd. (Revised)

CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to regulate the related (connected) transactions of Zhongyuan Bank Co., Ltd. (the “**Bank**”) and control the risks in related (connected) transactions, the Administrative Measures for the Connected (Related) Transactions of Zhongyuan Bank Co., Ltd. (the “**Measures**”) are formulated in accordance with domestic and foreign laws and regulations as well as regulatory documents including the Law of the People’s Republic of China on Commercial Banks (《中華人民共和國商業銀行法》), the Administrative Measures for Related Transactions between Commercial Banks and Insiders and Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》) and the Interim Measures for the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) issued by the China Banking Regulatory Commission, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Articles of Association of Zhongyuan Bank Co., Ltd. (the “**Articles of Association**”).
- Article 2** The related (connected) transactions of the Bank shall comply with the principles of good faith and fairness.
- Article 3** The related (connected) transactions of the Bank shall comply with the laws, regulations, uniform national accounting system, relevant regulations on banking supervision, the relevant provisions of the Hong Kong Listing Rules (as revised from time to time) and its implementation guidelines issued by the Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The related (connected) transactions of the Bank shall be conducted on commercial principles and terms no more favorable than those offered to non-related parties (connected persons) for similar transactions. The Bank shall fully disclose the pricing basis of the connected transactions that should be disclosed in accordance with the Hong Kong Listing Rules.
- Article 4** The Measures apply to the Bank and its subsidiaries (branches).
- Article 5** The Measures are binding on the shareholders, Directors, Supervisors and senior management of the Bank, and shareholders, Directors, Supervisors and senior management of the Bank shall comply with the Measures.

CHAPTER 2 DEFINITION OF RELATED PARTIES AND CONNECTED PERSONS

Article 6 The related parties include related natural persons, legal persons or other organizations.

Article 7 The related natural persons include the following:

- (I) insiders of the Bank;
- (II) substantial natural person shareholders of the Bank;
- (III) close relatives of the insiders and the substantial natural person shareholders of the Bank;
- (IV) natural person controlling shareholders, Directors, and key management personnel of related legal persons or other organizations of the Bank. The related legal persons or other organizations as mentioned herein do not include legal persons or other organizations that are directly, indirectly or jointly controlled by, or may be significantly influenced by the Bank's insiders, substantial natural person shareholders and their close relatives;
- (V) other natural persons that have a significant influence on the Bank.

The insiders of the Bank as mentioned in the Measures refer to the Bank's Directors, senior management of the head office and branches, and other persons who have the power to decide on or participate in the Bank's credit extension and transfer of assets.

The substantial natural person shareholders as mentioned in the Measures refer to the natural person shareholders who hold or control more than 5% of the shares or voting rights of the Bank or hold less than 5% of total capital or total number of shares of the Bank but have a significant impact upon the operations and management of the Bank. The shares or voting rights held or controlled by the close relatives of the natural person shareholders and the shares or voting rights held or controlled by these natural person shareholders shall be calculated on a consolidated basis.

The close relatives as mentioned in the Measures include their parents, spouses, brothers and sisters and their spouses, their adult sons and daughters and their spouses; their spouses' parents, brothers and sisters and their spouses; brothers and sisters and their spouses of their parents, adult sons and daughters and their spouses of their parents' brother(s) and sister(s).

**APPENDIX III THE ADMINISTRATIVE MEASURES FOR THE CONNECTED (RELATED)
TRANSACTIONS OF ZHONGYUAN BANK CO., LTD. (REVISED)**

Article 8 The related legal persons or other organizations include the following:

- (I) substantial non-natural person shareholders of the Bank;
- (II) legal persons or other organizations under the same control with the Bank, direct or indirect, by a certain enterprise;
- (III) legal persons or other organizations that are directly, indirectly or jointly controlled by, or may be significantly influenced by the Bank's insiders, substantial natural person shareholders and their close relatives;
- (IV) other legal persons or organizations that directly, indirectly or jointly control the Bank or can have a significant influence on the Bank.

The substantial non-natural person shareholders as mentioned in the Measures refer to non-natural person shareholders who are able to directly, indirectly or jointly hold or control more than 5% of the shares or voting rights of the Bank or shareholders who hold less than 5% of total capital or total number of shares of the Bank but have a significant impact upon the operations and management of the Bank.

The enterprises referred to in the item (1) of this Article do not include state-owned asset management companies.

The Bank shall, in accordance with the principle of penetration, manage its substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries as its own related parties.

Article 9 Control as mentioned in the Measures means having power to decide on the personnel, financial and operational affairs of the Bank, legal persons or other organizations, and being able to benefit from their operating activities thereon.

Joint control as mentioned in the Measures means to control an economic activity jointly in accordance with contractual stipulations or through concerted actions.

Significant influence as mentioned in the Measures includes but is not limited to the dispatching of director(s), supervisor(s) or senior executive(s) to commercial banks, exerting impact on the commercial banks' financial, operational and management decisions by way of agreement or through other means, and other circumstances as identified by the CBRC or its local offices.

**APPENDIX III THE ADMINISTRATIVE MEASURES FOR THE CONNECTED (RELATED)
TRANSACTIONS OF ZHONGYUAN BANK CO., LTD. (REVISED)**

Article 10 Natural persons, legal persons or other entities who or which enter into agreements or make arrangements with the Bank's related parties and are in compliance with the aforementioned conditions governing related parties after such agreements or arrangement come into effect shall be deemed as the related parties of the Bank.

Article 11 If any natural persons, legal persons or other entities have an influence over the Bank, and the transactions specified in Rule 18 hereof entered into between them and the Bank do not conform to commercial principles so that they can thereby obtain interests from the transactions in an unfair way resulting in causing losses to the Bank, the Bank shall consider them as related parties based on the principle of "substance over form".

Article 12 According to the Hong Kong Listing Rules, a connected person refers to

- (I) Directors of the Bank and its subsidiaries (including any person who has served as a director of the Bank and its subsidiaries during the twelve months prior to the transaction date), Supervisors, chief executives or substantial shareholders (collectively referred to as "**Basic Connected Persons**");

"Substantial Shareholders" refer to persons who are entitled to exercise or control the exercise of 10% or more of the voting rights at the general meeting of the Bank or any of its subsidiaries.

"Chief Executive" refers to a person who either alone or together with one or more other persons is responsible under the immediate authority of the Board for the conduct of the business of the Bank or its subsidiaries.

This Article (I) does not include Directors, chief executives, substantial shareholders or Supervisors of insignificant subsidiaries of the Bank. In this regard:

1. An "insignificant subsidiary" is a "subsidiary" whose total assets, profits and revenue compared to that of the Group (the Bank and its subsidiaries) satisfy the following criteria:
 - (1) the percentage ratios for each of the latest three financial years (or counting from the date of incorporation or establishment of the subsidiary in case of less than three financial years) are less than 10%; or
 - (2) the percentage ratios for the latest financial year are less than 5%;

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2. If the person is connected with two or more subsidiaries of the Bank, the Hong Kong Stock Exchange will aggregate the subsidiaries' total assets, profits and revenue to determine whether they are together "insignificant subsidiaries" of the Bank; and
 3. In calculating the relevant percentage ratios, 100% of the subsidiaries' total assets, profits and revenue will be used as the calculation basis. In case of abnormality with the percentage ratio calculated, the Hong Kong Stock Exchange may disregard the relevant calculation, and instead consider the substitute test provided by the Bank.
- (II) any "associate" of any of the above-mentioned basic connected persons:
1. An 'associate' of an individual refers to:
 - (1) (i) his spouse; his (or his spouse's) child or step-child, natural or adopted, under the age of 18 years (each an "**immediate family member**"); (ii) the trustees, acting in their capacity as trustees of any trust of which the individual or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object (other than a trust which is an employees' share scheme or occupational pension scheme established for a wide scope of participants and the connected persons' aggregate interests in the scheme are less than 30%) (the "**trustees**"); or (iii) a 30%-controlled company held, directly or indirectly, by the individual, his immediate family members and/or the trustees (individually or together), or any of its subsidiaries; or
 - (2) (i) a person cohabiting with him as a spouse, or his child, step-child, parent, stepparent, brother, stepbrother, sister or stepsister (each a "**family member**"); or (ii) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his immediate family members and/or the trustees, or any of its subsidiaries.

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2. An “associate” of a company refers to:
 - (1) its subsidiary or holding company, or a fellow subsidiary of the holding company;
 - (2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “**trustees**”); or
 - (3) a 30%-controlled company held, directly or indirectly, by the company, the companies referred to in (1) above, and/or the trustees (individually or together), or any of its subsidiaries.
3. A 30%-controlled company held by a person will not be regarded as his or its associate if the person’s and his or its associates’ interests in the company, other than those indirectly held through the Bank or its subsidiaries, are together less than 10%.
4. A person’s associates include any joint venture partner of a cooperative or contractual joint venture (whether or not it is a separate legal entity) where:
 - (1) the person (being an individual), his immediate family members and/or the trustees; or
 - (2) the person (being a company), any company which is its subsidiary or holding company or a fellow subsidiary of the holding company, and/or the trustees,

together directly or indirectly hold 30% (or a percentage that would trigger a mandatory general offer or establish legal or management control over a business enterprise under the PRC laws) or more in the joint venture’s capital or assets contributions, or the contractual share of its profits or other income.

- (III) Connected subsidiary. A “connected subsidiary” is a non-wholly-owned subsidiary of the Bank (and any of its subsidiaries) where any connected person(s) at the listed company level, individually or together, can exercise or control the exercise of 10% or more of the voting power at the subsidiary’s general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the connected person(s) through the Bank.

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- (IV) The Hong Kong Stock Exchange has the right to deem any person as a connected person; “a deemed connected person” includes a person:
1. who is a father in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece (each a “**relative**”) of the above-mentioned basic connected persons;
 2. who is a majority-controlled company held, directly or indirectly, by the relatives (individually or together) or held by the relatives together with the basic connected person, the trustees, his immediate family members and/or family members, or any subsidiary of that majority controlled company;
 3. whose association with the connected person is such that, in the Hong Kong Stock Exchange’s opinion, the proposed transaction should be subject to the connected transaction requirements.
- (V) Hong Kong Stock Exchange will not normally treat a PRC Governmental Body as a connected person. Hong Kong Stock Exchange may request the Bank to explain its relationship with a PRC Governmental Body and why it should not be treated as a connected person. If Hong Kong Stock Exchange decides to treat the PRC Governmental Body as a connected person, the Bank must comply with any additional requirements requested by Hong Kong Stock Exchange.
- (VI) Any other type of connected person as defined by the Hong Kong Listing Rules.

CHAPTER 3 RELATED (CONNECTED) INFORMATION MANAGEMENT

Article 13 The Directors and senior management of the head office shall, within 10 working days from the day when they take up their positions, (and natural persons shall, within 10 working days from the day when they became the substantial natural person shareholder of the Bank) report their close relatives and related legal persons or other organizations as listed in Article 8(3) of the Measures to the Related Transactions Control Committee of the Board. If any of the reported matters is changed, a report shall be made within 10 working days after the change.

The Directors, Supervisors, chief executives and substantial shareholders holding more than 10% of the voting rights of the Bank and its subsidiaries shall, within 10 working days from the date of serving or becoming a substantial shareholder of the Bank or its subsidiaries, report their connected persons as listed in Article 12 of the Measures to the Related Transactions Control Committee of the Board; if the report items change, it shall be reported within 10 working days after the change.

The senior management personnel of the Bank's branches or the persons who have the power to decide on or participate in the credit extension and transfer of assets of the Bank shall report their close relatives and the related legal persons or other organizations as listed in Article 8(3) of the Measures.

Article 14 Legal persons or other organizations shall, within 10 working days from the day when they become substantial non-natural person shareholders of the Bank, report the following information related to their related parties to the Related Transactions Control Committee of the Board:

- (I) controlling natural person shareholders, Directors and key management personnel;
- (II) controlling non-natural person shareholders;
- (III) legal persons or other organizations directly, indirectly or jointly controlled by them, as well as their Directors and key management personnel.

If the above-mentioned matters are changed, it shall be reported to the Related Transactions Control Committee of the Board within 10 working days after such change.

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Article 15 Where a natural person, legal person or other organization is obliged to report in accordance with Articles 13 and 14 of the Measures, they shall submit a written statement to the Bank together with the report so as to guarantee the authenticity, accuracy and completeness of the reported information and undertake the liability for making the corresponding compensations if any false information in or serious omission from the report results in any loss to the Bank.

Article 16 The Related Transactions Control Committee of the Board is responsible for determining the related parties (connected persons) of the Bank and reporting to the Board of Directors and the Board of Supervisors.

The Related Transactions Control Committee of the Board shall announce the related parties (connected persons) that it has determined to the relevant staff of relevant departments, branches and holding subsidiaries of the head office and other relevant institutions in a timely manner.

Article 17 If the relevant staff of relevant departments, branches and holding subsidiaries of the head office and other relevant institutions, during the ordinary course of business, discovers that any natural persons, legal persons or other organizations meet the conditions of related parties (connected persons) but have not yet been determined as related parties (connected persons), they shall report to the Related Transactions Control Committee of the Board in a timely manner.

**CHAPTER 4 DEFINITION AND CLASSIFICATION OF
RELATED (CONNECTED) TRANSACTIONS**

Article 18 Related transactions refer to the transfer of resources or obligations between the Bank and related parties, including but not limited to:

- (I) credit extension, which means that the Bank or its holding subsidiaries provides related parties with direct financial support, or provides suretyship with respect to potential damages and payment obligations incurred by related parties in the relevant economic activities, including loans, loan commitments, acceptance, discounts, securities repurchase, trade financing, factoring, letters of credit, letters of guarantee, overdrafts, lending, guarantees and other on-balance sheet and off-balance sheet activities.
- (II) transfer of assets, which means purchase and sale of the Bank's or its holding subsidiaries' own movable and immovable properties, purchase and sale of credit assets, and acceptance and disposal of pledged assets.
- (III) provision or receipt of services, which means the provision of consulting services and other services by the Bank to related parties or the provision of credit evaluation, asset evaluation, auditing and legal services and other services by related parties to the Bank.
- (IV) other related transactions stipulated by the China Banking Regulatory Commission

Article 19 The Bank's related transactions shall be divided into general related transactions and material related transactions.

General related transaction refers to any single transaction entered into between the Bank and a related party with an amount no more than 1% of the Bank's net equity, and upon completion of which the balance of the transaction between the Bank and such related party is no more than 5% of the Bank's net equity.

Material related transaction refers to any single transaction entered into between the Bank and a related party with an amount more than 1% of the Bank's net equity; or the balance of the transaction between the Bank and the related party after the completion of the transaction is more than 5% of the Bank's net equity.

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Article 20 When calculating the Bank’s transaction balance with a related natural person, transactions between the Bank and close relatives of such related natural person shall be aggregated. When calculating the Bank’s transaction balance with a related legal person or other organization, transactions between the Bank and any legal persons or other organizations that constitute group of customers of the Bank shall be aggregated.

Article 21 The connected transactions (including one-off connected transactions and continuing connected transactions) are any transactions between the Bank and its subsidiaries and connected persons and specified categories of transactions with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions. These transactions include but are not limited to:

- (I) any acquisition or disposal of assets by the Bank or its subsidiaries including a deemed disposal;
- (II) (1) the Bank or its subsidiaries granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities; or (2) the Bank or its subsidiaries deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (III) entering into or terminating finance leases or operating leases or sub-leases;
- (IV) granting an indemnity guarantee or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity guarantee against obligations under a loan, or guaranteeing or providing security for a loan;
- (V) entering into an agreement or arrangement to set up a joint venture in any form (e.g. a partnership or a company), or any other form of joint arrangement;
- (VI) issuing new securities of the Bank or its subsidiaries;
- (VII) providing, receiving or sharing services; or
- (VIII) acquiring or providing raw materials, intermediate products and/or finished goods.

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Article 22 The transactions between the Bank and the subsidiaries and non-connected persons also constitute connected transactions where:

- (I) the transaction involves the acquisition of the interest of a company (the “**target company**”), and the substantial shareholders of the target company:
 - 1. is, or is proposed to be, a controller of the Bank. (A “**controller**” is a director, chief executive or controlling shareholder of the Bank and the subsidiaries); or
 - 2. is, or will, as a result of the transaction, become, an associate of a controller or proposed controller of the Bank.

- (II) The transaction involves financial assistance, including: financial assistance provided by the Bank and/or its subsidiaries to, or received by the Bank and/or its subsidiaries from, a commonly held entity. A “commonly held entity” is a company whose shareholders include: (1) the Bank and/or its subsidiaries; and (2) any connected person(s) at the Bank level who, individually or together, can exercise or control the exercise of 10% or more of the voting power at the company’s general meeting. This 10% excludes any indirect interest held by the person(s) through the Bank.

Article 23 Continuing connected transactions under Hong Kong Listing Rules are connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. They are usually transactions in the ordinary and usual course of business.

CHAPTER 5 MANAGEMENT OF RELATED (CONNECTED) TRANSACTIONS

Article 24 The Bank's general meetings and the Board shall manage the related (connected) transactions in accordance with the regulatory requirements and the relevant requirements of the Articles of Association.

The Related Transactions Control Committee established by the Board of the Bank reports to the Board and is responsible to the Board.

The Related Transactions Control Committee of the Board, in accordance with the authorization of the Board, assists the Board in carrying out related work, confirms the related parties (connected persons) of the Bank; updates the related parties (connected persons) of the Bank in a timely manner and knows the information of the related (connected) transactions of the Bank; reviews the management system related to related (connected) transactions; reviews and approves general related transactions or accepts the filing of general related transactions; reviews material related transactions and other related (connected) transactions that need to be submitted to the Board or general meeting for consideration, and submits to the Board or general meeting for approval; undertakes other matters assigned by the Board.

The Office of Board of Directors and Supervisors is responsible for the daily affairs of the Related Transactions Control Committee and performs the following duties:

- (I) preparing for the meeting of the Related Transactions Control Committee, coordinating the preparation of the meeting proposals and arranging the summaries and minutes of the meetings;
- (II) arranging independent Directors to express opinions on material related (connected) transactions, if necessary;
- (III) arranging the external disclosure of the related (connected) transactions, if necessary;
- (IV) accepting the related (connected) transactions submitted by the departments of the head office;
- (V) providing relevant legal advice on the related (connected) transactions to all departments and branches of the head office;

Other departments shall implement the specific work of related (connected) transaction management according to the division of responsibilities.

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Article 25 General related transactions shall be considered and approved in accordance with the internal authorization procedures of the Bank and shall be submitted to the Related Transactions Control Committee for filing. General related transactions can also be considered and approved in accordance with material related transactions procedures.

Material related transactions shall be submitted to the Board for approval after being reviewed by the Related Transactions Control Committee of the Bank.

Related transactions that are related to the Bank's Directors and senior management of the head office shall be reported to the Board of Supervisors within ten working days from the day the transactions are approved.

The Related Transactions Control Committee of the Board shall report the material related transactions to the Board of Supervisors within 10 working days from the day they are approved.

Article 26 When a general meeting of shareholders, the Board of Directors and the Related Transactions Control Committee vote or make a decision on a related transaction, the persons related to the related transaction shall abstain from voting or making decision.

Article 27 The independent Directors of the Bank shall express written opinions on the fairness of material related transactions and the execution of internal approval procedures.

Shareholders who have material related transactions are required to submit written statements for the absence of improper interest transfer.

Article 28 After providing its related parties with credit extension, the Bank shall strengthen follow-up administration, monitoring and risk control.

Article 29 The Bank shall not provide related parties with unsecured loans.

The Bank shall not accept equity interests in the Bank as the collaterals for any credit extension.

The Bank shall not provide guarantee for financing activities of related parties, except in the case where related parties provide full counter-guarantee with certificates of deposit or government bonds.

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Article 30 If the provision of credit extension by the Bank to related parties results in any loss, the Bank shall not provide such related party with any further credit extension within two years, except for credit extension as approved by the Board of Directors or the general meetings of shareholders for the purpose of reducing any losses which have arisen from the earlier credit extension.

Article 31 After a related transaction has been voted down, no deliberation shall be given to any related transaction with the same content within six months thereafter.

Article 32 The balance of credit extension granted to a related party by the Bank shall not exceed 10% of net equity of the Bank. The total balance of credit extension granted by the Bank to a group customer that includes a related legal person or other organizations shall not exceed 15% of net equity of the Bank.

The total balance of credit extension granted by the Bank to all related parties shall not exceed 50% of net equity of the Bank.

When calculating the balance of credit extension, the amount of cash deposits and pledged bank certificates of deposit and government bonds provided by the related party when the credit extension is granted may be deducted.

Article 33 The Bank shall not engage any accounting firm under the control of a related party to carry out any audit for the Bank.

Article 34 The internal audit department of the Bank shall carry out a special audit on the related transactions of the Bank at least once a year, and shall submit the audit findings to the Board of Directors and the Board of Supervisors of the Bank.

Article 35 The Related Transactions Control Committee, the Board of Directors or the general meeting of shareholders shall consider and approve the connected transactions in accordance with the applicable laws, regulations, the Hong Kong Listing Rules or the Articles of Association and the relevant rules of the Bank's internal rules of procedure.

(I) Reference standards for connected transaction decisions

Each percentage ratio of connected transactions is determined in accordance with the Hong Kong Listing Rules. Each percentage rate and its calculation are as follows:

1. Assets ratio = the total assets which are the subject of the transaction divided by the total assets of the Bank;

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2. Revenue ratio = the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the Bank;
3. Consideration ratio = the consideration divided by the total market capitalization of the Bank; and
4. Equity capital ratio = the par value of shares to be issued by the Bank as consideration divided by the par value of the Bank's issued share capital immediately before the transaction.

The equity capital ratio relates only to an acquisition (and not a disposal) by the Bank issuing new equity capital. In calculating the above percentage ratios, the amounts may need to be adjusted with reference to the provisions of the Hong Kong Listing Rules.

(II) Approval authority of the Board of Directors

A connected transaction that meets one of the following conditions shall be approved by the Board of Directors (except for the issuance of new securities by the Bank):

1. Conducted in accordance with normal or better commercial terms, and each percentage rate is less than 5% but higher than 0.1%; or
2. Conducted in accordance with normal or better commercial terms, and each percentage rate is less than 25%, and the total transaction amount is less than HK\$10 million (different currencies are converted at the book exchange rate) (if applicable).

When the Board of Directors approves the connected transaction, if the director or any of its associates has a material interest in the transaction, the director shall abstain from voting on the relevant resolution and shall not be counted in the quorum at the meeting.

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(III) Approval authority of general meeting of shareholders

In addition to the connected transactions conducted in accordance with the normal or better terms of business and with each of the percentage ratios less than 0.1%, and those required by this Article (II), the connected transactions shall be disclosed in time after being considered and approved by the Board of Directors, and submitted to the general meetings for consideration, unless they are applicable to the exemptions under the Hong Kong Listing Rules. When a general meeting approves a connected transaction, if any shareholder has a material interest in the transaction, the shareholder shall not participate in the voting on the transaction, and the number of shares with voting rights of such shareholders shall not be counted as valid voting right shares. The relevant connected transaction is only valid if it is approved by more than one-half of the voting rights of shareholders excluding the connected shareholders who attend the general meeting. In the event that the connected transaction is subject to the approval of the shareholders, the Bank must (1) establish an independent board committee; and (2) appoint an independent financial adviser in accordance with the requirements of the Hong Kong Listing Rules.

Article 36 The Bank's connected transactions are subject to a written agreement. All the connected transactions of the Bank shall be disclosed in a timely, true and complete manner and disclosed in the annual report as required, except for connected transactions that are exempt from reporting and announcement as required by the Hong Kong Listing Rules.

Article 37 The Office of Board of Directors and Supervisors is responsible for the disclosure of the announcements and circulars of connected transactions. The Bank shall prepare and issue announcements and circulars in accordance with the requirements of the Hong Kong Listing Rules. In preparing for announcements and circulars, the Bank should also consult the professional advisers on how to comply with the Hong Kong Listing Rules.

Article 38 The announcement on the disclosure of connected transactions under the Hong Kong Listing Rules shall include, but is not limited to, the following:

- (I) the transaction date;
- (II) the connected relationship of parties to the transaction, and the connected person's interest in the transaction;
- (III) opinions of the independent director on the transaction (if the transaction does not need to be approved by the shareholders);

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- (IV) in the case of continuing connected transactions, the maximum amount of the transaction and the term of the transaction;
- (V) stating that the transaction is subject to the approval of the independent shareholders (if applicable);
- (VI) in the case of no need to issue a circular, indicating whether any Directors have a material interest in the transaction, and if so, whether to abstain from voting on the resolution of the Board of Directors;
- (VII) in the case of issuing a shareholder's circular, the disclosure of the date on which the circular is expected to be dispatched, and the disclosure of the reasons for delaying the dispatch of the circular if the relevant date is more than 15 working days after the publication of the announcement;
- (VIII) disclosure of the cost of the initial purchase of the relevant assets by connected person if the transaction involves the purchase of assets from the connected person;
- (IX) disclosure of the costs of the purchase of relevant assets by the Bank, if the transaction involves the sale of assets owned by the Bank for a period of not more than 12 months;
- (X) providing information on the profit forecast as required if the announcement contains a profit forecast for the Bank or a subsidiary of the Bank (or will become a subsidiary of the Bank); and
- (XI) other matters that need to be disclosed in the announcement in accordance with the requirements of the Hong Kong Listing Rules.

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Article 39 The Bank's annual report and accounts after the conduct of connected transactions shall disclose the connected transactions submitted to the Board of Directors and/or general meeting for consideration and approval during the reporting period, including the transaction date, the parties to the transaction and a description of their connected relationship, a brief description of the transaction and its purpose, the total consideration and terms (including (if applicable) interest rates, repayment terms and mortgages) and the nature and extent of the connected person's interest in the transaction, and if necessary, the independent Directors and accountants are required to, according to the Hong Kong Listing Rules, confirm and explain the continuing connected transactions of the previous year in the annual report.

When the Bank discloses in its annual report information of any related party transaction under the accounting standards for preparing its financial statements, it must specify whether the transaction is a connected transaction and whether it has complied with the requirements related to connected transactions. The Bank shall strictly implement the regulatory requirements for information disclosure on related transactions, and disclose related parties and related transactions in a complete and true manner within the prescribed time limit, and actively accept public supervision. Material related transactions shall be disclosed on a case-by-case basis.

Article 40 In accordance with the Hong Kong Listing Rules, for any financial assistance provided by a banking company in its ordinary and usual course of business to a connected person or commonly held entity:

- (I) the transaction is fully exempt if it is conducted on normal or better commercial terms;
- (II) the transaction is fully exempt if it is not conducted on normal or better commercial terms but all the percentage ratios fulfil one of the following level:
 - 1. less than 0.1%;
 - 2. less than 1% and the transaction is a connected transaction only because it involves connected person(s) at the subsidiary level; or
 - 3. less than 5% and the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity is less than HK\$3,000,000; or

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(III) the transaction is exempt from the circular, independent financial advice and shareholders' approval requirements if it is not conducted on normal commercial terms or better but all the percentage ratios fulfil one of the following level:

1. less than 5%; or
2. less than 25% and the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity is less than HK\$10,000,000.

A "banking company" is a listed issuer or its subsidiary which is a bank, a restricted license bank or a deposit taking company as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), or a bank constituted under appropriate overseas legislation or authority.

Article 41 The Board of Directors continues to pay attention to the transactions of the Bank's insiders and related shareholders and connected persons. The Board of Directors shall order the relevant personnel to stop transaction or re-arrange the transaction terms for related (connected) transactions that violate or may violate the principles of good faith and fairness.

Article 42 The Board of Directors annually makes a special report to the shareholders' general meeting with regard to the implementation of the related (connected) transaction management system and the related (connected) transactions. The reported contents of related (connected) transactions shall include: related parties (connected persons), transaction types, accumulated annual amount of related transactions and subject matter, transaction prices and pricing methods, transaction gains and losses, and the nature and proportion of interests of related parties (connected persons) in the transaction.

The Bank shall regularly collect relevant information on related transactions, analyze the management and risk status of the Bank's related transactions on a quarterly basis, and form an analysis report and report it to the regulatory authorities.

CHAPTER 6 PENALTIES

Article 43 For shareholders, Directors and senior management personnel who violate the above provisions in related (connected) transactions, they shall be punished in accordance with the relevant provisions of the Administrative Measures for Related Transactions between Commercial Banks and Insiders and Shareholder; other internal personnel shall be punished according to the relevant rules and regulations of the Bank.

CHAPTER 7 SUPPLEMENTAL PROVISIONS

Article 44 In the Measures, “net equity” refers to the net equity as at the end of the previous quarter. In the Measures, “more than” excludes the number specified and “less than” includes the number specified.

Article 45 Any matters not specified in the Measures or any discrepancy between the Measures and the requirements of any law, administrative regulation, departmental rules promulgated and amended after the entry into force of the Measures, provisions of securities regulatory authority where the shares of the Bank are listed, the accounting system, the Hong Kong Listing Rules and the provisions of the Articles of Association, then the requirements of any law, administrative regulation, departmental rules, provisions of securities regulatory authority where the shares of the Bank are listed, the accounting system, the Hong Kong Listing Rules and the provisions of the Articles of Association shall prevail.

Article 46 The Measures are interpreted and revised by the Related Transactions Control Committee of the Board.

The Measures for the Equity Management of Zhongyuan Bank Co., Ltd. (Revised)

CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to regulate the equity management of Zhongyuan Bank Co., Ltd. (hereinafter referred to as the “**Bank**”), these Measures are formulated in accordance with the laws, regulations and other regulatory documents such as the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Commercial Banking Law of the PRC (《中華人民共和國商業銀行法》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the relevant provisions of China Banking and Insurance Regulatory Commission (hereinafter referred to as the “**CBIRC**”) and the departments such as equity registration and custody institution of the Bank, and the Articles of Association of Zhongyuan Bank Co., Ltd. (hereinafter referred to as the “**Articles of Association**”).
- Article 2** The equity of the Bank shall be divided into domestic shares and H shares. Domestic shares are unlisted shares, registered with and under custody of China Securities Depository and Clearing Corporation Limited (hereinafter referred to as the “**CSDC**”); H Share is traded under the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) after Computershare Hong Kong Investor Services Limited offers securities registration services.
- Article 3** The equity management referred to in these Measures is the management on the holders of domestic shares and H shares of the Bank, including but not limited to shareholder’s qualification and responsibility, change in shareholding, equity pledge and freeze. Equity management matters that need to be considered and approved by the general meeting or the Board of Directors of the Bank shall be implemented in accordance with the relevant laws and regulations and the Articles of Association. Matters that the Bank is unable to actually implement management due to the different jurisdictions of the H Shares shall be handled in accordance with the relevant regulations or practices of jurisdiction in which they traded.
- Article 4** Unless otherwise stated, the term “shareholders” as mentioned in these Measures refers to the ordinary shareholders of the Bank. The term “equity” or “shares” as mentioned in these Measures refers to the ordinary shares held by the ordinary shareholders of the Bank.
- Article 5** The Bank shall adhere to the principles of legality and regulatory compliance, and follows the principles of categorized management, good qualifications, clear relationships, specific rights and responsibilities, and openness and transparency.

Article 6 The Bank shall manage the substantial shareholders in accordance with laws, regulations and regulatory requirements. Substantial shareholders of the Bank refer to shareholders who hold or control above 5% shares or voting rights of the Bank, or who hold less than 5% of total capital or total number of shares but have significant influence on the operational management of the Bank.

“Significant influence” in the preceding provision includes but is not limited to dispatching Directors, Supervisors or senior executives to commercial banks, affecting the financial and business management decision-making of commercial banks via agreements or by other means, and other circumstances identified by the CBRC or its local offices.

Article 7 The Board of Directors of the Bank shall perform its responsibilities diligently and undertake the ultimate responsibilities of equity affairs management.

The Chairman of the Bank shall be the foremost responsible person for handling equity affairs. The secretary to the Board of Directors of the Bank shall assist the Chairman in the work related to equity management, and is the directly responsible person for handling equity affairs. Both the Chairman and the secretary of the Board of Directors of the Bank shall perform their duties faithfully, honestly and diligently.

CHAPTER 2 BASIC REGULATIONS FOR EQUITY MANAGEMENT

Article 8 The Bank shall arrange the entire equity of the Bank for the custody in accordance with the requirements of laws, regulations and regulatory requirements.

Article 9 The Bank shall establish a register of shareholders according to the law, unless there is evidence to the contrary, the register of members of the Bank shall be the sufficient evidence of the shareholders’ shareholding in the Bank.

Article 10 Equity of the Bank held by shareholders may change by transfer or inheritance in accordance with laws, regulations, regulatory requirements, the Articles of Association and the provisions of these Measures. Where a shareholder of the Bank intends to transfer its equity in the Bank to any other party, it shall inform the transferee of the need to meet the conditions set forth by laws and regulations and regulatory requirements.

Article 11 Changes in equity of the shareholders of the Bank include but are not limited to the following:

- (I) transferring the equity by an agreement;
- (II) obtaining the equity of the Bank due to the ruling or execution of the auction by the people's court;
- (III) holding the equity of the Bank by heir of the natural person shareholder holding the equity of the Bank due to his/her death;
- (IV) segregation of the equity of the Bank held by the natural person shareholder holding the equity of the Bank due to the dissolution of the marriage;
- (V) rights and obligations of institutional shareholder inherited by other subjects according to law due to the loss of its subject qualification as a result of bankruptcy, liquidation and merger;
- (VI) other circumstances in which registration of changes in equity shall be required in accordance with laws, regulations and other regulations.

Article 12 The Bank shall disclose its equity information in a truthful, accurate and complete manner through semi-annual reports or annual reports on its official website and via other channels in accordance with the Article 37 of the Interim Measures for the Equity Management of the Commercial Bank (《商業銀行股權管理暫行辦法》) and other relevant provisions.

Article 13 The Bank shall, when disclosing information, make an explanation about any equity matter that has been reported to the CBIRC or its local offices but is still pending approval thereof.

Article 14 Where the credit extended by the Bank to shareholders is overdue, the voting rights of the shareholder at the general meeting and the voting rights of the director it dispatches to the Board of Directors shall be both restricted, the Bank shall state the foregoing in the relevant minutes of the meeting.

Article 15 In accordance with the relevant laws and regulations, the Bank shall assist the courts, procuratorates, public security organs, and other competent authorities as prescribed by law (hereinafter collectively referred to as the “**Law Enforcement Agencies**”) in taking compulsory measures such as freezing against the equity of domestic shares of the Bank held by the shareholders of the Bank with the equity registration and custody institution of the Bank.

Article 16 The substantial shareholders of the Bank shall report or disclose the relevant information and changes of its own and its controlling shareholders, de facto controllers, affiliates, persons acting in concert and ultimate beneficiaries in accordance with laws, regulations and regulatory requirements in a timely, accurate and complete manner.

The Bank shall verify the aforesaid information and its changes, and judge its impact on the Bank's operation and management, and report or disclose it according to law.

Article 17 In accordance with the regulatory requirements, the Board of Directors of the Bank shall, at least annually, evaluate its substantial shareholders regarding their qualifications, performance of commitments, implementation of the Articles of Association or relevant agreements, as well as their compliance with laws, regulations and regulatory requirements, and submit the evaluation reports thereof to the regulatory authority in a timely manner.

CHAPTER 3 SHAREHOLDER QUALIFICATIONS AND RESPONSIBILITIES

Section 1 General Rules

Article 18 The shareholders of the Bank shall have sound social reputation, credit records, tax payment records and financial status, and shall comply with applicable laws, regulations and regulatory requirements.

Article 19 The shareholder qualification, number of shares held, shareholding ratio, shareholding method of an equity investor of the Bank (including transferred shares) shall comply with the related requirements of Implementation Measures for the Administrative Licensing Items concerning Chinese-Funded Commercial Banks and other relevant laws, regulations and regulatory requirements, as well as the Articles of Association.

Where a state owned enterprise as an equity investor of the Bank or transfers the shares of the Bank, it shall also abide by the relevant laws and regulations on supervision and administration of state-owned assets in addition to the implementation according to the provisions of these Measures.

Article 20 The relationship between the Bank's shareholders and their controlling shareholders, de facto controllers, affiliates, persons acting in concert and ultimate beneficiaries shall be clear and transparent.

The shareholding ratio of a shareholder of the Bank and its affiliates and persons acting in concert shall be calculated on a consolidated basis.

Article 21 The Bank shall examine the shareholder qualifications in accordance with laws, regulations and regulatory requirements.

The shareholders of the Bank and their affiliates and persons acting in concert, either separately or jointly, intending to initially or accumulatively hold more than 5% of the total capital or total shares of the Bank, shall file an application with the CBIRC or its local offices for approval in advance according to the relevant provisions.

The shareholders and their affiliates and persons acting in concert that hold, either separately or jointly, more than 1% but less than 5% of the Bank's total capital or total shares shall, within ten working days of the date of obtaining the corresponding equity, report to the banking regulatory authority through the Bank.

Article 22 The shareholders of the Bank shall perform their obligation of capital contribution in strict accordance with laws and regulations and the requirements of the CBIRC or its local offices, as well as the capital contribution agreement.

The shareholders of the Bank shall purchase shares of the Bank with their own funds and ensure the fund are obtained from legal sources, rather than entrusted funds, debt funds and other funds not owned by themselves, unless otherwise prescribed by laws and regulations.

Article 23 The shareholders of the Bank shall undertake the authenticity, completeness and accuracy of the information in respect of qualification conditions, related relationships or capital contributed provided by them, and undertake to bear the consequences of providing false information or false statements.

Article 24 No shareholder of the Bank may authorize any other person to hold equity of the Bank or accept any other person's authorization to hold equity of the Bank.

Article 25 The shareholders of the Bank and their affiliates and persons acting in concert purchasing shares of the Bank shall follow the requirements on shareholding ratios as prescribed by the CBIRC.

Article 26 The shareholders of the Bank shall abide by the provisions on related transactions as prescribed by laws and regulations and the CBIRC, and may not engage in any improper related transactions with the Bank, neither shall they use their influence over the operation and management of the Bank to seek illicit benefits.

Article 27 Where the Bank experiences a major risk incident or commits a major violation of law or regulations and is subsequently subject to risk disposal or takeover measures by the CBIRC or its local offices, the shareholders shall actively cooperate with the CBIRC or its local offices in conducting such risk disposal and other necessary work.

Article 28 The shareholders of the Bank shall make full disclosure of relevant information and accept social supervision in accordance with laws, regulations and regulatory requirements.

Section 2 Special Provisions of Substantial Shareholders

Article 29 A substantial shareholder shall undertake in writing that he/she will abide by laws and regulations, regulatory requirements and the Articles of Association when purchasing the Bank's equity, and shall explain the purpose of such purchase.

Article 30 A substantial shareholder of the Bank shall state its equity structure level by level up to its de facto controller and ultimate beneficiary, as well as its relationship as an affiliate or a person acting in concert with any other shareholder.

The substantial shareholders of the Bank shall report the following information to the Bank in a timely, accurate and complete manner:

- (I) Their operating conditions, financial information and shareholding structures;
- (II) The sources of their funds used to purchase the Bank's equity;
- (III) Their controlling shareholders, de facto controllers, affiliates, persons acting in concert and ultimate beneficiaries and any changes thereof;
- (IV) Any of their shareholdings in the Bank that is subject to litigation preservation measures or law enforcement;
- (V) Any of their shareholdings in the Bank that is pledged or released;
- (VI) Any change in their names;
- (VII) Any merger or spin-off;

(VIII) Any regulatory measures imposed on them such as suspension of business for rectification, designated custody, take-over or revocation, or any entry into proceedings in relation to dissolution, bankruptcy or liquidation;

(IX) Any other circumstances that may cause changes to their shareholder qualifications or lead to changes in their equity holding of the Bank.

Article 31 The shareholders of the Bank and their affiliates and persons acting in concert shall not purchase shares of more than two commercial banks as a substantial shareholder or control more than one commercial bank.

The purchase of shares of a commercial bank by a shareholder holding shares of a commercial bank upon authorization by the State Council, a banking financial institution or an entity as otherwise prescribed by laws and regulations, or merger and acquisition or restructuring of a high-risk commercial bank by an investor upon approval of the CBIRC shall not be subject to the provisions of the preceding paragraph.

Article 32 In accordance with the regulatory requirements, any of the Bank's substantial shareholders and its controlling shareholder or de facto controller shall not fall under any of the following circumstances:

(I) Being listed as an object subject to any joint punishment for dishonesty by relevant authorities;

(II) Committing any act of seriously evading or cancelling bank debts;

(III) Providing false materials or making false statements;

(IV) Failure of the Bank's operations or major violations of laws and regulations as a result of serious interference in the Bank's operations and violation of shareholders' obligations;

(V) Rejecting or obstructing the lawful implementation of supervision and administration by CBIRC or its local offices;

(VI) Having been investigated and punished by any financial regulatory authority or any other competent government agency due to violation of laws and regulations, thus having caused adverse impact;

(VII) Any other circumstances that may cause adverse impact on the operation and management of the Bank.

- Article 33** The substantial shareholders of the Bank shall not transfer the equity held by them within five years from the date of obtaining the equity, except for special circumstances when the CBIRC or its local offices approve to adopt risk management measures, or the CBIRC or its local offices enforce the transfer, or the equity involved in judicial enforcement or the transfer occurs between different entities controlled by the same entity.
- Article 34** The substantial shareholders of the Bank shall exercise their rights as capital contributors in strict accordance with laws and regulations, regulatory provisions and the Articles of Association, fulfill the obligations of capital contributor, and may not abuse their shareholder rights or utilize their influence to intervene in the decision-making power and management power that the Board of Directors and the senior management are entitled to in accordance with the Articles of Association, or directly intervene in or utilize their influence to intervene in the business management of the commercial banks bypassing the Board of Directors and the senior management, conduct tunneling, or cause damage to the lawful rights and interests of any depositor, the commercial banks or any other shareholder in any other form.
- Article 35** The substantial shareholders of the Bank shall make a written commitment to supply additional capital to the commercial bank when necessary and report their capital replenishment capacity to the CBIRC or its local offices through the Bank on an annual basis.
- Article 36** The substantial shareholders of the Bank shall establish effective risk isolation mechanisms to prevent any risk from spreading and transferring among shareholders, the Bank and/or other affiliates.
- Article 37** A substantial shareholder of the Bank shall effectively manage the concurrent holding of positions by any of the members of its Board of Directors, members of, Board of Supervisors and senior management and those of the Bank or other affiliates to prevent conflicts of interest.
- Article 38** Where a possible major change in the shareholder qualifications of the substantial shareholders of the Bank or leading to changes in their equity holding of the Bank, they shall report to the Bank in a timely manner in accordance with the regulatory requirements, and the Bank shall disclose the information in accordance with the regulatory requirements.

CHAPTER 4 CHANGE IN EQUITY

Article 39 Shareholders of the Bank shall comply with relevant laws and regulations, regulatory requirements, the Articles of Association and the provisions of these Measures in handling the business related to change in equity.

Article 40 The transferee shall meet the shareholders qualification in transferring the domestic shares of the Bank.

The holder of domestic shareholders of the Bank may transfer all or part of the domestic shares of the Bank held by him/her.

Article 41 The transfer of H shares of the Bank shall be subject to the relevant regulations of the Hong Kong Stock Exchange.

Article 42 The operation of the transfer of domestic shares shall be subject to internal examination and registration by the Bank. After the Bank completes the procedures, both parties to the transaction shall go to the CSDC to complete the transfer registration. If the above operations are not completed, it shall be deemed that the transfer of shares is unsuccessful, and the relevant consequences shall be borne by the both parties to the transaction. The Bank and the CSDC shall not be liable to the responsibilities.

The disputes over creditor's rights and debts and the economic and legal liabilities arising among the applicants for changes in equity, and the applicants for changes in equity and other affiliates due to changes in equity shall be borne by the concerned parties and not related to the Bank.

Article 43 Changes in equity shall be subject to the completion of registration of changes in equity by the Bank's equity registration and custody institution.

Article 44 Where changes in the domestic shares of the Bank due to division of property as a result of dissolution of the marriage relationship, inheritance and bequest, the parties to the dissolution of the marriage, the legal heir and the legatee may go to the Bank and the CSDC to handle the procedures for changes in share successively. If the above operations are not completed, it shall be deemed that the change of shares is unsuccessful, and the relevant consequences shall be borne by the applicants. The Bank and the CSDC shall not be liable to the responsibilities.

The changes in the H shares of the Bank due to dissolution of the marriage relationship, inheritance and bequest shall be subject to the relevant regulations of the Hong Kong Stock Exchange.

Article 45 After the subject qualification of the institutional shareholder holding the domestic shares of the Bank is canceled or lost as a result of other statutory circumstances, the subject that has the right to inherit the property of the institutional shareholder may go to the Bank and the CSDC to handle the procedures for changes in share successively with the relevant certificates.

Article 46 Shareholders who obtained the shares of the Bank due to ruling or auction by the people's court in accordance with the law shall also comply with the requirements of relevant laws, regulations and regulatory requirements regarding the shareholder qualification, number of shares held, shareholding ratio and shareholding method.

CHAPTER 5 EQUITY PLEDGE AND FREEZE

Section 1 Pledge

Article 47 The shareholders of the Bank may pledge their equity held in the Bank in accordance with relevant laws and regulations, regulatory requirements and the Articles of Association. In which, the holders of the H share shall handle in accordance with the relevant provisions of the Hong Kong Stock Exchange, while the holders of the domestic share shall handle in accordance with the relevant laws and regulations, regulatory requirements, the Articles of Association and the relevant provisions of these Measures.

Article 48 Where a holder of domestic shareholders of the Bank pledge the domestic shares of the Bank held by it, it shall inform the Board of Directors of the Bank in advance and cooperate with the Bank to handle relevant procedures.

The applicant for pledge shall bear legal responsibility for the authenticity of the application materials and the legality and validity of the pledge contract.

Article 49 Shareholders being Directors or Supervisors of the Bank, or directly or indirectly, jointly holding or controlling more than 2% of the Shares or voting rights of the Bank, when pledging the Shares of the Bank, shall apply for approval in advance with the Board of Directors of the Bank and file the same to provide the information including the reasons for pledge, equity amount, term of pledge and pledger. The shareholder's application shall not be kept in archives if the Board of Directors identifies that his pledge will have a material adverse impact on the stability of the Bank's shareholding structure, corporate governance, control on risk and related transactions. Directors nominated by the shareholders who intend to pledge their equity in the Bank shall abstain from voting when the Board of Directors considers any matter relating to filing.

Article 50 The equity of the Bank held by the shareholders shall not be pledged in the following circumstances:

- (I) where the equity of the Bank is pledged to the Bank as the subject of pledge;
- (II) where the loan balance of the shareholder in the Bank exceeds the audited net equity of the Bank held in the previous year;
- (III) with unclear ownership or disputes affecting the value of the pledged equity and disposal of rights, or the value difficult to assess;
- (IV) being frozen according to law or taking other enforcement measures;
- (V) the shareholder's application shall not be kept in archives if the Board of Directors identifies that his pledge will have a material adverse impact on the stability of the Bank's shareholding structure, corporate governance, control on risk and related transactions;
- (VI) the equity of the Bank involving repeated pledges or other non-prudential actions as determined by the CBIRC;
- (VII) other circumstances prohibited for pledge by the laws and regulations, regulatory requirements, the Articles of the Bank, relevant agreements or other legal documents.

Article 51 The shareholders' voting rights and those of the Directors appointed by them, shall be restricted when they vote at the meeting of the Board of Directors in the event that the amount of equity they pledged arrives at or exceeds 50% of their respective equity in the Bank.

Article 52 After the completion of the registration of equity pledge, the shareholders shall provide the Bank with the information on equity pledge in a timely manner as required by the Bank for risk management and information disclosure.

Article 53 The creation or change of pledge of the domestic shares of the Bank shall be subject to completion of the registration formalities with the CSDC after the approval of the Bank. When the holders of domestic shares of the Bank conduct the external pledge guarantee for itself or others with the domestic shares held in the Bank, and the registration formalities of creation or change of pledge have not been reviewed by the Bank and handled with the CSDC in accordance with the relevant regulations, the disputes arising between the shareholders, the pledgee and the third party shall be not related to the Bank and the CSDC.

The pledge release registration of the domestic shares of the Bank shall be handled by the parties to pledge in accordance with the requirements of the CSDC, and the Bank shall be notified in a timely manner.

Section 2 Freeze

Article 54 The Law Enforcement Agencies could freeze the equity of the Bank held by the shareholders through the equity custody institution of the Bank according to law.

Article 55 For domestic shares that has been frozen by the Law Enforcement Agencies, shall not apply for equity pledge registration before the release of the freeze.

Article 56 For the domestic shares equity that has been frozen by the Law Enforcement Agencies, where other law enforcement agencies requests freezing waiting in sequence, it shall handle the procedures of freezing waiting in sequence through the equity custody institution of the Bank according to law.

Article 57 Where the Law Enforcement Agencies require to release the frozen equity, it shall handle the procedures of releasing the freezing through the equity custody institution of the Bank according to relevant provisions.

Article 58 The freezing of the H shares of the Bank shall be subject to the relevant regulations of the Hong Kong Stock Exchange.

CHAPTER 6 OTHER PROVISIONS

Article 59 Where any change in the information of a holder of domestic shares of the Bank, the shareholder shall submit the application materials for change according to the business requirements of the CSDC, and the information change shall be handled upon the reviewing and approval by the CSDC.

Article 60 Where a holder of domestic shares of the Bank inquires about its own shareholding information and applies for a proof of ownership of shares, it shall submit the application materials according to business requirements of the CSDC, which shall be handled upon the reviewing and approval by the CSDC.

CHAPTER 7 SUPPLEMENTAL PROVISIONS

Article 61 The “over” mentioned in these Measures shall include the relevant figure itself; the “lower than” and “less than” shall not include the relevant figure itself.

Article 62 The meanings of the following terms mentioned in these Measures shall be explained as follows:

- (I) A controlling shareholder refers to a shareholder whose capital contribution occupies more than 50% of the total capital of a limited liability company, or a shareholder whose shares occupy more than 50% of the total share capital of a joint stock company; or a shareholder the proportion of whose capital contribution or shares is less than 50% but the voting right attached to its capital contribution or the shares is significant to the extent that such shareholder may exert significant influence over the general meeting or the resolution of the general meeting, according to article 216 of the Company Law of the People’s Republic of China.
- (II) The de facto controller refers to the person who, despite not being a shareholder of a company, is able to actually control the conduct of a company through investment relations, agreements or other arrangements, according to article 216 of the Company Law of the People’s Republic of China.
- (III) An affiliate refers to those who has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control, joint control or significant influence from another party, according to the Accounting Standard for Business Enterprises 36 “Related Party Disclosures”. However, state-owned enterprises do not have affiliated relationships solely as a result of being controlled by the State.

(IV) Acting in concert refers to an act or a fact that investors and other investors jointly enlarge the proportion of the shares with voting rights in a company by way of agreement or other arrangements. The investors who agree to act in concert are persons acting in concert.

(V) An ultimate beneficiary refers to a person who is actually entitled to the return on equity of a commercial bank.

Article 63 In principle, the relevant materials provided by the shareholders of the Bank in applying for processing relevant business with the Bank or the CSDC in accordance with these Measures shall be the original.

Article 64 The Board of Directors of the Bank shall be responsible for the interpretation of these Measures.

Article 65 These Measures shall be implemented as of the date of approval by the general meeting after consideration. Where there are matters not covered herein or otherwise contradicts the laws, regulations, regulatory requirements, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Articles of Association promulgated or amended after these Measures becoming effective, the latter shall prevail.

The Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd. (Revised)

Chapter 1 General Provisions

Article 1 For the purpose of improving the corporate governance structure of Zhongyuan Bank Co., Ltd. (the “**Bank**”), giving full play to the role of independent Directors and specifying the responsibilities of independent Directors, the Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd. (the “**Rules**”) are hereby formulated in accordance with the relevant laws, administrative regulations and regulatory documents, such as the “Company Law of the People’s Republic of China” (the “**Company Law**”), “Guidelines for Corporate Governance of Commercial Banks”, “Guidance on the Corporate Regulations of Independent Directors and External Supervisors of Joint-Stock Commercial Banks”, “Due Diligence Guidance for the Board of Directors of Joint-Stock Commercial Banks (Trial)”, “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)” and the regulations of the Articles of Association of Zhongyuan Bank Co., Ltd. (the “**Articles**”).

Article 2 The independent Director of the Bank refers to the Director who does not hold any other positions in the Bank except for Director, and having no relationship with the Bank and its substantial shareholders that may affect his/her independent and objective judgment. The number of independent Directors of the Bank shall not be less than three and not less than one-third of the number of the Board of Directors. At least one of the independent Directors must have appropriate professional qualifications or accounting or related financial management expertise and at least one independent Director is an ordinary resident in Hong Kong.

Article 3 Independent Directors shall faithfully carry out their duties in accordance with the relevant laws and regulation and the Articles, safeguard the interests of the Bank as a whole, and particularly ensure that the legitimate rights and interests of depositors and minority shareholders of the Bank are not prejudiced.

An independent Director shall perform the duties and responsibilities independently, without any interference by substantial shareholders or de facto controllers of the Bank, or other entities or individuals who have conflict of interests with the Bank.

Chapter 2 Appointment Qualifications of Independent Directors

Article 4 An independent Directors shall have higher professional quality and good reputation, and meet the requirements stipulated in the Company Law and other relevant laws and regulations and the Articles.

Article 5 An independent Director shall meet the following basic requirements:

- (I) Being qualified to serve as a Director of the Bank pursuant to the applicable laws and other relevant requirements;
- (II) Not holding any other positions in the Bank except for Director, and having no relationship with the Bank and its substantial shareholders that may affect his/her independent and objective judgment;
- (III) Owing the basic knowledge for the operation of a commercial bank and familiar with the relevant applicable laws;
- (IV) Having a bachelor's degree or above, or intermediate vocational titles of relevant professions or above;
- (V) Having over 5 years' experience in law, economics, finance, accounting or other work experience necessary to performing the duties and responsibilities of an independent Director;
- (VI) Being able to read, understand and analyze statements on credit statistics and financial statements of commercial banks;
- (VII) Other requirements as stipulated by laws, administrative regulations, departmental rules, regulatory documents and the Articles.

Article 6 The following persons shall not act as an independent Director of the Bank:

- (I) A shareholder who holds above 1% of the shares of the Bank or a person who holds positions in such shareholder entities of the Bank or a natural person shareholder who is among the top 10 shareholders of the Bank;
- (II) Any person who, at any time in the previous year, is a person described in the paragraph above;

- (III) A person who holds position in the Bank or in enterprises under the control or de facto control of the Bank;
- (IV) A person who held position in the Bank or in enterprises under the control or de facto control of the Bank in the three years before taking up the office;
- (V) A person who holds positions in entities which have legal, accounting, auditing, management consulting and other business connections with or have interests in the Bank;
- (VI) Any other person who may be controlled or materially influenced by the Bank by any means;
- (VII) A person who takes office in enterprises which have outstanding overdue borrowings from the Bank;
- (VIII) The close relatives of the above persons;
- (IX) A person who was removed from office by his/her former company for failure to diligently perform his/her duties;
- (X) A person who served as principal officer of a high-risk financial institution and unable to prove he/she is not liable for the cancellation or loss of assets of such financial institution;
- (XI) Any person who is described as follows, and the Bank is unable to certify to and convince The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) that the person is an independent person:
 - 1. Such person has obtained any securities interest of the Bank from core connected parties (as defined by the Hong Kong Listing Rules) or the Bank itself in the form of present or other forms of financial assistance (save as otherwise provided by the Hong Kong Listing Rules);

2. Such person is a Director, partner or principal of a professional adviser which currently provides or has provided services within one year immediately prior to the date of his appointment, or is an employee of such professional adviser who is or has been involved in providing such services during the same period, to:
 - (1) the Bank, its holding company or any of their respective subsidiaries or core connected parties; or
 - (2) any person who was a controlling shareholder of the Bank or (provide that there was no controlling shareholders) any person who was the president or a Director (other than an independent Director), of the Bank within one year immediately prior to the date of the proposed appointment of independent Director, or any of their close associates (as defined by the Hong Kong Listing Rules);
 3. Such person has a material interest in any principal business activity of or is involved in any material business dealings with the Bank, its holding company or their respective subsidiaries or with any core connected persons of the Bank;
 4. Such person is on the board specifically aims to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;
 5. Such person is connected with a Director, president or a substantial shareholder of the Bank within two years immediately prior to the date of his proposed appointment of independent Director;
 6. Such person is, or has at any time during the two years immediately prior to the date of his proposed appointment of Director been, an executive (including any person who has any management function in the company and any person who acts as a company secretary of the company) or Director (other than an independent Director) of the Bank, of its holding company or of any of their respective subsidiaries or of any core connected persons of the Bank; and
 7. Such person is financially dependent on the Bank, its holding company or any of their respective subsidiaries or core connected persons of the Bank.
- (XII) Any other person who is not permitted to serve as an independent Director by laws, administrative regulations, departmental rules, regulatory documents and the Articles or by the regulatory authorities of the place where the Bank's shares are listed and any other relevant regulatory authorities.

Article 7 A person who is a civil servant shall not concurrently serve as an independent Director of the Bank, and an independent Director shall not hold positions in more than two commercial banks at the same time.

An independent Director shall, before holding a position in other non-commercial financial institutions, inform the Bank of such fact in advance.

Chapter 3 Procedure, Appointment and Removal of an Independent Director

Article 8 The nomination, election and replacement of independent Directors shall be made in accordance with the following requirements:

- (I) The Nomination and Remuneration Committee of the Board of Directors and shareholders individually or jointly holding above 1% of the Bank's total outstanding shares with voting rights can nominate candidates for independent Directors to the Board of Directors. A shareholder who has already nominated a candidate for Director shall not nominate any candidate for independent Director;
- (II) The qualifications of nominated candidates for independent Directors shall be reviewed by the Nomination and Remuneration Committee of the Board of Directors, and the review focuses on independence, professional knowledge, experience and ability, etc.;
- (III) The election and appointment of independent Directors shall mainly follow market principles.

Article 9 The same shareholder shall nominate only one candidate for an independent Directors or external supervisor and shall not nominate candidates for both independent Director and external Supervisor.

Article 10 An independent Director shall work for the commercial bank for not less than fifteen working days each year. The cumulative term of office of independent Directors in the same commercial bank shall not exceed six years.

Article 11 An independent Director may resign before the term of office expires. He/she shall submit a written resignation to the Board of Directors to specify any circumstances related to the resignation or any fact that he/she believes necessary to draw the attention of the Bank's shareholders and creditors. An independent Director shall continue to perform his/her duties before the Board of Directors approves his/her resignation.

If the resignation of an independent Director causes the number of independent Directors in the Board of Directors to fall under the minimum number required by laws or the Articles, the resignation of the independent Director shall not become effective until the successor assumes his/her office.

Article 12 Both the Board of Directors and the Board of Supervisors have the right to propose to the shareholders' general meeting to dismiss the independent Director in the following circumstances:

- (I) serious dereliction of duty (as defined by Chapter 5 in the Rules);
- (II) failing to resign from his/her position when he/she is no longer qualified to hold the position of independent Director;
- (III) failing to attend the meeting in person for two consecutive times or appoint other independent Director to attend the meeting on his/her behalf, or attending in person less than two-thirds of total number of board meetings held within one year;
- (IV) other circumstances stipulated by laws, administrative regulations, regulatory documents and the Hong Kong Listing Rules where an independent Director are no longer suitable for holding such a position.

Article 13 The proposal submitted by the Board of Supervisors in respect of the dismissal of an independent Director shall only be submitted to the shareholders' general meeting for consideration after such proposal has been adopted by more than two-thirds of all the Supervisors. Before the Board of Supervisors submits the dismissal proposal, the independent Director may explain relevant circumstance to the Board of Supervisors, and make presentation and defend himself/herself.

Chapter 4 Duties and Responsibilities of an Independent Director

Article 14 In addition to the duties and powers granted to the Directors of the Bank by the Company Law and other relevant laws, administrative regulations, regulatory documents, the Hong Kong Listing Rules and the Articles, independent Directors shall be granted the following special duties and powers:

- (I) To propose to the Board of Directors to appoint, re-appoint or remove an accounting firm;
- (II) To propose to the Board of Directors to convene an extraordinary general meeting;
- (III) To propose to convene a meeting of the Board of Directors;
- (IV) To independently appoint an external auditor and advisory organ;
- (V) To publicly solicit voting rights from shareholders before the shareholders' general meeting convenes.

The exercise of the above duties and powers by the independent Directors shall obtain the consent of more than one-half of all the independent Directors.

Article 15 Independent Directors shall give independent opinions to the Board of Directors or shareholders' general meeting in relation to the following important matters of the Bank:

- (I) Nomination and removal of Directors;
- (II) Appointment or removal of senior management personnel;
- (III) Significant related transactions entered into by shareholders, de facto controllers and its affiliated enterprises with the Bank and whether the Bank has adopted effective measures to recover the outstanding amount(s);
- (IV) Matters which the independent Directors consider may prejudice the legitimate rights and interests of depositors, minority shareholders and other stakeholders or may cause material losses to the commercial bank;
- (V) Profit distribution plans;
- (VI) Appointment of external auditors;

- (VII) Matters on which the Hong Kong Listing Rules require the independent Directors to give opinions;
- (VIII) The effect of the issuance of preference shares on the rights and interests of every class of shareholders of the Bank;
- (IX) Other matters stipulated by laws and regulations.

Independent Directors shall give one of the following opinions in respect of the aforesaid matters:

- (I) consent;
- (II) qualified opinion and its reason;
- (III) objection and its reason;
- (IV) not able to comment and the restriction on making comments.

If the relevant matters are required to be disclosed, the Bank shall also make public announcement of the independent Directors' opinion. Where there are dissenting opinions among the independent Directors, the Board shall disclose all independent Directors' opinion separately.

Article 16 The independent Directors shall review the continuing connected transactions of the Bank annually required to be approved by the general meeting in accordance with the Hong Kong Listing Rules, and confirmed in annual report of the Bank that whether such transactions:

- (I) were entered into in the ordinary and usual course of business of the Bank group;
- (II) were conducted on normal commercial terms or better; and
- (III) were conducted according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Bank as a whole.

Article 17 To ensure the effective performance of the duties and powers by independent Directors, the Bank shall provide the following necessary working conditions for independent Directors:

- (I) The Bank shall ensure that independent Directors have the same right to be informed as other Directors;
- (II) The Bank shall establish a working system of independent Directors. The secretary to the Board of Directors shall actively assist the independent Directors to perform their duties and provide the related materials and information to the independent Directors in a timely manner, inform them of the operation conditions of the Bank on a regular basis and organize on-site investigation for independent Directors when necessary;
- (III) When the independent Directors are exercising their duties and powers, the relevant personnel of the Bank shall cooperate positively and shall not refuse to act, hinder or conceal anything and shall not interfere with the independent exercise of their powers and duties;
- (IV) The expenses incurred from engaging intermediary institutions or other professionals and other expenses required for exercising the duties and powers by independent Directors shall be borne by the Bank;
- (V) The Bank shall give appropriate allowances to independent Directors. Proposals on the allowance standards shall be formulated by the Board of Directors and considered and approved at the general meeting. Except the above allowance, independent Directors shall not obtain other undisclosed additional benefits from the Bank and its substantial shareholders or any organ or personnel who has interests in the Bank.

Article 18 Before taking office, independent Directors shall promise the Board that they have enough time and energy to perform their duties and will diligently perform their duties.

Article 19 Upon taking office, independent Directors shall submit written confirmation of their independence to the Hong Kong Stock Exchange and shall confirm their independence to the Bank annually. The independent Director shall notify the Hong Kong Stock Exchange of any changes in the circumstances which may affect his/her independence as soon as practicable.

Article 20 At the annual general meeting, independent Directors should report to the general meeting on the performance of duties over the past year.

Chapter 5 Legal Responsibility of Independent Directors

Article 21 Independent Directors shall have committed a serious dereliction of duty in any of the following circumstances:

- (I) Divulgence of the trade secrets of the Bank and impairment of the legitimate interests of the Bank;
- (II) Acceptance of illicit benefits in the performance of their duties, or the seeking of private benefits by taking advantage of the capacity of an independent Director;
- (III) Failure to raise an opposing opinion despite being fully aware that a Board resolution violates the laws, regulations or the Articles;
- (IV) Failure to exercise the veto power in respect of connected transactions which have caused material loss to the Bank;
- (V) Other serious dereliction as prescribed by the laws, regulations, rules, regulatory documents or by the banking regulatory and administrative authorities under the State Council, the securities regulatory and administrative authorities under the State Council and the securities regulatory authority of the place where the Bank's shares are listed.

If an independent Director has been disqualified by the banking regulatory and administrative authorities under the State Council due to serious dereliction of duty, he/she shall be automatically dismissed from the position from the date he/she is disqualified.

Article 22 Independent Director failed to raise an opposing opinion despite being fully aware that a Board resolution violates the laws, administrative regulations or the Articles which have caused material loss to the Bank, or where an independent Director engages in illegal acts prohibited by the law, such as the Company Law, administrative regulations and regulatory documents which have caused material loss to the Bank, he/she will be liable for payment of compensation for the losses.

Chapter 6 Remuneration and Expenses of Independent Directors

Article 23 The Bank shall offer remuneration to independent Directors. The rate of such remuneration shall be proposed by the Board of Directors and approved by general meetings.

Article 24 The reasonable expenses incurred by the independent Directors in the performance of their duties and powers shall be borne by the Bank.

Chapter 7 Supplementary Provisions

Article 25 Any matters not mentioned herein or any conflicts with the new or amended laws, administrative regulations, departmental rules, requirements of the security regulatory authorities of the place where the shares of the Bank are listed, the Hong Kong Listing Rules and provisions of the Articles arising upon the Rules take effect, shall be executed in accordance with the relevant laws, administrative regulations, departmental rules, requirements of the security regulatory authorities of the place where the shares of the Bank are listed, the Hong Kong Listing Rules and provisions of the Articles.

Article 26 Unless otherwise specified, terms used herein have the same meanings as the same terms used in the Articles.

Article 27 The power of interpretation of the Rules shall be vested in the Board of Directors.

Article 28 The Rules has been considered and approved by the shareholders' general meeting and shall become effective on the listing of H-shares publicly issued by the Bank on The Stock Exchange of Hong Kong Limited. From the date on which the Rules come into effect, the original "Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd." shall automatically become invalid.

NOTICE OF 2018 ANNUAL GENERAL MEETING

中原銀行股份有限公司* ZHONGYUAN BANK CO., LTD.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “AGM”) of Zhongyuan Bank Co., Ltd. (the “Bank”) will be held at 2:30 p.m. on May 20, 2019 (Monday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Jinshui District, Zhengzhou, Henan Province, the PRC to consider and approve, if thought fit, the following resolutions:

Ordinary Resolutions

1. to consider and approve the Work Report of the Board of Directors for 2018;
2. to consider and approve the Work Report of the Board of Supervisors for 2018;
3. to consider and approve the Final Account Report for 2018;
4. to consider and approve the Financial Budget Report for 2019;
5. to consider and approve the Profit Distribution Plan for 2018;
6. to consider and approve the appointment of accounting firm for 2019;
7. to consider and approve the Directors Remuneration Report for 2018;
8. to consider and approve the Supervisors Remuneration Report for 2018;
9. to consider and approve the election of the external Supervisor of the second session of the Board of Supervisors;
10. to consider and approve the amendments to the Administrative Measures for the Connected (Related) Transactions of Zhongyuan Bank Co., Ltd. (《中原銀行股份有限公司關聯(連)交易管理辦法》);

NOTICE OF 2018 ANNUAL GENERAL MEETING

11. to consider and approve the amendments to the Measures for the Equity Management of Zhongyuan Bank Co., Ltd. 《中原銀行股份有限公司股權管理辦法》; and
12. to consider and approve the amendments to the Work Rules of Independent Directors of Zhongyuan Bank Co., Ltd. 《中原銀行股份有限公司獨立董事工作規則》.

By order of the Board
Zhongyuan Bank Co., Ltd.*
Dou Rongxing
Chairman

Zhengzhou, the PRC
April 4, 2019

As of the date of this notice, the board of directors of the Bank comprises Mr. Dou Rongxing, Mr. Wang Jiong, Mr. Li Yulin and Mr. Wei Jie as executive directors; Mr. Li Qiaocheng, Mr. Li Xipeng and Mr. Mi Hongjun as non-executive directors; Ms. Pang Hong, Mr. Li Hongchang, Mr. Jia Tingyu and Mr. Chan Ngai Sang Kenny as independent non-executive directors.

* *Zhongyuan Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

NOTICE OF 2018 ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), all resolutions proposed at the AGM will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman of the AGM decides to permit the vote by a show of hands). The voting results will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

2. **CLOSURE OF THE REGISTER OF MEMBERS**

The Bank’s register of members will be closed from April 19, 2019 (Friday) to May 20, 2019 (Monday), both days inclusive, during which period no transfer of the shares of the Bank (the “**Shares**”) will be effected. The shareholders of the Bank (the “**Shareholders**”) whose names appear in the Bank’s register of members on May 20, 2019 (Monday) shall be entitled to attend and vote at the AGM.

For a Shareholder to be eligible for attending and voting at the AGM, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the board (the “**Board**”) of Directors of the Bank at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the domestic Shareholders) not later than 4:30 p.m., April 18, 2019 (Thursday).

The Bank’s register of members will be closed from May 24, 2019 (Friday) to May 29, 2019 (Wednesday), both days inclusive, during which period no transfer of the Shares will be effected. The Shareholders whose names appear in the Bank’s register of members on May 29, 2019 (Wednesday) shall be entitled to receive the 2018 final dividend.

For a Shareholder to be eligible for receiving the 2018 final dividend, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712– 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the domestic Shareholders) not later than 4:30 p.m., May 23, 2019 (Thursday).

3. **REPLY SLIP**

The Shareholders who intend to attend and vote at the AGM (in person or by proxy) shall complete the reply slip for the AGM, and return it by hand, by post or by fax on or before April 30, 2019 (Tuesday) to the H Share Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the domestic Shareholders).

In the event that, according to the reply slips received by the Bank, the number of Shares with voting rights represented by those Shareholders intending to attend the AGM fails to reach more than half of the total number of Shares with rights to vote at the AGM, the AGM may be postponed.

NOTICE OF 2018 ANNUAL GENERAL MEETING

4. PROXY

Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more person(s) (if the Shareholder holds two or more issued Shares), whether (each of) such person is a Shareholder or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the AGM.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the common seal of the legal person or signed by its director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authority must be delivered to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the H Shareholders) or to the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the domestic Shareholders) not later than 24 hours before the scheduled time for the holding of the AGM or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the AGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares in person or by proxy as the only holder entitled to vote. If one or more registered joint holders attend the AGM in person or by proxy, the vote of the person (in person or by proxy) whose name appears first in the Bank's register of members will be accepted as the sole and exclusive vote of such joint holders.

NOTICE OF 2018 ANNUAL GENERAL MEETING

5. MISCELLANEOUS

The Shareholders or their proxies shall present their identity documents when attending the AGM (or any adjournment thereof). The legal representative of or any other persons officially authorized by a corporate Shareholder shall present his/her identity documents and the notarially certified documents for appointment as a legal representative or valid authorization document(s) (as the case may be) when attending the AGM (or any adjournment thereof).

The AGM is expected to last for no more than half a day. Shareholders and their representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

Address of Computershare Hong Kong Investor Services Limited:

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

Address of the office of the Board:

Zhongke Golden Tower,
No. 23 Shangwu Waihuan Road, Zhengdong New District,
Zhengzhou, Henan Province, the PRC
Tel: (86) 0371-8551 7898
Fax: (86) 0371-8551 7555

The details about the aforesaid resolutions proposed for the consideration and approval at the AGM will be set out in the circular to be despatched by the Bank in due course.