
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 Huishang Bank Corporation Limited*, you should at once hand this circular, together with the accompanying proxy form and the reply slip, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Huishang Bank Corporation Limited* **徽商銀行股份有限公司***

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

(Stock Code: 3698)

2021 ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Anhui Hall, 4/F, Anhui Hotel, No. 18 Meishan Road, Hefei, Anhui Province, the PRC at 9:00 a.m. on Thursday, June 30, 2022. The notice of the Annual General Meeting is set out on pages 141 to 144 of this circular.

If you intend to appoint a proxy to attend the Annual General Meeting, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. H Shareholders should return the proxy form to Computershare Hong Kong Investor Services Limited, and Domestic Shareholders should return the proxy form to the Bank's registered office and principal place of business in the PRC respectively and in each case, in person or by post, not less than 24 hours before the time fixed for holding the Annual General Meeting (i.e. 9:00 a.m. on Wednesday, June 29, 2022) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meeting thereof should you so wish.

If you intend to attend the Annual General Meeting in person or by proxy, you are required to complete and return the accompanying reply slip to Computershare Hong Kong Investor Services Limited (for H Shareholders) or to the Bank's registered office and principal place of business in the PRC (for Domestic Shareholders) at or before 4:30 p.m. on Friday, June 10, 2022.

* *Huishang Bank Corporation Limited 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/deposit-taking business in Hong Kong.*

May 25, 2022

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DEFINITIONS

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

“2018 AGM”	the 2018 annual general meeting of the Bank held on June 30, 2019
“2019 AGM”	the 2019 annual general meeting of the Bank held on June 30, 2020
“2020 AGM”	the 2020 annual general meeting of the Bank held on June 30, 2021
“Annual General Meeting” or “AGM”	the 2021 annual general meeting of the Bank to be held at the Anhui Hall, 4/F, Anhui Hotel, No. 18 Meishan Road, Hefei, Anhui Province, the PRC at 9:00 a.m. on Thursday, June 30, 2022
“Articles of Association”	the articles of association of the Bank that is currently in effect
“A Share(s)”	the ordinary share(s) proposed to be issued by the Bank pursuant to the A Share Offering and subscribed for in RMB
“A Share Listing Date”	the date on which the A Shares are to be listed on the Shanghai Stock Exchange
“A Share Offering”	the Bank’s proposed initial public offering of not more than 1.5 billion A Shares, which will be listed on the Shanghai Stock Exchange
“A Share Offering Plan”	the Plan on the Initial Public Offering and Listing of A Shares of Huishang Bank Corporation Limited formulated by the Bank in respect of the A Share Offering, which was approved at the 2018 AGM and the validity period of which was successively approved to extend for 12 months by resolution at the 2019 AGM and 2020 AGM, respectively
“Bank” or “Huishang Bank”	Huishang Bank Corporation Limited (徽商銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange, including subsidiaries and subordinate branches

DEFINITIONS

“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CBIRC Anhui Office”	the China Banking and Insurance Regulatory Commission Anhui Office (中國銀行保險監督管理委員會安徽監管局)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“CSRC Anhui Bureau”	the Anhui Regulatory Bureau of China Securities Regulatory Commission (中國證券監督管理委員會安徽監管局)
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	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)”	holder(s) of Domestic Share(s)
“Governance Standards”	the Governance Standards for Banking or Insurance Institutions
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Share(s)”	overseas-listed foreign investment share(s) in the share capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	May 20, 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Measures for the Evaluation of Performance of Duties”	the Measures for the Evaluation of Performance of Duties by Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation)
“Non-public Issuance of Domestic Shares”	the issuance of a total of 1,735,000,000 Domestic Shares to Deposit Insurance Fund Management Co., Ltd. (存款保險基金管理有限責任公司) and Anhui Transportation Holding Group Co., Ltd. (安徽省交通控股集團有限公司) by the Bank under the general mandate granted to the Board at the 2019 AGM. Such issuance was completed on January 4, 2021. For details, please refer to the Bank’s announcements dated August 20, 2020 and January 4, 2021
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“PRC Securities Law”	the Securities Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure of the General Meeting”	the current effective Rules of Procedure of the Shareholders’ General Meeting of Huishang Bank Corporation Limited
“Rules of Procedure of the Board of Directors”	the current effective Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited
“Rules of Procedure of the Board of Supervisors”	the current effective Rules of Procedure of the Board of Supervisors of Huishang Bank Corporation Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) of the Bank, consisting of the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	the shareholder(s) of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank

Unless otherwise specified in this circular, the currency used in this circular shall be Renminbi.

The translated English names for the PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations and the like included in this circular and for which no official English translation exists are unofficial translations for identification purposes only. In case of inconsistency in such case, the Chinese name shall prevail.

LETTER FROM THE BOARD



Huishang Bank Corporation Limited*

徽商銀行股份有限公司*

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

(Stock Code: 3698)

Executive Directors:

Mr. Yan Chen (*Chairman*)
Mr. Zhang Renfu (*President*)

Non-executive Directors:

Mr. Ma Lingxiao
Mr. Wu Tian
Mr. Wang Zhaoyuan
Mr. Gao Yang
Mr. Wang Wenjin
Mr. Zhao Zongren

Independent non-executive Directors:

Mr. Dai Peikun
Ms. Zhou Yana
Mr. Liu Zhiqiang
Mr. Yin Jianfeng
Ms. Huang Aiming

*Registered office and principal
place of business in the PRC:*

Huishang Bank Building
No. 1699 Yungu Road
Hefei
Anhui Province
the PRC

*Principal place of business in
Hong Kong:*

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

To the Shareholders

Dear Sir or Madam,

2021 ANNUAL GENERAL MEETING

I. INTRODUCTION

The Bank will convene the Annual General Meeting on Thursday, June 30, 2022, and proposes the following resolutions at the meeting:

- (1) the final financial accounts for 2021;
- (2) the capital expense budget for 2022;
- (3) the profit distribution plan for 2021;

LETTER FROM THE BOARD

- (4) the appointment of external auditors of the Bank for 2022;
- (5) the Work Report of the Board of Directors for 2021;
- (6) the Work Report of the Board of Supervisors for 2021;
- (7) the determination of the remuneration standards for executive directors of the Bank for 2019;
- (8) the determination of the remuneration standard for the former chairman of the Board of Supervisors of the Bank for 2019;
- (9) the Rules of Procedure of the General Meeting (Revised);
- (10) the Rules of Procedure of the Board of Directors (Revised);
- (11) the Rules of Procedure of the Board of Supervisors (Revised);
- (12) the election of Ms. Shao Dehui as a non-executive director of the fourth session of the Board of Directors;
- (13) the general mandate for the issuance of Shares;
- (14) the extension of the validity period of the A Share Offering Plan;
- (15) the extension of the validity period of the authorization of the Board of Directors to deal with specific matters in respect of the A Share Offering; and
- (16) the Articles of Association (Revised).

Items (1) to (12) are ordinary resolutions, and items (13) to (16) are special resolutions.

Apart from the consideration of the aforementioned resolutions, the Shareholders will be debriefed by the Bank at the AGM in respect of the Report on Related Party Transactions for 2021, the Report on Duties by the Independent Non-executive Directors for 2021 of the Bank, the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Board and the Directors for 2021, the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Supervisors for 2021, the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Senior Management and its Members for 2021 and the Report on the Implementation of Resolutions of Shareholders' General Meetings.

The purpose of this circular is to incorporate the notice of the AGM, and to provide you with details regarding the resolutions mentioned above.

LETTER FROM THE BOARD

II. MATTERS TO BE RESOLVED AT THE AGM

(I) Regular Matters to be Resolved at the AGM

1. Final Financial Accounts for 2021

The preparation of the final financial accounts for 2021 has been completed by the Bank in accordance with relevant regulations. Based on the audited financial statements for the year ended December 31, 2021 prepared in accordance with the China Accounting Standards for Business Enterprises, the final financial accounts of the Bank for 2021 are summarised as follows:

The Bank's strength of comprehensive operation has been steadily improved, and the total assets were over RMB1.38 trillion, representing an increase of 8.80%; the operating income was RMB35.711 billion, representing an increase of 12.60%; the net profit was RMB11.785 billion, representing an increase of 18.79%; the return on average total assets was 0.89%, representing an increase of 0.06 percentage point from the end of last year.

As of the end of 2021, the non-performing loan ratio was 1.78%, representing a decrease of 0.20% from the end of last year; the provision coverage ratio of non-performing loan was 239.74%, representing an increase of 57.84 percentage points from the end of last year; the allowance-to-loan ratio was 4.27%, representing an increase of 0.66 percentage points from the end of last year.

As of the end of 2021, the core Tier 1 capital adequacy ratio was 8.45%, representing an increase of 0.41 percentage points from last year; the Tier 1 capital adequacy ratio was 9.54%, representing a decrease of 0.35 percentage points from last year; the capital adequacy ratio was 12.23%, representing an increase of 0.11 percentage points from last year.

For details of the financial information of the Bank for the year ended December 31, 2021 audited in accordance with the International Financial Reporting Standards, please refer to the financial statements in the 2021 annual results announcement published by the Bank on March 30, 2022 and in the 2021 annual report published by the Bank on April 26, 2022.

2. Capital Expense Budget for 2022

Based on the needs of the Bank for its strategic development and business expansion, the Bank intends to make a total capital expenditure budget of RMB1,257 million for 2022, representing a decrease of RMB215 million compared to that for 2021, representing a year-on-year decrease of 14.58%, of which:

- (1) RM283 million for operating premises;
- (2) RMB5 million for transportation equipment;

LETTER FROM THE BOARD

- (3) RMB68 million for office furniture, equipment and cashier machines;
- (4) RMB59 million for security equipment;
- (5) RMB708 million for technology investments; and
- (6) RMB134 million for renovation and improvement costs of outlets.

3. Profit Distribution Plan for 2021

In 2021, the Bank under the headquarters realized an audited net profit of RMB10,319.66 million for the whole year, and the Bank proposes the following profit distribution plan for 2021:

- (1) RMB1,031.966 million has been allocated to the statutory surplus reserve; RMB1,447.630 million has been allocated to the general risk reserve; and RMB1,031.966 million has been allocated to the discretionary surplus reserve. The remaining distributable profit for the year amounted to RMB6,808.098 million.
- (2) The Bank proposed to distribute a cash dividend of RMB0.089 per share (tax inclusive), with a total amount of cash dividend of approximately RMB1,236.1923 million (tax inclusive), and cash dividend distributed through the year representing approximately 12% of the audited net profits of the Bank under the headquarters for the year of 2021. The main reasons are as follows: the core Tier 1 capital adequacy ratio of the Bank under the headquarters was 8.01%, which was relatively low. An appropriate amount of earnings retained can be used to effectively replenish the Bank's internal capital and to support the healthy development of the business.

4. Appointment of External Auditors for 2022

In order to meet the business development requirements of the Bank and facilitate the operation of the Bank in compliance with laws and regulations, the Board proposes to the AGM to reappoint Ernst & Young Hua Ming LLP (Special General Partnership) as the external auditor for domestic auditing of the Bank in 2022, and proposes the re-appointment of Ernst & Young as the overseas auditor of the Bank in 2022, and the Board and the authorized persons of the Board are authorized to determine the remunerations of the external auditors.

The term of office of external auditor will commence on the date on which the relevant resolution is passed at the Annual General Meeting until the date of conclusion of the 2022 annual general meeting of the Bank. The services to be provided by the external auditors mainly include annual audit and interim review under the International Accounting Standards and annual audit under the China Accounting Standards, review of financial data of regular reports and audit/review reports, making special audit and statement in relation to share issuance, issuing letters of undertakings and capital verification in respect of the quotation of relevant audit reports for the purpose of the issuance of financial bonds, etc.

LETTER FROM THE BOARD

5. Work Report of the Board of Directors for 2021

The full text of the Work Report of the Board of Directors for 2021 is set out in Appendix I to this circular.

6. Work Report of the Board of Supervisors for 2021

The full text of the Work Report of the Board of Supervisors for 2021 is set out in Appendix II to this circular.

7. Determination of the Remuneration Standards for Executive Directors of the Bank for 2019

In May 2021, Anhui Provincial Department of Finance determined the remuneration standards for the persons-in-charge of the Bank. The remuneration standards for executive Directors of the Bank in 2019 were as follows:

Unit: RMB0'000

Positions	Name	Remuneration standard	Remark
Executive Director and president	Zhang Renfu	65.67	–
Former executive Director and current chairman of the Board of Supervisors	He Jiehua	44.83	Joined the Bank in March 2019 since which his remuneration was determined by Anhui Provincial Department of Finance; appointed as the chairman of the Board of Supervisors in July 2020
Former executive Director and former chairman of the Board	Wu Xuemin	65.67	Ceased to be an executive Director and the chairman of the Board of the Bank due to work adjustment since April 2021
Former executive Director and former vice president	Ci Yaping	30.63	Retired in July 2019

Note: The above income represents income before tax.

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8. Determination of the Remuneration Standard for the Former Chairman of the Board of Supervisors of the Bank for 2019

The remuneration standard for Mr. Zhang Youqi, the former chairman of the Board of Supervisors, for 2019 was determined by Anhui Provincial Department of Finance in May 2021 as follows:

Unit: RMB0'000

Position	Name	Remuneration	Remark
Former employee Supervisor and chairman of the Board of Supervisors	Zhang Youqi	17.64	Ceased to be an employee Supervisor and the chairman of the Board of Supervisors from April 2020

Note: The above income represents income before tax.

9. The Rules of Procedure of the General Meeting (Revised)

In order to improve the corporate governance of the Bank and promote the continuous healthy development of the Bank, in accordance with the regulatory requirements such as the Governance Standards and taking into account the amendments to the Articles of Association and the actual condition of the Bank, the rules of procedure of the general meeting are hereby amended.

A total of 9 articles shall be amended with no article being added or deleted. The details of the amendments are set out in Appendix III to this circular.

The rules of procedure of the Shareholders' general meeting (Revised) will come into effect after being approved at the AGM.

10. The Rules of Procedure of the Board of Directors (Revised)

In order to improve the corporate governance of the Bank, optimize the operating mechanism of the Board of Directors and promote the continuous healthy development of the Bank, in accordance with the regulatory requirements such as the Governance Standards and the Measures for the Evaluation of Performance of Duties and taking into account the amendments to the Articles of Association and the actual condition of the Bank, the rules of procedure of the Board of Directors are hereby amended.

A total of 13 articles shall be amended with no article being added or deleted. The details of the amendments are set out in Appendix IV to this circular.

The rules of procedure of the Board of Directors (Revised) will come into effect after being approved at the AGM.

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11. The Rules of Procedure of the Board of Supervisors (Revised)

In accordance with the regulatory requirements such as the Governance Standards and the Measures for the Evaluation of Performance of Duties and taking into account the amendments to the Articles of Association, the rules of procedure of the Board of Supervisors are hereby amended.

A total of 13 articles shall be amended with no article being added or deleted. The details of the amendments are set out in Appendix V to this circular.

The rules of procedure of the Board of Supervisors (Revised) will come into effect after being approved at the AGM.

12. Election of a Non-executive Director

Reference is made to the announcement of the Bank dated May 6, 2022, in relation to the the meeting convened by the Board of Directors on May 6, 2022, at which a resolution was passed to recommend the shareholders' general meeting of the Bank to elect Ms. Shao Dehui (“**Ms. Shao**”) as a non-executive Director of the fourth session of the Board. Biographical details of Ms. Shao are set out below:

Ms. Shao Dehui, born in December 1963, holds a bachelor's degree in economics and management from the Party School of the Anhui Provincial Party Committee and is a senior accountant. Ms. Shao is currently the chief accountant of Anhui Energy Group Co., Ltd. (安徽省能源集團有限公司), the chairman of the Supervisory Committee of Anhui Wenergy Company Limited (安徽省皖能股份有限公司), a director of Xing An Holdings Limited, an executive director and the general manager of Anhui Wenergy Energy Materials Co., Ltd. (安徽省皖能能源物資有限公司), and a director of Guoyuan Securities Company Limited (國元證券股份有限公司). She served as a deputy divisional assistant to the investigation special commissioner of the Fourth Office of the Anhui Provincial Government Investigation Special Commissioner, a deputy divisional full-time supervisor of the Second Office of the Anhui SASAC Supervisory Committee, and a deputy divisional full-time supervisor of the Eighth Office of the Anhui SASAC Supervisory Committee, a divisional full-time supervisor (director) of the Office of Anhui SASAC Supervisory Committee.

Upon the resolution on the election of Ms. Shao as a non-executive Director of the Bank is submitted to the Annual General Meeting and passed thereon, her qualification is still subject to the approval of the CBIRC Anhui Office.

Ms. Shao will enter into a director's service agreement with the Bank. Her term of office as a director is the same as that of the fourth session of the Board, which will commence from the date on which her qualification as director is approved by the CBIRC Anhui Office and will end on the expiry date of the term of office of the fourth session of the Board. Ms. Shao, as a non-executive Director of the Bank, will not receive salary from the Bank.

LETTER FROM THE BOARD

To the knowledge of the Board and save as disclosed above, Ms. Shao did not hold any directorship in any listed companies other than the Bank, nor did she hold any position in any subsidiary of the Bank in the past three years. She does not have any relationship with any other Director, Supervisor, senior management or substantial Shareholder of the Bank. As at the Latest Practicable Date, Ms. Shao does not have any interests in the shares of the Bank or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing in relation to the appointment of Ms. Shao that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor, are there any other matters that need to be brought to the attention of the Shareholders of the Bank.

13. General Mandate for the Issuance of Shares

In order to keep the capital adequacy ratio of the Bank constantly at the required level, meet the capital requirements of the Bank for its steady business development, utilize financing platforms effectively and flexibly and take advantage of the capital market windows in a timely manner, in accordance with the relevant laws and regulations, the Listing Rules and the Articles of Association and upon the consideration and approval by the Board, the general mandate for the issuance of Shares by the Bank and the delegation of authorizations by the Board are now proposed at the general meeting for Shareholders' approval. Details of the general mandate are set out as below:

(I) Specific matters of the general mandate

- (1) Content of Authorization. Subject to the conditions set out in (2) below, the Board is hereby authorized to approve, allot, issue, grant and/or otherwise deal with Shares (overseas listed foreign shares and/or Domestic Shares (including A Shares)), securities convertible into Shares, options and warrants that carry rights to subscribe for any Shares or securities that are convertible into Shares, or other securities with rights to subscribe for or convert to Shares, separately or at the same time during the Relevant Period (as defined below).

Notwithstanding the fulfillment of the conditions set out in (2) below, if the allotment of voting Shares will result in a de facto change of control of the Bank, the Board shall separately obtain authorization by way of a special resolution in advance before making such an allocation.

- (2) Amount of Authorization. The number of Shares (overseas-listed foreign shares and/or Domestic Shares (including A Shares)), securities convertible into Shares, options and warrants that carry rights to subscribe for any Shares or securities that are convertible into Shares, or other securities with rights to subscribe for or convert to Shares (which shall be calculated on the basis of the number of overseas-listed foreign shares/Domestic Shares that such securities can be converted into/be allotted) to be approved, allotted, issued, granted and/or otherwise dealt with by the Board shall not exceed 20% of each category of the overseas-listed foreign shares and the Domestic Shares issued of the Bank as of the date on which this resolution is passed at the Annual General Meeting.

LETTER FROM THE BOARD

- (3) Period of Authorization. For the purpose of this resolution:

“Relevant Period” means the period from the date on which the special resolution is passed at the general meeting until the earliest of:

- (a) the conclusion of the next annual general meeting of the Bank following the date of passing of the resolution; (b) the expiration of twelve months following the date of passing of the resolution at a general; (c) the date on which the authority granted to the Board under the resolution is revoked or varied by a special resolution of the Shareholders at a general meeting.

(II) Specific plan of issuance and implementation of the mandate

- (1) Plan of issuance. The Board is hereby authorized to determine the details of the issuance plan, including but not limited to: (a) the class and number of Shares proposes to be issued; (b) the pricing basis and/or the offer price (including the price range); (c) the date of opening and closing of the issuance; (d) the specific use of the proceeds raised; (e) the recommendation, agreement and share options to be made or granted for the exercise of the said power; (f) other content to be included in the detailed issuance plan as required by the relevant laws and regulations and other normative documents, the relevant regulatory authorities and the stock exchange of the listing jurisdiction.
- (2) Plan of implementation. The Board is hereby authorized to implement the issuance plan and deal with the matters related to an increase in the registered capital of the Bank so as to reflect the Shares authorized to be issued by the Bank under this resolution, and to make such amendments as it deems appropriate and necessary to the provisions related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and procedures that are necessary for the implementation of the issuance plan and completion of the increase in the registered capital of the Bank.

(III) Other matters relevant to the Mandate

In order to enhance the efficiency of decision-making and take the advantage of market opportunities, in respect of the general mandate to issue Shares, it is proposes to the Board and in turn to the general meeting to approve the authorization to the Board and any persons authorized by the Board to deal with the matters in connection with the general mandate to issue Shares. The specific details of the mandate given to the authorized persons above will be separately determined upon the exercise of the general mandate by the Board under this resolution. The limit of the general mandate in the Relevant Period will be used solely based on the actual issue of Shares approved by the Board during such period.

For avoidance of doubt, the terms “Shares” and “securities” under this resolution do not include preference shares.

LETTER FROM THE BOARD

14. The Articles of Association (Revised)

In order to improve the corporate governance of the Bank and promote the continuous healthy development of the Bank, in accordance with the regulatory requirements such as the Governance Standards and the Measures for the Evaluation of Performance of Duties and taking into account the actual condition of the Bank, the Articles of Association are hereby amended.

A total of 49 articles shall be amended with no article being added or deleted. The details of the amendments are set out in Appendix VI to this circular.

It is proposed that the amendments to the Articles of Association be considered and approved at the AGM as a special resolution, and the Board of Directors be agreed to the authorization of making corresponding adjustments on the content of amendments based on the opinions or requirements of the banking industry regulatory authorities, and the chairman of the Board and his delegated persons be authorized to handle procedural matters relating to the amendments, including application and approval, filing, announcement and industrial and commercial changes. The Articles of Association (Revised) shall become effective upon approval by the banking industry regulatory authorities.

(II) Matters Relating to the A Share Offering

1. Background of the A Share Offering

References are made to the Shareholders' circular and the notice of 2018 AGM dated May 15, 2019 and the poll results of the 2018 AGM dated June 30, 2019 of the Bank in relation to, among others, the Bank's proposed A Share Offering, the Shareholders' circular and the notice of 2019 AGM dated May 15, 2020; the poll results of the 2019 AGM dated June 30, 2020 of the Bank; the notice of the 2020 AGM dated May 15, 2021, the Shareholders' circular dated May 25, 2021, the supplemental circular and supplemental notice dated June 12, 2021 and the poll results of the 2020 AGM dated June 30, 2021 of the Bank in relation to, among others, the extension of the validity period of the A Share Offering Plan and mandate resolution. The relevant resolutions were considered and approved at the 2018 AGM, the 2019 AGM and the 2020 AGM respectively.

In order to further perfect the corporate governance structure, develop domestic and international financing platforms and improve the liquidity of all Shares held by the Shareholders, as considered and approved by the Board, the Bank proposes to issue no more than 1,500,000,000 A Shares in accordance with the requirements of the relevant laws, regulations and regulatory documents, such as the PRC Company Law, the PRC Securities Law, and the Measures for the Administration of Initial Public Offering and Listing of Shares (首次公開發行股票並上市管理辦法) (the “**Administrative Measures for IPO**”) and the Opinions of the CSRC on Further Promoting the IPO System Reform (中國證監會關於進一步推進新股發行體制改革的意見) issued by the CSRC. All proceeds to be raised from the A Share Offering, after deduction of the listing expenses, will be used to replenish the core tier 1 capital of the Bank so as to enhance its capital adequacy ratio.

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2. Progress of the A Share Offering

After obtaining the Shareholders' approval of the A Share Offering at the 2018 AGM, the Bank had engaged professional advisers to commence the preparation for the A Share Offering, and filed a registration application for the pre-listing tutorship record-keeping for an initial public offering of A shares and domestic listing (首次公開發行A股股票並在境內上市的輔導備案登記) in respect of the A Share Offering to CSRC Anhui Bureau in 2019. The pre-listing tutoring is still in progress. By far, the Bank had three regulatory tutoring conversations with CSRC Anhui Bureau and submitted ten periodic reports, and finished the drafting of certain sections of prospectus.

During this process, due to certain factors, the progress of the A Share Offering is affected to some extent.

Firstly, the Bank started the work for the Non-public Issuance of Domestic Shares in 2020, which was completed on January 4, 2021. Pursuant to regulatory requirements, such as the Administrative Measures for IPO, there should not be any substantial change in shareholding structure of the Bank during the CSRC vetting process for the A Share Offering. Therefore, the Bank did not file the listing application to the CSRC before the completion of the Non-public Issuance of Domestic Shares.

Secondly, the outcome of the dispute on equity interests between Zhongjing Xinhua Asset Investment Management Co., Ltd. (中靜新華資產管理有限公司) (“**Zhongjing Xinhua**”) and Shanshan Holdings Co., Ltd. (杉杉控股有限公司) (“**Shanshan Holdings**”) may have certain impact on the approval of the A Share Offering of the Bank. According to the disclosure in the Annual Report for Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. (2020) and the Annual Report for Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. (2021) published by Zhongjing Xinhua, a substantial Shareholder of the Bank, on the Shanghai Stock Exchange (the “**SSE**”), after Zhongjing Xinhua terminated its transactions with Shanshan Holdings in relation to the transfer of the Shares of the Bank and the equity interests in Zhongjing Sihai Co., Ltd. (中靜四海實業有限公司) (“**Zhongjing Sihai**”), major lawsuits, clarification, freezing of assets and other matters related to such transactions occurred successively¹. According to the requirements of the Administrative Measures for IPO and relevant applicable opinions of the CSRC, the shareholdings of A-share

¹ As disclosed in the announcements published by Zhongjing Xinhua and Shanshan Group Co., Ltd. (“**Shanshan Group**”) on the SSE, the case in respect of the dispute on equity transfer between Zhongjing Xinhua, and Shanshan Holdings, Shanshan Group and Zhongjing Sihai has been accepted by the Shanghai Financial Court, and the first trial was held in January 2021. So far no judgment has been reached.

In the above-mentioned case in respect of the dispute on equity transfer, the matters involving the Shares of the Bank in the claims of Zhongjing Xinhua mainly include but not limited to ordering Shanshan Group to return 51.6524% equity interests in Zhongjing Sihai to Zhongjing Xinhua.

In connection with the above-mentioned litigation, both Zhongjing Xinhua and Shanshan Holdings applied for property preservation. The assets of Shanshan Group and its subsidiaries and Zhongjing Xinhua have been seized and frozen, including but not limited to 224,781,227 Domestic Shares of the Bank held by Zhongjing Xinhua which were judicially frozen.

According to the claims of all parties, assuming that Zhongjing Xinhua wins the lawsuit, Zhongjing Xinhua will regain control over Zhongjing Sihai and in turn indirectly hold 506,102,476 Domestic Shares of the Bank held by Zhongjing Sihai, representing approximately 3.64% of the total share capital of the Bank.

For details of the above-mentioned dispute on equity interests, please refer to the announcements published by Zhongjing Xinhua and Shanshan Group, respectively, on the SSE since July 2020.

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issuer shall be clear. The outcome of the dispute on equity interests between Zhongjing Xinhua and Shanshan Holdings may lead to changes in major Shareholders of the Bank, which may have certain impact on the approval of the A Share Offering of the Bank. Based on the information publicly disclosed by Zhongjing Xinhua, the above-mentioned dispute on equity interests has not yet been settled. According to the relevant provisions of the Civil Procedure Law of the People's Republic of China (《中華人民共和國民事訴訟法》) and Some Rules Set Forth by the Supreme People's Court for Strictly Abiding by the Time Limits for Case Hearing and Execution (Revised in 2008) (《最高人民法院關於嚴格執行案件審理期限制度的若干規定(2008修訂)》), under normal circumstances, the people's court shall make the first instance judgment within twelve months after the first instance is filed and conclude the trial of the second instance (if any) within three months after the second instance is filed. Based on the information publicly disclosed, the first trial of the above-mentioned case in respect of the dispute on equity transfer was held in January 2021. Based on the principle of prudence and considering the current litigation process, the Bank reasonably expects that the abovementioned case in respect of the dispute on equity transfer will be concluded within 24 months. Nevertheless, due to impact of factors including COVID-19 pandemic, the first instance judgement has not been given so far². Upon the conclusion of the above-mentioned case in respect of the dispute on equity transfer, the uncertainty of the ownership of the above-mentioned disputed Shares and its impact on the approval of the A Share Offering of the Bank will be eliminated, and the Bank will be working on the A Share Offering application, including due diligence, auditing, the CSRC pre-listing filings, updating prospectus and preparing application materials and other matters. It is expected to take about six months to prepare listing application to the CSRC for A Share Offering.

Given the above, the Bank will fully communicate with its Directors and Shareholders, professional institutions engaged by the Bank or relevant regulatory authorities regarding the above situations and other matters concerning the A Share Offering, and actively promote the listing application for the A Share Offering once the application conditions are mature. Referring to the precedents of our peers, after submitting the formal listing application to the CSRC for A Share Offering by the Bank, it is expected that the vetting process for offering of relevant regulatory authorities will take one to two years to complete. To ensure the on-going process and validity of the A Share Offering, the Bank proposes to extend the validity period of the A Share Offering Plan and the Authorization Resolution (as defined below) for another 12 months. In any event that the A Share Offering is not completed upon the expiration of the extended validity period, the Board may seek the Shareholders' the approval(s) for further extension of the validity period for the A Share Offering Plan and the Authorization Resolution at Shareholders' general meetings as and when necessary, and will make a disclosure according to relevant rules.

2 According to the disclosure in the 2021 Annual Audit Report and Financial Statements of Zhongjing Xinhua Asset Investment Management Co., Ltd. published by Zhongjing Xinhua on the website of the SSE, "A hearing was held in respect of the above two cases involving the Company, Shanshan Holdings, Shanshan Group and Zhongjing Sihai in the Financial Court on a combined basis on January 18, 2021, on which issues mainly including statement of the cause of action, defense and cross-examination of certain evidences were resolved... On September 28, 2021, a second hearing was held in respect of case No. 1254 and case No. 1715 in the Shanghai Financial Court on a combined basis, but only part of evidences were cross-examined thereon. On January 10, 2022, the two cases were combined for evidences exchange and cross-examination. The new court date originally scheduled for March 21, 2022, but a notice from the Shanghai Financial Court was received, notifying that the court date has been postponed due to recent COVID-19 pandemic in Shanghai, and the postponed court date has not been given yet. So far, the above cases are still in progress and no judgment has not been given".

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3. Extension of Validity Period of A Share Offering Plan

The A Share Offering Plan has been considered and approved by way of a special resolution at the 2018 AGM, and the successive extension of the validity period of the A Share Offering Plan for twelve months was considered and approved as a special resolution at the 2019 AGM and the 2020 AGM, respectively. Given that the A Share Offering is still in progress and the 12-month validity period specified in the A Share Offering Plan will expire on June 29, 2022, to ensure the on-going proceeding of the A Share Offering, the Bank proposes to extend the validity period of the A Share Offering Plan for 12 months from the date immediately following the expiry of the original validity period, being an extended period from June 30, 2022 to June 29, 2023. The remaining contents of the A Share Offering Plan will remain unchanged. The full text of the A Share Offering Plan is set out in Appendix VII to this circular.

Under the A Share Offering Plan, the maximum number of the proposed issuance of A Shares represents approximately 14.41% of the Domestic Shares and approximately 10.80% of the total Shares in issue of the Bank as of the Latest Practicable Date. Subject to the passing of the resolution in respect of the general mandate to issue Shares by the Bank at the AGM, the Bank expects to issue the A Shares by way of exercising the general mandate. The Bank's existing Domestic Shares in issue will be converted into domestic listed Shares on the A Share Listing Date.

4. Extension of the Validity Period of the Authorization to the Board to Deal with Specific Matters in respect of the A Share Offering

The resolution on the authorization to deal with specific matters in respect of A Share Offering (the “**Authorization Resolution**”) has been considered and approved as a special resolution at the 2018 AGM, and the successive extension of the validity period of the Authorization Resolution for 12 months was considered and approved as a special resolution at the 2019 AGM and the 2020 AGM, respectively. Considering the relevant work on the A Share Offering is still proceeding, and the 12-month validity period specified in the Authorization Resolution will expire on June 29, 2022, to ensure the on-going proceeding of A Share Offering, the Bank proposes to extend the validity period of the Authorization Resolution for 12 months from the date immediately following the expiry of the original validity period, (namely, the extended period from June 30, 2022 to June 29, 2023). The remaining contents of the Authorization Resolution will remain unchanged. The full text of the resolution on the authorization to the Board to deal with specific matters in respect of the A Share Offering is set out in Appendix VIII to this circular.

In addition, as resolved by the Board, the Board agreed to delegate the authorization to the chairman (and the authorized person of the chairman) to deal with matters related to the A Share Offering, subject to the approval of the above authorization by the general meeting.

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(III) Impact of the A Share Offering on the Shareholding Structure of the Bank

Subject to the passing of the resolution in respect of the general mandate to issue Shares by the Bank at the AGM, the Bank expects to issue the A Shares by way of exercising the general mandate. Assuming (1) a total of 1,500,000,000 A Shares are issued under the A Share Offering, (2) there are no changes to the ordinary share capital in issue of the Bank prior to the completion of the A Share Offering, and (3) the number of Shares held by the substantial shareholders (as defined in the Listing Rules) of the Bank remains unchanged, the shareholding structures of the ordinary Shares of the Bank as of the Latest Practicable Date and immediately after the completion of the A Share Offering are set out as follows:

	As of the Latest Practicable Date		Immediately after completion of the A Share Offering	
	Number of ordinary Shares ^(Note 1)	Approximate percentage of the Bank's issued share capital	Number of ordinary Shares	Approximate percentage of the Bank's issued share capital
Domestic Shares^(Note 2)				
Shanghai Soong Ching Ling Foundation (“SCL Foundation”) ^(Note 3)	224,781,227	1.62%	224,781,227	1.46%
Deposit Insurance Fund Management Co., Ltd. (“DIFM”)	1,559,000,000	11.22%	1,559,000,000	10.13%
Domestic Shares held by public and to be converted into A Shares upon completion of the A Share Offering ^(Note 4)	8,627,269,984	62.11%	8,627,269,984	56.06%
A Shares to be newly issued under the A Share Offering	–	–	1,500,000,000	9.75%
Subtotal	10,411,051,211	74.95%	11,911,051,211	77.40%
H Shares				
SCL Foundation ^(Note 3)	1,245,864,400	8.97%	1,245,864,400	8.10%
H Shares held by the public	2,232,885,600	16.08%	2,232,885,600	14.51%
Subtotal	3,478,750,000	25.05%	3,478,750,000	22.60%
Total	13,889,801,211	100%	15,389,801,211	100%

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Notes:

1. The Bank has distributed a dividend to the Shareholders whose names appeared on the register of members of the Bank on July 11, 2018 on a pro rata basis of 1 share for every 10 shares (the “**Bonus Issue**”) pursuant to its 2017 profit distribution plan. For details, please refer to the circular dated April 13, 2018 and the announcement dated July 2, 2018 of the Bank. The number of Shares held by the Shareholders of the Bank as of the Latest Practicable Date represents the number of Shares held by the Shareholders of the Bank after the Bonus Issue.
2. Upon completion of the A Share Offering, all existing Domestic Shares in issue will be converted into A Shares.
3. According to the disclosure of interests forms submitted to the Hong Kong Stock Exchange by SCL Foundation and its affiliates and as shown on the register of members of Domestic Shares of the Bank, and taking into account the increased numbers of Shares held by the Shareholders of the Bank after the Bonus Issue, as of the Latest Practicable Date, Zhongjing Xinhua, Zhongjing Xinhua Property Management (Hong Kong) Co., Limited (中靜新華資產管理(香港)有限公司) (“**Zhongjing Xinhua HK**”), Wealth Honest Limited (“**Wealth Honest**”) and Golden Harbour Investments Management Limited (“**Golden Harbour**”) currently directly hold 224,781,227 Domestic Shares, 215,249,000 H Shares, 590,615,400 H Shares and 440,000,000 H Shares of the Bank, respectively; Zhongjing Xinhua HK, Wealth Honest and Golden Harbour are subsidiaries of Zhongjing Xinhua; Zhongjing Xinhua, Zhongjing Xinhua HK, Wealth Honest and Golden Harbour are controlled corporations of SCL Foundation, and therefore SCL Foundation is deemed to be interested in the Shares of the Bank held by the aforementioned companies. SCL Foundation and the aforementioned companies are core connected persons of the Bank, and their holdings of the Bank’s H Shares are not regarded as being held by the public. Assuming that the existing shareholdings or percentages of Zhongjing Xinhua, Zhongjing Xinhua HK, Wealth Honest and Golden Harbour remain unchanged during the period after the Latest Practicable Date and prior to the completion of the A Share Offering, the total number of Shares of the Bank held by the aforementioned companies will not reach 10% of the total issued ordinary share capital of the Bank upon the completion of the A Share Offering. Therefore, SCL Foundation and the aforementioned companies will cease to be core connected persons of the Bank, and their holdings of the Bank’s Shares will be regarded as being held by the public.
4. According to the latest information received by the Bank, as of the Latest Practicable Date, the Bank has more than 16,100 Domestic Shareholders, among which no other single Domestic Shareholder holds 10% or more of the total issued ordinary share capital of the Bank apart from DIFM.
5. Any discrepancies between the total percentages and sum of items shown in the table are due to rounding.

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The Bank did not carry out any other fund-raising activity in connection with issuance of share capital within the 12 months immediately preceding the Latest Practicable Date.

Based on publicly available information and to the knowledge of the Directors, as of the Latest Practicable Date, the public float of the Bank is approximately 16.08%, which is lower than the minimum as required under Rule 8.08 of the Listing Rules. According to the resolutions of the Board, the Bank is intending to make its best effort to restore the public float by way of the A Share Offering as soon as possible³. Assuming that (1) a total of 1,500,000,000 A Shares are issued under the A Share Offering, (2) there are no changes to the ordinary share capital in issue of the Bank prior to the completion of the A Share Offering, and (3) the number of Shares held by the substantial Shareholders (as defined in the Listing Rules) of the Bank remains unchanged, approximately 89.87% of the Bank's enlarged share capital will be held by the public immediately after the completion of the A Share Offering.

(IV) Explanation of Other Matters

The relevant matters of the A Share Offering are subject to the Shareholders' approval at the AGM, and the approvals given by the securities regulatory authorities (including the CSRC), the CBIRC and other relevant regulatory authorities (including related stock exchanges). The A Share Offering Plan should be subject to the final plan as approved by the regulatory authorities. The existing Domestic Shares in issue will be converted into domestic listed Shares upon the completion of the A Share Offering. The Bank has submitted the tutoring and filing materials for an initial public offering to CSRC Anhui Bureau in 2019, and such tutoring is currently in progress. The time of the completion of the Bank's A Share Offering will depend on domestic policies for the offering and listing of A Shares, the time required for approval and the actual condition in the domestic capital market. Therefore, as of the Latest Practicable Date, the time for completion of the A Share Offering could not be fully determined. Nevertheless, the Bank will actively proceed with the A Share Offering.

In determining the issue price of the A Shares, the Bank will take into full account the interests of the existing Shareholders as a whole, and the actual conditions of the capital market and the Bank at the time of the A Share Offering. When determining the issue price, the Bank will consider the following major factors: (i) the Bank's operating and financial conditions; (ii) current market conditions; (iii) market demand for the A Shares; (iv) the industry in which the Bank operates; (v) applicable laws and regulations; and (vi) the average P/E ratio of other

³ According to the resolution of the Board, solutions of the Bank to restore public float mainly include (i) negotiating with substantial shareholders of the Bank to reduce shares held by them in the Bank; (ii) based on thorough consideration of market conditions and well-laid plan, conducting H Share placing as appropriate; and (iii) actively proceeding the A Share Offering and its listing.

On August 2020, the Bank determined to proceed the Non-public Issuance of Domestic Shares under general mandate and completed the issuance on January 2021. Immediately following the completion of the non-public issuance, the Bank's public float slightly increased from 15.66% to 16.08% (for details, please refer to the announcements of the Bank dated August 20, 2020 and January 4, 2021). The Bank is fully aware of the urgency to restore public float, and after comprehensive consideration of all factors, the Bank is of the view that continuing to proceed the A Share Offering to restore public float is feasible.

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A-share listed banks in the industry. The PRC regulatory authorities and industry self-regulation organizations of the securities industry, including the CSRC and the Securities Association of China, have imposed regulations on the pricing and related disclosure of initial public offering of the A shares, such as the Administrative Measures on Securities Issuance and Underwriting (證券發行與承銷管理辦法), the Initial Public Offering Underwriting Business Code (首次公開發行股票承銷業務規範) and the Detailed Implementation Rules for the Offline Issuance of IPO Stocks in the Shanghai Stock Market (2018 Revised) (《上海市場首次公開發行股票網下發行實施細則(2018年修訂)》). According to such regulations, the lead underwriter(s) and the Bank can determine the issue price of the A Shares by making enquiries with offline investors. The lead underwriter(s) and the Bank will determine the issue price after the initial enquiry results or determine the issue price through cumulative bidding quotation after the range of the issue price is determined through the initial enquiry. During the process, the lead underwriter(s) will carry out book-building in respect of the quotations of offline investors, and record the subscription prices and subscription number of offline investors, and will determine the issue price or range of issue price according to the result of book-building. The Bank will also refer to the Administrative Measures for the Transfer of State-owned Assets of Financial Enterprises (金融企業國有資產轉讓管理辦法) (No. 54 of the Ministry of Finance of the PRC) and ensure that the issue price will not be lower than the latest audited net asset per Share of the Bank on the date of determining the price. As of December 31, 2021, the Bank's audited net asset value per Share was RMB7.10. Since the A Share Offering may be priced after release of the Bank's audited net asset value per Share of the Bank as of December 31, 2022, the above data is for reference only. In addition, the Bank will comply with the requirements under Rule 13.36(5) of the Listing Rules. The A Shares to be issued under the general mandate will have a price that will not deviated from the applicable benchmark price determined in accordance with Rule 13.36(5) of the Listing Rules by more than 20%.

However, the A Share Offering may or may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares of the Bank. Further details of the A Share Offering will be provided by the Bank in due course.

III. THE AGM

The Bank will convene the AGM at the Anhui Hall, 4/F, Anhui Hotel, No. 18 Meishan Road, Hefei, Anhui Province, the PRC at 9:00 a.m. on Thursday, June 30, 2022 to consider and pass resolutions where appropriate in respect of the matters set out in the notice. A proxy form and a reply slip have been dispatched to the Shareholders in accordance with the Listing Rules. The notice of the AGM is set out on pages 141 to 144 of this circular.

Whether or not you intend to attend and/or vote at the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon. If you intend to attend the AGM, you are required to complete and return the accompanying reply slip to the H share registrar (for H Shareholders) or the registered office and principal place of business of the Bank in the PRC (for Domestic Shareholders) at or before 4:30 p.m. on Friday, June 10, 2022. The reply slip may be delivered by hand, by post or by fax to the H share registrar (for H Shareholders) or the registered office and principal place of business of the

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Bank in the PRC (for Domestic Shareholders). Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the AGM or any adjournment thereof, nor will completion and return of the reply slip preclude a Shareholder from attending and voting at the AGM or any adjournment thereof.

IV. RECOMMENDATIONS

The Board considers that the resolutions to be proposed at the AGM are in the interests of the Bank and the Shareholders as a whole and accordingly recommends that the Shareholders vote in favor of all the resolutions to be proposed at the AGM as set out in the notice of the AGM.

V. ADDITIONAL INFORMATION

Apart from the consideration and approval of the aforementioned resolutions, Shareholders will be debriefed by the Bank in respect of the Report on Related Party Transactions for 2021 (which is set out in Appendix IX to this circular), Report on Duties by the Independent Non-executive Directors for 2021 (which is set out in Appendix X to this circular), the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Board and Directors for 2021 (which is set out in Appendix XI to this circular), the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Supervisors for 2021 (which is set out in Appendix XII to this circular) and the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Senior Management and its Members for 2021 (which is set out in Appendix XIII to this circular) and Report on the Implementation of Resolutions of Shareholders' General Meetings (which is set out in Appendix XIV to this circular).

By order of the Board
Huishang Bank Corporation Limited*
Yan Chen
Chairman

Hefei, Anhui Province, the PRC
May 25, 2022

* *Huishang Bank Corporation Limited 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/deposit-taking business in Hong Kong.*

2021 was a milestone year. While celebrating the 100th anniversary of the founding of the Communist Party of China (CPC), the PRC achieved the goal of building a moderately prosperous society in all respects and embarked on the new journey toward the second centenary goal. While scoring tremendous achievements, in order to accurately master the new development stage, deeply implement the new development philosophy, and speed up in building new development patterns, we should clearly understand that the economic growth still faces “triple pressures” concurrently with shrinking demands, restrained supplies and weakened expectations and have a profound knowledge that under the impact of the once-in-a-century pandemic, major changes unseen in a century speeds up in evolving and the external environment will become increasingly complicated and severe with more uncertainties. Facing the intricate and complicated operation situation and the increasingly intensified competition environment, the Board of Directors performed duties diligently, overcame difficulties and forged ahead with determination, led the whole Bank in taking root in and serving local development, focused on its principal businesses and returned to its origins. It focused on strengthening serving real economies and sped up in promoting the building of a modern bank with high-quality development, achieving the work goal of improvement while maintaining stable and recording outstanding operating results. The major work report of the Board of Directors for 2021 is presented as follows:

I. ACHIEVING IMPROVEMENT WHILE MAINTAINING STABLE OPERATING RESULTS AND CONTINUOUSLY PROMOTING HIGH-QUALITY DEVELOPMENT

In 2021, Huishang Bank gave priority to development and continuously promoted the balanced development of scale, efficiency and quality. As at the end of 2021, the Bank recorded total assets of RMB1,383.662 billion (in domestic and foreign currencies), representing an increase of 8.8% as compared with the end of last year; of which, loans and advances to customers amounted to RMB654.795 billion, representing an increase of 14.28%. Total liabilities amounted to RMB1,272.146 billion, representing an increase of 9.1%; of which, customer deposits amounted to RMB768.668 billion, representing an increase of 7.81%. It realized an operating income of RMB35.514 billion, representing an increase of 9.98%; net profit was RMB11.785 billion, representing an increase of 18.79%. The non-performing loan ratio was 1.78%, representing a decrease of 0.2 percentage point as compared with the end of last year. The provision coverage rate was 239.74%, representing an increase of 57.84 percentage points. Huishang Bank adhered to the market positioning as a city commercial bank and continuously boosted efforts in serving real economies last year. It was awarded “Excellent” grade in the assessment on support for local development by the provincial government for five consecutive years and was consecutively awarded the title of “Class A Taxpayer in Anhui Province”. It adhered to innovation-driven development, sped up in promoting digital transformation, improved innovation systems and mechanisms and specified four tasks on the transformation of retail business, corporate business, financial technology and risk control and internal control management. It innovatively introduced “Technology e-Lending (科技貸)”, “Carbon Emission Right Pledge Financing (碳排放權質押融資)”, “Special Accounts for Interest Rate Bonds (利率債專戶)”, “Cloud Mortgage Lending (雲押貸)”, “Online Rapid Discount 2.0 (在線秒貼2.0)”, “Party Building Leads Xinyidai Loan (黨建引領信易貸)” and other products. The Bank kept on enhancing risk and internal control

management and accelerated the establishment of the digital risk control system. It preliminarily built the risk data mart and the whole-process risk alarming and management platform, optimized the portfolio risk quota management system, improved the Internet-based loan systems and increasingly perfected risk control models. The Bank maintained focus on pandemic prevention and control, implemented detailed measures for “external defense against import cases and internal defense against rebound” and focused on strengthening the working mechanism on normalized pandemic prevention and control. It actively implemented financial supporting policies on pandemic prevention and control and initiatively boosted capital supports to serve the general situation of the pandemic prevention and control.

II. STUDYING AND AMENDING STRATEGIC PLANNING AND SPECIFYING DEVELOPMENT TARGETS AND POSITIONING

Adhering to the guidance of Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, Huishang Bank deeply implemented the spirit of the 19th CPC Central Committee and the second, third, fourth and fifth plenary sessions of the 19th CPC Central Committee and comprehensively implemented the spirit of important speech of President Xi Jinping during his investigation in Anhui. With the “14th Five-year” plans of the state and Anhui Province as important basis and based on the analysis on the internal and external environment, the Bank incorporated the opening of four branches out of Anhui Province into the planning and amended and formed the 2021-2025 Strategic Plan of Huishang Bank on the basis of the original 2020-2024 strategic plan. According to the new round of strategic development plan, Huishang Bank will effectively implement various requirements of regulatory departments on high-quality development, unswervingly adhere to the priority of development, return to its origins with focus on its principal businesses and advance professional businesses, comprehensive services, digital capabilities and agile organization led by the digital transformation to continuously enhance the core competitiveness and the serving of real economies. According to the revised plan, the Bank will firmly adhere to the market positioning as a city commercial bank and the customer-centric service philosophy and build a “mainstream bank, digital bank and valuable bank” in all respects to serve the economic and social development of Anhui Province.

The Board of Directors attached great importance to the implementation of strategies and conducted follow-up evaluation on the implementation of strategies. It carried out the evaluation on the implementation of strategies for 2020 based on two major dimensions, namely the completion of core indicators and the promotion of key transformation measures, analyzed and studied deficiencies and clarified measures on the implementation of strategies. To ensure the sound business development of the whole Bank, it studied and formulated the 2021-2025 Strategic Plan on the Management of Business Continuity of Huishang Bank, promoted the establishment of five systems on business emergency and recovery, guarantee, exercises, backup for disaster recovery and overall management, specified the paths for the implementation of strategic plans and further enhanced the fundamental guarantees for the operation and development of the whole Bank.

III. ENSURING THE STANDARD OPERATION OF THE GOVERNANCE MECHANISM AND CONTINUOUSLY IMPROVING CORPORATE GOVERNANCE

Firstly, earnestly implementing the full leadership of the Party organization on corporate governance. The Board of Directors advanced the deep integration of the Party leadership into all links of corporate governance and strictly carried out pre-procedures of research and discussion by the Party committee of the Bank. **Secondly**, completing the election of the chairman of the Board. Following the spirit of the documents of the provincial Party committee and the provincial government and based on corporate governance procedures, the Board of Directors prepared relevant meetings of the Board of Directors and its special committees on the election of the chairman of the Board, completed the election of the chairman of the Board and guaranteed the continuous and standardized operation of the corporate governance mechanisms. **Thirdly**, continuously improving the structure of the Board of Directors. Based on the demand in practical work, the Board of Directors completed the election of two non-executive Directors; adjusted 10 members of the special committees under the Board of Directors, fully displayed the professional skills of Directors and improved the effectiveness of duty performance of the Board of Directors. **Fourthly**, guaranteeing the standardized and efficient operation of the governance mechanisms. The Board of Directors overcame the impacts of the pandemic, convened and held 2 general meetings during the year, at which 14 proposals were considered and approved; held 14 Board meetings, at which 70 proposals were considered and reviewed; and 33 special committee meetings, at which 89 proposals were considered and reviewed, covering proposals regarding the election of the chairman of the Board, strategic plans, financial budget and final accounts, comprehensive operation plans, capital replenishment plans, channel development plans, significant related party transactions, risk management policies and relevant systems and measures, providing solid guarantees to the operation and development of the whole Bank. **Fifthly**, focusing on improving corporate governance systems. Based on the actual operation conditions and new regulatory regulations, the Board of Directors promoted the amendments to the Articles of Association and other systems and measures, providing fundamental system guarantees to the sound development of the whole Bank in compliance with regulations. **Sixthly**, continuously improving the incentive and restrictive mechanisms. It completed the performance assessment on executive Directors and senior management for 2020 and applied the assessment results in the calculation of remuneration for 2020. It considered and approved the performance assessment plan on senior management for 2021. It implemented regulatory requirements, improved the assessment on duty performance by Directors and archives management and further optimized the incentive and restrictive mechanisms. **Seventhly**, standardizing information disclosure. It overcame the impacts of the pandemic, actively carried out coordination, completed the external audit work on time and disclosed the 2020 annual report and the 2021 interim report according to relevant requirements. The Bank disclosed over 40 temporary announcements throughout the year, covering the amendments to the Articles of Association, the change of Directors and the issuance of tier 2 capital bonds. It disclosed authoritative information in a timely and accurate manner and fully guaranteed the right to information of all stakeholders.

IV. COMPLETING NON-PUBLIC ISSUANCE OF SHARES AND COORDINATING CAPITAL REPLENISHMENT

Firstly, completing the non-public issuance of shares. It registered the non-public issuance of 1,735 million shares with the trustee agency and completed the change of registered capital, the amendments to the Articles of Association, information disclosure and other work. The Bank's public float increased to 16.08%. **Secondly**, studying and formulating capital replenishment plans. It formulated capital replenishment plans on a rolling basis and determined the capital replenishment work of Huishang Bank in 2021-2023. Firmly focusing on the development strategies of the Bank and based on operation, financial, risk control and investment and financing plans, the Board of Director set the target on the management of the capital adequacy ratio in the following three years. It designed capital replenishment plans and formulated management plans based on the results of capital estimation. **Thirdly**, continuously promoting the listing of A Shares. It submitted relevant resolutions on the extension of the validity period of the A Share Offering Plan and the Authorization Resolution to the general meeting of the Bank for consideration and approval and continuously carried out relevant work on tutoring, filing and reporting. **Fourthly**, successfully completing the redemption of the preference shares. It studied and formulated the redemption plan, redeemed the offshore preference shares on time and stabilized market expectations. **Fifthly**, successfully issuing tier 2 capital bonds. It issued tier 2 capital bonds of RMB6 billion, increased capital adequacy ratio, improved risk-resistance capacity and safeguarded the continuous and steady development of the whole Bank.

V. ENHANCING EQUITY MANAGEMENT AND CONSOLIDATING AND SAFEGUARDING INVESTORS RELATIONS

Firstly, continuously strengthening the publicity of regulatory regulations. The Board of Directors publicized the latest regulatory regulations, the publicity of shareholders' violations of laws and regulations by the CBIRC as well as regulatory laws, policies and requirements on equity transfer in accordance with laws and regulations among substantial shareholders through various channels and continuously enhanced shareholders' equity management. **Secondly**, carrying out assessment on duty performance of substantial shareholders. It completed the appraisal on duty performance by substantial shareholders in 2020 and considered and approved the appraisal report. Based on the appraisal results, it promoted relevant substantial shareholders to keep their qualifications at the required level continuously. **Thirdly**, continuously consolidating investor relations. It earnestly replied inquires of investors, actively carried out communications and services, responded to concerns of stakeholders and constantly safeguarded and consolidated the relations with investors and all stakeholders.

VI. IMPROVING THE INTERNAL CONTROL SYSTEM AND CONTINUOUSLY ENHANCING RISK CONTROL

Firstly, conducting internal control assessment. In accordance with relevant systems and requirements on internal control and based on routine supervision and internal and external inspections, risk supervision and appraisal and certain operation and management indicators, the Board of Directors carried out the appraisal on the effectiveness of internal control in 2020, continuously improved internal control and optimized internal control systems to facilitate the achievement of strategic targets. It studied and determined the audit plan of Huishang Bank for 2021 and guided the audit work. **Secondly**, studying and determining the statements of risk preference for 2021. Based on the overall strategic development targets and with reference to the requirements of regulatory laws and relevant systems and measures as well as the external operation environment and actual conditions of risk management, the Board of Directors made statements on the types and levels of risks, considered and approved the Statements of Risk Preference of Huishang Bank for 2021 and urged the whole Bank to strictly implement the risk appetite featuring “prudence, rationality and soundness”. Adhering to the basic principle of “balancing risks and revenue and covering risks with capitals”, it strived to achieve the balance of capitals, risks and revenue. **Thirdly**, studying and determining the guideline on risk management policies for 2021. Based on the strategic development targets, it studied and formulated the Guideline on Risk Management Policies of Huishang Bank for 2021, judged the situation of risk management and specified the overall targets of risk management policies and the classified targets of risk management. It particularly added the risk management policies of branches out of Anhui Province and the contents of digital risk control in the risk management policies for 2021. **Fourthly**, studying and formulating recovery and disposal plans. The Board of Directors implemented regulatory requirements, studied and formulated the Interim Administrative Measures for Recovery and Disposal Plans of Huishang Bank, considered and approved the report on recovery and disposal plans, established the recovery and disposal management system of Huishang Bank and improved the crisis response mechanism to enhance the crisis management capability, guarantee uninterrupted key businesses and services and promote the stable operation of Huishang Bank. **Fifthly**, improving risk management systems. The Board of Directors studied and formulated a series of systems and measures, including the Interim Administrative Measures for Branches of Huishang Bank out of Anhui Province, the Administrative Measures for Stress Testing on Credit Risk of Huishang Bank, the Administrative Measures for Bank Account Interest Rate Risk of Huishang Bank and the Interim Administrative Measures for Internet Loans of Huishang Bank, to continuously improve risk management systems. **Sixthly**, continuously enhancing overall risk management. It regularly analyzed and studied the asset quality of the whole Bank and deeply studied the management of credit risk, liquidity risk, operational risk, compliance risk, case prevention risk and reputation risk to continuously improve the quality and efficiency of the overall risk management.

Looking back to the year 2021, the Board of Directors performed duties faithfully and diligently, led the whole Bank in implementing development strategies, continuously improved corporate governance, actively advanced capital replenishment, focused on enhancing risk prevention and control and continuously promoted the high-quality development of the whole Bank, achieving outstanding work efficiency. 2022 is a crucial year for Huishang Bank in advancing a new round of strategic planning. Adhering to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Board of Directors will give priority to stable growth and make progress amid stability, coordinately promote development, transformation and innovation and earnestly focus on market-based reform, digital transformation, integrated operation, refined management and other key tasks. It will be committed to building an outstanding local mainstream bank, act as a "major financial force" in serving local development and embrace the convening of the 20th National Congress of the CPC with outstanding achievements.

In 2021, under the strong leadership of the Party Committee of the Bank and the support and cooperation of the Board of Directors and senior management of the Bank, the Board of Supervisors earnestly performed supervision duties on corporate governance, focused on improving the comprehensive, targeted and effective supervision of the Board of Supervisors and coordinately promoted the high-quality development of the whole Bank.

I. MAJOR WORKS DURING 2021

(I) Optimizing supervision on duty performance and standardizing duty performance of Directors, Supervisors and senior management.

Firstly, deeply conducting performance appraisal on Directors, Supervisors and senior management. The Board of Supervisors formulated working plans on performance appraisal on the Board of Directors, Directors, senior management and the members for 2020. It solicited opinions and suggestions from shareholder representatives and responsible persons of the divisions of the headquarters, branches and subsidiaries through on-site symposiums and written questionnaires. It organized on-site evaluation and appraisal, respectively formed performance appraisal reports of the Board of Supervisors on the Board of Directors, Directors, senior management and the members for 2020, made relevant suggestions, made feedbacks to the Board of Directors and senior management and reported to the 2020 annual general meeting and regulatory authorities as scheduled.

Secondly, continuously conducting routine performance supervision on the Board of Directors and senior management. By attending the relevant meetings, the Board of Supervisors supervised the compliance with laws and regulations, the Articles of Association, relevant rules of procedure and systems in the decision-making process, the implementation of resolutions at the general meetings and regulatory opinions and conducted supervision on the exercise of power and fulfilling of obligations by the Board of Directors, senior management and its members in corporate governance, development strategies, operation management, financial management, risk management, related party transactions, data governance and the protection of consumers' interests, proposed advices and suggestions when appropriate and promoted legal and compliant decision-making.

Thirdly, organizing the audit of the economic liabilities of the senior executives. The Board of Supervisors organized audit of the economic liabilities of senior executives during their respective tenures and issued audit reports. It objectively appraised the performance of economic liabilities by the auditees during their tenures, and proposed relevant audit opinions on problems identified in the audit to facilitate senior executives to better perform duties.

(II) Implementing risk supervision and organizing supervision and inspection on collateral management.

Firstly, emphasizing key areas for risk mitigation and organizing special supervision and inspection on collateral management. The Board of Supervisors formulated inspection plans and deeply carried out on-site inspections and off-site analysis and formulated the Supervision and Inspection Report of the Board of Supervisors on Collateral Management of the Bank, which fully reflected the current conditions of collateral management of the Bank, objectively pointed out some issues in collateral management, and proposed advices and suggestions in continuously improving collateral management.

Secondly, promoting the continuous optimization of the authorization management system. Based on the Supervision and Appraisal Report of the Board of Supervisors on Authorization Management, the Board of Supervisors cooperated with internal supervision bodies in supervising the implementation of rectifications by competent departments of the Head Office on authorization and proposed supervision opinions on amendments to the rules on authorization. It participated in seminars on the improvement of authorization, supervised the new round of authorization adjustment and implementation and assisted in promoting the continuous improvement of the authorization management of the whole Bank.

Thirdly, strengthening routine supervision on risk management. For potential credit risk and hazards, the Board of Supervisors organized the review of the asset quality analysis report, the management report on large-scale risk exposure, guidelines on risk management policies and the statements of risk preference and supervised the disposal of credit risk, rectification measures and the effects in a timely manner. For the periodic heavy pressures on the indicator of liquidity risk, the Board of Supervisors organized the consideration and review of the report on liquidity risk management and the report on stress testing on liquidity risk in a timely manner and supervised the duty performance on liquidity risk management and the improvement of the indicator. For the protection of consumers' interests concerned by regulatory authorities, the Board of Supervisors organized the consideration and review of the report on the protection of consumers' interests, the appraisal report on reputational risk and the administrative measures for reputational risk and supervised and evaluated the establishment of the working mechanism on the protection of consumers' interests and the results of the prevention and control of reputational risk.

(III) Deepening financial supervision and promoting the improvement of the asset and liability structure and capital sufficiency.

Firstly, the Board of Supervisors organized the review of the 2020 Annual Report, the profit distribution plan and the 2021 Interim Report. It issued written audit opinions on the truthfulness, accuracy and completeness of regular reports, the compliance of the preparation procedures and the compliance and rationality of the profit distribution plan. In the face of the declining growth in operating income, the Board of Supervisors proposed to optimize the asset and liability structure and strengthen the awareness on increasing revenue and saving expenses.

Secondly, the Board of Supervisors attached great importance to the capital replenishment of the Bank. It organized the consideration and review of the assessment report on internal capital adequacy, the capital replenishment plan for 2021-2023, the capital expense budget for 2021 and the comprehensive operation plan for 2021 and other resolutions. It carried out follow-up assessment on the matching of operation plans with capital budget and the rationality and feasibility of the capital replenishment plan and proposed advices and suggestions on establishing and improving the long-term mechanism on capital replenishment through various measures to promote the capital regulatory indicators to continuously meet standards and satisfy the operation and development needs of the whole Bank.

(IV) Strengthening internal control supervision and actively participating in activities for the topic of internal control and compliance construction year.

Firstly, paying attention to internal control and compliance management on key areas. Based on the layout on activities for the topic of “internal control and compliance construction year”, the Board of Supervisors organized the consideration of the report on compliance risk management and continuously paid attention to the operation of the internal control system, the establishment of systems, the optimization of process and the duty performance by the “three defense lines” of the Bank. It organized the consideration and review of the internal control assessment report and the appraisal report on the operation of internal control, deeply understood the operation of internal control of the Bank, proposed suggestions on further expanding the coverage of appraisal, specifying the description of defects in internal control and classified management, intensifying the appraisal on new businesses, products and services and strengthening the application of internal control appraisal results to promote the effective operation of the balanced mechanism on internal control.

Secondly, actively participating in activities for the topic of internal control and compliance construction year. Implementing benchmarking requirements on regulatory rating, the Board of Supervisors expanded supervision on internal control and focused on the protection of consumers’ interests, case prevention, management of branches out of the province and subsidiaries, consolidated financial statements management, risks on outsourcing businesses, business continuity, safety of information technology and other key areas. It paid attention to the linkage of internal control supervision and actively participated in inspections and appraisals, scoring on internal control and other work of the internal control supervision committee to promote the converging of regulatory forces.

Thirdly, enhancing supervision and guidance on internal audit. The Board of Supervisors organized the consideration and review of the work reports on annual and interim internal audit, paid attention to internal audit items, the problems identified and the progress of rectification, proposed opinions on further enhancing the perspectiveness and effectiveness of audit, speeding up in the digital transformation of audit and boosting the application of audit results and promoted the internal audit to better play its role in supporting the development of the Bank.

(V) Implementing strategic supervision and promoting the optimization and adjustment of development strategies.

The Board of Supervisors organized the consideration of the Appraisal Report on the Implementation of Strategies of Huishang Bank in 2020 and the Strategic Plans of Huishang Bank for 2021-2025, for the problems of progress lag of some indicators and other issues, the Board of Supervisors proposed advices and suggestions on further strengthening the adaptability of strategic plans, promoting the implementation of strategic plans and paying attention to pressures on capital and cross-regional management and control. It facilitated development strategies to follow macro economic and financial changes and the trends of normalized regulatory situation and cross-regional and diversified development and enhanced the leadership of strategies.

(VI) Strengthening supervision on issues discussion and improving the quality and efficiency of duty performance by the Board of Supervisors.

In 2021, the Board of Supervisors and its special committees convened a total of 21 meetings, including 9 meetings of the Board of Supervisors, 3 meetings of the Nomination Committee and 9 meetings of the Supervisory Committee. The Board of Supervisors considered 37 resolutions on the annual report and the interim report, the report on strategic plans and the implementation of strategies and the assessment report on internal capital adequacy, reviewed 44 special reports on operation and management, the social responsibility report, the management of business continuity, the final financial accounts, related party transactions, the anti-money laundering, behavior assessment of employees and consolidated financial statements management for 2020 and proposed advices and suggestions on the annual report and the interim report, the profit distribution plan, internal control appraisal, internal audit and the implementation of strategies, promoting the improvement of corporate governance and operation level in compliance with laws.

(VII) Implementing regulatory requirements and intensifying the supervision on the implementation of rectification based on regulatory opinions.

The Board of Supervisors continuously paid attention to the implementation of the Guiding Opinions of the CBIRC Anhui Office on Promoting the High-quality Development of Huishang Bank and organized the consideration of the report on the implementation in 2020 and the periodic implementation in the first half of 2021. It deeply carried out the rectification of issues identified in the regulatory appraisal on corporate governance, strengthened supervision on significant decision-making matters, paid close attention to regulatory hotspots and prominent risk areas and mastered the implementation of decision-making on significant matters and the disposal of key risks. It actively arranged Supervisors to attend regulatory interviews, fully conveyed regulatory opinions, vigorously promoted the implementation of rectifications under the regulatory interview summaries, the letters of regulatory opinions and relevant regulatory instructions, organized the consideration and review of the report on the implementation of opinions and the rectification of problems and promoted the full implementation of regulatory requirements.

(VIII) Optimizing the working mechanism and continuously building up capabilities to perform duties.

Firstly, amending the measures for performance appraisal on Directors and Supervisors and optimizing performance appraisal systems. The Board of Supervisors implemented the Governance Standards and the Measures for the Evaluation of Performance of Duties issued by the CBIRC, and specified the subjects, contents, methods, procedures, rating, application of results and work responsibilities of duty performance by Directors and Supervisors and set out clear and fundamental requirements on five dimensions, namely the loyalty, diligence, professionalism, independence and ethical standards as well as compliance. It intensified performance appraisal on Directors and Supervisors, and enhanced the operability of appraisal.

Secondly, amending the administrative measures for resolutions of the Board of Supervisors and improving the quality and target of resolutions. After fully reviewing the currently applicable measures, guidelines and opinions of regulatory departments and the requirements of the Articles of Association and other internal rules and systems of the Bank on duty performance of the Board of Supervisors, it further specified requirements on soliciting resolutions on strategies, risks, finance, internal control, compliance and the protection of consumers' interests, emphasized the responsibilities of governance units on notifying the Board of Supervisors, expanded the scope of resolutions of the Board of Supervisors and the coverage of supervision and laid a solid foundation for guaranteeing the information right of Supervisors and improving the supervision efficiency of the Board of Supervisors.

II. MAJOR WORK ARRANGEMENTS FOR 2022

In 2022, the Board of Supervisors will focus on strategies, development, transformation and innovation, pay close attention to the progress of key tasks on the market-based reform, the digital transformation, the comprehensive operation and the refined management and perform supervision duties in compliance with laws and in an objective, fair, scientific and effective manner to play an active role in guaranteeing the high-quality development of Huishang Bank.

(I) To solidly carry out supervision on financial activities. The Board of Supervisors will intensify the audit on the periodic reports. It will strengthen supervision on budget and final accounts, capital management, capital expense, asset disposal, performance appraisal, consolidated financial statements management and the standardized and refined financial management to regulate financial management. It will enhance communications with external auditors, appraise the independence and effectiveness of external audit work and promote the quality improvement in information disclosure.

- (II) **To practically enhance supervision on risks and internal control.** The Board of Supervisors will highlight supervision on credit risk, attach great importance to risks on key regions, industries and customers, regularly analyze the trend of changes in the quality of credit assets, focus on intensifying risk monitoring on large-scale credit businesses, actively promote the risk quota management on single customers and urge to accelerate in the disposal of large-scale troubled assets and non-performing assets. It will further intensify monitoring and supervision on liquidity risk, reputational risk, compliance risk, data governance, employees behavior management, the protection of consumers' interests and other areas with frequent occurrences of risk incidents and issue alarming in a timely manner. It will strengthen supervision on consolidated financial statements management, carry out monitoring on businesses in different regions and branches and subsidiaries out of the province on a regular basis to promote effective implementation of grouping strategy.
- (III) **To focus on optimizing performance supervision.** The Board of Supervisors will actively attend Board meetings, meetings of the President's office as well as various relevant meetings, supervise the compliance and legality of the decision-making process and appropriately propose advices and suggestions. The Board of Supervisors will innovate the methods of performance supervision and conduct supervision on abiding by laws and regulations, the Articles of Association, the implementation of resolutions of the general meeting and regulatory opinions, the exercise of power and fulfilling of obligations by the Board of Directors, senior management and its members. It will organize the performance appraisal on the Board of Directors, senior management and its members in an objective and fair manner, and continue to conduct the audit of the economic liabilities of executive Directors and senior executives and impartially appraise the performance of duties.
- (IV) **To actively carry out inspections and investigations.** Focusing on four key tasks on the market-based reform, the digital transformation, the comprehensive operation and the refined management, the Board of Supervisors will organize targeted inspections on difficulties, focus problems, advanced benchmarks and typical experience in work. It will select key risk and internal control management areas to conduct supervision and inspection, and promote the improvement of the comprehensive risk management system. It will constantly conduct appraisal on strategic plans, and promote the successful implementation of the new round of strategic plans.

- (V) **To continuously enhance the development of the Board of Supervisors.** It will fully display the duties of the Board of Supervisors as the supervision body on corporate governance and promote the duty performance and efficient operation of the Board of Directors, the Board of Supervisors and senior management in compliance with laws and regulations. It will convene relevant meetings of the Board of Supervisors in a standard and efficient manner, strengthen the management of resolutions and the consideration on significant decision-making matters and enhance supervision on key risk areas to improve the effectiveness of supervision by the Board of Supervisors. It will promote the re-election of the Board of Supervisors, continuously optimize the professional structure of Supervisors in an orderly manner, and enhance the performance capabilities of the Board of Supervisors.

III. INDEPENDENT OPINIONS FROM THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

- (I) **The operation in compliance with laws.** During the year 2021, the Board of Directors and senior management of the Bank continued legal compliance of operations and the decision-making procedures complied with laws and regulations and the Articles of Association of the Bank. Members of the Board of Directors and senior management faithfully performed the responsibilities defined by the Bank's Articles of Association.
- (II) **Preparation of financial report.** Preparation and review procedures of the financial report were in compliance with laws, regulations and regulatory requirements. The contents of the report reflected the Bank's actual conditions in a true, accurate and complete manner. The Board of Supervisors has no objection to the standard unqualified audit report audited and issued by Ernst & Young in accordance with the ISAs.
- (III) **Related party transactions.** During the year 2021, related party transactions of the Bank complied with national laws and regulations and the Articles of Association of the Bank.
- (IV) **Internal control.** During the year 2021, the Bank strived to put internal control as its priority, implemented the system of factors on internal balanced control and conducted in-depth activities for the topic of internal control and compliance construction year, strictly implemented regulatory requirements and continued to strengthen and improve internal control. The Board of Supervisors had no objection to Huishang Bank 2021 Internal Control Assessment Report.

(V) **Risk management.** During the year 2021, the Bank adhered to categorizing policies, strengthened risk management and control in key areas such as implicit debts of local governments and real estate, advanced the disposal of non-performing assets in an orderly manner, completed the adjustment tasks for the existing wealth management products on schedule, continued to promote the establishment of a comprehensive risk management system. Therefore, asset quality and all risk regulatory indicators continued to be improved and the overall risk situation is controllable.

(VI) **Implementation of resolutions of shareholders' general meetings.** The Board of Supervisors has no objection to the reports and proposals submitted by the Board of Directors of the Bank to the shareholders' general meetings convened in 2021 for consideration, supervised the implementation of the resolutions of the shareholders' general meetings, and was of the view that the Board of Directors and senior management have well implemented the relevant resolutions of shareholders' general meetings.

(VII) **Implementation of information disclosure systems.** During the year 2021, the Bank carefully implemented information disclosure management systems and performed information disclosure obligations. No non-compliance with laws and regulations was identified in information disclosure.

Save as disclosed above, the Board of Supervisors had no objection to any other matters during the year 2021.

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 1 These Rules are formulated in accordance with the relevant requirements of laws, administrative regulations, departmental rules and regulatory documents such as the Company Law of the People’s Republic of China (the “Company Law”), the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Guidance Opinion of the State Council on the Launch of Preference Shares Pilot Scheme, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), The Guidelines for the Corporate Governance of Commercial Banks, the Interim Measures for Management of Commercial Bank Equity and the relevant provisions under the Articles of Association of Huishang Bank Corporation Limited (the “Articles of Association”) and based on the actual circumstances of Huishang Bank Corporation Limited (the “Bank”), for the purpose of regulating the organisation and activities of general meetings of the Bank, enhancing the efficiency and resolution standard of general meetings, protecting the legitimate rights and interests of shareholders, as well as ensuring the exercise by general meetings of powers and functions according to law and the legality and effectiveness of meeting procedures and content of resolutions.</p>	<p>Article 1 These Rules are formulated in accordance with the relevant requirements of laws, administrative regulations, departmental rules and regulatory documents such as the Company Law of the People’s Republic of China (the “Company Law”), the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Guidance Opinion of the State Council on the Launch of Preference Shares Pilot Scheme, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong KongStock Exchange Listing Rules”), The Guidelines for the Corporate Governance of Commercial Banks <u>the Governance Standards for Banking and Insurance Institutions</u>, the Interim Measures for Management of Commercial Bank Equity and the relevant provisions under the Articles of Association of Huishang Bank Corporation Limited (the “Articles of Association”) and based on the actual circumstances of Huishang Bank Corporation Limited (the “Bank”), for the purpose of regulating the organisation and activities of general meetings of the Bank, enhancing the efficiency and resolution standard of general meetings, protecting the legitimate rights and interests of shareholders, as well as ensuring the exercise by general meetings of powers and functions according to law and the legality and effectiveness of meeting procedures and content of resolutions.</p>	<p>The Guidelines for the Corporate Governance of Commercial Banks were abolished, and the Governance Standards are currently in force.</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 5 The shareholders' general meeting shall exercise the following functions and powers in accordance with law:</p> <p>(1) to decide on the business policies and significant investment plans of the Bank;</p> <p>(2) to elect and replace directors and supervisors which are not appointed as representatives of the employees, and to decide on the remuneration of the relevant directors and supervisors;</p> <p>(3) to examine and approve reports made by the Board of Directors;</p> <p>(4) to examine and approve reports made by the Board of Supervisors;</p> <p>(5) to examine and approve the Bank's proposed annual financial budget and final accounts;</p> <p>(6) to examine and approve the Bank's plans for profit distribution and tax loss carryforward;</p> <p>(7) to adopt resolutions concerning the increase or reduction in the Bank's registered capital;</p> <p>(8) to adopt resolutions regarding the issuance of corporate bonds or other securities and listing;</p>	<p>Article 5 The shareholders' general meeting shall exercise the following functions and powers in accordance with law:</p> <p>(1) to decide on the business policies and significant investment plans of the Bank;</p> <p>(2) to elect and replace directors and supervisors which are not appointed as representatives of the employees, and to decide on the remuneration of the relevant directors and supervisors;</p> <p>(3) to examine and approve reports made by the Board of Directors;</p> <p>(4) to examine and approve reports made by the Board of Supervisors;</p> <p>(5) to examine and approve the Bank's proposed annual financial budget and final accounts;</p> <p>(6) to examine and approve the Bank's plans for profit distribution and tax loss carryforward;</p> <p>(7) to adopt resolutions concerning the increase or reduction in the Bank's registered capital;</p> <p>(8) to adopt resolutions regarding the issuance of corporate bonds or other securities and listing;</p>	<p>To amend according to the requirements of Clause 2 under Article 18 of the Governance Standards.</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
(9) to adopt resolutions on the merger, division, dissolution, liquidation or other change in corporate form of the Bank;	(9) to adopt resolutions on the merger, division, dissolution, liquidation or other change in corporate form of the Bank;	
(10) to amend the Articles of Association, to consider and adopt the rules of procedure of the shareholders’ general meetings, Board of Directors’ meetings and Board of Supervisors’ meetings;	(10) to amend the Articles of Association, to consider and adopt the rules of procedure of the shareholders’ general meetings, Board of Directors’ meetings and Board of Supervisors’ meetings;	
(11) to decide on the engagement, dismissal or discontinuation of the appointment of the Bank’s accounting firm;	(11) to decide on the engagement, dismissal or discontinuation of the appointment of the Bank’s accounting firm <u>which carries out statutory audit on the financial reports of the Bank on a regular basis;</u>	
(12) to examine and approve proposals raised by shareholders who individually or jointly hold 3% or more of the total voting shares of the Bank (the “Proposing Shareholders”);	(12) to examine and approve proposals raised by shareholders who individually or jointly hold 3% or more of the total voting shares of the Bank (the “Proposing Shareholders”);	
(13) to examine proposals on matters relating to the purchase or sale of material assets made by the Bank with an amount exceeding 30% of its latest audited total assets within one year;	(13) to examine proposals on matters relating to the purchase or sale of material assets made by the Bank with an amount exceeding 30% of its latest audited total assets within one year;	
(14) to examine the guarantees made pursuant to Article 7 of these rules;	(14) to examine the guarantees made pursuant to Article 7 of these rules;	
(15) to examine the connected party transactions which require approval by the shareholders’ general meeting as stipulated by the law, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities as well as the Articles of Association;	(15) to examine the connected party transactions which require approval by the shareholders’ general meeting as stipulated by the law, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities as well as the Articles of Association;	

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>(16) to examine and approve the matters concerning the change of the use of proceeds;</p> <p>(17) to examine the stock incentive plans and employee stock ownership plans;</p> <p>(18) to determine the issuance of preference shares; to determine or authorise the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends; and</p> <p>(19) to examine other issues which should be decided by the shareholders’ general meeting as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities as well as the Articles of Association.</p> <p>The matters mentioned above are within the shareholders’ general meeting’s scope of authority and shall be examined and decided by the shareholders’ general meetings. If it is necessary, reasonable and legal, the decision making of these issues can be delegated to the Board of Directors. If the shareholders delegate their decision making to the Board of Directors, the authorization given shall be clear and specific. If the Articles of Association require that matters to be delegated to the Board of Directors are to be adopted by the shareholders’ general meeting by way of ordinary resolution, such resolutions shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders’ general meeting. If the Articles of Association require that matters to be delegated to the Board of Directors are to be adopted by the shareholders’ general meeting by way of special resolution, such resolutions shall be approved by two-thirds or more of the voting rights of the shareholders (including proxies thereof) attending the shareholders’ general meeting.</p>	<p>(16) to examine and approve the matters concerning the change of the use of proceeds;</p> <p>(17) to examine the stock incentive plans and employee stock ownership plans;</p> <p>(18) to determine the issuance of preference shares; to determine or authorise the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends; and</p> <p>(19) to examine other issues which should be decided by the shareholders’ general meeting as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities as well as the Articles of Association.</p> <p>The matters mentioned above are within the shareholders’ general meeting’s scope of authority and shall be examined and decided by the shareholders’ general meetings. If it is necessary, reasonable and legal, the decision making of these issues can be delegated to the Board of Directors. If the shareholders delegate their decision making to the Board of Directors, the authorization given shall be clear and specific. If the Articles of Association require that matters to be delegated to the Board of Directors are to be adopted by the shareholders’ general meeting by way of ordinary resolution, such resolutions shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders’ general meeting. If the Articles of Association require that matters to be delegated to the Board of Directors are to be adopted by the shareholders’ general meeting by way of special resolution, such resolutions shall be approved by two-thirds or more of the voting rights of the shareholders (including proxies thereof) attending the shareholders’ general meeting.</p>	

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 10 An extraordinary general meeting shall be convened within two (2) months from the date of occurrence of any of the following events:</p> <p>(1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;</p> <p>(2) the outstanding loss of the Bank is at least one-third of the Bank's total share capital;</p> <p>(3) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank (the "Requesting Shareholders") have requested to convene the meeting in writing; the shareholding of the Requesting Shareholders shall be calculated on the day on which the shareholders submit a written request to convene the meeting;</p> <p>(4) the Board of Directors deems it necessary to convene the meeting;</p> <p>(5) the Board of Supervisors proposes to convene the meeting; and</p> <p>(6) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of Association.</p>	<p>Article 10 An extraordinary general meeting shall be convened within two (2) months from the date of occurrence of any of the following events:</p> <p>(1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;</p> <p>(2) the outstanding loss of the Bank is at least one-third of the Bank's total share capital;</p> <p>(3) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank (the "Requesting Shareholders") have requested to convene the meeting in writing; the shareholding of the Requesting Shareholders shall be calculated on the day on which the shareholders submit a written request to convene the meeting;</p> <p>(4) the Board of Directors deems it necessary to convene the meeting;</p> <p><u>(5) more than half (1/2) and not less than two (2) of the independent directors propose to convene the meeting;</u></p> <p>(56) the Board of Supervisors proposes to convene the meeting; and</p> <p>(67) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of Association.</p>	<p>To amend according to the requirements of Article 20 of the Governance Standards.</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 13 A written proposal to the Board of Directors to convene an extraordinary general meeting may be made by more than half of the independent directors. The Board of Directors shall, in accordance with the laws, administrative regulations, departmental rules and the Articles of Association of the Bank, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten (10) days of receiving the proposal from the independent directors.</p> <p>If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the proposal contained in the original notice is changed, unanimous approval of the independent directors who proposed convening the extraordinary general meeting shall be sought. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall give an explanation and issue an announcement.</p>	<p>Article 13 A written proposal to the Board of Directors to convene an extraordinary general meeting may be made by more than half<u>more than half (1/2) and not less than two (2)</u> of the independent directors. The Board of Directors shall, in accordance with the laws, administrative regulations, departmental rules and the Articles of Association of the Bank, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten (10) days of receiving the proposal from the independent directors.</p> <p>If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the proposal contained in the original notice is changed, unanimous approval of the independent directors who proposed convening the extraordinary general meeting shall be sought. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall give an explanation and issue an announcement.</p>	<p>To make wording improvement in accordance with the amendments to Article 10 of the Rules of Procedure of General meeting.</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 29 Shareholders who wish to attend any shareholders' general meeting shall complete registration for the shareholders' general meeting at the place specified by the Bank within the given time in accordance with the requirements stipulated in an announcement for the notice of shareholders' general meeting. The registration for shareholders' general meeting shall be conducted by way of on-site registration or fax, etc. Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one (1) or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. A proxy may exercise the following powers at a shareholders' general meeting:</p> <p>(1) the same right of speech as the shareholder at the meeting;</p> <p>(2) have authority to demand or join other shareholders in demanding a poll; and</p> <p>(3) have the right to vote by hand or on a poll, but when more than one (1) proxy has been appointed, the proxies only have the right to vote on a poll.</p>	<p>Article 29 Shareholders who wish to attend any shareholders' general meeting shall complete registration for the shareholders' general meeting at the place specified by the Bank within the given time in accordance with the requirements stipulated in an announcement for the notice of shareholders' general meeting. The registration for shareholders' general meeting shall be conducted by way of on-site registration or fax, etc. Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one (1) or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. <u>However, the proxy appointed by the Principal shareholders shall not be any person other than the shareholder itself and its related parties, persons acting in concert, directors and supervisors nominated; Principal shareholders shall not accept the entrustment of non-related parties or persons acting in concert to attend the shareholders' general meeting.</u> A proxy may exercise the following powers at a shareholders' general meeting:</p> <p>(1) the same right of speech as the shareholder at the meeting;</p> <p>(2) have authority to demand or join other shareholders in demanding a poll; and</p> <p>(3) have the right to vote by hand or on a poll, but when more than one (1) proxy has been appointed, the proxies only have the right to vote on a poll.</p>	<p>To make amendment in accordance with the Articles 15 and 16 of the Measures for the Supervision of the Conduct of Principal Shareholders of Banking or Insurance Institutions (for Trial Implementation) (Yin Bao Jian Fa [2021] No. 43) (the "Measures for the Supervision of the Conduct of Principal Shareholders").</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 49 The following matters shall be resolved by way of ordinary resolution:</p> <p>(1) work reports by the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plans and loss carryforward plans as proposed by the Board of Directors;</p> <p>(3) the appointment or removal, the remuneration and the method of payment for the members of the Board of Directors and the Board of Supervisors;</p> <p>(4) reports regarding the Bank's annual financial budget and final accounts;</p> <p>(5) the appointment or dismissal of an accounting firm;</p> <p>(6) any other matters not required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities or the Articles of Association of the Bank to be resolved by way of special resolution.</p>	<p>Article 49 The following matters shall be resolved by way of ordinary resolution:</p> <p>(1) work reports by the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plans and loss carryforward plans as proposed by the Board of Directors;</p> <p>(3) the appointment or removal, the remuneration and the method of payment for the members of the Board of Directors and the Board of Supervisors;</p> <p>(4) reports regarding the Bank's annual financial budget and final accounts;</p> <p>(5) the appointment or dismissal of an accounting firm <u>that carries out regular statutory audit on the financial reports of the Bank;</u></p> <p>(6) any other matters not required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities or the Articles of Association of the Bank to be resolved by way of special resolution.</p>	<p>To make amendment in accordance with Clause 2 to Article 18 of the Governance Standards.</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 50 The following matters shall be resolved by way of special resolution at a shareholder's general meeting:</p> <p>(1) an increase or reduction of the registered capital of the Bank or the issuance of any class of shares, warrants and other similar securities;</p> <p>(2) the issuance and of bonds or other securities and a listing by the Bank;</p> <p>(3) the division, merger, dissolution, liquidation or any other change in the corporate form of the Bank;</p> <p>(4) amendments to the Articles of Association of the Bank;</p> <p>(5) the purchase or sale of material assets by the Bank or any guarantee of an amount exceeding 30% of its latest audited total assets within one year;</p> <p>(6) stock incentive plans and employee stock ownership plans; and</p> <p>(7) any other matters which are required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of Association of the Bank, and any matter decided by the shareholders' general meeting by way of an ordinary resolution to have a material effect on the Bank and should therefore be adopted by a special resolution.</p>	<p>Article 50 The following matters shall be resolved by way of special resolution at a shareholder's general meeting:</p> <p>(1) an increase or reduction of the registered capital of the Bank or the issuance of any class of shares, warrants and other similar securities;</p> <p>(2) the issuance and of bonds or other securities and a listing by the Bank;</p> <p>(3) the division, merger, dissolution, liquidation or any other change in the corporate form of the Bank;</p> <p>(4) amendments to the Articles of Association of the Bank;</p> <p>(5) the purchase or sale of material assets by the Bank or any guarantee of an amount exceeding 30% of its latest audited total assets within one year;</p> <p>(6) stock incentive plans and employee stock ownership plans;</p> <p><u>(7) removal of the independent directors;</u> <u>and</u></p> <p><u>(78)</u> any other matters which are required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of Association of the Bank, and any matter decided by the shareholders' general meeting by way of an ordinary resolution to have a material effect on the Bank and should therefore be adopted by a special resolution.</p>	<p>To make amendment in accordance with Article 22 of the Governance Standards.</p>

Existing Provisions of the Rules of Procedure	Amended Provisions of the Rules of Procedure	Reasons for or Basis of Amendment
<p>Article 51 If the Bank proposes to change or nullify certain rights of a certain class of shareholders, this proposal should be passed by a special resolution at the shareholders' general meeting and passed at the meeting convened according to Articles 130 to 134 of the Articles of Association of the Bank and held by and for the class of shareholders being.</p>	<p>Article 51 If the Bank proposes to change or nullify certain rights of a certain class of shareholders, this proposal should be passed by a special resolution at the shareholders' general meeting and passed at the meeting convened according to Articles 1301 to 1345 of the Articles of Association of the Bank and held by and for the class of shareholders being.</p>	<p>To make wording improvement due to the adjustment to the articles of the Articles of Association.</p>
<p>Article 68 The convener shall ensure that the minutes are the truthful, accurate and complete. The attending directors, supervisors, secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding alternative voting methods shall be filed and shall form part of the Bank's files. The secretary to the Board of Directors shall preserve the files in accordance with the Bank's record management guidelines for at least ten (10) years.</p>	<p>Article 68 The convener shall ensure that the minutes are the truthful, accurate and complete. The attending directors, supervisors, secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding alternative voting methods shall be filed and shall form part of the Bank's files. The secretary to the Board of Directors shall preserve the files in accordance with the Bank's record management guidelines for at least ten (10) years a <u>perpetual term</u>.</p>	<p>To make amendment in accordance with Article 24 of the Governance Standards.</p>

Note: The order number of the articles for cross-indexing shall be adjusted correspondingly with the adjustment of the original articles as a result of amendments.

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 1 In order to improve the corporate governance structure of Huishang Bank Corporation Limited, regulate the decisions made by Board of the Bank and guarantee legalization, scientification and institutionalization for performance and decision of the Board, the Rules are formulated in accordance with the relevant requirements of laws, administrative regulations, departmental rules and regulatory documents, such as Company Law of the People’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred as the “Hong Kong Listing Rules”) and Guidelines on Corporate Governance of Commercial Banks, together with the relevant provisions of the Articles of Association of Huishang Bank Corporation Limited (hereafter referred as the “the Articles of the Bank”), as well as the actual situation of the Bank.</p>	<p>Article 1 In order to improve the corporate governance structure of Huishang Bank Corporation Limited, regulate the decisions made by Board of the Bank and guarantee legalization, scientification and institutionalization for performance and decision of the Board, the Rules are formulated in accordance with the relevant requirements of laws, administrative regulations, departmental rules and regulatory documents, such as Company Law of the People’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred as the “Hong Kong <u>Stock Exchange</u> Listing Rules”) and the Guidelines on Corporate Governance of Commercial Banks <u>the Corporate Governance Guidelines for Banking and Insurance Institutions</u>, together with the relevant provisions of the Articles of Association of Huishang Bank Corporation Limited (hereafter referred as the “the Articles of the Bank”), as well as the actual situation of the Bank.</p>	<p>The Guidelines for the Corporate Governance of Commercial Banks were abolished, and the Governance Standards are currently in force.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 9 The Board of Directors shall have one chairman and one to two vice chairman(s). The chairman and vice chairman shall be served by directors and shall be elected or dismissed by more than half of all directors.</p> <p>The chairman of the Board of Directors and the president of the Bank shall be served by different persons.</p>	<p>Article 9 The Board of Directors shall have one chairman and may have one to two vice chairman(s). The chairman and vice chairman shall be served by directors and shall be elected or dismissed by more than half of all directors.</p> <p>The chairman of the Board of Directors and the president of the Bank shall be served by different persons.</p>	<p>To make amendment in accordance with Article 48 of the Governance Standards and actual situation of the Bank.</p>
<p>Article 11 The Board of Directors shall perform the following duties:</p> <p>(1) convene and report at shareholders' general meetings;</p> <p>(2) implement shareholder resolutions;</p> <p>(3) make decisions on the Bank's operational development strategies, business plans and investment plans;</p> <p>(4) formulate the Bank's annual financial budgets and accounts, proposals on profit distribution and tax loss carry forward;</p> <p>(5) formulate proposals on the increase or reduction of the Bank's registered capital and the issue and listing of corporate bonds and other securities;</p> <p>(6) formulate plans for significant acquisitions, purchase of the Bank's shares, or merger, division or dissolution or other change in corporate form of the Bank;</p>	<p>Article 11 The Board of Directors shall perform the following duties:</p> <p>(1) convene and report at shareholders' general meetings;</p> <p>(2) implement shareholder resolutions;</p> <p>(3) make decisions on the Bank's operational development strategies, business plans and investment plans and supervise the implementation of the strategies;</p> <p>(4) formulate the Bank's annual financial budgets and accounts, proposals on profit distribution and tax loss carry forward;</p> <p>(5) formulate proposals on the increase or reduction of the Bank's registered capital and the issue and listing of corporate bonds and other securities;</p> <p>(6) formulate plans for significant acquisitions, purchase of the Bank's shares, or merger, division or dissolution or other change in corporate form of the Bank;</p>	<p>To make amendment in accordance with Article 44 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
(7) decide on matters within the scope authorized at a shareholders' general meeting, including major external investments and acquisitions, disposal of assets and major guarantees, etc.;	(7) decide on matters within the scope authorized at a shareholders' general meeting, including major external investments and acquisitions, disposal of assets and major guarantees, etc.;	
(8) review and approve significant connected transactions, and submit special reports at the annual shareholders' general meeting on the implementation of the connected transactions management systems and the particulars of connected transactions;	(8) review and approve significant connected transactions, and submit special reports at the annual shareholders' general meeting on the implementation of the connected transactions management systems and the particulars of connected transactions;	
(9) decide on the establishment of the Bank's internal management entities;	(9) decide on the establishment of the Bank's internal management entities;	
(10) appoint or remove the Bank's president and secretary to the Board of Directors in accordance with the recommendations of the chairman; appoint or remove the members of the Bank's senior management including the executive vice president and other members of senior management in accordance with the recommendations of the president, and determine their remunerations, rewards and punishment;	(10) appoint or remove the Bank's president and secretary to the Board of Directors in accordance with the recommendations of the chairman; appoint or remove the members of the Bank's senior management including the executive vice president and other members of senior management in accordance with the recommendations of the president, and determine their remunerations, rewards and punishment;	
(11) formulate the basic management systems, decide on the policies on risk tolerance, risk management, internal control and compliance of the Bank;	(11) formulate the basic management systems, decide on the policies on risk tolerance, risk management, internal control and compliance of the Bank <u>and assume ultimate responsibility for comprehensive risk management;</u>	
(12) formulate amendments to the Articles of the Bank, the procedures of shareholders' general meetings and Board meetings;	(12) formulate amendments to the Articles of the Bank, the procedures of shareholders' general meetings and Board meetings;	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
(13) propose at a shareholders' general meeting the engagement, dismissal or discontinuance of engagement of an accounting firm;	(13) propose at a shareholders' general meeting the engagement, dismissal or discontinuance of engagement of an accounting firm <u>which carries out statutory audit on the financial reports of the Bank on a regular basis;</u>	
(14) be responsible for approving the Bank's internal auditing charter, medium and long term audit plans and annual audit plans;	(14) be responsible for approving the Bank's internal auditing charter, medium and long term audit plans and annual audit plans;	
(15) supervise the work performance of the members of senior management, listen to the president's work report and inspect the president's work, with the right to require the president and other members of senior management to provide various particulars and information on the Bank's operation, to ensure the proper performance of their duties;	(15) supervise the work performance of the members of senior management, listen to the president's work report and inspect the president's work, with the right to require the president and other members of senior management to provide various particulars and information on the Bank's operation, to ensure the proper performance of their duties;	
(16) be responsible for the disclosure of information of the Bank and take ultimate responsibility for the truthfulness, completeness, accuracy and timeliness of the Bank's accounting and financial statements;	(16) be responsible for the disclosure of information of the Bank and take ultimate responsibility for the truthfulness, completeness, accuracy and timeliness of the Bank's accounting and financial statements;	
(17) evaluate regularly and improve continuously the corporate governance of the Bank according to the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles;	(17) evaluate regularly and improve continuously the corporate governance of the Bank according to the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles;	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(18) draw up share incentive and employee share ownership plans of the Bank; and decide on the measures to link employees' basic remuneration system of the Bank;</p> <p>(19) be responsible for the equity management of the Bank and assume the ultimate responsibility for the Bank's equity affairs management;</p> <p>(20) other rights conferred by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of the Bank.</p> <p>The Board shall collect recommendations in advance from the Party Committee of the Bank before determines the material issues of the Bank.</p>	<p>(18) draw up share incentive and employee share ownership plans of the Bank; and decide on the measures to link employees' basic remuneration system of the Bank;</p> <p>(19) be responsible for the equity management of the Bank and assume the ultimate responsibility for the Bank's equity affairs management;</p> <p><u>(20) safeguard the legitimate rights and interests of financial consumers and other stakeholders;</u></p> <p><u>(21) establish the mechanism for identification, review and management of the conflict of interests between the Bank and shareholders, in particular substantial shareholders;</u></p> <p>(20) other rights conferred by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of the Bank.</p> <p>The Board shall collect recommendations in advance from the Party Committee of the Bank before determines the material issues of the Bank.</p>	
<p>Article 24 The meetings of the Board of Directors are divided into regular meetings and extraordinary meetings, and shall be convened and presided by the chairman.</p> <p>The Board of Directors shall notify the supervisors in advance of the Board meetings.</p> <p>The Board of Directors shall hold at least 4 regular meetings annually and at least 1 meeting per quarter.</p>	<p>Article 24 The meetings of the Board of Directors are divided into regular meetings and extraordinary meetings, and shall be convened and presided by the chairman.</p> <p>The Board of Directors shall notify the supervisors in advance of the Board meetings.</p> <p>The Board of Directors shall hold at least 4 regular meetings annually and at least 1 meeting per quarter.</p>	<p>To make amendment in accordance with Article 49 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 25 The chairman shall convene and preside over an extraordinary meeting within 10 days of receiving such a proposal under the following circumstances:</p> <p>(1) it is deemed necessary by the chairman;</p> <p>(2) it is proposed by more than one-third of the directors;</p> <p>(3) it is proposed by the Board of Supervisors;</p> <p>(4) it is proposed by more than half of the independent directors (where the Bank has only 2 independent directors of the Bank, it is unanimously proposed by both independent directors);</p> <p>(5) it is proposed by the shareholders who individually or jointly hold more than 10% of the voting shares of the Bank;</p> <p>(6) it is proposed by the president;</p> <p>(7) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of the Bank.</p>	<p>Article 25 The chairman shall convene and preside over an extraordinary meeting within 10 days of receiving such a proposal under the following circumstances:</p> <p>(1) it is deemed necessary by the chairman;</p> <p>(2) it is proposed by more than one-third of the directors;</p> <p>(3) it is proposed by the Board of Supervisors;</p> <p>(4) it is proposed by more than half of the two independent directors (where the Bank has only 2 independent directors of the Bank, it is unanimously proposed by both independent directors);</p> <p>(5) it is proposed by the shareholders who individually or jointly hold more than 10% of the voting shares of the Bank;</p> <p>(6) it is proposed by the president;</p> <p>(7) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles of the Bank.</p>	<p>To make amendment in accordance with Article 49 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 27 Board meetings may be convened in the form of a physical meeting or telephone conference, video conference and the adoption of written resolutions etc. The Board of Directors shall provide explanations if a Board meeting is convened by means of adopting written resolutions.</p> <p>The Board shall ensure that each attending director can hear the other directors' clearly and can communicate with each other where a Board meeting is convened by telephone conference or video conference. A Board meeting convened by such means shall be recorded or taped.</p>	<p>Article 27 Board meetings may be convened in the form of a physical meeting or <u>(including</u> telephone conference, video conference, <u>etc.)</u> and the adoption of written resolutions etc. The Board of Directors shall provide explanations if a Board meeting is convened by means of adopting written resolutions.</p> <p>The Board shall ensure that each attending director can hear the other directors' clearly and can communicate with each other where a Board meeting is convened by telephone conference or video conference. A Board meeting convened by such means shall be recorded or taped.</p>	<p>To make amendment in accordance with Article 114 of the Governance Standards.</p>
<p>Article 29 The following persons or entities are entitled to submit proposals to the Board of Directors:</p> <ol style="list-style-type: none"> (1) the Chairman; (2) more than one-third of the directors; (3) the Board of supervisors; (4) more than half of the independent directors (at least two); (5) the specific Board committees; (6) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank; (7) the president or other members of senior management of the Bank. <p>The proposer shall be held responsible for the legality, accuracy and completeness of the proposals according to relevant laws, administrative regulations, rules and the Articles of Association of the Bank, and shall take the responsibility for interpretation of these proposals.</p>	<p>Article 29 The following persons or entities are entitled to submit proposals to the Board of Directors:</p> <ol style="list-style-type: none"> (1) the Chairman; (2) more than one-third of the directors; (3) the Board of supervisors; (4) more than half of the <u>two</u> independent directors (at least two); (5) the specific Board committees; (6) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank; (7) the president or other members of senior management of the Bank. <p>The proposer shall be held responsible for the legality, accuracy and completeness of the proposals according to relevant laws, administrative regulations, rules and the Articles of Association of the Bank, and shall take the responsibility for interpretation of these proposals.</p>	<p>To make corresponding amendment in accordance with Article 25 the Rules of Procedure for the Board of Directors.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 38 Board meetings shall only be held when more than half of the directors attend the meeting. The number of directors who express opinions by way of video or telephone and directors who cast valid votes within prescribed period at a meeting convened through circulation of written proposal shall be counted in the number of directors present at such meeting. Directors who have material interest in the matters to be discussed by the Board of Directors shall abstain and shall not exercise their voting rights on such proposal, nor can he/she exercise any voting rights on behalf of others when relevant matters are considered by the Board of Directors. The number of such directors shall not be counted in the quorum while considering the resolution. The Board meeting for considering above specific matters shall only be held if more than half of the directors who do not have any material interest are present. Resolutions of the Board of Directors approving related party transactions shall be adopted by more than half of the directors without material interest in the matter to be resolved. Where less than three (3) directors with no material interest in the matter are present at the Board meeting, such proposals shall be submitted to the shareholders for approval.</p> <p>The avoidance and voting procedures of a connected director are as follows: a connected Director may excuse himself or the other directors or director representatives of the Board of Directors may make such a request. Where the request of avoidance is raised by the other directors or director representatives but the connected director does not consider that he/she falls within the scope of avoidance, he/she shall explain himself/herself. If the directors raising a request of avoidance are still not convinced after the explanation given by the connected director, the Board of Directors may record the voting results of the matter to be resolved with and without the participation in the voting process of the director whose conflict of interest in the matter is controversial. After the meeting, the chairman of the Board of Directors shall apply to the relevant department to adjudicate on the status of the director whose conflict of interest in the matter is controversial, confirm the final voting results and inform all directors.</p>	<p>Article 38 Board meetings shall only be held when more than half of the directors attend the meeting. The number of directors who express opinions by way of video or telephone and directors who cast valid votes within prescribed period at a meeting convened through circulation of written proposal shall be counted in the number of directors present at such meeting. Directors who have material interest in the matters to be discussed by the Board of Directors shall abstain and shall not exercise their voting rights on such proposal, nor can he/she exercise any voting rights on behalf of others when relevant matters are considered by the Board of Directors. The number of such directors shall not be counted in the quorum while considering the resolution. The Board meeting for considering above specific matters shall only be held if more than half of the directors who do not have any material interest are present. Resolutions of the Board of Directors approving related party transactions shall be adopted by more than half two-thirds of the directors without material interest in the matter to be resolved. Where less than three (3) directors with no material interest in the matter are present at the Board meeting, such proposals shall be submitted to the shareholders for approval.</p> <p>The avoidance and voting procedures of a connected director are as follows: a connected Director may excuse himself or the other directors or director representatives of the Board of Directors may make such a request. Where the request of avoidance is raised by the other directors or director representatives but the connected director does not consider that he/she falls within the scope of avoidance, he/she shall explain himself/herself. If the directors raising a request of avoidance are still not convinced after the explanation given by the connected director, the Board of Directors may record the voting results of the matter to be resolved with and without the participation in the voting process of the director whose conflict of interest in the matter is controversial. After the meeting, the chairman of the Board of Directors shall apply to the relevant department to adjudicate on the status of the director whose conflict of interest in the matter is controversial, confirm the final voting results and inform all directors.</p>	<p>To make amendment in accordance with Article 45 of the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (Decree No. 1 of CBIRC in 2022) (the “Administrative Measures of Related Party Transactions”).</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 41 A director shall be deemed incapable of carrying out their duties if they fails to attend two (2) consecutive Board meetings either personally or by appointing other directors to attend on their behalf, or attends less than two-thirds of the total Board meetings in person within one (1) year. The Board of Directors shall, in a democratic manner such as through a shareholders' general meeting or workers congress, make a proposal to remove such directors.</p> <p>If attendance in person is less than two-thirds of the total number of Board meetings held within one (1) year, the Board of Directors or the Board of Supervisors has the right to propose at a shareholders' general meeting to dismiss an independent director.</p> <p>For the purposes of the Articles, the expression "attending in person" refers to the method of attendance where the relevant participant attends meetings in person (including through instant communication tools such as video and telephone); and the term "attendance by proxy" refers to the method of attendance where the relevant participant cannot attend a meeting for any reason and appoints another person by signing a proxy letter to attend such meeting on his/her behalf.</p> <p>A director who fails to attend Board meetings in person and fails to appoint another director to attend on their behalf shall assume the same legal liabilities of Board resolutions.</p>	<p>Article 41 A director shall be deemed incapable of carrying out their duties if they fails to attend two (2) consecutive Board meetings either personally or by appointing other directors to attend on their behalf, or attends less than two-thirds of the total Board meetings in person within one (1) year. The Board of Directors shall, in a democratic manner such as through a shareholders' general meeting or workers eongress, make a proposal to remove such directors.</p> <p><u>If an independent director fails to attend three (3) consecutive Board meetings</u> attendance in person is less than two-thirds of the total number of Board meetings held within one (1) year, the Board of Directors or the Board of Supervisors has the right to propose at a shareholders' general meeting to dismiss an independent director.</p> <p>For the purposes of the Articles, the expression "attending in person" refers to the method of attendance where the relevant participant attends meetings in person (including through instant communication tools such as video and telephone); and the term "attendance by proxy" refers to the method of attendance where the relevant participant cannot attend a meeting for any reason and appoints another person by signing a proxy letter to attend such meeting on his/her behalf.</p> <p>A director who fails to attend Board meetings in person and fails to appoint another director to attend on their behalf shall assume the same legal liabilities of Board resolutions.</p>	<p>To make amendment in accordance with Articles 32 and 42 of the Governance Standards and Articles 14 and 15 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 42 A director shall work in the Bank for no less than fifteen (15) working days each year. A director who is a member of the audit committee, or the principal of the connected party transactions control committee and the risk management committee shall work in the Bank for no less than twenty-five (25) working days each year. The Bank shall establish a file on the performance of duties of directors, which shall fully record the number of directors' attendance at Board meetings, their independent opinions and suggestions and their adoption.</p>	<p>Article 42 A director shall work in the Bank for no less than fifteen (15) working days each year. A director who is a member of the audit committee, or the principal of the connected party transactions control committee and the risk management committee shall work in the Bank for no less than twenty-five (25) <u>(20)</u> working days each year. The Bank shall establish a file on the performance of duties of directors, which shall fully record the number of directors' attendance at Board meetings, their independent opinions and suggestions and their adoption.</p>	<p>To make amendment in accordance with Article 14 of the Measures for the Evaluation of Performance of Duties.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings of the Bank, and shall in particular, address their opinions to the Board meeting on the following matters:</p> <p>(1) the legality and fairness of significant connected party transactions and the implementation of internal examination and approval procedures;</p> <p>(2) the appointment and dismissal of senior management members;</p> <p>(3) profit distribution plans;</p> <p>(4) matters that may cause significant loss to the Bank;</p> <p>(5) matters deemed by the independent directors as such that may impair the legitimate rights and interests of the depositors and minority shareholders of the Bank and other persons who have interest in the Bank;</p> <p>(6) the appointment of external auditors;</p> <p>(7) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles of the Bank.</p>	<p>Article 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings of the Bank, and shall in particular, address their opinions to the Board meeting on the following matters:</p> <p>(1) the legality and fairness of significant connected party transactions and the implementation of internal examination and approval procedures;</p> <p>(2) <u>the nomination, appointment and dismissal of directors and the appointment and dismissal of senior management members</u>—the appointment and dismissal of senior management members;</p> <p>(3) <u>the remuneration of directors and senior management members</u>;</p> <p>(34) profit distribution plans;</p> <p>(45) matters that may cause significant loss to the Bank;</p> <p>(56) matters deemed by the independent directors as such that may impair the legitimate rights and interests of <u>financial consumers</u>—the depositors—and minority shareholders of the Bank and other persons who have interest in the Bank;</p> <p>(67) <u>the appointment or dismissal of an accounting firm which carries out statutory audit on the financial reports of the Bank on a regular basis</u>—the appointment of external auditors;</p> <p>(78) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles of the Bank.</p>	<p>To make amendment in accordance with Article 39 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 55 Resolutions adopted at the Board meeting must be approved by more than half of the directors. If directors have material interest in the matters to be discussed by the Board of Directors, the resolutions shall be adopted by more than half of the directors without material interest in the matter to be resolved.</p> <p>The following matters shall be approved by more than two-thirds of all directors and the Board meeting shall not be convened by the adoption of written resolutions:</p> <ol style="list-style-type: none"> (1) annual financial budgets and accounts of the Bank; (2) plans for capital replenishment, allocation of venture capital, profit distribution and tax loss carryforward of the Bank; (3) increase or reduction of the registered capital of the Bank; (4) issue and listing of corporate bonds or other securities of the Bank; (5) merger, division, dissolution, liquidation or other change in corporate form of the Bank; (6) repurchase of shares by the Bank; (7) appointment or dismissal of members of senior management; (8) amendments to the Articles of Association of the Bank; 	<p>Article 55 Resolutions adopted at the Board meeting must be approved by more than half of the directors. If directors have material interest in the matters to be discussed by the Board of Directors, the resolutions shall be adopted by more than half of the directors without material interest in the matter to be resolved.</p> <p>The following matters shall be approved by more than two-thirds of all directors and the Board meeting shall not be convened by the adoption of written resolutions:</p> <ol style="list-style-type: none"> (1) annual financial budgets and accounts of the Bank; (2) plans for capital replenishment, allocation of venture capital, profit distribution and tax loss carryforward of the Bank; (3) increase or reduction of the registered capital of the Bank; (4) issue and listing of corporate bonds or other securities of the Bank; (5) merger, division, dissolution, liquidation or other change in corporate form of the Bank; (6) repurchase of shares by the Bank; (7) appointment or dismissal of members of senior management; (8) <u>remuneration proposals for directors and the members of senior management;</u> 	<p>To make amendment in accordance with Article 50 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(9) establishment of the Bank's legal entities, major mergers and acquisitions, major external investments, major asset acquisitions, disposal and write-off, major external guarantees etc., within the authority of shareholders;</p> <p>(10) significant matters such as significant changes in the Bank's equity and financial restructuring, etc.; and</p> <p>(11) other matters required by the relevant laws, administrative regulations, departmental rules or the Articles of Association of the Bank, or considered significant to the Bank by more than half of all directors that shall be approved and adopted by more than two-thirds of all directors.</p>	<p>(89) amendments to the Articles of Association of the Bank;</p> <p>(910) establishment of the Bank's legal entities, major mergers and acquisitions, major external investments, major asset acquisitions, disposal and write-off, major external guarantees etc., within the authority of shareholders;</p> <p>(101) significant matters such as significant changes in the Bank's equity and financial restructuring, etc.; and</p> <p>(112) other matters required by the relevant laws, administrative regulations, departmental rules or the Articles of Association of the Bank, or considered significant to the Bank by more than half of all directors that shall be approved and adopted by more than two-thirds of all directors.</p>	
<p>Article 56 Minutes shall be taken to record the decisions of matters discussed in the meeting (in the form of meeting minutes or meeting resolutions, etc.). Directors attending the meeting and the secretary to the Board of Directors shall sign the minutes. If a director has different opinions on the meeting minutes, he/she can put forward the opinion in writing within 5 working days upon receiving the meeting minutes. Any director who fails to give confirmation by signature or put forward opinions according to the above requirements shall be deemed as agreeing with the contents of the meeting minutes. Directors attending the meeting shall have the right to request to have the details of their speeches made in the meeting recorded in the minutes.</p> <p>The opinions expressed by the independent directors on the Bank's decisions shall be set out in the Board minutes.</p> <p>As the Bank's files, Board minutes shall be kept by the secretary to the Board of Directors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years.</p> <p>The decisions, resolutions and minutes of Board meetings shall be filed according to the regulations of the relevant regulatory authorities and the Board of Supervisors.</p>	<p>Article 56 Minutes shall be taken to record the decisions of matters discussed in the meeting (in the form of meeting minutes or meeting resolutions, etc.). Directors attending the meeting and the secretary to the Board of Directors shall sign the minutes. If a director has different opinions on the meeting minutes, he/she can put forward the opinion in writing within 5 working days upon receiving the meeting minutes. Any director who fails to give confirmation by signature or put forward opinions according to the above requirements shall be deemed as agreeing with the contents of the meeting minutes. Directors attending the meeting shall have the right to request to have the details of their speeches made in the meeting recorded in the minutes.</p> <p>The opinions expressed by the independent directors on the Bank's decisions shall be set out in the Board minutes.</p> <p>As the Bank's files, Board minutes shall be kept by the secretary to the Board of Directors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years perpetual term.</p> <p>The decisions, resolutions and minutes of Board meetings shall be filed according to the regulations of the relevant regulatory authorities and the Board of Supervisors.</p>	<p>To make amendment in accordance with Article 51 of the Governance Standards.</p>

Note: The order number of the articles for cross-indexing shall be adjusted correspondingly with the adjustment of the original articles as a result of amendments.

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 1 These Rules are formulated in accordance with relevant requirements of laws, administrative regulations, departmental rules and regulatory documents such as the Company Law of the People’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines for the Corporate Governance of Commercial Banks and the Working Guidelines of the Board of Supervisors of Commercial Banks and the relevant provisions under the Articles of Association of Huishang Bank Corporation Limited (the “Articles of Association”) and based on the actual circumstances of Huishang Bank Corporation Limited (the “Bank”), for the purpose of improving the corporate governance structure of Huishang Bank Corporation Limited, and ensuring the Board of Supervisors exercising the supervising rights legally and independently.</p>	<p>Article 1 These Rules are formulated in accordance with relevant requirements of laws, administrative regulations, departmental rules and regulatory documents such as the Company Law of the People’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines for the Corporate Governance of Commercial Banks<u>Governance Standards of Banking and Insurance Institutions</u> and the Working Guidelines of the Board of Supervisors of Commercial Banks and the relevant provisions under the Articles of Association of Huishang Bank Corporation Limited (the “Articles of Association”) and based on the actual circumstances of Huishang Bank Corporation Limited (the “Bank”), for the purpose of improving the corporate governance structure of Huishang Bank Corporation Limited, and ensuring the Board of Supervisors exercising the supervising rights legally and independently.</p>	<p>The Guidelines for the Corporate Governance of Commercial Banks were abolished, and the Governance Standards are currently in force.</p>

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 7 The supervisors of the Bank shall include the shareholder supervisors, employee representative supervisors and external supervisors, among whom the proportion of the employee representative supervisors and external supervisors shall be no less than one-third of the total number of supervisors. The shareholder supervisors shall be nominated by the Board of Supervisors and shareholder(s) who individually or jointly hold three percent or more of the Bank's shares with voting rights. External supervisors shall be nominated by the Board of Supervisors and shareholder(s) who individually or jointly hold one percent or more of the Bank's shares with voting rights. Employee representative supervisors shall be nominated by the Board of Supervisors and the labor union of the Bank.</p>	<p>Article 7 The supervisors of the Bank shall include the shareholder supervisors, employee representative supervisors and external supervisors, among whom the proportion of the employee representative supervisors and external supervisors shall be no less than one-third of the total number of supervisors. The shareholder supervisors shall be nominated by <u>the nomination committee under</u> the Board of Supervisors and shareholder(s) who individually or jointly hold three percent or more of the Bank's shares with voting rights. External supervisors shall be nominated by <u>the nomination committee under</u> the Board of Supervisors and shareholder(s) who individually or jointly hold one percent or more of the Bank's shares with voting rights. Employee representative supervisors shall be nominated by <u>the nomination committee under</u> the Board of Supervisors and the labor union of the Bank.</p>	<p>To keep consistent with the Articles of Association.</p>
<p>Article 8 In principle, the number of the supervisors nominated by the same shareholder and their connected person(s) shall not exceed one-third (1/3) of the total number of members on the Board of Supervisors; and, in principle the same shareholder shall only nominate one (1) candidate for external supervisors and shall not nominate a candidate for independent directors as well as external supervisors. If an exemption is needed because there is a special shareholding structure in place, the shareholder or their related person(s) shall apply to the relevant regulatory authority and provide an explanation.</p>	<p>Article 8 In principle, the number of the supervisors nominated by the same shareholder and their connected person(s) shall not exceed one-third (1/3) of the total number of members on the Board of Supervisors; and, in principle the same shareholder shall only nominate one (1) candidate for external supervisors and shall not nominate a candidate for independent directors as well as external supervisors. <u>The shareholders and their related parties that have already nominated directors shall not nominate supervisors, but that otherwise prescribed by the State shall prevail.</u> If an exemption is needed because there is a special shareholding structure in place, the shareholder or their related person(s) shall apply to the relevant regulatory authority and provide an explanation.</p>	<p>Amendment for improvement made in accordance with Article 61 of the Governance Standards.</p>

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 9 The Board of Supervisors shall have one (1) chairman, and the appointment and dismissal of the chairman shall be made with a resolution passed by more than two-thirds of the all members of the Board of Supervisors.</p> <p>The chairman shall be served as by a full-time staff member. The chairman shall possess professional knowledge and working experience in at least one professional area, e.g. finance, audit, financing or law, etc.</p>	<p>Article 9 The Board of Supervisors shall have one (1) chairman, and the appointment and dismissal of the chairman shall be made with a resolution passed by more than two-thirds of the all members of the Board of Supervisors.</p> <p>The chairman shall be served as by a full-time staff member. The chairman shall possess professional knowledge and working experience in at least one professional area, e.g. finance, audit, financing or law, etc.</p>	<p>The former Article 35 in the Guidelines for the Corporate Governance of Commercial Banks has been deleted in the Governance Standards.</p>
<p>Article 13 Aside from the duties and powers stated in laws, administrative rules and the Articles of Association, the Board of Supervisors shall focus on the following matters:</p> <p>(1) to supervise the Board of Directors in establishing a sound business philosophy, normative values, and guidance in line with the Bank's development strategies; to supervise the development and implementation of developmental strategies of the Bank;</p> <p>(2) to supervise the work performance, financial activities, internal control, risk management, etc. of the Board of Directors and members of senior management;</p> <p>(3) to supervise the selection procedures of directors; to make a comprehensive evaluation of the work performance of directors, supervisors and members of senior management;</p>	<p>Article 13 Aside from the duties and powers stated in laws, administrative rules and the Articles of Association, the Board of Supervisors shall focus on the following matters:</p> <p>(1) to supervise the Board of Directors in establishing a sound business philosophy, normative values, and guidance in line with the Bank's development strategies;to supervise the development and implementation of developmental strategies of the Bank;</p> <p>(2) <u>to evaluate and make a report on the scientificity, reasonableness and viability of the Bank's development strategies;</u></p> <p>(2) to supervise the work performance, financial activities, internal control, risk management, etc. of the Board of Directors and members of senior management;</p> <p>(3) to supervise the selection procedures of directors; to make a comprehensive evaluation of the work performance of directors, supervisors and members of senior management;</p>	<p>Amendment made in accordance with Article 65 of the Governance Standards;</p> <p>The original clause 2 is overlapped with clause 7 of Article 12 of the Rules of Procedure of the Board of Supervisors.</p>

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>(4) to supervise the independent directors' independent opinions on relevant matters;</p> <p>(5) to supervise and ensure that the Bank's remuneration systems and policies and the remuneration proposals for the members of senior management are scientific and rational;</p> <p>(6) to regularly communicate with the banking regulatory authority regarding the Bank's circumstances.</p>	<p>(4) to supervise the independent directors' independent opinions on relevant matters;</p> <p>(5) to supervise and ensure that <u>the implementation of</u> the Bank's remuneration systems and policies and the remuneration proposals for the members of senior management are scientific and rational;</p> <p>(6) to regularly communicate with the banking regulatory authority regarding the Bank's circumstances <u>other matters stipulated in the laws and regulations, regulatory requirements and the Articles of Association of the Bank.</u></p>	
<p>Article 17 The Board of Supervisors shall proactively guide the Bank's internal audit department in independently carrying out audits, and effectively carry out the business management and performance appraisal for the internal audit department.</p> <p>The audit results of the Bank's internally audit department and any of its affiliates or branches shall be submitted to the Board of Supervisors in a timely and complete manner.</p> <p>The Board of Supervisors shall have the right to require the president or the internal audit department to make an explanation if it has any doubts regarding the audit results submitted by the internal audit department.</p>	<p>Article 17 The Board of Supervisors shall proactively guide <u>and supervise</u> the Bank's internal audit department in independently carrying out audits, and effectively carry out the business management and performance appraisal for the internal audit department.</p> <p>The audit results of the Bank's internally audit department and any of its affiliates or branches <u>and subsidiaries</u> shall be submitted to the Board of Supervisors in a timely and complete manner.</p> <p>The Board of Supervisors shall have the right to require the president or the internal audit department <u>or the department being audited</u> to make an explanation if it has any doubts regarding the audit results submitted by the internal audit department.</p>	Amendment made in accordance with Article 108 of the Governance Standards.

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 27 The Board of Supervisors shall prepare documents recording duty performance and integrity of the Supervisors to strengthen evaluation on the Supervisors during process of their duty performance.</p> <p>The Board of Supervisors shall, based on evaluation on the Directors by the Board of Directors, regularly make comprehensive evaluation on the duty performance of Directors, and present final evaluation results to the banking regulatory authority and circulate the results at the shareholders' general meeting.</p> <p>The Board of Supervisors shall establish the work performance evaluation system of the members of senior management, specifying details such as the content, standards and form etc. of the evaluation.</p> <p>The Board of Supervisors shall report the evaluation results and basis of evaluation of the members of senior management to the banking regulatory authority and circulate the results at the shareholders' general meeting.</p>	<p>Article 27 The Board of Supervisors shall, based on evaluation on the Directors by the Board of Directors, regularly make comprehensive evaluation on the duty performance of Directors, <u>Supervisors and senior management</u>, and present final evaluation results to the banking regulatory authority and circulate the results at the shareholders' general meeting.</p> <p>The Board of Supervisors shall prepare <u>and improve</u> documents recording<u>evaluating</u> duty performance and integrity of the <u>Directors, Supervisors and senior management and documents recording duty performance of Supervisors</u> to strengthen evaluation on the Supervisors during process of their duty performance.</p> <p>The Board of Supervisors shall establish the work performance evaluation system of the members of senior management, specifying details such as the content, standards and form etc. of the evaluation.</p> <p>The Board of Supervisors shall report the evaluation results and basis of evaluation of the members of senior management to the banking regulatory authority and circulate the results at the shareholders' general meeting.</p>	<p>Amendment made in accordance with Article 28 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 32 The Board of Supervisors shall hold regular meetings at least 4 times annually and once quarterly.</p>	<p>Article 32 The Board of Supervisors shall hold regular meetings at least 4 times annually and once quarterly.</p>	<p>Amendment made in accordance with Article 70 of the Governance Standards.</p>

APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF SUPERVISORS

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 35 The meetings for the Board of Supervisors may be held on-site or via conference call, video conference or written resolutions. Supervisors who attend the on-site meeting of the Board of Supervisors via telephone, video or other electronic means shall be regarded as attending the meeting in person.</p> <p>If a meeting for the Board of Supervisors is convened via conference call or video conference, the Bank shall ensure that speeches by other Supervisors can be heard clearly by Supervisors present at the meeting and can communicate with each other. Meetings for the Board of Supervisors convened by such means shall be audio recorded or videotaped.</p>	<p>Article 35 The meetings for the Board of Supervisors may be held on-site or (including via conference call, video conference, etc.) or written resolutions. Supervisors who attend the on-site meeting of the Board of Supervisors via telephone, video or other electronic means shall be regarded as attending the meeting in person.</p> <p>If a meeting for the Board of Supervisors is convened via conference call or video conference, the Bank shall ensure that speeches by other Supervisors can be heard clearly by Supervisors present at the meeting and can communicate with each other. Meetings for the Board of Supervisors convened by such means shall be audio recorded or videotaped.</p>	<p>Amendment made in accordance with Article 114 of the Governance Standards.</p>
<p>Article 46 Supervisors shall participate in the meeting of the Supervision Committee in person after receiving the written notice. Any supervisor shall attend at least two-thirds of the meetings of the Board of Supervisors meetings in person each year. If a supervisor cannot attend the meeting in person due to some reason, he/she may entrust another supervisor in writing to attend on his/her behalf.</p> <p>The proxy letter shall state the name of the proxy, the relevant matters, the scope of authorization and the validity period, and shall be signed by the appointer or a chop shall be affixed.</p> <p>The supervisor attending the meeting on behalf of another supervisor shall exercise the right of the supervisor within the scope of his/her authorization. If a supervisor does not attend the Board of Supervisors’ meeting and fails to appoint other supervisors to attend the meeting on his/her behalf, that supervisor shall be deemed to have waived his/her voting rights at that meeting.</p> <p>A supervisor who fails to attend a Board of Supervisors’ meeting in person and also fails to appoint a proxy on his/her behalf shall assume legal liabilities in connection with any resolutions passed at the meetings of Board of Supervisors.</p>	<p>Article 46 Supervisors shall participate in the meeting of the Supervision Committee in person after receiving the written notice. Any supervisor shall attend at least two-thirds of the <u>on-site</u> meetings of the Board of Supervisors meetings in person each year. If a supervisor cannot attend the meeting in person due to some reason, he/she may entrust another supervisor in writing to attend on his/her behalf.</p> <p>The proxy letter shall state the name of the proxy, the relevant matters, the scope of authorization and, the validity period, <u>and voting preference of the appointer</u>, and shall be signed by the appointer or a chop shall be affixed. The supervisor attending the meeting on behalf of another supervisor shall exercise the right of the supervisor within the scope of his/her authorization.</p> <p>If a supervisor does not attend the Board of Supervisors’ meeting and fails to appoint other supervisors to attend the meeting on his/her behalf, that supervisor shall be deemed to have waived his/her voting rights at that meeting. A supervisor who fails to attend a Board of Supervisors’ meeting in person and also fails to appoint a proxy on his/her behalf, and shall assume legal liabilities in connection with any resolutions passed at the meetings of Board of Supervisors.</p>	<p>Amendment made in accordance with Article 15 of the Measures for the Evaluation of Performance of Duties;</p> <p>Deletion of overlapped part.</p>

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 58 In a physical meeting or a meeting by video or telephone conferencing, the chairman of the meeting shall announce the voting result immediately and read out the meeting resolution. The supervisors present who do not vote or vote after the chairman of the meeting has announced the voting result shall be deemed as abstaining from voting.</p> <p>If a meeting is conducted by written resolutions, the convener should specify clearly the time limit for voting while circulating the meeting notice and materials for such meeting. The director of the Office of the Board of Supervisors shall report the voting result and meeting resolutions to the convener within three business days after the expiry of the stipulated voting period and then inform all supervisors of the voting result and meeting resolutions. Any vote cast after the voting result was announced or after the stipulated voting period shall not be counted. Any supervisor who fails to vote within the prescribed period shall be deemed as absent.</p>	<p>Article 58 In a physical meeting or a meeting by video or telephone conferencing, the chairman of the meeting shall announce the voting result immediately and read out the meeting resolution. The supervisors present who do not vote or vote after the chairman of the meeting has announced the voting result shall be deemed as abstaining from voting.</p> <p>If a meeting is conducted by written resolutions, the convener should specify clearly the time limit for voting while circulating the meeting notice and materials for such meeting. The director of the Office of the Board of Supervisors shall report the voting result and meeting resolutions to the convener within three business days after the expiry of the stipulated voting period and then inform all supervisors of the voting result and meeting resolutions. Any vote cast after the voting result was announced or after the stipulated voting period shall not be counted. Any supervisor who fails to vote within the prescribed period shall be deemed as absent.</p>	<p>Amendment for improvement made in accordance with actual condition and Article 114 of the Governance Standards.</p>
<p>Article 59 Unless the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities provide stipulations to the contrary, a resolution at the Board of Supervisors’ meeting shall be adopted if it is approved by two-thirds of all supervisors. Supervisors present at the meeting shall sign on the resolutions and shall be responsible for the resolutions. However, a supervisor may be exempted from such liability if there is proof that the supervisor had objected during voting and the objection has been recorded in the meeting minutes.</p>	<p>Article 59 Unless the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities provide stipulations to the contrary, a resolution at the Board of Supervisors’ meeting shall be adopted if it is approved by two-thirds of all supervisors. Supervisors present at the meeting shall sign on the resolutions and shall be responsible for the resolutions. However, a supervisor may be exempted from such liability if there is proof that the supervisor had objected during voting and the objection has been recorded in the meeting minutes.</p>	<p>Amendment for improvement made in accordance with Article 71 of the Governance Standards.</p>

**APPENDIX V COMPARISON TABLE OF THE AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

Original Article	Amended Article	Reasons for or Basis of Amendment
<p>Article 61 Minutes shall be taken to record the decisions of matters discussed at the meeting (in the form of meeting minutes or meeting resolutions, etc.). Supervisors attending the meetings shall sign the meeting minutes. Supervisors shall have the right to request explanatory notes regarding any remarks that have been made during the meeting to be placed in the minutes.</p> <p>As the Bank's files, the minutes of the Board of Supervisors' meetings shall be kept by the Office of the Board of Supervisors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years.</p>	<p>Article 61 Minutes shall be taken to record the decisions of matters discussed at the meeting (in the form of meeting minutes or meeting resolutions, etc.). Supervisors attending the meetings shall sign the meeting minutes. Supervisors shall have the right to request explanatory notes regarding any remarks that have been made during the meeting to be placed in the minutes.</p> <p>As the Bank's files, the minutes of the Board of Supervisors' meetings shall be kept by the Office of the Board of Supervisors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years <u>of perpetual term</u>.</p>	<p>Amendment for improvement made in accordance with Article 71 of the Governance Standards.</p>

Note: The order number of the articles for cross-indexing shall be adjusted correspondingly with the adjustment of the original articles as a result of amendments.

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 13 The business scope of the Bank are as follows: taking deposits from the public; making short, medium and long-term loans; handling domestic and overseas payment settlements; accepting and discounting bills; issuing financial bonds; acting as agents to issue and honor and underwrite government bonds; trading government bonds and financial bonds; engaging in interbank lending; engaging in bank card business; engaging in foreign exchange trading as principals or as agents; providing letters of credit and guarantee services; collecting and making payment as agents and acting as insurance agents; providing safe deposit box services; handling deposit and loan businesses as agents; engaging in foreign exchange settlement and sales once approved by the People's Bank of China; and any other business purposes approved by the banking regulatory authorities of the PRC.</p>	<p>Article 13 The business scope of the Bank are as follows: taking deposits from the public; making short, medium and long term loans; handling domestic and overseas payment settlements; accepting and discounting bills; issuing financial bonds; acting as agents to issue and honor and underwrite government bonds; trading government bonds and financial bonds; engaging in interbank lending; engaging in bank card business; engaging in foreign exchange trading as principals or as agents; providing letters of credit and guarantee services; collecting and making payment as agents and acting as insurance agents; providing safe deposit box services; <u>banking business; handling deposit and loan businesses as agents; engaging in foreign exchange settlement and sales once approved by the People's Bank of China; and any other business purposes approved by the banking regulatory authorities of the PRC</u> <u>securities investment fund custody; public securities investment fund sales; foreign exchange settlement and sales and foreign exchange business.</u></p>	<p>To regulate description of business scope in accordance with the Notice of Promoting the Level of Informatization and Regulating the Registration of Market Entities (Shi Jian Zhu [2020] No. 85) and the related Directory of Specification of Business Scope Registration (For Trial Implementation).</p>
<p>Article 58 Holders of the shares of the Bank shall have the following obligations (if the Articles have other regulations on the obligations of holders of preference shares, those other regulations shall apply):</p> <p>(1) to abide by the laws, administrative regulations, regulatory provisions and the Articles;</p> <p>(2) to contribute to the share capital as determined by the number of shares subscribed by them and the prescribed method of capital contribution;</p> <p>(3) not to withdraw their contributed share capital except in circumstances allowed by the laws and administrative regulations;</p>	<p>Article 58 Holders of the shares of the Bank shall have the following obligations (if the Articles have other regulations on the obligations of holders of preference shares, those other regulations shall apply):</p> <p>(1) to abide by the laws, administrative regulations, regulatory provisions and the Articles;</p> <p>(2) to contribute to the share capital as determined by the number of shares subscribed by them and the prescribed method of capital contribution; <u>and shall contribute with self-owned funds derived from legitimate source, but not with entrusted funds, debt funds and other non-self-owned funds, unless otherwise required by laws and regulations or regulatory systems;</u></p> <p>(3) <u>to comply with the regulatory requirements on shareholding ratio and the number of shareholding institutions and no authorisation for, or acceptance of authorisation from, any other person to hold shares of the Bank;</u></p>	<p>To make amendment in accordance with the Article 16 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
(4) to report the Board of Directors in a timely, complete and truthful manner regarding the particulars of its related parties, its relationship with other shareholders and its shareholdings in other commercial banks;	(4) <u>in accordance with laws, regulations and regulatory requirements, to truthfully advise the Bank of their financial information, shareholding structure, source of contribution capital, controlling shareholders, de facto controllers, related parties, persons acting in concert, ultimate beneficiaries, related relationship with other shareholders, investment in other financial institutions and other information;</u>	
(5) not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and senior management in line with the Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank's operations and management;	(35) not to withdraw their contributed share capital except in circumstances allowed by the laws and administrative regulations;	
(6) not to abuse their rights in harming the interests of the Bank, shareholders and any other stakeholders; not to abuse the Bank's status as an independent, separate legal entity and the limited liability of shareholders to harm the interests of the Bank's creditors. If a shareholder of the Bank abuses their rights and causes loss to the Bank or other shareholders it will be held liable for compensation in accordance with the law. If a shareholder abuses the Bank's status as an independent, separate legal entity and evades the repayment of debts, resulting in material damage to the interests of the Bank's creditors, that shareholder will be jointly and severally liable for the debts of the Bank;	(46) <u>to report the Board of Directors in a timely, complete and truthful manner regarding the particulars of its related parties, its relationship with other shareholders and its shareholdings in other commercial banks; in accordance with laws, regulations and regulatory requirements, the relevant shareholders shall timely notify the Bank in writing of the change in case of any change in their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries; merger or division, being ordered to suspend business for rectification, designated trusteeship, takeover, cancellation and other measures happening to them, or entering dissolution, liquidation and bankruptcy procedures, or changes in their legal representative, company name, business premises, business scope and other material matters; shares in the Bank held by them being involved in litigation, arbitration, being taken coercive measures by legal authorities, being pledged or released pledge;</u>	
(7) to safeguard the Bank's interests and reputation, and to support the Bank in operating in a lawful manner;	(7) <u>to abide by the laws, regulations, regulatory requirements and the Articles, not to damage the interests of other shareholders and the Bank in case of transferring or pledging the Bank's shares held by them or conducting related party transactions with the Bank;</u>	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(8) to assume other obligations required by the laws, administrative regulations, the regulations of the relevant regulatory authorities and the Articles.</p> <p>Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the shares at the time of subscription.</p>	<p>(58) <u>shareholders, their controlling shareholders and de facto controllers shall</u> not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and senior management in line with the Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank's operations and management;</p> <p>(69) <u>shareholders, their controlling shareholders and de facto controllers shall</u> not to abuse their rights <u>or use their connected relationships</u> in harming the <u>rights and</u> interests of the Bank, <u>other</u> shareholders and any other stakeholders; not to abuse the Bank's status as an independent, separate legal entity and the limited liability of shareholders to harm the interests of the Bank's creditors. If a shareholder of the Bank abuses their rights <u>or uses their connected relationships</u> and causes loss to the Bank or other shareholders it will be held liable for compensation in accordance with the law. If a shareholder abuses the Bank's status as an independent, separate legal entity and evades the repayment of debts, resulting in material damage to the interests of the Bank's creditors, that shareholder will be jointly and severally liable for the debts of the Bank;</p> <p>(710) to safeguard the Bank's interests and reputation, and to support the Bank in operating in a lawful manner;</p> <p>(11) <u>the shareholders shall cooperate with the regulatory authorities in investigation and risk disposal in case of risk events or major violations of the Bank;</u></p>	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
	<p>(§12) to assume other obligations required by the laws, administrative regulations, the regulations of the relevant regulatory authorities and the Articles.</p> <p>Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the shares at the time of subscription.</p> <p><u>In case of major risk events, in accordance with the relevant laws and regulations and recovery and disposal plans established by the Bank, the Bank will adopt appropriate loss absorption and risk mitigation mechanism, and shareholders should show firm support.</u></p>	
<p>Article 61 If shareholders use their equity interests in the Bank to provide guarantees for themselves or others, they shall strictly comply with the requirements of laws, regulations and regulatory authorities, and inform the Board of Directors of the Bank in advance. The Office of the Board of Directors is responsible for daily work such as collecting, collating and reporting of such information in relation to pledge of equity interests of the Bank. Upon the registration of pledge of equity interests, the shareholders involved shall provide the Bank with the relevant information in relation to the pledge of equity interests in a timely manner so as to meet the Bank's requirements on risk management and information disclosure.</p> <p>Where a shareholder who serves on the Board of Directors or the Board of Supervisors, or directly, indirectly or jointly holds or controls more than 2% of share capital or voting rights in the Bank pledges his/her equity interests in the Bank, it shall make an application and filing to the Board of Directors of the Bank in advance, stating the basic information of the pledge including the reasons for the pledge, the number of shares involved, the term of pledge and the particulars of the pledgees. Where the Board of Directors considers the pledge to be materially adverse to the stability of the Bank's shareholding, corporate governance, as well as the risk and related party transaction control, no filing shall be made. The director(s) appointed by a shareholder proposing to pledge his/her shares in the Bank shall avoid attending the meeting of the Board of Directors at which such proposal is considered.</p>	<p>Article 61 If shareholders use their equity interests in the Bank to provide guarantees for themselves or others, they shall strictly comply with the requirements of laws, regulations and regulatory authorities, and inform the Board of Directors of the Bank in advance. <u>Principal shareholders shall not, with equity interests held in the Bank, provide guarantee for debts other than those belonging to themselves and their related parties, and shall not, in the form of pledge of equity interests, to hold the equity interests of the Bank on behalf of others, to hold shares illegally through a related party, or to transfer equity interests in a disguised manner.</u> The Office of the Board of Directors is responsible for daily work such as collecting, collating and reporting of such information in relation to pledge of equity interests of the Bank. Upon the registration of pledge of equity interests, the shareholders involved shall provide the Bank with the relevant information in relation to the pledge of equity interests in a timely, <u>accurate and complete</u> manner so as to meet the Bank's requirements on risk management and information disclosure.</p>	<p>To make amendment in accordance with the Article 10 of the Measures for the Supervision of the Conduct of Principal Shareholders.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Where a shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such shareholder at the shareholders' general meetings, as well as the voting rights of the director(s) nominated by such shareholder at board meetings, shall be subject to restrictions.</p> <p>Shareholders shall not pledge the Bank's shares if the outstanding balance of the loans they have borrowed from the Bank exceeds the audited net equity value held by them in the Bank in the previous year.</p>	<p>Where a shareholder who serves on the Board of Directors or the Board of Supervisors, or directly, indirectly or jointly holds or controls more than 2% of share capital or voting rights in the Bank pledges his/her equity interests in the Bank, it shall make an application and filing to the Board of Directors of the Bank in advance, stating the basic information of the pledge including the reasons for the pledge, the number of shares involved, the term of pledge and the particulars of the pledgees. Where the Board of Directors considers the pledge to be materially adverse to the stability of the Bank's shareholding, corporate governance, as well as the risk and related party transaction control, no filing shall be made. The director(s) appointed by a shareholder proposing to pledge his/her shares in the Bank shall avoid attending the meeting of the Board of Directors at which such proposal is considered.</p> <p>Where a shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such shareholder at the shareholders' general meetings, as well as the voting rights of the director(s) nominated by such shareholder at board meetings, shall be subject to restrictions.</p> <p>Shareholders shall not pledge the Bank's shares if the outstanding balance of the loans they have borrowed from the Bank exceeds the audited net equity value held by them in the Bank in the previous year.</p>	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 67 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:</p> <p>(1) to decide on the business policies and significant investment plans of the Bank;</p> <p>(2) to elect and replace directors and supervisors which are not appointed as representatives of the employees, and to decide on the remuneration of the relevant directors and supervisors;</p> <p>(3) to examine and approve reports made by the Board of Directors;</p> <p>(4) to examine and approve reports made by the Board of Supervisors;</p> <p>(5) to examine and approve the Bank's proposed annual financial budget and final accounts;</p> <p>(6) to examine and approve the Bank's plans for profit distribution and tax loss carryforward;</p> <p>(7) to adopt resolutions concerning the increase or reduction in the Bank's registered capital;</p> <p>(8) to adopt resolutions regarding the issuance of corporate bonds or other securities and listing;</p> <p>(9) to adopt resolutions on the merger, division, dissolution, liquidation or other change in corporate form of the Bank;</p> <p>(10) to amend the Articles, to consider and adopt the rules of procedure of the shareholders' general meetings, Board of Directors' meetings and Board of Supervisors' meetings;</p> <p>(11) to decide on the engagement, dismissal or discontinuation of the appointment of the Bank's accounting firm;</p>	<p>Article 67 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:</p> <p>(1) to decide on the business policies and significant investment plans of the Bank;</p> <p>(2) to elect and replace directors and supervisors which are not appointed as representatives of the employees, and to decide on the remuneration of the relevant directors and supervisors;</p> <p>(3) to examine and approve reports made by the Board of Directors;</p> <p>(4) to examine and approve reports made by the Board of Supervisors;</p> <p>(5) to examine and approve the Bank's proposed annual financial budget and final accounts;</p> <p>(6) to examine and approve the Bank's plans for profit distribution and tax loss carryforward;</p> <p>(7) to adopt resolutions concerning the increase or reduction in the Bank's registered capital;</p> <p>(8) to adopt resolutions regarding the issuance of corporate bonds or other securities and listing;</p> <p>(9) to adopt resolutions on the merger, division, dissolution, liquidation or other change in corporate form of the Bank;</p> <p>(10) to amend the Articles, to consider and adopt the rules of procedure of the shareholders' general meetings, Board of Directors' meetings and Board of Supervisors' meetings;</p> <p>(11) to decide on the engagement, dismissal or discontinuation of the appointment of the Bank's accounting firm <u>which carries out statutory audit on the financial reports of the Bank on a regular basis;</u></p>	<p>To make amendment in accordance with Clause 2 to Article 18 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
(12) to examine and approve proposals raised by shareholders who individually or jointly hold 3% or more of the total voting shares of the Bank (the “Proposing Shareholders”);	(12) to examine and approve proposals raised by shareholders who individually or jointly hold 3% or more of the total voting shares of the Bank (the “Proposing Shareholders”);	
(13) to examine and approve proposals on matters relating to the purchase or sale of material assets made by the Bank with an amount exceeding 30% of its latest audited total assets within one year;	(13) to examine and approve proposals on matters relating to the purchase or sale of material assets made by the Bank with an amount exceeding 30% of its latest audited total assets within one year;	
(14) to examine the guarantees made pursuant to Article 68 of the Articles;	(14) to examine the guarantees made pursuant to Article 68 of the Articles;	
(15) to examine the connected party transactions which require approval by the shareholders’ general meeting as stipulated by the law, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities as well as the Articles;	(15) to examine the connected party transactions which require approval by the shareholders’ general meeting as stipulated by the law, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities as well as the Articles;	
(16) to examine and approve the matters concerning the change of the use of proceeds;	(16) to examine and approve the matters concerning the change of the use of proceeds;	
(17) to examine the stock incentive plans and employee stock ownership plans;	(17) to examine the stock incentive plans and employee stock ownership plans;	
(18) to determine the issuance of preference shares; to determine or authorise the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends; and	(18) to determine the issuance of preference shares; to determine or authorise the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends; and	
(19) to examine other issues which should be decided by the shareholders’ general meeting as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities as well as the Articles.	(19) to examine other issues which should be decided by the shareholders’ general meeting as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities as well as the Articles.	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>The matters mentioned above are within the shareholders' general meeting's scope of authority and shall be examined and decided by the shareholders' general meetings. If it is necessary, reasonable and legal, the decision making of these issues can be delegated to the Board of Directors. If the shareholders delegate their decision making to the Board of Directors, the authorization given shall be clear and specific. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of ordinary resolution, such resolutions shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of special resolution, such resolutions shall be approved by two-thirds or more of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting.</p>	<p>The matters mentioned above are within the shareholders' general meeting's scope of authority and shall be examined and decided by the shareholders' general meetings. If it is necessary, reasonable and legal, the decision making of these issues can be delegated to the Board of Directors. If the shareholders delegate their decision making to the Board of Directors, the authorization given shall be clear and specific. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of ordinary resolution, such resolutions shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of special resolution, such resolutions shall be approved by two-thirds or more of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting.</p>	
<p>Article 71 An extraordinary general meeting shall be convened within two (2) months from the date of occurrence of any of the following events:</p> <ol style="list-style-type: none"> (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles; (2) the outstanding loss of the Bank is at least one-third of the Bank's total share capital; (3) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank (the "Requesting Shareholders") have requested to convene the meeting in writing; the shareholding of the Requesting Shareholders shall be calculated on the day on which the shareholders submit a written request to convene the meeting; 	<p>Article 71 An extraordinary general meeting shall be convened within two (2) months from the date of occurrence of any of the following events:</p> <ol style="list-style-type: none"> (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles; (2) the outstanding loss of the Bank is at least one-third of the Bank's total share capital; (3) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank (the "Requesting Shareholders") have requested to convene the meeting in writing; the shareholding of the Requesting Shareholders shall be calculated on the day on which the shareholders submit a written request to convene the meeting; 	<p>To make amendment in accordance with Article 20 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(4) the Board of Directors deems it necessary to convene the meeting;</p> <p>(5) the Board of Supervisors proposes to convene the meeting; and</p> <p>(6) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles.</p>	<p>(4) the Board of Directors deems it necessary to convene the meeting;</p> <p>(5) <u>more than half of and not less than two independent directors propose to convene the meeting;</u></p> <p>(5) the Board of Supervisors proposes to convene the meeting; and</p> <p>(6) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles.</p>	
<p>Article 76 A written proposal to the Board of Directors to convene an extraordinary general meeting may be made by more than half of the independent directors. The Board of Directors shall, in accordance with the laws, administrative regulations, departmental rules and the Articles, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten (10) days of receiving the proposal from the independent directors.</p> <p>If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the proposal contained in the original notice is changed, unanimous approval of the independent directors who proposed convening the extraordinary general meeting shall be sought. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall give an explanation and issue an announcement.</p>	<p>Article 76 A written proposal to the Board of Directors to convene an extraordinary general meeting may be made by more than half of <u>and not less than two</u> independent directors. The Board of Directors shall, in accordance with the laws, administrative regulations, departmental rules and the Articles, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten (10) days of receiving the proposal from the independent directors.</p> <p>If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the proposal contained in the original notice is changed, unanimous approval of the independent directors who proposed convening the extraordinary general meeting shall be sought. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall give an explanation and issue an announcement.</p>	<p>To make wording improvement according to the amendments on Article 71 of the Articles.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 91 Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one (1) or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. A proxy may exercise the following powers at a shareholders' general meeting:</p> <ol style="list-style-type: none"> (1) the same right of speech as the shareholder at the meeting; (2) have authority to demand or join other shareholders in demanding a poll; and (3) have the right to vote by hand or on a poll, but when more than one (1) proxy has been appointed, the proxies only have the right to vote on a poll. 	<p>Article 91 Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one (1) or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. <u>However, Principal shareholders' proxies shall not be those other than shareholders and their related parties, persons acting in concert, directors and supervisors nominated, and Principal shareholder shall not be a proxy of non-related parties or persons acting in concert to attend a shareholders' general meeting.</u> A proxy may exercise the following powers at a shareholders' general meeting:</p> <ol style="list-style-type: none"> (1) the same right of speech as the shareholder at the meeting; (2) have authority to demand or join other shareholders in demanding a poll; and (3) have the right to vote by hand or on a poll, but when more than one (1) proxy has been appointed, the proxies only have the right to vote on a poll. <p><u>If Principal shareholder is an institutional investor such as an equity investment fund, it shall disclose its corporate governance and voting policies in relation to the Bank, including the relevant procedures for deciding to exercise voting rights, to the ultimate beneficiary of equity interests held by it and the Bank.</u></p>	<p>To make amendment in accordance with Articles 15 and 16 of the Measures for the Supervision of the Conduct of Principal Shareholders.</p>
<p>Article 106 The convener shall ensure that the minutes are truthful, accurate and complete. The attending directors, supervisors, secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding alternative voting methods shall be filed and shall form part of the Bank's files. The secretary to the Board of Directors shall preserve the files in accordance with the Bank's record management guidelines for at least ten (10) years.</p>	<p>Article 106 The convener shall ensure that the minutes are truthful, accurate and complete. The attending directors, supervisors, secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding alternative voting methods shall be filed and shall form part of the Bank's files. The secretary to the Board of Directors shall preserve the files in accordance with the Bank's record management guidelines for at least ten (10) years <u>a perpetual term.</u></p>	<p>To make amendment in accordance with Article 24 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 111 The following matters shall be resolved by way of ordinary resolution:</p> <p>(1) work reports by the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plans and loss carryforward plans as proposed by the Board of Directors;</p> <p>(3) the appointment or removal, the remuneration and the method of payment for the members of the Board of Directors and the Board of Supervisors;</p> <p>(4) reports regarding the Bank's annual financial budget and final accounts;</p> <p>(5) the appointment or dismissal of an accounting firm;</p> <p>(6) any other matters not required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities or the Articles to be resolved by way of special resolution.</p>	<p>Article 111 The following matters shall be resolved by way of ordinary resolution:</p> <p>(1) work reports by the Board of Directors and the Board of Supervisors;</p> <p>(2) profit distribution plans and loss carryforward plans as proposed by the Board of Directors;</p> <p>(3) the appointment or removal, the remuneration and the method of payment for the members of the Board of Directors and the Board of Supervisors;</p> <p>(4) reports regarding the Bank's annual financial budget and final accounts;</p> <p>(5) the appointment or dismissal of an accounting firm <u>which carries out statutory audit on the financial reports of the Bank on a regular basis;</u></p> <p>(6) any other matters not required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities or the Articles to be resolved by way of special resolution.</p>	<p>To make amendment in accordance with Clause 2 of Article 18 of the Governance Standards.</p>
<p>Article 112 The following matters shall be resolved by way of special resolution at a shareholder's general meeting:</p> <p>(1) an increase or reduction of the registered capital of the Bank or the issuance of any class of shares, warrants and other similar securities;</p> <p>(2) the issuance of bonds or other securities and a listing by the Bank;</p> <p>(3) the division, merger, dissolution, liquidation or any other change in the corporate form of the Bank;</p>	<p>Article 112 The following matters shall be resolved by way of special resolution at a shareholder's general meeting:</p> <p>(1) an increase or reduction of the registered capital of the Bank or the issuance of any class of shares, warrants and other similar securities;</p> <p>(2) the issuance of bonds or other securities and a listing by the Bank;</p> <p>(3) the division, merger, dissolution, liquidation or any other change in the corporate form of the Bank;</p>	<p>To make amendment in accordance with Article 22 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(4) amendments to the Articles;</p> <p>(5) the purchase or sale of material assets by the Bank or any guarantee of an amount exceeding 30% of its latest audited total assets within one year;</p> <p>(6) stock incentive plans and employee stock ownership plans; and</p> <p>(7) any other matters which are required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles, and any matter decided by the shareholders' general meeting by way of an ordinary resolution to have a material effect on the Bank and should therefore be adopted by a special resolution.</p>	<p>(4) amendments to the Articles;</p> <p>(5) the purchase or sale of material assets by the Bank or any guarantee of an amount exceeding 30% of its latest audited total assets within one year;</p> <p>(6) stock incentive plans and employee stock ownership plans; and</p> <p><u>(7) dismissal of independent directors; and</u></p> <p>(78) any other matters which are required by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles, and any matter decided by the shareholders' general meeting by way of an ordinary resolution to have a material effect on the Bank and should therefore be adopted by a special resolution.</p>	
<p>Article 138 A director may resign before his/her term of office expires. He/she shall submit a written resignation to the Board of Directors. The Board of Directors shall inform the Board of Supervisors of this fact within two (2) days and report at the most recent shareholders' general meeting.</p> <p>Where re-election is not carried out promptly after the expiration of a director's term of office, or the resignation of a director during his/her term of office affects the Bank's normal operation or causes the number of directors on the Bank's Board of Directors to fall below the minimum quorum, the director shall continue to perform the duties owed by a director before a new director is elected to take up the office, subject to the laws, administrative regulations, departmental regulations and the Articles.</p> <p>The resignation becomes effective when the resignation is submitted to the Board of Directors, unless the circumstances stated above apply.</p>	<p>Article 138 A director may resign before his/her term of office expires. He/she shall submit a written resignation to the Board of Directors. The Board of Directors shall inform the Board of Supervisors of this fact within two (2) days and report at the most recent shareholders' general meeting.</p> <p>Where re-election is not carried out promptly after the expiration of a director's term of office, or the resignation of a director during his/her term of office affects the Bank's normal operation or causes the number of directors on the Bank's Board of Directors to fall below the minimum quorum <u>or two-thirds of the number specified in the Articles</u>, the director shall continue to perform the duties owed by a director before a new director is elected to take up the office, subject to the laws, administrative regulations, departmental regulations and the Articles.</p> <p><u>If the Bank is dealing with major risks, any of its directors should not resign without the approval of regulatory authority.</u></p>	<p>To make amendment in accordance with Article 29 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
	<p>The resignation becomes effective when the resignation is submitted to the Board of Directors, unless the circumstances stated above apply.</p> <p><u>When the number of the directors on the Board of Directors falls below the minimum number stipulated in the Company Law or the minimum number required for voting by the Board of Directors due to the removal of directors by the shareholders' general meeting or death, the loss of independence and resignation of independent directors, or other circumstances under which directors cannot perform their duties, the powers of the Board of Directors of the Bank shall be exercised by the shareholders' general meeting until the number of the directors on the Board of Directors meets the minimum quorum.</u></p>	
<p>Article 142 The directors shall attend Board meetings earnestly and responsibly, and shall propose motions or address their opinions in an independent, professional and objective manner.</p> <p>A director shall spend sufficient time to carry out his/her duties. A director shall work in the Bank for no less than fifteen (15) working days each year. A director who is a member of the audit committee, or the principal of the connected party transactions control committee and the risk management committee shall work in the Bank for no less than twenty-five (25) working days each year. Directors shall attend at least two-thirds of the Board meetings in person each year.</p> <p>A director may appoint, in writing, another director to vote on his/her behalf if unable to attend a Board meeting in person. Such an appointing director shall independently assume legal liability.</p>	<p>Article 142 The directors shall attend Board meetings earnestly and responsibly, and shall propose motions or address their opinions in an independent, professional and objective manner.</p> <p>A director shall spend sufficient time to carry out his/her duties. A director shall work in the Bank for no less than fifteen (15) working days each year. A director who is a member of the audit committee, or the principal of the connected party transactions control committee and the risk management committee shall work in the Bank for no less than twenty-five (25) working days each year. Directors shall attend at least two-thirds of the <u>on-site</u> Board meetings in person each year.</p> <p>A director may appoint, in writing, another director to vote on his/her behalf if unable to attend a Board meeting in person. Such an appointing director shall independently assume legal liability.</p>	<p>To make amendment in accordance with Articles 32 and 42 of the Governance Standards and Articles 14 and 15 of the Measures for the Evaluation of Performance of Duties.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>A director shall be deemed incapable of carrying out his/her duties if he/she fails to attend two (2) consecutive Board meetings either personally or by appointing other directors to attend on his/her behalf, or attends less than two-thirds of the total Board meetings in person within one (1) year. The Board of Directors shall, in a democratic manner such as through a shareholders' general meeting or workers congress, make a proposal to remove such directors.</p> <p>For the purposes of the Articles, the expression "attending in person" refers to the method of attendance where the relevant participant attends meetings in person; and the term "attendance by proxy" refers to the method of attendance where the relevant participant cannot attend a meeting for any reason and appoints in writing another person to attend such meetings on his/her behalf.</p> <p>A director who fails to attend Board meetings in person and fails to appoint another director to attend on his/her behalf shall assume the same legal liabilities of Board resolutions.</p>	<p>A director shall be deemed incapable of carrying out his/her duties if he/she fails to attend two (2) consecutive Board meetings either personally or by appointing other directors to attend on his/her behalf, or attends less than two-thirds of the total Board meetings in person within one (1) year. The Board of Directors shall, in a democratic manner such as through a shareholders' general meeting or workers congress, make a proposal to remove such directors.</p> <p>For the purposes of the Articles, the expression "attending in person" refers to the method of attendance where the relevant participant attends meetings in person; and the term "attendance by proxy" refers to the method of attendance where the relevant participant cannot attend a meeting for any reason and appoints in writing another person to attend such meetings on his/her behalf.</p> <p>A director who fails to attend Board meetings in person and fails to appoint another director to attend on his/her behalf shall assume the same legal liabilities of Board resolutions.</p>	
<p>Article 146 An independent director shall attain a high professional level and have good reputation, and shall meet the following criteria:</p> <ol style="list-style-type: none"> (1) be qualified to serve as a director pursuant to the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles; (2) perform the duties and responsibilities independently, without any interference by substantial shareholders or <i>de facto</i> controllers of the Bank, or other entities or individuals who have a material interest in the Bank; (3) have a bachelor degree or above, or senior vocational titles of relevant professions; (4) have knowledge related to corporate governance and be familiar with the relevant laws, administrative regulations, departmental rules and regulatory documents; 	<p>Article 146 An independent director shall attain a high professional level and have good reputation, and shall meet the following criteria:</p> <ol style="list-style-type: none"> (1) be qualified to serve as a director pursuant to the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles; (2) perform the duties and responsibilities independently, without any interference by substantial—shareholders or <i>de facto</i> controllers or senior management of the Bank, or other entities or individuals who have a material interest in the Bank; (3) have a bachelor degree or above, or senior vocational titles of relevant professions; (4) have knowledge related to corporate governance and be familiar with the relevant laws, administrative regulations, departmental rules and regulatory documents; 	<p>To make amendment in accordance with Article 42 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(5) have no less than eight (8) years' experience in law, economics, finance, accounting or other work experience conducive to performing the duties and responsibilities of an independent director;</p> <p>(6) be familiar with the laws, administrative regulations, departmental rules and regulatory documents relevant to the operation and management of commercial banks;</p> <p>(7) be able to read, understand and analyze credit reports and financial statements of commercial banks;</p> <p>(8) have sufficient time and energy to effectively perform the duties and undertake to duly perform the duties of good faith and diligence.</p>	<p>(5) have no less than eight (8) years' experience in law, economics, finance, accounting or other work experience conducive to performing the duties and responsibilities of an independent director;</p> <p>(6) be familiar with the laws, administrative regulations, departmental rules and regulatory documents relevant to the operation and management of commercial banks;</p> <p>(7) be able to read, understand and analyze credit reports and financial statements of commercial banks;</p> <p>(8) have sufficient time and energy to effectively perform the duties and undertake to duly perform the duties of good faith and diligence.</p>	
<p>Article 150 The nomination and remuneration committee of the Board of Directors, and shareholders who individually or jointly hold 1% or more of the Bank's total number of outstanding shares with voting rights may nominate independent directors, who shall be elected at a shareholders' general meeting. Shareholders who have nominated directors shall not simultaneously nominate independent directors. If the number of the voting shares held by the controlling shareholders exceeds 30% of the total number of shares of the Bank, the cumulative voting system stated in Article 378 herein shall be adopted to elect independent directors.</p>	<p>Article 150 The nomination and remuneration committee of the Board of Directors, and shareholders who individually or jointly hold 1% or more of the Bank's total number of outstanding shares with voting rights and the Board of Supervisors may nominate independent directors, who shall be elected at a shareholders' general meeting. Shareholders who have nominated non-independent directors and their related parties shall not simultaneously nominate independent directors. If the number of the voting shares held by the controlling shareholders exceeds 30% of the total number of shares of the Bank, the cumulative voting system stated in Article 378 herein shall be adopted to elect independent directors.</p>	<p>To make amendment in accordance with Article 35 of the Governance Standards.</p>
<p>Article 153 An independent director shall work in the Bank no less than fifteen (15) working days each year.</p> <p>An independent director may appoint another independent director to attend Board meetings on his/her behalf, but he/she should attend in person at least two-thirds of total Board meetings held in one (1) year.</p>	<p>Article 153 An independent director shall work in the Bank no less than fifteen (15) working days each year.</p> <p>An independent director may appoint another independent director in writing to attend Board meetings on his/her behalf, but he/she should attend in person at least two-thirds of total on-site Board meetings held in one (1) year.</p>	<p>To make amendment in accordance with Article 32 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 155 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings of the Bank, and shall in particular, address their opinions to the Board meeting on the following matters:</p> <p>(1) the legality and fairness of significant connected party transactions and the implementation of internal examination and approval procedures;</p> <p>(2) the appointment and dismissal of senior management members;</p> <p>(3) profit distribution plans;</p> <p>(4) matters that may cause significant loss to the Bank;</p> <p>(5) matters deemed by the independent directors as such that may impair the legitimate rights and interests of the depositors and minority shareholders of the Bank and other persons who have interest in the Bank;</p> <p>(6) the appointment of external auditors;</p> <p>(7) the effect of the issuance of preference shares on the rights and interests of every class of shareholders;</p> <p>(8) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles.</p>	<p>Article 155 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings of the Bank, and shall in particular, address their opinions to the Board meeting on the following matters:</p> <p>(1) the legality and fairness of significant connected party transactions and the implementation of internal examination and approval procedures;</p> <p>(2) <u>the nomination, appointment and dismissal of directors and the appointment and dismissal of senior management members</u> the appointment and dismissal of senior management members;</p> <p>(3) <u>the remuneration of directors and senior management members;</u></p> <p>(34) profit distribution plans;</p> <p>(45) matters that may <u>have a</u> cause significant <u>impact on</u> loss to the Bank;</p> <p>(56) matters deemed by the independent directors as such that may impair the legitimate rights and interests of <u>financial consumers</u> the depositors and minority shareholders of the Bank and other persons who have interest in the Bank;</p> <p>(67) <u>the appointment or dismissal of an accounting firm which carries out statutory audit on the financial reports of the Bank on a regular basis</u> the appointment of external auditors;</p> <p>(78) the effect of the issuance of preference shares on the rights and interests of every class of shareholders;</p> <p>(89) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles.</p>	<p>To make amendment in accordance with Article 39 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 157 An independent director may resign before his/her term of office expires. He/she shall submit a written resignation to the Board of Directors and specify any circumstances related to the resignation or any fact that he/she believes requires the attention of the Bank's shareholders and creditors.</p> <p>If the resignation of any independent director causes the number of independent directors to fall below the quorum or the minimum number required herein, the resignation of the independent director shall only become effective when his/her successor has been elected to fill his/her vacancy.</p>	<p>Article 157 An independent director may resign before his/her term of office expires. He/she shall submit a written resignation to the Board of Directors and specify any circumstances related to the resignation or any fact that he/she believes requires the attention of the Bank's shareholders and creditors.</p> <p>If the resignation of any independent director causes the number of independent directors to fall below the quorum or the minimum number required herein, the resignation of the independent director shall only become effective when his/her successor has been elected to fill his/her vacancy, <u>except where the independent director resigns and is dismissed due to loss of independence.</u></p>	<p>To make amendment in accordance with Article 38 of the Governance Standards.</p>
<p>Article 159 The Board of Directors or the Board of Supervisors has the right to propose at a shareholders' general meeting to dismiss an independent director in any of the following circumstances:</p> <p>(1) serious dereliction of duty;</p> <p>(2) failure to resign from his/her position when he/she is no longer qualified to be an independent director due to a change in his/her position;</p> <p>(3) attendance in person of less than two-thirds of the total number of Board meetings held within one (1) year;</p> <p>(4) other circumstances provided by the laws, administrative regulations, the regulations of the relevant regulatory authorities and the Articles where an independent director is no longer suitable for holding such a position.</p>	<p>Article 159 The Board of Directors or the Board of Supervisors has the right to propose at a shareholders' general meeting to dismiss an independent director in any of the following circumstances:</p> <p>(1) serious dereliction of duty;</p> <p>(2) failure to resign from his/her position when he/she is no longer qualified to be an independent director due to a change in his/her position;</p> <p>(3) <u>failure to attend in person for three (3) consecutive Board meetings</u>attendance in person of less than two-thirds of the total number of Board meetings held within one (1) year;</p> <p>(4) other circumstances provided by the laws, administrative regulations, the regulations of the relevant regulatory authorities and the Articles where an independent director is no longer suitable for holding such a position.</p>	<p>To make amendment in accordance with Article 42 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 163 The Board of Directors shall perform the following duties:</p> <ol style="list-style-type: none"> (1) convene and report at shareholders' general meetings; (2) implement shareholder resolutions; (3) make decisions on the Bank's operational development strategies, business plans and investment plans; (4) formulate the Bank's annual financial budgets and accounts, proposals on profit distribution and tax loss carryforward; (5) formulate proposals on the increase or reduction of the Bank's registered capital and the issue and listing of corporate bonds and other securities; (6) formulate plans for significant acquisitions, purchase of the Bank's shares, or merger, division or dissolution or other change in corporate form of the Bank; (7) decide on matters within the scope authorized at a shareholders' general meeting, including major external investments and acquisitions, disposal of assets and major guarantees, etc.; (8) review and approve significant connected transactions, and submit special reports at the annual shareholders' general meeting on the implementation of the connected transactions management systems and the particulars of connected transactions; (9) decide on the establishment of the Bank's internal management entities; 	<p>Article 163 The Board of Directors shall perform the following duties:</p> <ol style="list-style-type: none"> (1) convene and report at shareholders' general meetings; (2) implement shareholder resolutions; (3) make decisions on the Bank's operational development strategies, business plans and investment plans <u>and supervise the implementation of the strategies</u>; (4) formulate the Bank's annual financial budgets and accounts, proposals on profit distribution and tax loss carryforward; (5) formulate proposals on the increase or reduction of the Bank's registered capital and the issue and listing of corporate bonds and other securities; (6) formulate plans for significant acquisitions, purchase of the Bank's shares, or merger, division or dissolution or other change in corporate form of the Bank; (7) decide on matters within the scope authorized at a shareholders' general meeting, including major external investments and acquisitions, disposal of assets and major guarantees, etc.; (8) review and approve significant connected transactions, and submit special reports at the annual shareholders' general meeting on the implementation of the connected transactions management systems and the particulars of connected transactions; (9) decide on the establishment of the Bank's internal management entities; 	<p>To make amendment in accordance with Article 44 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
(10) appoint or remove the Bank's president and secretary to the Board of Directors in accordance with the recommendations of the chairman; appoint or remove the members of the Bank's senior management including the executive vice president and other members of senior management in accordance with the recommendations of the president, and determine their remunerations, rewards and punishment;	(10) appoint or remove the Bank's president and secretary to the Board of Directors in accordance with the recommendations of the chairman; appoint or remove the members of the Bank's senior management including the executive vice president and other members of senior management in accordance with the recommendations of the president, and determine their remunerations, rewards and punishment;	
(11) formulate the basic management systems, decide on the policies on risk tolerance, risk management, internal control and compliance of the Bank;	(11) formulate the basic management systems, decide on the policies on risk tolerance, risk management, internal control and compliance of the Bank <u>and assume ultimate responsibility for comprehensive risk management;</u>	
(12) formulate amendments to the Articles, the procedures of shareholders' general meetings and Board meetings;	(12) formulate amendments to the Articles, the procedures of shareholders' general meetings and Board meetings;	
(13) propose at a shareholders' general meeting the engagement, dismissal or discontinuance of engagement of an accounting firm;	(13) propose at a shareholders' general meeting the engagement, dismissal or discontinuance of engagement of an accounting firm <u>which carries out statutory audit on the financial reports of the Bank on a regular basis;</u>	
(14) be responsible for approving the Bank's internal auditing charter, medium and long term audit plans and annual audit plans;	(14) be responsible for approving the Bank's internal auditing charter, medium and long term audit plans and annual audit plans;	
(15) supervise the work performance of the members of senior management, listen to the president's work report and inspect the president's work, with the right to require the president and other members of senior management to provide various particulars and information on the Bank's operation, to ensure the proper performance of their duties;	(15) supervise the work performance of the members of senior management, listen to the president's work report and inspect the president's work, with the right to require the president and other members of senior management to provide various particulars and information on the Bank's operation, to ensure the proper performance of their duties;	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(16) be responsible for the disclosure of information of the Bank and take ultimate responsibility for the truthfulness, completeness, accuracy and timeliness of the Bank's accounting and financial statements;</p> <p>(17) evaluate regularly and improve continuously the corporate governance of the Bank according to the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles;</p> <p>(18) draw up share incentive and employee share ownership plans of the Bank; and decide on the measures to link employees' basic remuneration system of the Bank;</p> <p>(19) be responsible for the equity management of the Bank and assume the ultimate responsibility for the Bank's equity affairs management;</p> <p>(20) other rights conferred by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles and the shareholders' general meeting.</p>	<p>(16) be responsible for the disclosure of information of the Bank and take ultimate responsibility for the truthfulness, completeness, accuracy and timeliness of the Bank's accounting and financial statements;</p> <p>(17) evaluate regularly and improve continuously the corporate governance of the Bank according to the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles;</p> <p>(18) draw up share incentive and employee share ownership plans of the Bank; and decide on the measures to link employees' basic remuneration system of the Bank;</p> <p>(19) be responsible for the equity management of the Bank and assume the ultimate responsibility for the Bank's equity affairs management;</p> <p><u>(20) safeguard the legitimate rights and interests of financial consumers and other stakeholders;</u></p> <p><u>(21) establish the mechanism for identification, review and management of the conflict of interests between the Bank and shareholders, in particular substantial shareholders;</u></p> <p>(22) other rights conferred by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles and the shareholders' general meeting.</p>	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 171 The meetings of the Board of Directors are divided into regular meetings and extraordinary meetings, and shall be convened and presided by the chairman.</p> <p>The Board of Directors shall notify the supervisors in advance of the Board meetings.</p> <p>The Board of Directors shall hold at least four (4) regular meetings annually and at least 1 meeting per quarter. Notices of Board meetings shall be sent to all directors and supervisors in writing at least fourteen (14) days before the meeting, and the meeting documents shall be sent to all directors and supervisors at least five (5) days before the meeting.</p>	<p>Article 171 The meetings of the Board of Directors are divided into regular meetings and extraordinary meetings, and shall be convened and presided by the chairman.</p> <p>The Board of Directors shall notify the supervisors in advance of the Board meetings.</p> <p>The Board of Directors shall hold at least four (4) regular meetings annually and at least 1 meeting per quarter. Notices of Board meetings shall be sent to all directors and supervisors in writing at least fourteen (14) days before the meeting, and the meeting documents shall be sent to all directors and supervisors at least five (5) days before the meeting.</p>	<p>To make amendment in accordance with Article 49 of the Governance Standards.</p>
<p>Article 172 The chairman shall convene and preside over an extraordinary meeting within ten (10) days of receiving such a proposal under the following circumstances:</p> <ol style="list-style-type: none"> (1) it is deemed necessary by the chairman; (2) it is proposed by more than one-third of the directors; (3) it is proposed by the Board of Supervisors; (4) it is proposed by more than half of the independent directors (where the Bank has only two (2) independent directors of the Bank, it is unanimously proposed by both independent directors); (5) it is proposed by the proposing shareholders; (6) it is proposed by the president; (7) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles. 	<p>Article 172 The chairman shall convene and preside over an extraordinary meeting within ten (10) days of receiving such a proposal under the following circumstances:</p> <ol style="list-style-type: none"> (1) it is deemed necessary by the chairman; (2) it is proposed by more than one-third of the directors; (3) it is proposed by the Board of Supervisors; (4) it is proposed by more than half of the two independent directors (where the Bank has only two (2) independent directors of the Bank, it is unanimously proposed by both independent directors); (5) it is proposed by the proposing shareholders; (6) it is proposed by the president; (7) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and the Articles. 	<p>To make amendment in accordance with Article 49 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>The notice of an extraordinary Board meeting shall be served on all directors and supervisors in writing five (5) days before the meeting, and the meeting documents shall be served on all directors three (3) days before the meeting.</p> <p>In case of emergency, the service of notices and meeting documents for an extraordinary Board meeting shall not be subject to the time-limit stated in the preceding paragraph, but shall be effectively served on the directors and supervisors before the meeting.</p>	<p>The notice of an extraordinary Board meeting shall be served on all directors and supervisors in writing five (5) days before the meeting, and the meeting documents shall be served on all directors three (3) days before the meeting.</p> <p>In case of emergency, the service of notices and meeting documents for an extraordinary Board meeting shall not be subject to the time-limit stated in the preceding paragraph, but shall be effectively served on the directors and supervisors before the meeting.</p>	
<p>Article 173 Board meetings may be convened in the form of a physical meeting or telephone conference, video conference and the adoption of written resolutions etc. The Board of Directors shall provide explanations if a Board meeting is convened by means of adopting written resolutions.</p> <p>The Board shall ensure that each attending director can hear the other directors' clearly and can communicate with each other where a Board meeting is convened by telephone conference or video conference. A Board meeting convened by such means shall be recorded or taped. Should any director be unable to sign the Board minutes at such a meeting in a timely manner, such director shall vote orally and sign the written resolution as soon as possible.</p> <p>The director's oral vote shall have the same effect as signing the written resolution, provided that the later written resolution confirms the oral vote during the meeting. Should the written resolution differ from the oral vote, the oral vote shall prevail.</p> <p>If a Board meeting is convened by means of adopting written resolutions, i.e. by delivering the resolution for review in counterparts or by circulating it among the directors in turn, the directors or other directors entrusted by them shall write "agree", "object" or "abstain" on the resolution clearly. Once the number of directors who sign in favor of a resolution reaches the quorum as required by the Articles, the resolution shall be deemed adopted.</p>	<p>Article 173 Board meetings may be convened in the form of a physical meeting or (including telephone conference, video conference, etc.) and the adoption of written resolutions etc. The Board of Directors shall provide explanations if a Board meeting is convened by means of adopting written resolutions.</p> <p>The Board shall ensure that each attending director can hear the other directors' clearly and can communicate with each other where a Board meeting is convened by telephone conference or video conference. A Board meeting convened by such means shall be recorded or taped. Should any director be unable to sign the Board minutes at such a meeting in a timely manner, such director shall vote orally and sign the written resolution as soon as possible.</p> <p>The director's oral vote shall have the same effect as signing the written resolution, provided that the later written resolution confirms the oral vote during the meeting. Should the written resolution differ from the oral vote, the oral vote shall prevail.</p> <p>If a Board meeting is convened by means of adopting written resolutions, i.e. by delivering the resolution for review in counterparts or by circulating it among the directors in turn, the directors or other directors entrusted by them shall write "agree", "object" or "abstain" on the resolution clearly. Once the number of directors who sign in favor of a resolution reaches the quorum as required by the Articles, the resolution shall be deemed adopted.</p>	<p>To make amendment in accordance with Article 114 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 177 The following matters shall be approved by more than two-thirds of all directors and the Board meeting shall not be convened by the adoption of written resolutions:</p> <p>(1) annual financial budgets and accounts of the Bank;</p> <p>(2) plans for capital replenishment, allocation of venture capital, profit distribution and tax loss carryforward of the Bank;</p> <p>(3) increase or reduction of the registered capital of the Bank;</p> <p>(4) issue and listing of corporate bonds or other securities of the Bank;</p> <p>(5) merger, division, dissolution, liquidation or other change in corporate form of the Bank;</p> <p>(6) repurchase of shares by the Bank;</p> <p>(7) appointment or dismissal of members of senior management;</p> <p>(8) amendments to the Articles;</p> <p>(9) establishment of the Bank's legal entities, major mergers and acquisitions, major external investments, major asset acquisitions, disposal and write-off, major external guarantees etc., within the authority of shareholders;</p> <p>(10) significant matters such as significant changes in the Bank's equity and financial restructuring, etc.; and</p> <p>(11) other matters required by the relevant laws, administrative regulations, departmental rules or the Articles, or considered significant to the Bank by more than half of all directors that shall be approved and adopted by more than two-thirds of all directors.</p>	<p>Article 177 The following matters shall be approved by more than two-thirds of all directors and the Board meeting shall not be convened by the adoption of written resolutions:</p> <p>(1) annual financial budgets and accounts of the Bank;</p> <p>(2) plans for capital replenishment, allocation of venture capital, profit distribution and tax loss carryforward of the Bank;</p> <p>(3) increase or reduction of the registered capital of the Bank;</p> <p>(4) issue and listing of corporate bonds or other securities of the Bank;</p> <p>(5) merger, division, dissolution, liquidation or other change in corporate form of the Bank;</p> <p>(6) repurchase of shares by the Bank;</p> <p>(7) appointment or dismissal of members of senior management;</p> <p><u>(8) remuneration proposals for directors and the members of senior management;</u></p> <p>(89) amendments to the Articles;</p> <p>(910) establishment of the Bank's legal entities, major mergers and acquisitions, major external investments, major asset acquisitions, disposal and write-off, major external guarantees etc., within the authority of shareholders;</p> <p>(1011) significant matters such as significant changes in the Bank's equity and financial restructuring, etc.; and</p> <p>(1112) other matters required by the relevant laws, administrative regulations, departmental rules or the Articles, or considered significant to the Bank by more than half of all directors that shall be approved and adopted by more than two-thirds of all directors.</p>	<p>To make amendment in accordance with Article 50 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 178 Directors who have material interest in the matters to be discussed by the Board of Directors shall avoid and shall not exercise their voting rights on such proposal, nor can he/she exercise any voting rights on behalf of other directors. The Board meeting shall only be held if more than half of the directors who do not have any material interest are present. Resolutions approving connected party transactions of the Board of Directors shall be adopted by more than half of the directors without material interest in the matter to be resolved. Where less than three (3) directors with no material interest in the matter are present at the Board meeting, such proposals shall be submitted to the shareholders for approval.</p> <p>The avoidance and voting procedures of a connected director are as follows: a connected Director may excuse himself or the other directors or director representatives of the Board of Directors may make such a request. Where the request of avoidance is raised by the other directors or director representatives but the connected director does not consider that he/she falls within the scope of avoidance, he/she shall explain himself/herself. If the directors raising a request of avoidance are still not convinced after the explanation given by the connected director, the Board of Directors may record the voting results of the matter to be resolved with and without the participation in the voting process of the director whose conflict of interest in the matter is controversial. After the meeting, the chairman of the Board of Directors shall apply to the relevant department to adjudicate on the status of the director whose conflict of interest in the matter is controversial, confirm the final voting results and inform all directors.</p>	<p>Article 178 Directors who have material interest in the matters to be discussed by the Board of Directors shall avoid and shall not exercise their voting rights on such proposal, nor can he/she exercise any voting rights on behalf of other directors. The Board meeting shall only be held if more than half of the directors who do not have any material interest are present. Resolutions approving connected party transactions of the Board of Directors shall be adopted by more than half <u>more than two-thirds</u> of the directors without material interest in the matter to be resolved. Where less than three (3) directors with no material interest in the matter are present at the Board meeting, such proposals shall be submitted to the shareholders for approval.</p> <p>The avoidance and voting procedures of a connected director are as follows: a connected Director may excuse himself or the other directors or director representatives of the Board of Directors may make such a request. Where the request of avoidance is raised by the other directors or director representatives but the connected director does not consider that he/she falls within the scope of avoidance, he/she shall explain himself/herself. If the directors raising a request of avoidance are still not convinced after the explanation given by the connected director, the Board of Directors may record the voting results of the matter to be resolved with and without the participation in the voting process of the director whose conflict of interest in the matter is controversial. After the meeting, the chairman of the Board of Directors shall apply to the relevant department to adjudicate on the status of the director whose conflict of interest in the matter is controversial, confirm the final voting results and inform all directors.</p>	<p>To make amendment in accordance with Article 45 of the Administrative Measures for Related Party Transactions.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 180 Minutes shall be taken to record the decisions of matters discussed in the meeting (in the form of meeting minutes or meeting resolutions, etc.). Directors attending the meeting and the secretary to the Board of Directors shall sign the minutes. Directors attending the meeting shall have the right to request to have the details of their speeches made in the meeting recorded in the minutes.</p> <p>The opinions expressed by the independent directors on the Bank's decisions shall be set out in the Board minutes.</p> <p>As the Bank's files, Board minutes shall be kept by the secretary to the Board of Directors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years.</p>	<p>Article 180 Minutes shall be taken to record the decisions of matters discussed in the meeting (in the form of meeting minutes or meeting resolutions, etc.). Directors attending the meeting and the secretary to the Board of Directors shall sign the minutes. Directors attending the meeting shall have the right to request to have the details of their speeches made in the meeting recorded in the minutes.</p> <p>The opinions expressed by the independent directors on the Bank's decisions shall be set out in the Board minutes.</p> <p>As the Bank's files, Board minutes shall be kept by the secretary to the Board of Directors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years a perpetual term.</p>	<p>To make amendment in accordance with Article 51 of the Governance Standards.</p>
<p>Article 184 The Board of Directors shall have one (1) chairman and one (1) to two (2) vice chairman(s). The chairman and vice chairman shall be served by directors and shall be elected or dismissed by more than half of all directors.</p>	<p>Article 184 The Board of Directors shall have one (1) chairman and <u>may have</u> one (1) to two (2) vice chairman(s). The chairman and vice chairman shall be served by directors and shall be elected or dismissed by more than half of all directors.</p>	<p>To make amendment in accordance with Article 48 of the Governance Standards with reference to the actual conditions of the Bank.</p>
<p>Article 187 The Board of Directors shall establish the developmental strategies and consumer rights protection committee, the nomination and remuneration committee, the audit committee and the risk management committee, the connected party transactions management committee, and these committees shall be accountable to the Board of Directors. A person-in-charge shall be appointed to each Board committee to take charge of convening the activities of the Board committee; in principal, a person-in-charge of a Board committee may not concurrently serve as the person-in-charge of other Board committees. The number of members of each committee shall be no less than three. In particular, independent directors shall form the majority of the audit committee, the connected transactions management committee, the nomination and remuneration committee; and the persons-in-charge shall be independent directors.</p>	<p>Article 187 The Board of Directors shall establish the developmental strategies and consumer rights protection committee, the nomination and remuneration committee, the audit committee and the risk management committee, the connected party transactions management committee, and these committees shall be accountable to the Board of Directors. A person-in-charge shall be appointed to each Board committee to take charge of convening the activities of the Board committee; in principal, a person-in-charge of a Board committee may not concurrently serve as the person-in-charge of other Board committees. The number of members of each committee shall be no less than three. In particular, independent directors shall form the majority of the audit committee, the connected transactions management committee, the nomination and remuneration committee; and the persons-in-charge shall be independent directors; <u>the proportion of independent directors shall not be less than one-third of the risk management committee in principle.</u></p>	<p>To make amendment in accordance with Article 56 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>All members of the audit committee shall be non-executive directors (including independent directors) who have professional knowledge and work experience in any field of financial affairs, audit and accounting; moreover, at least one independent director of the audit committee shall be a professional in financial affairs or accounting. The person-in-charge of the risk management committee shall have experience in judging and managing all kinds of risks.</p>	<p>All members of the audit committee shall be non-executive directors (including independent directors) who have professional knowledge and work experience in any field of financial affairs, audit and accounting and law; moreover, at least one independent director of the audit committee shall be a professional in financial affairs or accounting. The person-in-charge of the risk management committee shall have experience in judging and managing all kinds of risks.</p>	
<p>Article 216 The supervisors of the Bank include the shareholder supervisors, employee representative supervisors and external supervisors, among which, the proportion of the employee representative supervisors and the number of external supervisors shall, when taken together, be no less than one-third of the total number of supervisors.</p> <p>The shareholder supervisors shall be nominated by the Board of Supervisors and the Proposing Shareholders. External supervisors shall be nominated by the Board of Supervisors and shareholder(s) who individually or jointly hold one hundredth or more of the Bank’s shares with voting rights. Employee Representative Supervisors shall be nominated by the Board of Supervisors and the labor union of the Bank.</p>	<p>Article 216 The supervisors of the Bank are natural persons, which include the shareholder supervisors, employee representative supervisors and external supervisors, among which, the proportion of the employee representative supervisors and the number of external supervisors shall, when taken together, be no less than one-third of the total number of supervisors.</p> <p>The shareholder supervisors and external supervisors shall be nominated by the nomination committee of the Board of Supervisors and the qualified shareholders. Proposing Shareholders. External supervisors shall be nominated by the Board of Supervisors and shareholder(s) who individually or jointly hold one hundredth or more of the Bank’s shares with voting rights. Employee Representative Supervisors shall be nominated by the nomination committee of the Board of Supervisors and the labor union of the Bank.</p>	<p>To make amendment in accordance with Article 58 of the Governance Standards.</p>
<p>Article 217 In principle, the number of the supervisors nominated by the same shareholder and their connected person(s) shall not exceed one-third (1/3) of the total number of members on the Board of Supervisors; and, in principle the same shareholder shall only nominate one (1) candidate for external supervisors and shall not nominate a candidate for independent directors as well as external supervisors. If an exemption is needed because there is a special shareholding structure in place, the shareholder or their related person(s) shall apply to the relevant regulatory authority and provide an explanation.</p>	<p>Article 217 In principle, the number of the supervisors nominated by the same shareholder and their connected person(s) shall not exceed one-third (1/3) of the total number of members on the Board of Supervisors; and, in principle the same shareholder shall only nominate one (1) candidate for external supervisors and shall not nominate a candidate for independent directors as well as external supervisors. The shareholders and their related parties that have already nominated directors shall not nominate supervisors, but that otherwise prescribed by the State shall prevail. If an exemption is needed because there is a special shareholding structure in place, the shareholder or their related person(s) shall apply to the relevant regulatory authority and provide an explanation.</p>	<p>To make amendment for improvement in accordance with Article 61 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 219 The term of office of each supervisor shall be three years. Before the expiry of the supervisor’s term of office, the Bank shall not dismiss any supervisor without any reason. Shareholder Supervisors and external supervisors shall be elected, dismissed and replaced by the shareholders’ general meeting; and Employee Representative Supervisors shall be elected, dismissed or replaced by employee representative meeting or through any other democratic manner.</p> <p>Upon expiry of the supervisor’s term of office, the supervisor can be re-elected and reappointed. However, the cumulative term of office for external supervisors shall not exceed six years.</p>	<p>Article 219 The term of office of each supervisor shall not be more thanbe three years. Before the expiry of the supervisor’s term of office, the Bank shall not dismiss any supervisor without any reason. Shareholder Supervisors and external supervisors shall be elected; and dismissed and replaced by the shareholders’ general meeting; and Employee Representative Supervisors shall be elected; and dismissed or replaced by employee representative meeting or through any other democratic manner.</p> <p>Upon expiry of the supervisor’s term of office, the supervisor can be re-elected and reappointed. However, the cumulative term of office for external supervisors shall not exceed six years.</p>	<p>To make amendment for improvement in accordance with Articles 58 and 59 of the Governance Standards.</p>
<p>Article 221 The supervisor’s term of office shall be calculated from the date on which he/she takes up the office until the term of office of the current Board of Supervisors expires. Where re-election is not carried out promptly after the expiry of the supervisor’s term of office or the number of supervisors on the Bank’s Board of Supervisors falls below the quorum because of a supervisor’s resignation during his/her term of office, before a new supervisor has been elected to take up the vacant position, subject to the laws, administrative regulations, departmental regulations and the Articles, the existing supervisor shall continue to perform his duties as a supervisor.</p>	<p>Article 221 The supervisor’s term of office shall be calculated from the date on which he/she takes up the office until the term of office of the current Board of Supervisors expires. Where re-election is not carried out promptly after the expiry of the supervisor’s term of office or the number of supervisors on the Bank’s Board of Supervisors falls below the quorum because of a supervisor’s resignation during his/her term of office, before a new supervisor has been elected to take up the vacant position, subject to the laws, administrative regulations, departmental regulations and the Articles, the existing supervisor shall continue to perform his duties as a supervisor.</p>	<p>To make amendment for improvement in accordance with Article 62 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 222 Any supervisor shall attend at least two-thirds of the meetings of the Board of Supervisors meetings in person each year. If a supervisor cannot attend the meeting in person due to some reason, he/she may entrust another supervisor in writing to attend on his/her behalf, but one supervisor shall not act on behalf of more than two supervisors at the same Board of Supervisors’ meeting.</p> <p>The proxy letter shall state the name of the proxy, the matters to be delegated, scope of authority, validity period and shall be signed by the appointer or affixed with a seal. The supervisor attending the meeting on behalf of another supervisor shall exercise the right of the supervisor within the scope of his/her authorization. If a supervisor does not attend the Board of Supervisors’ meeting and fails to appoint other supervisors to attend the meeting on his/her behalf, that supervisor shall be deemed to have waived his/her voting rights at that meeting.</p> <p>A supervisor who fails to attend a Board of Supervisors’ meeting in person and also fails to appoint a proxy on his/her behalf shall assume legal liabilities in connection with any resolutions passed at the meetings of Board of Supervisors.</p>	<p>Article 222 <u>Any supervisor shall attend the meetings of the Board of Supervisors on time, to fully examine the matters resolved by the Board of Supervisors, to express their opinions independently, professionally and objectively, and to vote independently on the basis of prudent judgement.</u></p> <p>Any supervisor shall attend at least two-thirds of the <u>on-site</u> meetings of the Board of Supervisors meetings in person each year. If a supervisor cannot attend the meeting in person due to some reason, he/she may entrust another supervisor in writing to attend on his/her behalf, but one supervisor shall not act on behalf of more than two supervisors at the same Board of Supervisors’ meeting.</p> <p>The proxy letter shall state the name of the proxy, the matters to be delegated, scope of authority, validity period <u>and the voting opinions of the appointer on the proposals</u>, and shall be signed by the appointer or affixed with a seal. The supervisor attending the meeting on behalf of another supervisor shall exercise the right of the supervisor within the scope of his/her authorization. If a supervisor does not attend the Board of Supervisors’ meeting and fails to appoint other supervisors to attend the meeting on his/her behalf, that supervisor shall be deemed to have waived his/her voting rights at that meeting.</p> <p>A supervisor who fails to attend a Board of Supervisors’ meeting in person and also fails to appoint a proxy on his/her behalf shall assume legal liabilities in connection with any resolutions passed at the meetings of Board of Supervisors.</p>	<p>To make amendment in accordance with Article 63 of the Governance Standards and Article 15 of the Measures for the Evaluation of Performance of Duties.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 223 A supervisor shall not work for less than fifteen (15) working days each year at the Bank.</p> <p>The Employee Representative Supervisors shall also accept the supervision of the employee representative meeting, employee meetings or other democratic manners, and they shall report to the employee representative meetings regularly.</p> <p>The Employee Representative Supervisors shall be entitled to participate in formulating the regulations and systems involving in employees' interests, and shall further actively participate in supervision and inspection of the implementation of these systems.</p>	<p>Article 223 A supervisor shall not work <u>ensure that he/she has sufficient time and energy to perform his/her duties, and conduct supervisory work for the Bank for no</u> less than fifteen (15) working days each year at the Bank.</p> <p><u>Supervisors shall actively participate in the supervision and inspection activities organized by the Board of Supervisors, conduct independent investigations and obtain evidence according to laws, and put forward questions and supervision opinions in a practical manner.</u></p> <p>The Employee Representative Supervisors shall also accept the supervision of the employee representative meeting, employee meetings or other democratic manners, and they shall report to the employee representative meetings regularly.</p> <p>The Employee Representative Supervisors shall be entitled to participate in formulating the regulations and systems involving in employees' interests, and shall further actively participate in supervision and inspection of the implementation of these systems.</p>	<p>To make amendment in accordance with Article 63 of the Governance Standards and Article 21 of the Guidelines on the Supervisory Committee of Commercial Banks.</p>
<p>Article 226 Supervisors shall comply with the laws, administrative regulations and the Articles, and shall carry out their duties with due care, honesty and diligence. Supervisors shall not use their position of authority to accept bribes or other forms of illegal income and shall not embezzle the Bank's assets.</p> <p>The supervisors shall disclose any connected relationships between themselves and other shareholders, directors and supervisors to the Board of Directors and the Board of Supervisors in a timely, complete and truthful manner.</p>	<p>Article 226 Supervisors shall comply with the laws, administrative regulations and the Articles, and shall carry out their duties with due care, honesty and diligence <u>and perform their duties conscientiously and prudently.</u> Supervisors shall not use their position of authority to accept bribes or other forms of illegal income and shall not embezzle the Bank's assets.</p> <p>The supervisors shall disclose any connected relationships between themselves and other shareholders, directors and supervisors to the Board of Directors and the Board of Supervisors in a timely, complete and truthful manner.</p>	<p>To make amendment for improvement in accordance with Article 63 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 227 Supervisors shall ensure that the information disclosed by the Bank is truthful, accurate and complete.</p>	<p>Article 227 Supervisors shall <u>oversee the information disclosure of the Bank</u> ensure that the information disclosed by the Bank is truthful, accurate and complete.</p>	<p>To make amendment for improvement in accordance with Article 27 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 231 The Bank shall establish systems regulating external supervisors. The external supervisor refers to a supervisor who holds no position in the Bank other than supervisor and has no relationship with the Bank and any of its substantial shareholders as this may affect their independent decision-making and objective judgment.</p> <p>Unless otherwise provided for in this section, the general provisions on supervisors in the Articles shall apply to external supervisors.</p>	<p>Article 231 The Bank shall establish systems regulating <u>have</u> external supervisors. The external supervisor refers to a supervisor who holds no position in the Bank other than supervisor and has no relationship with the Bank and any of its substantial shareholders <u>and de facto controllers</u>, as this may affect their independent decision-making and <u>objective</u> judgment.</p> <p>Unless otherwise provided for in this section, the general provisions on supervisors in the Articles shall apply to external supervisors.</p>	<p>To make amendment for improvement in accordance with Article 66 of the Governance Standards.</p>
<p>Article 234 An external supervisor shall, before taking up office, make a statement to the Board of Supervisors, undertaking that he/she will have sufficient time and energy to perform his/her duties with due diligence.</p>	<p>Article 234 An external supervisor shall, before taking up office, make a statement to the Board of Supervisors, undertaking that he/she will have sufficient time and energy to perform his/her duties with due diligence.</p> <p><u>An external supervisor shall work for no less than fifteen (15) working days each year at the Bank.</u></p>	<p>To make amendment in accordance with Article 14 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 241 The Board of Supervisors shall have one (1) chairman, and the appointment and dismissal of the chairman shall be made with a resolution passed by more than two-thirds of the all members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. If the chairman of the Board of Supervisors is unable to or fails to carry out his/her duties, a supervisor selected by more than half of the supervisors shall convene and preside over the meeting.</p> <p>The chairman shall be served as by a full-time staff member. The chairman shall possess professional knowledge and working experience in at least one professional area, e.g. finance, audit, financing or law, etc.</p>	<p>Article 241 The Board of Supervisors shall have one (1) chairman, and the appointment and dismissal of the chairman shall be made with a resolution passed by more than two-thirds of the all members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. If the chairman of the Board of Supervisors is unable to or fails to carry out his/her duties, a supervisor selected by more than half of the supervisors shall convene and preside over the meeting.</p> <p>The chairman shall be served as by a full-time staff member. The chairman shall possess professional knowledge and working experience in at least one professional area, e.g. finance, audit, financing or law, etc.</p>	<p>The former Article 35 in the Guidelines for the Corporate Governance of Commercial Banks has been deleted in the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 246 The meetings of Board of Supervisors consist of regular meetings and interim meetings, and either type of meeting shall be convened and presided over by the chairman of the Board of Supervisors.</p> <p>The meetings for the Board of Supervisors may be held on-site or via conference call, video conference or written resolutions. Supervisors who attend the on-site meeting of the Board of Supervisors via telephone, video or other electronic means shall be regarded as attending the meeting in person.</p>	<p>Article 246 The meetings of Board of Supervisors consist of regular meetings and interim meetings, and either type of meeting shall be convened and presided over by the chairman of the Board of Supervisors.</p> <p>The meetings for the Board of Supervisors may be held on-site or via conference call, video conference or <u>circulating</u> written resolutions. Supervisors who attend the on-site meeting of the Board of Supervisors via telephone, video or other electronic means shall be regarded as attending the meeting in person.</p>	<p>To make amendment in accordance with Article 15 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 247 The Board of Supervisors shall hold regular meetings at least 4 times annually and once quarterly. The notice regarding the forthcoming meeting for the Board of Supervisors shall be served to all supervisors ten (10) days before the meeting date, and the documents to be used in the meeting shall be served on all supervisors five (5) days before the meeting date.</p>	<p>Article 247 The Board of Supervisors shall hold regular meetings at least 4 times annually and once quarterly. The notice regarding the forthcoming meeting for the Board of Supervisors shall be served to all supervisors ten (10) days before the meeting date, and the documents to be used in the meeting shall be served on all supervisors five (5) days before the meeting date.</p>	<p>To make amendment in accordance with Article 70 of the Governance Standards.</p>
<p>Article 252 Aside from the duties and powers stated in the laws, administrative rules and the Articles, the Board of Supervisors shall focus on the following matters:</p> <ol style="list-style-type: none"> (1) to supervise the Board of Directors in establishing a sound business philosophy, normative values, and guidance in line with the Bank's development strategies; to supervise the development and implementation of developmental strategies of the Bank; (2) to supervise the work performance, financial activities, internal control, risk management, etc. of the Board of Directors and members of senior management; (3) to supervise the selection procedures of directors; to make a comprehensive evaluation of the work performance of directors, supervisors and members of senior management; 	<p>Article 252 Aside from the duties and powers stated in the laws, administrative rules and the Articles, the Board of Supervisors shall focus on the following matters:</p> <ol style="list-style-type: none"> (1) to supervise the Board of Directors in establishing a sound business philosophy, normative values, and guidance in line with the Bank's development strategies; to supervise the development and implementation of developmental strategies of the Bank; <u>(2) to evaluate and make a report on the scientificity, rationality and soundness of the Bank's development strategies;</u> (2) to supervise the work performance, financial activities, internal control, risk management, etc. of the Board of Directors and members of senior management; (3) to supervise the selection procedures of directors; to make a comprehensive evaluation of the work performance of directors, supervisors and members of senior management; 	<p>To make amendment in accordance with Article 65 of the Governance Standards;</p> <p>The original paragraph (2) is repeated with paragraph (7) of Article 243 of the Articles.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(4) to supervise the independent directors' independent opinions on relevant matters;</p> <p>(5) to supervise and ensure that the Bank's remuneration systems and policies and the remuneration proposals for the members of senior management are scientific and rational; and</p> <p>(6) to regularly communicate with the banking regulatory authority regarding the Bank's circumstances.</p>	<p>(4) to supervise the independent directors' independent opinions on relevant matters;</p> <p>(5) to supervise and ensure that <u>the implementation of</u> the Bank's remuneration systems and policies and the remuneration proposals for the members of senior management are scientific and rational; and</p> <p>(6) to regularly communicate with the banking regulatory authority regarding the Bank's circumstances. <u>other matters as provided for by the laws and regulations, regulatory rules and the Articles.</u></p>	
<p>Article 262 The Board of Supervisors shall make resolutions regarding the matters to be resolved at the meeting. Unless the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities provide stipulations to the contrary, a resolution at the Board of Supervisors' meeting shall be adopted if it is approved by two-thirds of all supervisors. Supervisors present at the meeting shall sign on the resolutions and shall be responsible for the resolutions. However, a supervisor may be exempted from such liability if there is proof that the supervisor had objected during voting and the objection has been recorded in the meeting minutes.</p>	<p>Article 262 The Board of Supervisors shall make resolutions regarding the matters to be resolved at the meeting. Unless the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities provide stipulations to the contrary, a resolution at the Board of Supervisors' meeting shall be adopted if it is approved by two-thirds of all supervisors. Supervisors present at the meeting shall sign on the resolutions and shall be responsible for the resolutions. However, a supervisor may be exempted from such liability if there is proof that the supervisor had objected during voting and the objection has been recorded in the meeting minutes.</p>	<p>To make amendment for improvement in accordance with Article 71 of the Governance Standards.</p>
<p>Article 264 Minutes shall be taken to record the decisions of matters discussed at the meeting (in the form of meeting minutes or meeting resolutions, etc.). Supervisors attending the meetings shall sign the meeting minutes. Supervisors shall have the right to request explanatory notes regarding any remarks that have been made during the meeting to be placed in the minutes.</p> <p>As the Bank's files, the minutes of the Board of Supervisors' meetings shall be kept by the office of the Board of Supervisors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years.</p>	<p>Article 264 Minutes shall be taken to record the decisions of matters discussed at the meeting (in the form of meeting minutes or meeting resolutions, etc.). Supervisors attending the meetings shall sign the meeting minutes. Supervisors shall have the right to request explanatory notes regarding any remarks that have been made during the meeting to be placed in the minutes.</p> <p>As the Bank's files, the minutes of the Board of Supervisors' meetings shall be kept by the office of the Board of Supervisors in accordance with the Bank's record management guidelines for a period of not less than ten (10) years <u>a perpetual term.</u></p>	<p>To make amendment in accordance with Article 71 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 288 The Bank shall establish a work performance evaluation system for those in the Board of Directors and the Board of Supervisors, specifying the work performance standards for the directors and the supervisors and establishing and maintaining the records detailing the extent to which the directors and the supervisors have performed their duties.</p>	<p>Article 288 The Bank shall establish a work performance evaluation system for those in the Board of Directors and the Board of Supervisors, specifying the work performance standards for the directors and the supervisors and establishing and maintaining the records detailing the extent to which the directors and the supervisors have performed their duties <u>and the evaluation of performance of duties.</u></p>	<p>To make amendment for improvement in accordance with Article 28 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 289 The work performance evaluation system for the directors and supervisors shall involve different kinds of evaluation, such as self-evaluation, evaluation by the Board of Directors, evaluation by the Board of Supervisors and external evaluation.</p> <p>The Board of Supervisors is responsible for conducting a comprehensive work performance evaluation of the directors and supervisors of the Bank, and shall report the final evaluation results to the banking regulatory authority and circulate the results and a notice at the shareholders' general meeting.</p>	<p>Article 289 The work performance evaluation system for the directors and supervisors shall involve different kinds of evaluation, such as self-evaluation, evaluation by the Board of Directors, evaluation by the Board of Supervisors and external evaluation.</p> <p>The Board of Supervisors is responsible for conducting a comprehensive work performance evaluation of the directors and supervisors of the Bank, and shall report the final evaluation results to the banking regulatory authority and circulate the results and a notice at the shareholders' general meeting.</p>	<p>To make amendment for improvement in accordance with Article 31 of the Measures for the Evaluation of Performance of Duties.</p>
<p>Article 294 The Bank established Huishang Bank Corporation Limited Committee of the Communist Party of China (the "Party Committee of the Bank") and the Discipline Inspection Committee (the "Discipline Inspection Committee of the Bank") with Party organizations set up in various branches and sub-branches under the jurisdiction of the Party Committee of the Bank.</p>	<p>Article 294 The Bank established Huishang Bank Corporation Limited Committee of the Communist Party of China (the "Party Committee of the Bank") and the Discipline Inspection Committee (the "Discipline Inspection Committee of the Bank") with Party organizations set up in various branches and sub-branches under the jurisdiction of the Party Committee of the Bank.</p>	<p>To make amendment based on the actual conditions of the Bank.</p>
<p>Article 295 According to the requirements of the Constitution of the Communist Party, as approved by the superior Party organization, the Party Committee of the Bank shall consist of 7 to 11 members, including 1 secretary and 2 deputy secretaries (including 1 deputy secretary with specific duty). The Discipline Inspection Committee of the Bank shall consist of 7 to 9 members, including 1 secretary and 1 deputy secretary. Members of the Party Committee of the Bank and the Discipline Inspection Committee of the Bank are elected at the congress for a term of 4 years.</p>	<p>Article 295 According to the requirements of the Constitution of the Communist Party, as approved by the superior Party organization, the Party Committee of the Bank shall consist of 7 to 11 members, including 1 secretary and 2 deputy secretaries (including 1 deputy secretary with specific duty). The Discipline Inspection Committee of the Bank shall consist of 7 to 9 members, including 1 secretary and 1 deputy secretary. Members of the Party Committee of the Bank and the Discipline Inspection Committee of the Bank are elected at the congress for a term of <u>45</u> years.</p>	<p>To make amendment in accordance with the actual conditions of the Bank and the Opinions on the Term of Office of the Primary-level Organization of the Communist Party of China (Zhong Ban Fa [2018] No. 40) by the General Office of the CPC Central Committee.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 302 The Discipline Inspection Committee of the Bank shall fulfill its responsibilities of supervision, discipline execution and accountability. The Discipline Inspection Committee of the Bank shall assist the Party Committee of the Bank in carrying out works on honest governance and anticorruption, and enhance Party organizations' and cadres' compliance with the rules and regulations under the Constitution of the Communist Party within the Party Committee of the Bank, working organs of the Party and their jurisdictions, and the supervision and check of fulfillment of responsibility. The Committee shall meet the "Two-oriented" requirements, apply the "four kinds of forms" to strictly supervise and execute discipline and focus on its major business and responsibility of strengthening the team building.</p>	<p>Article 302 The Discipline Inspection Committee of the Bank shall fulfill its responsibilities of supervision, discipline execution and accountability. The Discipline Inspection Committee of the Bank shall assist the Party Committee of the Bank in carrying out works on honest governance and anticorruption, and enhance Party organizations' and cadres' compliance with the rules and regulations under the Constitution of the Communist Party within the Party Committee of the Bank, working organs of the Party and their jurisdictions, and the supervision and check of fulfillment of responsibility. The Committee shall meet the "Two-oriented" requirements, apply the "four kinds of forms" to strictly supervise and execute discipline and focus on its major business and responsibility of strengthening the team building.<u>The Supervision Committee of Anhui Provincial Commission for Discipline Inspection dispatches a discipline inspection and supervision team to the Bank. The discipline inspection and supervision team dispatched to the Bank performs its duties in accordance with the laws including the Party Constitution and rules, the Constitution and the Supervision Law and under the authorization of the Supervision Committee of Anhui Provincial Commission for Discipline Inspection.</u></p>	<p>To make amendment based on actual conditions.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>Article 378 Interpretation</p> <p>(1) The “controlling shareholder(s) of the Bank” herein shall refer to the person(s) satisfying any of the following conditions:</p> <p>(i) the person may elect more than half of the directors when acting alone or in concert with others;</p> <p>(ii) the person may exercise or control the exercise of more than thirty percent of the total voting shares of the Bank when acting alone or in concert with others;</p> <p>(iii) the person holds more than thirty percent of total voting shares of the Bank when acting alone or in concert with others; or</p> <p>(iv) the person may de facto control the Bank in any other manner when acting alone or in concert with others.</p> <p>The term “acting in concert” herein means two or more persons who, by way of agreement (whether verbal or written), cooperation or related party relationships or other lawful means, enlarge the proportion of the shares in the Bank which are under their control or consolidate their control over the Bank, so that when exercising the voting rights of the Bank, the same expression of opinions will be made (including joint proposal of motions, joint nomination of directors, entrustment of the exercise of voting rights which do not state voting intention and other such situations, but excluding open proxy solicitation).</p> <p>(2) “De facto controller of the Bank” herein means a person who, though not a shareholder of the Bank, is able to get the de facto control of the Bank through investment relationships, agreement or other arrangements.</p>	<p>Article 378 Interpretation</p> <p>(1) The “controlling shareholder(s) of the Bank” herein shall refer to the person(s) satisfying any of the following conditions:</p> <p>(i) the person may elect more than half of the directors when acting alone or in concert with others;</p> <p>(ii) the person may exercise or control the exercise of more than thirty percent of the total voting shares of the Bank when acting alone or in concert with others;</p> <p>(iii) the person holds more than thirty percent of total voting shares of the Bank when acting alone or in concert with others; or</p> <p>(iv) the person may de facto control the Bank in any other manner when acting alone or in concert with others.</p> <p>The term “acting in concert” herein means two or more persons who, by way of agreement (whether verbal or written), cooperation or related party relationships or other lawful means, enlarge the proportion of the shares in the Bank which are under their control or consolidate their control over the Bank, so that when exercising the voting rights of the Bank, the same expression of opinions will be made (including joint proposal of motions, joint nomination of directors, entrustment of the exercise of voting rights which do not state voting intention and other such situations, but excluding open proxy solicitation).</p> <p>(2) “De facto controller of the Bank” herein means a person who, though not a shareholder of the Bank, is able to get the de facto control of the Bank through investment relationships, agreement or other arrangements.</p>	<p>To make amendment in accordance with Article 3 of the Measures for the Supervision of the Conduct of Principal Shareholders and Articles 33 and 114 of the Governance Standards.</p>

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(3) “Substantial shareholders” herein means the shareholder who can directly, indirectly, or jointly hold or control five percent or more of the shares or voting rights of the Bank, or shareholders who hold less than five percent of the total capital or total shares, but exert a significant impact on the operation and management of the Bank.</p> <p>The “significant impact” in the preceding paragraph includes but is not limited to appointing directors, supervisors or senior management to the Bank, affecting through agreements or in other ways, the decision-making of finance, operation and management of the Bank, and other circumstances affirmed by the CBRC or its delegated authority.</p>	<p>(3) <u>“Principal shareholders” herein means a shareholder who satisfies one of the following conditions:</u></p> <p>(i) <u>holding more than 10% of the shares of the Bank;</u></p> <p>(ii) <u>one who actually holds the largest number of shares in the Bank, with a shareholding ratio of not less than 5% (including shareholders holding the same number of shares);</u></p> <p>(iii) <u>nominating more than two directors;</u></p> <p>(iv) <u>having a controlling influence on the operation and management of the Bank in the view of the Board of Directors of the Bank;</u></p> <p>(v) <u>other circumstances as determined by the banking regulatory authority of the State Council or its local offices.</u></p> <p><u>The shareholding ratio of shareholders and their related parties and persons acting in concert shall be calculated on a consolidated basis. If the aggregate shareholding percentage meets the above requirements, the relevant shareholders shall be treated as the Principal shareholders.</u></p> <p>(34) “Substantial shareholders” herein means the shareholder who can directly, indirectly, or jointly hold or control five percent or more of the shares or voting rights of the Bank, or shareholders who hold less than five percent of the total capital or total shares, but exert a significant impact on the operation and management of the Bank.</p> <p>The “significant impact” in the preceding paragraph includes but is not limited to appointing directors, supervisors or senior management to the Bank, affecting through agreements or in other ways, the decision-making of finance, operation and management of the Bank, and other circumstances affirmed by the CBRC or its delegated authority.</p>	

Original Article	Amended Article	Reasons for Amendments or Basis of Amendments
<p>(4) “Executive director” herein means a director holding other senior operation and management positions in addition to holding directorship of the Bank; “non-executive director” means a director of the Bank who does not hold a senior operation and management position; “Independent Director” means a director who does not hold other positions in the Bank other than a directorship and who has no relationship with the Bank or its substantial shareholders that may affect their independent and objective judgment.</p>	<p>(45) “Executive director” herein means a director holding other senior operation and management positions in addition to holding directorship of the Bank; “non-executive director” means a director of the Bank who does not hold a senior operation and management position; “Independent Director” means a director who does not hold other positions in the Bank other than a directorship and who has no relationship with the Bank—or, its—<u>substantial shareholders, or de facto controllers</u> that may affect their independent and objective judgment.</p>	
<p>(5) “Cumulative voting system” herein means at the shareholders’ general meeting where director(s) or supervisor(s) is/are elected, each share shall have the same number of voting rights as the number of director(s) or supervisor(s) to be elected. Shareholders’ voting rights may be exercised collectively.</p>	<p>(56) “Cumulative voting system” herein means at the shareholders’ general meeting where director(s) or supervisor(s) is/are elected, each share shall have the same number of voting rights as the number of director(s) or supervisor(s) to be elected. Shareholders’ voting rights may be exercised collectively.</p>	
<p>(6) In the Articles, the specific criteria for the words “important” and “major” as used in the expressions “important legal entities”, “major mergers and acquisitions”, “major external investments”, “major asset acquisitions”, “major asset disposals”, “major asset write-off” and “major external guarantees”, shall be determined by the specific authority granted by the shareholders’ general meeting to the Board of Directors and by the Board of Directors to the president.</p>	<p>(67) In the Articles, the specific criteria for the words “important” and “major” as used in the expressions “important legal entities”, “major mergers and acquisitions”, “major external investments”, “major asset acquisitions”, “major asset disposals”, “major asset write-off” and “major external guarantees”, shall be determined by the specific authority granted by the shareholders’ general meeting to the Board of Directors and by the Board of Directors to the president.</p>	
	<p>(8) <u>The term “on-site meeting” in the Articles refers to a meeting held by means of on-site, video, telephone, etc., which ensures immediate communication and discussion among participants; and “circulating written resolution” in the Articles refers to a meeting convened by separate delivery or circulation of resolutions for consideration.</u></p>	

Note: The order number of the articles for cross-indexing shall be adjusted correspondingly with the adjustment of the original articles as a result of amendments.

The full text of the A Share Offering Plan is set out as follows:

- I. **CLASS OF SHARES:** RMB ordinary shares (A Shares)
- II. **NOMINAL VALUE PER SHARE:** RMB1.00
- III. **PROPOSED STOCK EXCHANGE FOR THE LISTING:** Shanghai Stock Exchange.
- IV. **OFFERING SIZE:** Subject to the regulatory requirements of the place of listing regarding the minimum offering size, the number of A Shares to be issued shall not exceed 1.5 billion shares. The number of A Shares to be issued will be adjusted accordingly upon the occurrence of events including bonus issue and the conversion of capital reserve to share capital prior to the A Share Offering. All A Shares will be issued as new shares. The actual total offering size will be determined based on capital requirements of the Bank, its communications with the regulatory authorities and the prevailing market conditions at the time of the offering.
- V. **TARGET SUBSCRIBERS:** Target subscribers will be qualified individuals and institutional investors (except those prohibited by the relevant PRC laws, regulations, normative documents and other regulatory requirements applicable to the Bank).

If any of the above target subscribers of the A Share Offering is a connected person of the Bank, the Bank will take all reasonable measures to comply with the relevant listing rule requirements of the jurisdictions in which its shares are listed.
- VI. **STRATEGIC PLACING:** The Bank may carry out strategic placings of part of its Shares at the time of the A Share Offering to investors who satisfy the requirements under applicable laws and regulations and the development strategy of the Bank based on the needs for business cooperation and scale of financing. The specific placing ratio will be determined according to the requirements of laws and regulations and subject to market conditions at the time of such placing.
- VII. **MODE OF OFFERING:** The offering will be conducted through a combination of strategic placings to A Share Strategic investors, placings to target subscribers at a price to be determined between the Bank and the subscriber on an offline basis, and offerings to qualified public investors online at a fixed price, or through any other offering methods as authorized by the CSRC.
- VIII. **PRICING METHODOLOGY:** Taking into full account the interests of the existing Shareholders as a whole, and the actual conditions of the capital markets and the Bank at the time of the A Share Offering, the issue price of the A Shares will be fixed through making enquiries with offline investors or fixed directly through negotiations between the lead underwriter(s) and the Bank, or by any other legally practicable methods.^{Note 1}

IX. FORM OF UNDERWRITING: The shares to be issued under the A Share Offering will be underwritten by an underwriting syndicate led by a lead underwriter on a standby commitment basis.

X. CONVERSION INTO A JOINT STOCK COMPANY WITH LIMITED LIABILITY WITH DOMESTIC AND OVERSEAS LISTED SHARES: According to the plan for the A Share Offering and taking into account the fact that the Bank has issued H Shares in the H Share market, the Bank will make an application to convert itself into a joint stock company with limited liability with domestic and overseas listed shares, subject to regulatory requirements.

XI. TERM OF THE OFFERING PLAN: The plan for the A Share Offering shall be valid for 12 months from the date of approval at general meeting.^{Note 2}

Note 1: The Bank will determine the issue price pursuant to the applicable PRC regulations. For details, please refer to section headed “II. Matters to be Resolved at the AGM – (IV) Explanation of Other Matters” in the Letter from the Board of this circular.

Note 2: Upon the conclusion of the AGM, the validity period of the Offering Plan will be extended to June 29, 2023.

For the purposes of the A Share Offering, a resolution is being proposed by the Board at the AGM to authorize the Board to determine and deal with the matters in connection with the A Share Offering, including but not limited to:

- (I) Amending and improving the A Share Offering Plan and organizing its implementation based on the regulatory requirements or comments of the regulatory authorities in and out of China and subject to market conditions, including but not limited to determining the offering size, offer price, important undertakings of the Bank, potential strategic placings (including placing ratio and target subscribers), time and method of the offering, specific allocation for the use of proceeds, and other specific matters relating to the implementation of the A Share Offering Plan; making corresponding adjustments (including the suspension and termination of the implementation of the offering plan) to matters in relation to the concrete plan of the A Share Offering as a result of changes in laws, regulations or regulatory documents with respect to the A Share Offering, or changes in policies of regulatory authorities in connection with the A Share Offering, or changes in market conditions, save for those matters required to be voted on again at a general meeting under the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association.
- (II) Handling the procedures for the review and examination, registration, filing, approval and consent by the regulatory authorities in and out of China in connection with matters relating to the A Share Offering according to the A Share Offering Plan; signing, executing, amending and completing all necessary documents to be submitted to any governments, authorities, organizations and individuals in or out of China with respect to the A Share Offering; designating an account specifically for the holding of any proceeds prior to the A Share Offering, if required; issuing statements and undertakings relating to the A Share Offering, and taking such steps as are necessary, expedient or appropriate with respect to the A Share Offering.
- (III) Drafting, amending, signing, submitting, publishing, disclosing, implementing, suspending or terminating any agreements, contracts, announcements, circulars or other documents relating to the A Share Offering (including but not limited to the prospectus, listing documents, sponsorship agreements, underwriting agreements, listing agreements, intermediary service agreements and others); engaging sponsors, underwriters, law firms, accounting firms, receiving banks and other intermediaries in connection with the A Share Offering; determining and paying expenses relating to the A Share Offering.

- (IV) Making any amendments to the Articles of Association and other corporate governance documents which have been considered and approved at general meetings and Board meetings due to the needs of the A Share Offering and pursuant to the domestic or foreign laws, regulations and other regulatory documents as a result of any changes in the domestic or foreign laws, regulations and other regulatory documents and based on the requirements and advice of the relevant government agencies and regulatory authorities in or out of China, and the actual situation of the A Share Offering; making corresponding amendments to the Articles of Association with respect to the registered capital and shareholding structure of the Bank, dealing with capital verification, share custody, lock up of shares and other formalities and handling the filing and registration procedures with company registration authorities and other relevant government departments upon completion of the A Share Offering, and dealing with matters in relation to the application for the listing of A Shares on a securities exchange.
- (V) Handling the procedures in relation to the approval, filing and change of registration in connection with any change of the registered capital of the Bank with the banking supervision institution, the department in charge of industrial and commercial administration and other relevant regulatory authorities according to the actual situation of A Share Offering.
- (VI) Handling any other matters which the Board thinks are necessary, expedient or appropriate for the A Share Offering, subject to the relevant domestic and foreign laws and regulations.
- (VII) Delegating the authority to other Directors or relevant persons to deal with, individually or jointly, any matters relating to the A Share Offering as and when needed.
- (VIII) Implementing procedures related to the A Share Offering of the Bank, including but not limited to the application for the issuance of shares to and reply to feedback comments to China Securities Regulatory Commission, and submitting the listing application to the stock exchange upon successful issuance.

This authorization shall be valid for 12 months from the date of its passing at the general meeting. Upon the conclusion of the AGM, the validity period of the Offering Plan will be extended to June 29, 2023.

Pursuant to the requirements of the Administrative Measures for Related Party Transactions between Commercial Banks and Their Insiders and Shareholders, the Interim Measures for the Equity Management of Commercial Banks and the relevant rules of the Bank, the details of the related party transactions of the Bank in 2021 are as follows:

I. RELATED PARTY TRANSACTIONS

The related party transactions of the Bank mainly involve ordinary on- and off-balance sheet bank businesses such as loans, bond investments, acceptance bills, letters of credit and guarantees. As at the end of 2021, the aggregated balance of the related party transactions of the Bank amounted to RMB23,123,000,000.

(I) Related party transactions with related legal persons. As at the end of 2021, the related legal persons involved in related party transactions mainly included Anhui Energy Group Co., Ltd., Anhui Guoyuan Financial Holding Group Co., Ltd., Anhui Transportation Holding Group Co., Ltd., Anhui Credit Financing Guaranty Group Co., Ltd., Sunshine Insurance Group Corporation Limited, China Vanke Co., Ltd., Chery Huiyin Motor Finance Service Co., Ltd., Huishang Bank Financial Leasing Co., Ltd., Hefei Xingtai Financial Holding Group Co., Ltd., Zhongjing Sihai Co., Ltd., Wuhu Construction Investment Co., Ltd., Anhui Publishing Group Co., Ltd., HSBank Wealth Management Co., Ltd., as well as three enterprises imposed control or material influence by close family members of the insiders of the Bank. The aggregated balance of the related party transactions amounted to RMB22,506,000,000.

- 1. Anhui Energy Group Co., Ltd.** Anhui Energy Group Co., Ltd. is a related party of the Shareholders of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: the Bank invested in the bonds of RMB30,000,000 issued by Anhui Wenergy Company Limited (安徽省皖能股份有限公司); paid an interest of RMB2,922,100 on inter-bank certificates of deposits to Anhui Province Energy Group Finance Company Limited (安徽省能源集團財務有限公司) and paid service fees of RMB64,100 to Anhui Wanneng Mansion Co., Ltd. (安徽省皖能大廈有限責任公司).
- 2. Anhui Guoyuan Financial Holding Group Co., Ltd.** Anhui Guoyuan Financial Holding Group Co., Ltd. is a related party of the shareholders of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: Anhui Micro-Refinancing Co., Ltd. (安徽省小額再貸款股份有限公司) had a balance of working capital loans of RMB253,000,000 and the Bank invested in its asset-backed securities of RMB30,000,000. The Bank received custodian fees of RMB5,983,200 for the asset management plans and an interest of RMB7,570,900 on pledged reverse repo transactions from Guoyuan Securities Co., Ltd. (國元證券股份有限公司), paid an interest of RMB1,503,300 on inter-bank certificates of deposits and a

management fee of RMB720,000 for asset management plans. The Bank received brokerage fees of RMB49,400 for agency service for sales of funds from Changsheng Fund Management Company Limited (長盛基金管理有限公司), received an interest of RMB4,172,500 on bonds reverse repo transactions and paid an interest of RMB1,546,400 on inter-bank certificates of deposits. The Bank received an income of RMB77,300 for agency service for sales of intermediary businesses from Anhui Guoyuan Trust Co., Ltd. (安徽國元信託有限公司), received custodian fees of RMB6,887,400 for the trust plans and paid a management fee of RMB1,332,200 for the asset management plans. Huainan Shunyue Cement Co., Ltd. (淮南舜岳水泥有限公司) had a balance of bank acceptance bills of RMB16,000,000. Huainan Shuntai Chemical Co., Ltd. (淮南舜泰化工有限公司) had a balance of bank acceptance bills of RMB700,000.

- 3. Anhui Transportation Holding Group Co., Ltd.** Anhui Transportation Holding Group Co., Ltd. is a related party of the shareholders of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: Anhui Transportation Holding Group Co., Ltd. had a balance of fixed-asset loans of RMB214,375,000. The Bank invested RMB4,700,000 in the index fund, the de facto borrower of which is Anhui Transportation Holding Group Co., Ltd., and paid a bid security of RMB1,000,000 to it. Anhui Transport Consulting & Design Institute Co., Ltd. (安徽省交通規劃設計研究總院股份有限公司) had a balance of domestic guarantees of RMB22,632,500. Anhui Zhongxing Engineering Supervision Co., Ltd. (安徽省中興工程監理有限公司) had a balance of domestic guarantees of RMB11,228,700. The Bank paid an advertising fee of RMB115,000 to Anhui Expressway Media Co., Ltd. (安徽高速傳媒有限公司). The Bank paid expressway tolls of RMB505,200 to Anhui Expressway Network Operations Company Limited (安徽省高速公路聯網運營有限公司). Dingyuan Urban and Rural Bus Co., Ltd. (定遠縣城鄉公交有限公司) had a balance of fixed-asset loans of RMB65,650,000. Wanjiang Financial Leasing Co., Ltd. (皖江金融租賃股份有限公司) had a balance of inter-bank borrowings of RMB500,000,000. Mingguang Urban and Rural Bus Co., Ltd. (明光市城鄉公交有限公司) had a balance of fixed-asset loans of RMB53,522,500. The Bank paid RMB23,003,900 for the purchase of an office building and property service fees of RMB5,358,500 to Highway Real Estate Group Fuyang Development Co., Ltd. (高速地產集團阜陽開發有限公司). The Bank paid the ETC equipment fee of RMB910,000 to Anhui Transportation United Card Holding Co., Ltd. (安徽交通一卡通控股有限公司).

- 4. Anhui Credit Financing Guaranty Group Co., Ltd.** Anhui Credit Financing Guaranty Group Co., Ltd. is a related party of the shareholders of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: Anhui Guaranteed Asset Management Co., Ltd. (安徽擔保資產管理有限公司) had a balance of working capital loans of RMB641,000,000; Anhui Development Investment Co., Ltd. (安徽省開發投資有限公司) had a balance of working capital loans of RMB1,550,000,000.
- 5. Sunshine Insurance Group Corporation Limited.** Sunshine Insurance Group Corporation Limited is a related party of the directors of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: the Bank collected from Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) an insurance brokerage fee of RMB2,773,300. The Bank paid a premium of RMB44,277,700 for the staff insurance project of the Anhui Branch of Sunshine Life Insurance Corporation Limited. Chengtay Financial Leasing (Shanghai) Co., Ltd. (誠泰融資租賃(上海)有限公司) had a balance of domestic factoring with recourse of RMB408,664,000.
- 6. China Vanke Co., Ltd.** China Vanke Co., Ltd. is a related party of the shareholders of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: the Bank paid property service fees of RMB4,300, RMB17,700 and RMB169,900 to Chengdu Homestead Operation Management Co., Ltd. (成都家園經營管理有限公司), Chengdu Vanke Property Service Co., Ltd. (成都萬科物業服務有限公司) and Ningbo Naisen Property Management Co., Ltd. (寧波耐森物業管理有限公司), respectively.
- 7. Chery Huiyin Motor Finance Service Co., Ltd.** Chery Huiyin Motor Finance Service Co., Ltd. is an associate of the Bank. As at the end of 2021, Chery Huiyin Motor Finance Service Co., Ltd. had a balance of inter-bank borrowings of RMB1,000,000,000. The Bank invested RMB100,000,000 in the bonds issued by it and collected an underwriting fee of RMB355,000. The Bank invested RMB115,045,600 and RMB18,900,600 in the asset-backed securities and trust plans issued by it as the promoter. The Bank invested RMB9,635,000 in the securities investment fund, the de facto borrower of which is Chery Huiyin Motor Finance Service Co., Ltd.

- 8. Huishang Bank Financial Leasing Co., Ltd.** Huishang Bank Financial Leasing Co., Ltd. is a subsidiary of the Bank. As at the end of 2021, Huishang Bank Financial Leasing Co., Ltd. had a balance of inter-bank borrowings of RMB2,800,000,000, a balance of domestic letter of credit of RMB1,820,000,000 and a balance of bank acceptance bills of RMB110,000,000. The Bank invested RMB500,000,000 in the bonds issued by it, collected an underwriting fee of RMB300,000 and paid other incentives of RMB7,000.
- 9. Hefei Xingtai Financial Holding Group Co., Ltd.** Hefei Xingtai Financial Holding Group Co., Ltd. is a related party of the supervisors of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: Hefei Xingtai Financial Holding Group Co., Ltd. had a balance of working capital loans of RMB300,000,000; Anhui Xingtai Financial Leasing Co., Ltd. (安徽興泰融資租賃有限責任公司) had a balance of working capital loans of RMB549,000,000 and a balance of domestic letter of credit of RMB100,000,000. The Bank invested RMB60,000,000 in the bonds issued by it. Hefei Xingtai Microfinance Limited (合肥市興泰小額貸款有限公司) had a balance of working capital loans of RMB80,000,000. Hefei Xingtai Commercial Factoring Co., Ltd. (合肥興泰商業保理有限公司) had a balance of working capital loans of RMB100,000,000. The Bank paid guarantee fees of RMB17,600 to Hefei Xingtai Financing Guarantee Group Co., Ltd. (合肥市興泰融資擔保集團有限公司). The Bank received custodian fees of RMB6,422,800 for the trust plans of CCB Trust Co., Ltd. (建信信託有限責任公司), paid a management fee of RMB1,528,900 for the asset management plans and spot bonds trading of RMB200,000,000. The Bank received an underwriting brokerage fee of RMB9,000, custodian fees of RMB346,800 for fund products and an interest of RMB4,098,800 for bonds reverse repo transactions from Harfor Fund Management Co., Ltd. (華富基金管理有限公司) and paid an interest of RMB28,892,700 on inter-bank certificates of deposits, a management fee of RMB437,900 for the fund and an interest of RMB96,100 for bonds repo transactions. The Bank received an interest of RMB1,511,200 for bonds reverse repo transactions from CCB Principal Asset Management Co., Ltd. (建信基金管理有限責任公司), custodian fees of RMB198,700 for special fund accounts and paid an interest of RMB12,205,600 on inter-bank certificates of deposits, a management fee of RMB2,426,800 for the asset management plans and spot bonds trading of RMB740,000,000. Hefei State-Owned Construction Financing Guarantee Co., Ltd. (合肥國控建設融資擔保有限公司) had a balance of electronic bidding guarantees of RMB232,608,000 and a balance of separate guarantees of RMB718,707,700. Anhui Fuyou Health Industry Co., Ltd. (安徽福佑健康產業有限公司) had a balance of fixed-asset loans of RMB267,209,800. Maanshan Zhongye High-tech Construction Co., Ltd. (馬鞍山中冶高新建設有限公司) had a balance of fixed-asset loans of RMB347,650,000. The Bank paid property service fees of RMB274,100 to Anhui Amber Property Services Co.,

Ltd. (安徽琥珀物業服務有限公司). The Bank invested RMB100,000,000 in the bonds of Hefei Gongtuo Industrial Technology Development Co., Ltd. (合肥工投工業科技發展有限公司). The Bank paid a bid security of RMB10,000 to Anhui Cultural Property Rights Exchange Co., Ltd. (安徽省文化產權交易所有限公司), a rental deposit of RMB39,000 to Hefei Assets and Equity Exchange Center (合肥市產權交易中心) and security service fees of RMB23,362,800 to Hefei Security Group Co., Ltd. (合肥保安集團有限公司) and its holding companies; and received custodian fees of RMB6,600 for private funds from Hefei Xingtai Capital Management Co., Ltd. (合肥興泰資本管理有限公司).

- 10. Zhongjing Sihai Co., Ltd.** Zhongjing Sihai Co., Ltd. is a related party of the directors of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: the Bank invested a total balance of RMB760,000,000 in the corporate bonds of Shanshan Group Co., Ltd. (杉杉集團有限公司).
- 11. Wuhu Construction Investment Co., Ltd.** Wuhu Construction Investment Co., Ltd. is a related party of the supervisors of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: Wuhu Construction Investment Co., Ltd. had a balance of M&A loans of RMB349,000,000, and the Bank invested in the bonds of RMB10,000,000 issued by it. The Bank received a management fee of RMB480,000 for direct financing instruments from Anhui Jiangbei Development Co. Ltd. (安徽省江北開發有限責任公司). Chery New Energy Automobile Co., Ltd. (奇瑞新能源汽車股份有限公司) had a balance of domestic letter of credit forfaiting of RMB300,000,000. Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司) had a balance of working capital loans of RMB496,000,000, a balance of domestic letter of credit forfaiting of RMB520,000,000, a balance of bank acceptance bills of RMB500,000,000 and a balance of bank acceptance bill discount of RMB46,112,100. The Bank paid water fees of RMB37,500 to Wuhu Huayan Water Co., Ltd. (蕪湖華衍水務有限公司). Wuhu Puwei Technical Research Co., Ltd. (蕪湖普威技研有限公司) had a balance of bank acceptance bills of RMB29,908,000. Wuhu Jin An Shi Teng Automobile Safety System Co., Ltd. (蕪湖金安世騰汽車安全系統有限公司) had a balance of bank acceptance bills of RMB10,000,000 and a balance of bank acceptance bill discount of RMB4,000,000. Wuhu Yongda Technology Co., Ltd. (蕪湖永達科技有限公司) had a balance of bank acceptance bills of RMB39,941,300. Wuhu Honhu Material Technology Co., Ltd. (蕪湖泓鵠材料技術有限公司) opened a domestic letter of credit with a balance of RMB1,702,100, had a balance of bank acceptance bills of RMB28,297,900 and a balance of bank acceptance bill discount of RMB18,951,600. Anhui Chery Automobile Sales Co., Ltd. (安徽奇瑞汽車銷售有限公司) had a balance of domestic letter of credit of RMB520,000,000 and a balance of bank acceptance bills of RMB1,180,000,000. Chery New Energy Vehicle Sales Co., Ltd. (奇瑞新能源汽車銷售有限公司) had a balance of domestic letter of credit of

RMB300,000,000 and a balance of bank acceptance bills of RMB200,000,000. Chery Commercial Vehicle (Anhui) Co., Ltd. (奇瑞商用車(安徽)有限公司) had working capital loans of RMB198,000,000 and a balance of domestic letter of credit of RMB200,000,000. Kairui New Energy Vehicles Co., Ltd. (開瑞新能源汽車有限公司) had a balance of domestic letter of credit of RMB10,000,000 and a balance of bank acceptance bills of RMB40,000,000. Wuhu Ruitai Auto Parts Co., Ltd. (蕪湖瑞泰汽車零部件有限公司) had a balance of bank acceptance bills of RMB32,140,000. DaaO (Wuhu) Automobile Products Co., Ltd. (達奧(蕪湖)汽車製品有限公司) had a balance of bank acceptance bills of RMB20,000,000. Anhui Chery Commercial Vehicle Sales Co., Ltd. (安徽奇瑞商用車銷售有限公司) had a balance of bank acceptance bills of RMB300,000,000. Wuhu Ironman Equipment Engineering Co., Ltd. (蕪湖艾蔓設備工程有限公司) had a balance of domestic guarantees of RMB254,600, a balance of bank acceptance bills of RMB8,220,300 and a balance of bank acceptance bill discount of RMB1,410,000. Anhui Haery Aviation Power Co., Ltd. (安徽航瑞航空動力裝備有限公司) had a balance of import letter of credit of RMB127,500. Wuhu Acteco Powertrain Co., Ltd. (蕪湖埃科泰克動力總成有限公司) had working capital loans of RMB98,000,000. Wuhu Fujiheng Machinery Co., Ltd. (蕪湖福記恒機械有限公司) had a balance of domestic guarantees of RMB1,447,000. Yingfeng Investment Co., Ltd. (盈豐投資有限公司) had a balance of bank acceptance bills of RMB300,000,000. Wuhu Yangtze River Bridge Road Bridge Co., Ltd. (蕪湖長江大橋公路橋有限公司) had a balance of RMB350,000,000 under the debt financing plan and received an interest of RMB7,980,000. Wuhu Kumquat Technology Co., Ltd. (蕪湖金桔科技有限公司) had a balance of bank acceptance bills of RMB9,971,700. Anhui Maika Vehicles Co., Ltd. (安徽麥卡出行汽車有限公司) had a balance of working capital loans of RMB15,000,000. Wuhu Generator Automotive Electrical Systems Co., Ltd. (蕪湖傑諾瑞汽車電器系統有限公司) had a balance of bank acceptance bill discount of RMB33,356,000.

- 12. Anhui Publishing Group Co., Ltd.** Anhui Publishing Group Co., Ltd. is a related party of the supervisors of the Bank. As at the end of 2021, the related party transactions of the members of its related parties with the Bank are as follows: Anhui Publishing Group Co., Ltd. had a balance of working capital loans of RMB200,000,000 in the Bank. Anhui Huawen International Economic and Trade Co., Ltd. (安徽華文國際經貿股份有限公司) had a balance of bank acceptance bills of RMB255,000,000, a balance of import letter of credit of RMB2,652,200, a balance of domestic letter of credit of RMB180,000,000 and a balance of bank acceptance bill discount of RMB1,500,000. Anhui Times Innovation Technology Investment and Development Co., Ltd. (安徽時代創新科技投資發展有限公司) had a balance of import letter of credit of RMB33,423,200. The Bank received an income of RMB808,200 for agency service for sales of intermediary businesses, custodian fees of RMB10,640,600 for asset management plans and an interest of RMB319,000 on pledged reverse repo transactions from Huaan Securities Co., Ltd. (華安證券股份有限公司)

and paid a management fee of RMB2,270,700 for asset management plans and spot bonds trading of RMB100,000,000. The Bank paid printing fees of RMB71,000 and RMB148,000 to Anhui Xinhua Printing Co., Ltd. (安徽新華印刷股份有限公司) and Anhui Renmin Press (安徽人民出版社), respectively.

13. HSBank Wealth Management Co., Ltd. HSBank Wealth Management Co., Ltd. is a wholly-owned subsidiary of the Bank. As at the end of 2021, the Bank received custodian fees of RMB14,848,300 for wealth management, paid a management fee of RMB188,691,400 on products under entrusted management, recognized service fees of RMB281,649,600 for the sale of wealth management products and other incentives of RMB3,000.

14. Enterprises controlled or significantly influenced by close family members of the insiders of the Bank. As at the end of 2021, the related party transactions of enterprises controlled or significantly influenced by close family members of the insiders of the Bank are as follows: Anhui Shou County Hualian Department Store Co., Ltd. (安徽壽縣華聯百貨有限責任公司) had a balance of working capital loans of RMB18,000,000. Anhui Tianhua Commerce and Trade Co., Ltd. (安徽天華商貿有限公司) had a balance of working capital loans of RMB10,000,000. The Bank paid salaries of RMB1,820,100 for outsourced personnel to Anhui Zhongqing Human Resources Management Co., Ltd. (安徽中青人力資源管理有限公司).

(II) Related party transactions with related natural persons. As at the end of 2021, the balance of the related party transactions entered into with related natural persons of the Bank was RMB615,874,500, which were mainly related to the operations of personal residential loans, personal comprehensive revolving consumer loans and the credit cards overdraft. All of these transactions were general related party transactions.

(III) Benchmark for the extent of related party transactions. As at the end of 2021, the unaudited net capital of the Bank amounted to RMB107,357 million. The balance with Huishang Bank Financial Leasing Co., Ltd., the largest single related party, amounted to RMB5,230 million, accounting for 4.87% of the net capital. The balance with Huishang Bank Financial Leasing Co., Ltd., the largest single group related party, amounted to RMB5,230 million, accounting for 4.87% of the net capital. The balance of all the related party transactions amounted to RMB23,123 million, accounting for 21.54% of the net capital. The percentages were controlled within the regulatory limits.

(IV) Pricing for related party transactions. The related party transactions between the Bank and related parties are conducted under normal commercial terms and conditions, which are not more favorable than the terms of similar transactions with non-related parties, thus ensuring the legitimacy and fairness of the pricing of related party transactions. The prices of credit-extension related party transactions

are determined in accordance with the relevant credit pricing management measures of the Bank, which correspond to the credit rating and risk exposure of the related party customers. The prices of bond-investment related party transactions are primarily negotiated between the Bank and the related parties with reference to the weighted average trading price in the market. The insurance brokerage fees and custodian fees charged to related parties are mainly negotiated between the Bank and the related parties with reference to the rate charged by other banks for similar services.

II. CHANGES OF RELATED PARTY TRANSACTIONS

- (I) Changes of related party transactions with related legal persons.** As at the end of 2021, related party transactions with related legal persons decreased by RMB5,111,986,100 as compared with the end of 2020. Specifically, related party transactions with Wuhu Construction Investment Co., Ltd. and its related parties increased by RMB1,996,134,500. Related party transactions with Hefei Xingtai Financial Holding Group Co., Ltd. and its related parties increased by RMB1,054,483,600. Related party transactions with the affiliated enterprises controlled by insiders increased by RMB29,820,100. Related party transactions with Sunshine Insurance Group Corporation Limited increased by RMB554,300. Related party transactions with Anhui Guoyuan Financial Holding Group Co., Ltd. and its related parties decreased by RMB2,758,305,800. Related party transactions with HSBank Wealth Management Co., Ltd. decreased by RMB1,582,029,700. Related party transactions with Huishang Bank Financial Leasing Co., Ltd. decreased by RMB1,380,365,000. Related party transactions with Anhui Publishing Group Co., Ltd. and its related parties decreased by RMB975,274,600. Related party transactions with Chery Huiyin Motor Finance Service Co., Ltd. decreased by RMB538,017,000. Related party transactions with Anhui Transportation Holding Group Co., Ltd. and its related parties decreased by RMB424,384,800. Related party transactions with Zhongjing Sihai Co., Ltd. and its related parties decreased by RMB240,000,000. Related party transactions with Anhui Energy Group Co., Ltd. and its related parties decreased by RMB147,014,300. Related party transactions with Anhui Credit Financing Guaranty Group Co., Ltd. and its related parties decreased by RMB120,890,000. Related party transactions with China Vanke Co., Ltd. and its related parties decreased by RMB26,697,400.
- (II) Changes of related party transactions with related natural persons.** As at the end of 2021, the shareholding of natural person Shareholders of the Bank was far less than 5%, and therefore, the Bank's related natural persons were all insiders and their close family members. The related party transactions with the Bank's related natural persons were all general related party transactions, and compared with the end of 2020, there were some new related party transactions, with some of these transactions expiring or repaying loan as per agreement. The balance of such related party transactions increased by RMB57,647,500.

III. MANAGEMENT OF THE RELATED PARTY TRANSACTIONS

In accordance with regulatory requirements, the Bank attached great importance to the management of related party transactions, optimized and improved the management mechanism and operation procedures on related party transactions, further promoted the construction of management systems on related party transactions, consistently enhanced routine monitoring, statistics and analysis on related party transactions, carefully performed approval and disclosure obligations on related party transactions and effectively prevented risks on related party transactions. **Firstly**, the Bank strengthened the duty performance of the Board of Directors and the Related Party Transaction Control Committee. The Board of Directors and the Related Party Transaction Control Committee of the Bank diligently performed duties and objectively and fairly considered matters on related party transactions based on their duties and authorities as well as the rules of procedure. Independent Directors actively expressed independent opinions and attached great importance to the substance and fairness of related party transactions to ensure that such transactions were on normal commercial terms and the terms were fair and reasonable and in the interests of the Bank and the Shareholders as a whole. They fully performed their duties of pre-examination and post-supervision of related party transactions to effectively prevent and control risks on related party transactions. **Secondly**, the Bank optimized and improved the management system on related party transactions. The Bank started the implementation of management consulting programs on related party transactions and appointed external consulting experts to assist in the establishment of the management system on related party transactions in compliance with the regulatory standards on listed banks. Based on the latest regulatory policies, the Bank further refined and improved the organizational structure, division of responsibilities, operational procedures, supervision management and other contents in the management of related party transactions. **Thirdly**, the Bank strengthened the systematic management and control on related party transactions. The Bank deeply promoted the systematic construction on the management of related party transactions to build a unified, centralized and quantitative management platform on related party transactions based on the results of the consulting programs, which will cover a series of complete and standardized management procedures from data sources to information identification on related party transactions, declaration, filing, approval and information disclosure of related party transactions. **Fourthly**, the Bank reinforced the audit, early warning and monitoring on related party transactions. The Bank strictly controlled the audit of related party transactions and strengthened the early warning and analysis of related party transactions to prevent unfair prices and ways of credit granting on related party transactions. The Bank also effectively monitored and controlled risks from different perspectives such as relevance concentration and credit quality. For significant related party transactions with related parties, they shall be submitted to the Related Party Transaction Control Committee under the Board of Directors for review before submitting to the Board of Directors for approval one by one and filed with regulatory authorities and the Board of Supervisors of the Bank in a timely manner. **Fifthly**, the Bank organized special rectification, special audit and self-rectification on related party transactions. Based on regulatory deployments, the Bank carried out special rectification on related party transactions on a regular basis, conducted comprehensive review and investigation on key points in the “review” on special rectifications of related party transactions, and continued to follow up the progress

of the rectification of problems identified in self-rectification. Based on the current management of related party transactions, the Bank effectively conducted special audit on related party transactions, carried out comprehensive audit on management systems, rules and procedures of related party transactions, related parties and related party transactions to identify problems in time, promote rectification from the source and improve the refined management of related party transactions.

IV. CREDIT QUALITY OF RELATED PARTY TRANSACTIONS

For related party transactions with related natural persons and legal persons of the Bank, as at the end of 2021, all of the transactions were classified as normal under the five-tier classification system.

**REPORT ON DUTIES BY INDEPENDENT NON-EXECUTIVE DIRECTOR FOR 2021
(Dai Peikun)**

As an independent non-executive Director of the fourth session of the Board of Directors, the chairman of the Nomination and Remuneration Committee and a member of the Audit Committee of Huishang Bank, I meet the relevant qualification and conditions required by the Administrative Measures on Qualifications of Directors (Council Members) and Senior Management of Banking Institutions and can conscientiously perform duties in accordance with the Company Law of the People's Republic of China, the Governance Standards and other laws, regulations and regulatory documents as well as the requirements of the Articles of Association. I hereby report the details on my work in 2021 as follows:

I. Attendance at Meetings

During the year for duty performance, I attended the meetings in accordance with the Articles of Association and the Rules of Procedure of the Board of Directors, the working rules of relevant committees and laws and regulations. As an independent non-executive Director, I attended all 14 meetings of the Board of Directors held in 2021 in person. As the Chairman of the Nomination and Remuneration Committee, I chaired a total of 6 meetings in 2021. As a member of the Audit Committee, I attended all 3 meetings of the Audit Committee held throughout the year. I attended all meetings in person without attending through proxy or being absent throughout 2021.

II. Expression of Opinions

As an independent non-executive Director of Huishang Bank and with an attitude of being diligent and responsible to all shareholders, I gave full play to my expertise, conducted in-depth research on the resolutions of relevant meetings submitted by the Bank, carefully listened to the reports of the management and focused on the support of Huishang Bank for the prevention and control of the pandemic and serving local economic and social development. I actively participated in discussions, made scientific and prudent decisions, proposed professional opinions and reasonable suggestions to the Board of Directors and the management on major matters such as the formulation of new strategies, the strengthening of the operation and management of new branches out of the province, the promotion of A Share Offering and the selection and appraisal of Directors and senior management personnel by the Bank to promote the improvement on quality and efficiency of the corporate governance and operation management of Huishang Bank.

During the year for duty performance, I earnestly studied new regulatory regulations such as the Governance Standards and the Measures for the Evaluation of Performance of Duties, learned about and mastered laws and regulations on economy, finance and corporate governance as well as expertise on operation and management and carried out my work in accordance with laws and regulations. I was not involved in gaining advantages for myself through my positions and powers in Huishang Bank, arbitrarily disclosing business secrets of

the Bank or jeopardizing the interests of the Bank with my related relationship. I have been committed to safeguarding the interests of Huishang Bank and all Shareholders, ensured that the legitimate rights and interests of financial consumers and minority Shareholders are not jeopardized, strictly implemented relevant abstaining systems and confidentiality provisions, and made independent and objective judgments and decisions on matters considered.

In the coming year, I will continue to perform my duties diligently in strict compliance with relevant regulations; further leverage my business expertise to offer my advice and suggestions on the operation and development of Huishang Bank to facilitate its high-quality and sustainable development. I will persistently devote myself to safeguarding the interests of Huishang Bank as a whole and the legitimate rights and interests of all Shareholders, the minority Shareholders in particular.

**REPORT ON DUTIES BY INDEPENDENT NON-EXECUTIVE DIRECTOR FOR 2021
(Zhou Yana)**

I currently act as an independent non-executive Director of the fourth session of the Board of Directors, the chairwoman of the Audit Committee and a member of the Nomination and Remuneration Committee of Huishang Bank. In strict compliance with relevant regulations and requirements of the CBIRC, the CBIRC Anhui Office and Huishang Bank, I have been performing the duties as an independent non-executive Director faithfully and diligently since my appointment to ensure the scientific and compliant decision-making of the Board of Directors without violation of laws and regulations or gaining advantages for others or myself through my position. I hereby report my performance of duties in 2021 as follows:

I. Duty Performance on the Board of Directors

During the duty performance in 2021 and as an independent non-executive Director, I attended all 14 meetings of the Board of Directors in person. I carefully reviewed relevant matters considered at the meetings of the Board of Directors in advance and objectively and fairly exercised the voting right, giving full play the role as an independent non-executive Director and safeguarding the interest of Huishang Bank as a whole and the legitimate rights and interests of all Shareholders, the minority Shareholders in particular.

II. Duty Performance on Special Committees

As the chairwoman of the Audit Committee, I chaired 3 meetings of the Audit Committee during the year. I fully performed my duties and powers as a member of special committees in matter discussion. Through holding meetings of the Audit Committee and carrying out routine work, I supervised the Bank's internal control, reviewed the Bank's financial information and disclosure, and inspected, supervised and evaluated the Bank's internal audit work, and reported the Audit Committee's opinions to the Board of Directors in a timely manner for the Board's decision-making reference, so as to facilitate further improvement of internal control as well as operation and management of the Bank.

As a member of the Nomination and Remuneration Committee, I attended all 6 meetings of the Nomination and Remuneration Committee throughout the year. During the period, I fully performed my duties as a member, supported the adjustment of the composition of the Board of Directors and the addition of directors based on actual conditions, made recommendations on the appraisal and remuneration packages for directors and members of senior management, and supervised the implementation of the relevant resolutions.

In 2022, as an independent non-executive Director, I will earnestly study the Governance Standards, the Measures for the Evaluation of Performance of Duties, the Measures for the Supervision of the Conduct of Principal Shareholders and other new regulatory regulations; continue to take full advantage of my professional knowledge and working experience and propose constructive comments and suggestions to the development of the Bank to safeguard its long-term and sound development. I will also work with other Directors in promoting the scientific decision-making of the Board of Directors. While safeguarding the rights and interests of all Shareholders, I will practically display the independence of independent non-executive Directors, actively safeguard the interests of minority Shareholders and make my contribution to the high-quality development of Huishang Bank.

REPORT ON DUTIES BY INDEPENDENT NON-EXECUTIVE DIRECTOR FOR 2021 (Liu Zhiqiang)

I act as an independent non-executive Director of the fourth session of the Board of Directors of Huishang Bank as well as a member of the Related Party Transaction Control Committee and the Risk Management Committee. In 2021, in strict compliance with the Company Law of the People's Republic of China, the Governance Standards, the Measures for the Evaluation of Performance of Duties, and other relevant laws and regulations as well as the provisions of the Articles of Association, I earnestly performed the duties of independent non-executive Directors, attended meetings of the Board of Directors and all special committees on time, deeply studied matters considered by the Board of Directors, objectively and independently issued opinions and made scientific and prudent decisions, practically performing obligations on faithfulness and diligence. I hereby report the details on my work in 2021 as follows:

I. Attendance at Meetings

During the year, I attended 14 meetings of the Board of Directors, attended 9 meetings of the Related Party Transaction Control Committee and attended 8 meetings of the Risk Management Committee. I actively participated in studies, discussions and decision making on resolutions of the Board of Directors and relevant special committees, and actively performed the duties of independent non-executive Directors. While striving to guarantee scientific, reasonable, equal and fair decision-making on major matters of Huishang Bank, I always maintained independence and proposed my work advices and suggestions to the Board of Directors and the management.

II. Expression of Opinions

As an independent non-executive Director, I carefully studied all resolutions of the Board of Directors, conscientiously listened to reports of the management through meetings of the Board of Directors and learnt about details about relevant matters in the routine operation and management of the Bank, focused on the risk management, asset quality, strategic planning and other matters of Huishang Bank and expressed objective and impartial independent opinions on many occasions. In 2021, I proposed my suggestions to the development of Huishang Bank and successively proposed advices on major issues such as strengthening the follow-up risk management and control and the disposal and management of non-performing assets of the four branches of the former Baoshang Bank.

As a member of the Related Party Transaction Control Committee of the Board of Directors, I followed the principles of honesty, integrity, independence and fairness and carefully listened to reports on related party transactions of Huishang Bank, fulfilled the review obligations on the significant related party transactions and expressed opinions on major related party transactions.

As a member of the Risk Management Committee of the Board of Directors, I carefully listened to and studied the risk management policies and risk appetite of the Bank, supervised risk control on credit, market and operation during the year, conducted regular assessments on risks of Huishang Bank and proposed comments and suggestions on improvement.

III. Safeguarding the Interests of Shareholders

In 2021, I proposed suggestions or opinions on safeguarding the interests of the existing Shareholders on the operation management and business development of Huishang Bank. My opinions and suggestions proposed at the meetings and the comments made in communications out of the meetings focused on ensuring that the Bank can meet the latest operation conditions and long-term development strategies of the Bank in operation and safeguard the legitimate rights and interests of major and minority Shareholders. I fully displayed my role as an independent non-executive Director in corporate governance.

**REPORT ON DUTIES BY INDEPENDENT NON-EXECUTIVE DIRECTOR FOR 2021
(Yin Jianfeng)**

I act as an independent non-executive Director of the fourth session of the Board of Directors of Huishang Bank as well as a member of the Strategic Development and Consumer Rights Protection Committee, the Nomination and Remuneration Committee and the Related Party Transaction Control Committee. In 2021, in strict compliance with the Company Law of the People's Republic of China, the Governance Standards and other relevant laws and regulations as well as the provisions of the Articles of Association, I earnestly performed the duties of independent non-executive Directors, attended meetings of the Board of Directors and all special committees on time, deeply studied matters considered by the Board of Directors, objectively and independently issued opinions and made scientific and prudent decisions. I hereby report the details on my work in 2021 as follows:

I. Attendance at Meetings

During the year, I attended 14 meetings of the Board of Directors, 7 meetings of the Strategic Development and Consumer Rights Protection Committee, 6 meetings of the Nomination and Remuneration Committee and 9 meetings of the Related Party Transaction Control Committee. While striving to guarantee scientific, reasonable, equal and fair decision-making on major matters of Huishang Bank, I always maintained independence, actively participated in studies and discussions on resolutions of the Board of Directors and special committees, made independent, professional and objective judgments on matters within the scope of duties and proposed my work advices and suggestions to the Board of Directors and the management to promote the improvement on the decision-making quality and efficiency of the Board of Directors and urge the effective implementation of the resolutions of the Board of Directors.

II. Expression of Opinions

As an independent non-executive Director, I conscientiously listened to reports of the management through relevant Board meetings and resolutions, continued to learn about details about matters in the corporate governance, strategic management, internal control and compliance and related party transactions of the Bank and proposed advices on operation and management policy and strategic planning of Huishang Bank, risk management of four new branches out of the province and expansion of capital replenishment channels.

As a member of the Strategic Development and Consumer Rights Protection Committee, I earnestly studied comprehensive operation plans, capital replenishment plans, formulation, implementation and evaluation of strategies of Huishang Bank and expressed my opinions.

As a member of the Nomination and Remuneration Committee, I carefully studied the contents of resolutions on the qualifications of Director candidates, the performance appraisal of Directors and senior management, and the remuneration management of employees and expressed independent opinions.

As a member of the Related Party Transaction Control Committee of the Board of Directors, I followed the principles of honesty, integrity, independence and fairness and carefully listened to reports on related party transactions of Huishang Bank, and fulfilled the review obligations on the legality, fairness, internal approval procedures and implementation of significant related party transactions.

III. Safeguarding the Interests of Shareholders

In 2021, I proposed suggestions or opinions on safeguarding the legitimate rights and interests of all Shareholders, minority Shareholders in particular, on the operation management and business development of Huishang Bank. In order to ensure that the Bank can operate in compliance with laws and regulations, adapt to changes in external operating conditions, conform to long-term development strategies and safeguard the interests of Huishang Bank and major and minority Shareholders, I actively offered my advices and suggestions at meetings of the Board of Directors and special committees and fully displayed my role as an independent non-executive Director in corporate governance, operation and management of the Bank.

REPORT ON DUTIES BY INDEPENDENT NON-EXECUTIVE DIRECTOR FOR 2021 (Huang Aiming)

I act as an independent non-executive Director of the fourth session of the Board of Directors of Huishang Bank, the chairman of the Related Party Transaction Control Committee and a member of the Nomination and Remuneration Committee and the Audit Committee. In strict compliance with the Company Law of the People's Republic of China, the Governance Standards and the Measures for the Evaluation of Performance of Duties and other laws, regulations and regulatory requirements as well as the provisions of the Articles of Association, I performed duties faithfully and diligently, attended relevant meetings in a timely manner, performed duties independently, honestly and diligently, made objective, fair and independent decisions, and gave full display to the roles of independent non-executive Director and relevant special committees in 2021, duly safeguarding the interests of Huishang Bank as a whole and the legitimate rights and interests of all Shareholders, minority Shareholders in particular. I hereby briefly report my work in 2021 as follows:

I. Duty Performance on the Board of Directors

In 2021, Huishang Bank held 14 meetings of the Board of Directors in total and I attended all meetings in person without attending through proxy or being absent. I attended the meetings, proposed advices and suggestions and exercised voting rights in compliance with laws and regulations. Following the principles of being diligent, practical, honest and

responsible, I carefully considered all resolutions considered and voted at the Board meetings, especially major related party transactions, the selection and appraisal of Directors and senior management, annual profit distribution and other major matters, expressed my opinions and made independent, professional and objective judgments on them after objective and prudent consideration on all resolutions.

II. Work on Special Committees

As the chairman of the Related Party Transaction Control Committee of the Bank, I chaired 9 meetings of the Related Party Transaction Control Committee during the year in accordance with the relevant laws and regulations on related party transactions of banking and insurance institutions and the Work Rules of the Related Party Transaction Control Committee, the Administrative Measures for the Control of Related Party Transactions and other systems of Huishang Bank. I focused on reviewing whether the major shareholder exerted influence on the transaction, whether the terms of the transaction were better than similar transactions by non-related parties, whether the transaction was detrimental to the interests of other shareholders, and issued an audit opinion, and performed the duties of members of the Related Party Transaction Control Committee as conferred by the Board of Directors.

As a member of the Nomination and Remuneration Committee of the Board of Directors, I attended all 6 meetings throughout the year, and expressed opinions on matters such as the addition of Directors and senior management, and the performance appraisal of Directors and senior management in accordance with the Work Rules of the Nomination and Remuneration Committee and other rules and performed the duties of members of the Nomination and Remuneration Committee.

As a member of the Audit Committee of the Board of Directors, I attended all 3 meetings throughout the year and gave opinions and suggestions on the implementation of the Bank's internal audit system and supervised the authenticity, accuracy, completeness and timeliness of the Bank's financial reporting information in accordance with the Work Rules of the Audit Committee of Huishang Bank and other rules.

III. Work on Safeguarding the Legitimate Rights and Interests of Public Shareholders

(I) Supervision on corporate governance structure, operation and management of the Bank

I conducted researches and learnt about relevant systems on corporate governance and the implementation, the operation and management conditions, the establishment, improvement and implementation of internal control as well as the implementation and tracking of resolutions at the Board meetings by the management. For major issues determined by the Board of Directors, I carefully reviewed the conditions and information provided by the Bank and expressed professional opinions in the decision-making by the Board of Directors based on my own professional knowledge.

(II) Continuous attention to the information disclosure efforts of the Bank

I carried out effective supervision and verification on the timely and accurate disclosure of required information to facilitate the Bank to perform information disclosure obligations in a truthful, timely, complete and accurate manner in strict compliance with relevant systems. The Bank also enhanced voluntary disclosure, which ensured equal and open activities on investor relations management, guaranteed fairness in information disclosure of the Bank and practically safeguarded the legitimate rights and interests of investors and public Shareholders.

IV. Keep Working Diligently and Continue to Faithfully Perform Duties of Independent Non-Executive Directors

Since my appointment as an independent non-executive Director in January 2019, I have been carefully learning about relevant national policies on finance and the guidelines on supporting finance in serving the real economy. In 2022, I will continue to carefully perform my obligations as an independent non-executive Director on integrity and diligence towards Huishang Bank and all Shareholders; in accordance with relevant laws and regulations and the Articles of Association, earnestly perform the duties and safeguard the interests of the Bank as a whole and particularly ensure that the legitimate rights and interests of minority Shareholders are not jeopardized; perform the duties independently and should not be affected by substantial Shareholders or other institutions or individuals with interest in Huishang Bank; and devote sufficient time and vigor in effectively performing the duties of independent non-executive Directors.

The Board of Supervisors conducted appraisal on the duty performance of the Board of Directors and the Directors for the year 2021 in accordance with the regulatory provisions of the Governance Standards and the Measures for the Evaluation of Performance of Duties and the requirements of the Articles of Association of the Bank. The evaluation was conducted on the Bank's Board of Directors and the Directors who have been in office for more than half a year in 2021. The results of the evaluation were considered and approved at the 32nd meeting of the fourth session of the Board of Supervisors.

I. OVERALL APPRAISAL

In 2021, faced with the severe and complex operation environment at home and abroad and the increasingly intensified market competition, the Board of Directors carefully implemented national economic and financial policies and regulatory requirements, adhered to the prudent and stable operation philosophy, fully implemented resolutions of the general meetings, performed duties diligently and made scientific decisions in accordance with laws and regulations and continuously enhanced strategic management. It actively promoted capital replenishment, focused on strengthening internal control and risk management, carried out information disclosure in accordance with laws and constantly improved corporate governance, achieving the goal of improvement while maintaining stable. Based on the requirements on their duties, special committees under the Board of Directors deeply studied and discussed relevant resolutions and special reports, proposed constructive advices and suggestions and provided supports to the scientific and efficient decision-making by the Board of Directors, solidly promoting the high-quality development of Huishang Bank.

Members of the Board of Directors initiatively abided by relevant laws and regulations and the Articles of Association of the Bank, actively safeguarded the legitimate interests of the Bank, shareholders, employees and other stakeholders, strictly kept the secrets of the Bank confidential, fully displayed their initiative, professionalism and independence in duty performance, exercised their powers in accordance with laws and regulations and loyally performed their duties. They tided over the impacts of the pandemic, proactively attended meetings of the Board of Directors and its specific committees, earnestly studied and considered all resolutions, paid continuous attention to the corporate governance, strategic planning, financial management, internal control of the Bank and the protection of consumers' interests, independently, professionally and objectively expressed opinions and well performed various duties granted by the Articles of Association of the Bank.

Executive Directors displayed the role as the link between the Board of Directors and senior management, carefully performed dual responsibilities on decision-making and implementation, accurately judged the operation situation, deeply studied decision-making matters, actively reported decision-making matters, operation conditions and regulatory inspections to the Board of Directors and assisted senior management in well completing the annual operation plan formulated by the Board of Directors.

Non-executive Directors effectively played the role as the bridge between shareholders and the Bank. Based on the long-term interests of the Bank, they actively conducted communications and coordination between the Bank and shareholders, carefully studied relevant resolutions, paid attention to the legitimacy and compliance of the decision-making procedures of the Board of Directors and proposed constructive advices and suggestions on significant decision-making matters of the Board of Directors.

Independent non-executive Directors emphasized the protection of the legitimate rights and interests of minority Shareholders and financial consumers, fully displayed their professional skills and experiences, proactively understood the overall development conditions of the banking industry and the operation and management conditions of the Bank and objectively and fairly expressed independent opinions on the development strategy, capital management, related party transactions, the disposal of non-performing loans, profit distribution and other matters of the Bank, playing an active role in the improving the scientific decision-making by the Board of Directors.

- (I) **Strengthening strategic leadership and achieving improvement while maintaining stable in the development.** The Board of Directors accurately mastered the macro situation, followed the “14th Five-year” strategic plans of the state and Anhui Province and formulated and introduced the 2021-2025 Strategic Plan of Huishang Bank based on changes in the internal and external environment and the development trend of the banking industry. It promoted the building of an outstanding local mainstream bank serving economic and social development with customers as the center, digital transformation as the main line, the institutional business as the body and corporate light-asset business and digital retail business as two wings. The Board of Directors maintained its strategic focus, set out clear development orientations, actively responded to market changes and stably advanced the digital transformation. It implemented key strategic layouts of the state, facilitated the construction of “Three Places and One District” in Anhui, and completed the granting of loans to scientific and technological innovation, green finance, rural revitalization, strategic and emerging industries and other key sectors, completing the target on “two increases and two controls”.

- (II) **Optimizing the operation of mechanisms and continuously improving the corporate governance.** The Board of Directors strictly carried out pre-procedures of research and discussion by the Party committee of the Bank on significant events and advanced the deep integration of the comprehensive Party leadership into all links of corporate governance. It constantly optimized the structure of the Board of Directors, completed the addition of Directors, creating a sound corporate governance environment. The Board of Directors earnestly implemented the Governance Standards and other regulatory requirements, amended the Articles of Association in a timely manner. Throughout the year, it efficiently performed duties on matter discussion, organized and convened 2 general meetings, 47 meetings of the Board of Directors and all special committees, considered and approved over 170 major decisions and resolutions, continuously improving the operation efficiency of the Board of Directors.
- (III) **Strengthening shareholder management and information disclosure and continuously consolidating investor relations management.** The Board of Directors actively conveyed regulatory policies, promoted substantial Shareholders and relevant holders of shares to supplement and improve undertakings of shareholders. It completed the annual assessment on the performance of duties and contracts by substantial Shareholders in accordance with laws and facilitated the qualifications of relevant substantial Shareholders to continuously meet standards. It carefully carried out communications and services for investors and responded to concerns of various parties. The Board of Directors effectively performed obligations on information disclosure, completed the disclosure of regular reports, temporary announcements, the amendments to the Articles of Association, the issuance of tier 2 capital bonds and other important information in accordance with regulations and fully guaranteed the right to information of Shareholders and other stakeholders.
- (IV) **Expanding channels for capital replenishment and continuously improving capital management.** The Board of Directors completed the registration of non-public issuance shares in a timely manner, replenished core tier 1 capitals, successfully issued tier 2 capital bonds, smoothly completed the redemption of preference shares upon maturity. It reasonably determined the proportion of cash dividend and enhanced endogenous capital replenishment. The regulatory indicators such as core tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Bank continually met regulatory requirements.

- (V) **Improving the internal control system and continuously enhancing risk control ability.** The Board of Directors established and improved the internal control assessment mechanism, fully carried out assessment on the effectiveness of the internal control of branches and subsidiaries and implemented special audit on reputation risk, market risk and off-balance businesses and comprehensive audit on information technology for the first time. It formulated the five-year strategic plan on the management of business continuity, improved the management of recovery and disposal plans and continuously enhanced the crisis management capability. It promoted the establishment of the digital risk control system and preliminarily built the risk data mart and the whole-process risk alarming and management platform. The Board of Directors vigorously advanced the disposal of non-performing assets undertaken from the former Baoshang Bank, strengthened risk management on branches out of the region, strictly prevented large-scale risk occurrence and strived to hold the bottom line of preventing systematic risks.
- (VI) **Coordinating the management of the Group and constantly increasing the contribution of subsidiaries.** The Board of Directors coordinated the layout on group-oriented development, established and improved the mechanism on the management of subsidiaries and strengthened financial, risk and consolidated financial statements management. It advanced the strategic coordination and business linkage of the parent and subsidiaries and successfully completed the compliance rectification of existing wealth management products. The contribution of subsidiaries to the Group has been continuously increasing.

II. APPRAISAL RESULTS

The appraisal results of the Board of Directors and Directors in 2021 are all competent after the comprehensive appraisal of the Board of Supervisors.

The Board of Supervisors appraised the duty performance of the Supervisors for the year 2021 in accordance with the Governance Standards and the Measures for the Evaluation of Performance of Duties and the requirements of the Articles of Association of the Bank and relevant systems of the Board of Supervisors. The appraisal results were considered and approved at the 32nd meeting of the fourth session of the Board of Supervisors.

I. OVERALL APPRAISAL

In 2021, all Supervisors strictly abided by laws and regulations, regulatory systems and the Articles of Association of the Bank, faithfully performed fiduciary duties in good faith, independently performed duties in compliance with laws and regulations. They tided over the impacts of the pandemic, attended various important meetings, participated in supervisions, inspections and trainings carried out by the Board of Supervisors, raised questions and proposed reasonable suggestions based on their own professional knowledge, experiences and working experience to promote the Board of Supervisors conducting effective supervision, safeguarded the legitimate interests of the Bank, all Shareholders and stakeholders; reported relevant personal information and related relationship on their own initiative, performed abstention obligations according to relevant requirements and accepted supervision by regulatory authorities and the Board of Supervisors. The working time of all Supervisors in the Bank met regulatory requirements and the provisions of the Articles of Association of the Bank.

- (I) **Faithfully performing duties and practically safeguarding the interests of the Bank and related parties.** All Supervisors acted in the best interests of the Bank, faithfully performed their duties, strictly abided by their commitment on duty performance, kept the Bank's secrets confidential, truthfully informed their full-time and part-time positions and ensured their qualifications in compliance with regulatory requirements. They attached great importance to matters that may harm the Bank's interests, promoted the rectification of issues identified in time, served the best interests of the Bank and all Shareholders and practically safeguarded the legitimate rights and interests of stakeholders.

- (II) **Performing duties diligently and actively attending relevant meetings.** All Supervisors devoted sufficient time and vigor in participating in the affairs of the Bank, and actively attended relevant meetings of the Board of Supervisors. In 2021, the Board of Supervisors organized and held 21 meetings of the Board of Supervisors and its special committees. Supervisors attended more than two-thirds of on-site meetings of the Board of Supervisors in person. All Supervisors carefully considered and reviewed all resolutions and expressed opinions and voted in a prudent and objective manner to safeguard the interests of the Bank, all Shareholders and other stakeholders. Some Supervisors attended the 2020 annual general meeting and the 2021 first extraordinary general meeting of the Bank and supervised the contents of the meetings and the voting on all resolutions at the

meetings with lawyers and shareholder representatives. Supervisors actively attended relevant meetings of the Board of Directors and senior management, supervised the Board of Directors, Directors, senior management and its members in abiding by laws and regulations and the Articles of Association of the Bank in the decision-making process, the implementation of resolutions at general meetings and regulatory opinions as well as the exercise of powers and the performance of obligations in accordance with laws on corporate governance, development strategies, operation and management, internal risk control, related party transactions, data governance and the protection of consumers' interests and made recommendations when appropriate.

- (III) **Actively promoting the effective supervision by the Board of Supervisors in a professional and efficient manner.** All Supervisors continuously paid attention to the operation, management and risks of the Bank and actively promoted the Board of Supervisors to conduct effective supervision based on the positioning of duties and their own professional knowledge, experiences and working experience. They earnestly appraised the scientificity, reasonableness and robustness of development strategies of the Bank and their implementation, proposed advices and suggestions on enhancing the adaptability of strategic plans, promoting the effective implementation of strategic plans and paying attention to pressures on capital, risks, finance and cross-regional management and control. They carefully reviewed the truthfulness, accuracy and completeness of the Bank's regular reports and the compliance and rationality of the profit distribution plan, listened to reports on external audits, proposed audit opinions and facilitated the optimization of the asset and liability structure. They paid close attention to the capital adequacy and liquidity management indicators at the required level, carefully reviewed capital replenishment plans, liquidity stress testing and other resolutions and promoted the regulatory indicators on capital and liquidity constantly at the required level. They attached great importance to supervision on internal control and risk management, considered and reviewed reports on risk supervision and evaluation, compliance risk, internal control evaluation and internal audit, as well as systems on credit risk, liquidity risk and reputation risk, supervised the performance of duties on major risk management and proposed suggestions on strengthening the application of internal control evaluation results, accelerating the digital transformation of audit and enhancing comprehensive risk management. For important risk points and regulatory concerns, they proposed to pay attention to risk management on branches out of the province, real estate and the solving of implicit debts of local governments and strengthen monitoring and control on regions with high frequency of risks. They cared about the operation and development of the Bank, paid attention to the implementation of resolutions of the general meeting, the Board of Directors and the Board of Supervisors, and proposed suggestions on attaching importance to development opportunities under rural revitalization strategies and continuously accelerating transformation to retail business.

- (IV) **Actively participating in key supervision projects of the Board of Supervisors in an independent and objective manner.** All Supervisors participated in key supervision projects of the Board of Supervisors with high-standard code of ethics and performed supervisory duties independently. They conducted in-depth annual performance appraisal on the Board of Directors, Directors, senior management and its members, participated in the formulation of appraisal plans, listened to opinions and suggestions at multi-level symposiums, organized the solicitation of written opinions and questionnaires, carefully reviewed the report on duties, attendance at meetings, expression of opinions, appraisals and other materials of the appraised objects, objectively formed the appraisal results on duty performance of the Board of Directors, Directors, senior management and its members. They studied and discussed the appraisal plan on duty performance for 2021 based on regulatory requirements and optimized related processes to further promote effective performance of duties by the Board of Directors, Directors, senior management and its members. The Board of Supervisors fully studied and determined audit plans, appointed third-party institutions to organize the implementation of resignation audit on relevant senior executives, and proposed relevant audit suggestions. They actively participated in special supervisions and inspections on collateral management, organized special interviews, on-site inspections and off-site analysis, reviewed major problems in collateral management and proposed targeted improvement suggestions from the perspective of the Board of Supervisors.
- (V) **Actively promoting the implementation of the rectification of regulatory opinions with prudence and in compliance with laws.** All Supervisors continuously learned about and mastered the latest regulatory regulations and relevant operation and management systems of the Bank. They deeply studied and implemented the Governance Standards and the Measures for the Evaluation of Performance of Duties, revised the measures for the evaluation of performance of duties on the Board of Directors, Directors, the Board of Supervisors and Supervisors in a timely manner and proposed opinions on amendments to the Articles of Association and the rules of procedure of the Board of Supervisors of the Bank. They conscientiously implemented the requirements of the regulatory authorities on effective duty performance of the Board of Supervisors, amended the administrative measures for resolutions of the Board of Supervisors, guaranteed the right to information of Supervisors and improved the effectiveness of the supervision of the Board of Supervisors from the perspective of the establishment of systems. They tracked and urged the rectification and implementation of the appraisal opinions on authorized management and supervision, as well as the implementation and improvement of the advices and suggestions of the Board of Supervisors on performance appraisal, regular reports, internal control evaluation and implementation of strategies to establish a virtuous cycle mechanism. They earnestly studied the regulatory interview summaries, letters of regulatory opinions and regulatory prompts, actively attended regulatory interviews, regularly reviewed reports on the implementation of guiding opinions on high-quality development, and continuously promoted the rectification of regulatory opinions.

**APPENDIX XII THE APPRAISAL REPORT BY THE BOARD OF
SUPERVISORS ON THE PERFORMANCE OF
DUTIES BY THE SUPERVISORS FOR 2021**

II. CLASSIFIED APPRAISAL

In 2021, employee supervisors of the Bank actively gave full play to the advantages of familiarity with operation and management, answered the questions and expressed opinions on relevant issues on their own initiative. For the establishment of rules and systems concerning the tangible interests of employees, they earnestly listened to the opinions and suggestions of employees and actively participated in the supervision and inspection on the implementation of the systems.

Shareholder supervisors carefully studied and discussed regular reports, the profit distribution plan and other resolutions, actively communicated and explained the concerns of relevant shareholders, and paid attention to the dynamics of development strategies, asset quality, major risks, operation strategies, capital replenishment and proposed constructive advices and suggestions in time based on the overall long-term development of the Bank.

External supervisors actively attended relevant meetings in strict compliance with regulatory requirements, carefully reviewed relevant resolutions, proposed independent and objective advices and suggestions on risks of branches in different regions, the implementation of strategies, the transformation of retail business, and special supervisions and inspections, effectively safeguarded the overall interests of the Bank and the legitimate rights and interests of minority Shareholders and carried out effective supervision on duty performance of the Board of Directors and senior management of the Bank and the implementation of financial activities, risk management and internal control. External supervisors serving as the chairmen of special committees organized various activities of the special committees in a timely manner, reviewed relevant resolutions, summarized preliminary review opinions and reported to the Board of Supervisors, providing important reference for the decision-making of the Board of Supervisors.

Members of the Nomination Committee and the Supervisory Committee paid close attention to the relevant matters within the scope of responsibilities of special committees, gave full play to their own expertise, proposed professional advices and suggestions, offered their advices and suggestions to the Board of Supervisors in making scientific decision-making and efficient matter discussion.

III. APPRAISAL RESULTS

The appraisal results of all Supervisors in 2021 are all competent after the appraisal of the Board of Supervisors.

**APPENDIX XIII THE APPRAISAL REPORT BY THE BOARD OF SUPERVISORS
ON THE PERFORMANCE OF DUTIES BY THE SENIOR
MANAGEMENT AND ITS MEMBERS FOR 2021**

The Board of Supervisors launched the appraisal work on the duty performance of the senior management and its members for the year 2021 in accordance with the Governance Standards and the Work Guidelines for the Board of Supervisors of Commercial Banks and the requirements of the Articles of Association of the Bank. The subjects of this appraisal were the Bank's senior management and the senior management members that are in office as of December 31, 2021. The results of the appraisal were considered and approved at the 32nd meeting of the fourth session of the Board of Supervisors.

I. OVERALL APPRAISAL

In 2021, in the face of various severe challenges at home and abroad, the senior management thoroughly implemented national economic and financial policies, conscientiously carried out regulatory requirements and resolutions of the Board of Directors, coordinately promoted the prevention and control of the pandemic, business development and financial services and practically fulfilled responsibilities on risk and internal control and compliance management. It actively promoted the implementation of the new round of strategic planning, duly completed the annual business plan and work tasks set by the Board of Directors, effectively served the real economies, continuously improved asset quality and constantly optimized the balanced mechanism on internal control, making solid steps in high-quality development.

In 2021, members of senior management observed relevant laws and regulations, regulatory requirements and the provisions of the Articles of Association of the Bank, initiatively accepted the supervision of regulatory authorities and the Board of Supervisors, adhered to operation based on the scope of authorization, strengthened labor division and collaboration, honestly and diligently performed their duties, took initiatives, overcame difficulties and led their lines of business and departments in actively responding to market changes. They focused on solving contradictions and problems in operation and management and fully performed responsibilities on operation management, financial management, risk management, internal control and compliance management, data governance, case prevention and the protection of consumers' interests. They duly completed work tasks within the scope of their responsibilities.

- (I) Coordinating the prevention and control of the pandemic and business development and achieving a good beginning of the five-year plan.** The senior management fully implemented national decisions and deployments on the prevention and control of the pandemic, strictly fulfilled local requirements on pandemic prevention and control, persistently, strictly and meticulously carried out the normalized pandemic prevention and control and achieved no infection of employees and no interruption of business operations of branches. They attached equal importance to pandemic prevention and control and operation and development, promoted business development in an all-round way, achieved stable growth in assets and liabilities, deposits and loans, operating revenue and net profit

and continuously improved capital adequacy, well achieving the periodic targets under the new round of the five-year plan. They advanced the implementation of the five-year development plan on branches out of Anhui Province, regularly held special scheduling meetings on support and assistance and achieved the sustained and steady development of four new branches undertaken.

- (II) **Adhering to giving priority to and hitting a new high in the market share of deposits.** The senior management firmly adhered to the concept of “putting deposits in a paramount position of the Bank” and took various measures to expand the customer base and promote steady increase in deposits. They deeply carried out “Approaching Clients” activities, entered into strategic cooperation agreements with local governments, key enterprises and institutions in the industry, consolidated the corporate customer base and stabilized the fundamentals of the corporate business. They solidly conducted marketing and continuous retail marketing campaigns in peak seasons, built the marketing brand of “Enjoying Huishang Bank in Wealth Carnival(徽享財富節)” in peak seasons and vigorously promoted issuance and marketing of third-generation social insurance cards. With the rapid increase of active customers of retail, mobile banking and credit cards and the continuous growth of savings deposits, the retail business displayed the role as the “stabilizer” and “anchor”.
- (III) **Delivering fruitful results in serving real economies and fully completing policy indicators.** The senior management implemented major national policies, boosted high-quality credit supply on finance for people’s livelihood, key projects, rural revitalization, small and micro enterprises and pandemic prevention and control, facilitated the construction of “Three Places and One District” in Anhui Province and the rapid increase in loans to technology enterprises, strategic emerging industries and manufacturing industries. It expanded non-credit channels to serve local economies, actively invested in corporate credit bonds, debt financing plans and local government bonds, launched the first green bonds of private enterprises in Anhui Province and registered the first notes on rural revitalization in the province. The Bank fully fulfilled the loan granting target of guidance policy finance in areas such as “two increases and two controls” and private enterprises and achieved a continuous decrease in the interest rate of loans to inclusive small and micro enterprises. The Bank was awarded “Excellent” grade in the assessment on support for local development by the provincial government for five consecutive years.

(IV) **Advancing the disposal of risks in an orderly manner and continuously improving asset quality.** The non-performing loan ratio decreased steadily and the provision coverage rate increased significantly. Remarkable progress was made in undertaking the disposal of non-performing assets and the quality of assets was continuously improved. The senior management carried out the special campaign of “two increases and two controls” and continuously strengthened the management of customers in different regions, real estate, Internet loans and non-credit businesses. It successfully completed the rectification of existing wealth management products in compliance with regulations. It earnestly implemented the three-year plan on capital replenishment, enhanced endogenous capital replenishment, successfully issued tier 2 capital bonds and further improved the capital adequacy ratio. The Bank established a risk appraisal mechanism on individual entities, built a management system on recovery and disposal, issued the five-year plan on business continuity management, improved the management system on reputation risk, conducted regular stress testing on liquidity risk and further improved the overall risk management system. It launched a full-process risk early warning and management platform, optimized the management system on risk limitations of portfolios, improved the systems on Internet loans, built a remote intelligent authorization system and accelerated the construction of the digital risk control system.

(V) **Implementing the balanced mechanism on internal control and continuously strengthening compliance management.** The senior management strictly implemented regulatory policies, strengthened the implementation of regulatory opinions and suggestions and inspected the rectification of problems and solidly carried out activities such as the “Year of Internal Control and Compliance Management Construction”, “Brightening the Branches” and compliance lectures, creating a sound cultural atmosphere on compliance. It has established an internal balanced system covering 11 business lines, 41 business types and 6,731 indicators of four levels, formed internal balanced standards on key businesses, important links and key personnel, continued to promote the implementation of the internal balanced system. It advanced the reform of the anti-money laundering operation model, organized risk assessment on outsourcing business, deeply carried out the “card nullifying” operation, improved disaster recovery and network security defense systems in the same city, continued to strengthen data governance, attached great importance to the protection of consumer’s right and interest and effectively prevented compliance risks on internal control.

II. APPRAISAL RESULTS

The appraisal results of the senior management and its member who participated in the performance appraisal in 2021 are all competent after the comprehensive appraisal of the Board of Supervisors.

I. THE 2020 ANNUAL GENERAL MEETING OF HUISHANG BANK CORPORATION LIMITED

The meeting was held on June 30, 2021 and a total of 12 resolutions were considered and approved by voting. The implementation is as follows:

1. To consider and approve the final financial accounts for 2020 of the Bank

Implementation: implemented. The Bank maintained steady growth in the overall size of assets and liabilities in 2020. New deposits and loans both exceeded RMB100 billion, hitting a new high in history. The operating revenue maintained a slight growth while the net profit declined to a certain extent due to the impacts of the macroeconomic situation and policies to reduce fees and share benefits. The overall asset quality was under control and the allowance-to-loan ratio maintained a high level. The Bank achieved a net profit of RMB9,921 million, amounting to 114.03% of the net profit in the budget. Its net interest income reached RMB25,752 million, amounting to 113.95% of the net interest income in the budget; the net fee and commission income was RMB3,617 million, amounting to 89.09% of the net fee and commission income in the budget; the operation and management fees reached RMB7,084 million, amounting to 91.88% of the operation and management fees in the budget; and the impairment allowance for assets was RMB12,197 million, amounting to 105.33% of the impairment allowance for assets in the budget. The Bank recorded customer deposits of RMB712,953 million, amounting to 101.31% of the customer deposits in the budget; customer loans (excluding finance leases) of RMB572,954 million, amounting to 104.92% of the amount in the budget; and securities investment of RMB510,527 million, amounting to 97.67% of the securities investment in the budget. Its non-performing loan ratio was 1.98%, achieving the target of controlling it within 2.28%.

2. To consider and approve the capital expense budget for 2021 of the Bank

Implementation: implemented. In 2021, the Bank carried out work within the limit of the budget. The Bank's capital expense budget amounted to RMB1,471 million and it actually implemented RMB813 million with a budget implementation rate of 55.28%. The budget on operating premises was RMB481 million and it actually implemented RMB182 million; the budget on technology investments was RMB730 million and it actually implemented RMB418 million; the budget on office furniture, equipment and cashier facilities was RMB51 million and it actually implemented RMB42 million; the budget on equipment for security and defense was RMB67 million and it actually implemented RMB43 million; and the budget on outlets improvement and renovation was RMB133 million and it actually implemented RMB125 million.

3. To consider and approve the profit distribution plan for 2020 of the Bank

Implementation: implemented. Based on the resolution passed at the 2020 annual general meeting, the Bank distributed no dividends for 2020.

4. To consider and approve the appointment of external auditors of the Bank for 2021

Implementation: implemented. Based on the resolution passed at the general meeting, it re-appointed Ernst & Young Hua Ming LLP (Special General Partnership) as the domestic auditor and Ernst & Young as the international auditor of the Bank for the year 2021, respectively.

5-6. To consider and approve the Work Report of the Board of Directors of the Bank for 2020 and to consider and approve the Work Report of the Board of Supervisors of the Bank for 2020

Implementation: implemented. Based on the requirements on the report and in 2021, the Board of Directors continued to follow the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, acted on the general principle of pursuing progress while ensuring stability; led the Bank to solidly carry out the work "ensuring stability on six key fronts" and fully implemented tasks on maintaining "security in six key areas"; focused on high-quality development as the main line and strived to build a leading digital city commercial bank; and focused on new pattern, new stage, new concept, new strategies, new abilities. It strongly supported the Bank to focus on five key tasks, namely assets input, coordinated development, customer service, digital banking and fundamental management. In 2021, the Board of Supervisors put forth efforts in improving the comprehensiveness, pertinence and effectiveness of supervision over performance of duties, risks, financial affairs, internal control and strategies, organized and conducted the evaluation of the performance of duties by Directors, Supervisors and the senior management, special supervision and inspection of collateral management and supervision and assessment of strategy implementation, optimized the working mechanism of the Board of Supervisors on an ongoing basis, and faithfully fulfilled the obligations of supervision over corporate governance.

7-8. To consider and approve the election of Mr. Ma Lingxiao as a non-executive Director of the fourth session of the Board of Directors of the Bank and to consider and approve the election of Mr. Wang Zhaoyuan as a non-executive Director of the fourth session of the Board of Directors of the Bank

Implementation: implemented. The qualification of Ma Lingxiao as a Director of the Bank was approved by the CBIRC Anhui Office in November 2021 and his appointment took effect from November 25, 2021. The qualification of Wang Zhaoyuan as a Director of the Bank was approved by the CBIRC Anhui Office in October 2021 and his appointment took effect from October 28, 2021.

9. To consider and approve the resolution on the general mandate for the issuance of Shares of the Bank

Implementation: implemented. As considered and approved at the general meeting, it approved to authorize the Board of Directors the general mandate for the issuance of Shares and the delegation of authorizations by the Board of Directors. Such mandate was not utilized in 2021.

10-11. To consider and approve the resolution on the extension of the validity period of the plan on the initial public offering and listing of A Shares (the “A Share Offering”) of the Bank and to consider and approve the resolution on the extension of the validity period of the authorization of the Board of Directors to deal with specific matters in respect of the A Share Offering

Implementation: implemented. The Bank will continue to advance the preparation of various regulatory filing materials in an orderly manner, continue to fully communicate with regulatory authorities, Directors, Shareholders and professional institutions and prepare for the application of the A Share Offering.

12. To consider and approve the resolution on change of business scope and amendment to the Articles of Association of the Bank

Implementation: under implementation. Considering that several new regulatory provisions since 2021 involve the amendments to the Articles of Association, the amendments to the articles on the business scope will be reported to the regulatory authorities for approval together with the subsequent amendments to the Articles of Association in accordance with the new regulatory provisions.

II. THE 2021 FIRST EXTRAORDINARY GENERAL MEETING OF HUIZHANG BANK CORPORATION LIMITED

The meeting was held on December 30, 2021 and a total of 2 resolutions were considered and approved by voting. The implementation of the resolutions is as follows:

1. To consider and approve the election of Mr. Xu Jiabin as an independent non-executive Director of the fourth session of the Board of Directors of the Bank

Implementation: under implementation. The Bank has submitted the relevant application materials on Mr. Xu Jiabin’s qualification as a Director to the CBIRC Anhui Office and it is subject to the approval of the regulatory authorities.

2. To consider and approve the resolution on the change of domicile and the amendment to the Articles of Association of the Bank

Implementation: implemented. In March 2022, the Bank received the Approval of the CBIRC Anhui Office in relation to the Change of Domicile of Huishang Bank (Wan Yin Bao Jian Fu [2022] No. 36), pursuant to which the CBIRC Anhui Office approved the change of the domicile of the Bank to Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province. In this regard, the Bank also amended the relevant articles of the Articles of Association, and handled relevant procedures such as the industrial and commercial changes (filing) registration for the change of domicile and the amendments to the Articles of Association.

NOTICE OF THE ANNUAL GENERAL MEETING



Huishang Bank Corporation Limited*

徽商銀行股份有限公司*

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

(Stock Code: 3698)

NOTICE OF THE 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “**AGM**” or the “**Meeting**”) of Huishang Bank Corporation Limited* (the “**Bank**”) will be held at 9:00 a.m. on Thursday, June 30, 2022 at the Anhui Hall, 4/F, Anhui Hotel, No. 18 Meishan Road, Hefei, Anhui Province, the People’s Republic of China (the “**PRC**”). Details are as follows:

RESOLUTIONS

- (1) To consider and approve the final financial accounts for 2021 of the Bank;
- (2) To consider and approve the capital expense budget for 2022 of the Bank;
- (3) To consider and approve the profit distribution plan for 2021 of the Bank;
- (4) To consider and approve the appointment of external auditors of the Bank for 2022;
- (5) To consider and approve the Work Report of the Board of Directors of the Bank for 2021;
- (6) To consider and approve the Work Report of the Board of Supervisors of the Bank for 2021;
- (7) To determine the remuneration standards for executive directors of the Bank for 2019;
- (8) To determine the remuneration standard for the former chairman of the Board of Supervisors of the Bank for 2019;
- (9) To consider and approve the Rules of Procedure of the Shareholders’ General Meeting of Huishang Bank Corporation Limited (Revised);
- (10) To consider and approve the Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited (Revised);
- (11) To consider and approve the Rules of Procedure of the Board of Supervisors of Huishang Bank Corporation Limited (Revised);

NOTICE OF THE ANNUAL GENERAL MEETING

- (12) To consider and approve the election of Ms. Shao Dehui as a non-executive director of the fourth session of the Board of Directors of the Bank;
- (13) To consider and approve the resolution on the general mandate for the issuance of shares of the Bank;
- (14) To consider and approve the resolution on the extension of the validity period of the plan on the initial public offering and listing of A shares (the “A Share Offering”) of the Bank;
- (15) To consider and approve the resolution on the extension of the validity period of the authorization of the Board of Directors to deal with specific matters in respect of the A Share Offering;
- (16) To consider and approve the articles of association of the Bank (Revised);

For the above resolutions, the resolutions numbered (1) to (12) are ordinary resolutions and the resolutions numbered (13) to (16) are special resolutions.

OTHER MATTERS

- (17) To receive the Report on Related Party Transactions for 2021 of the Bank;
- (18) To receive the Report on Duties by the Independent Non-executive Directors for 2021 of the Bank;
- (19) To receive the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Board of Directors and Directors for 2021;
- (20) To receive the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Supervisors for 2021;
- (21) To receive the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Senior Management and its Members for 2021; and
- (22) To receive the Report on the Implementation of Resolutions of Shareholders’ General Meetings.

By order of the Board
Huishang Bank Corporation Limited*
Yan Chen
Chairman

Hefei, Anhui Province, the PRC
May 13, 2022

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all votes of resolutions at the AGM will be taken by poll except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the voting results will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Bank (www.hsbank.com.cn) in accordance with the Listing Rules.

2. **Closure of register of members and eligibility for attending and voting at the AGM**

The register of members of the Bank will be closed from Tuesday, May 31, 2022 to Thursday, June 30, 2022 (both days inclusive), during which time no transfer of Shares of the Bank will be effected and registered. H Shareholders of the Bank are advised that in order to qualify for attending and voting at the AGM, relevant transfer documents must be lodged with the Bank’s H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, May 30, 2022.

Shareholders of the Bank whose names appear on the register of members of the Bank at the close of business on Monday, May 30, 2022 are entitled to attend and vote at the AGM.

3. **Reply slip**

Shareholders intending to attend and vote at the AGM in person or by proxy should complete and lodge the accompanying reply slip and return it to the Bank’s H share registrar (for H Shareholders) or the address of the registered office and principal place of business in the PRC (for Domestic Shareholders) of the Bank by 4:30 p.m. on Friday, June 10, 2022. The reply slip may be delivered by hand, by post or by fax to the Bank’s H share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the address of the registered office and principal place of business in the PRC (for Domestic Shareholders) of the Bank. Completion and return of the reply slip will not preclude the Shareholders from attending and voting at the AGM.

However, the failure to return the reply slip may result in an adjournment of the AGM, if the number of Shares carrying voting rights represented by the Shareholders proposing to attend the AGM by reply slip does not reach more than half of the total number of shares of the Bank carrying voting rights at the AGM.

4. **Proxy**

Every Shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Bank, to attend and vote on his/her behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorized in writing. If the appointer is a legal person, the instrument shall be signed under a legal person’s seal or signed by its director or an attorney duly authorized in writing. In order to be valid, the instrument appointing a proxy and the power of attorney or other documents of authority (if any) under which it is signed, or a copy of such authority notarially certified, must be completed and returned to the Bank’s H share registrar (for H Shareholders) or the registered office and principal place of business in the PRC (for Domestic Shareholders) of the Bank no later than 24 hours before the time fixed for holding the AGM (i.e. 9:00 a.m. on Wednesday, June 29, 2022) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

5. According to the articles of association of the Bank, where a shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such shareholder at the shareholders’ general meetings shall be subject to restrictions.

NOTICE OF THE ANNUAL GENERAL MEETING

6. Other businesses

- A. In order to safeguard the legitimate rights and interests of all Shareholders and protect the physical wellness of the attendees, reminders for relevant matters of the Meeting are hereby provided below:
- a) To fully safeguarded the Shareholders in exercising their voting rights while ensuring the prevention and control of COVID-19, the Bank recommends Domestic Shareholders and H Shareholders to appoint the chairman of the meeting to vote on their behalf onsite so as to reduce the risks borne by the Shareholders on their trips to and from the venue and downsize group gathering at the venue, as well as protect the physical wellness of the Shareholders and the attendees to the greatest extent.
 - b) For Shareholders who wish to access information of the onsite situation of the Meeting, please complete and return the proxy form. The Bank will provide a phone channel for accessing the onsite Meeting after making necessary identity authentication. Please contact the Board office of the Bank through the methods set out in note 6C. to this notice by 5:30 p.m. on Thursday, June 23, 2022 for registration and phone access related services if the above is requested.
 - c) For Shareholders who wish to attend the Meeting in person, please pay close attention to the prevention and control policies of COVID-19 and the latest development in Hefei, where the Meeting will be convened. The Bank will request the attendees to implement relevant measures based on the latest requirements on prevention and control of COVID-19, including but not limited to: (i) before entering into the venue of the Meeting, attendees are requested to cooperate with the on-site staff in their arrangements to provide health QR code, travel QR code and take temperature; (ii) to wear face masks during the Meeting and maintain proper distance with other attendees; (iii) attendees who come (back) to Hefei from other places are required to do nucleic acid testing in advance according to the requirements on prevention and control of COVID-19 in Hefei, and shall comply with relevant control requirements; (iv) if the attendee has symptoms such as fever, cough, diarrhea, hyposmia or hypogeusia, such attendee shall be replaced.
- B. The AGM is expected to last for no more than half day. Shareholders and their proxies attending the Meeting shall bear their own traveling and accommodation expenses.
- C. The address of Computershare Hong Kong Investor Services Limited is:

17M Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong
Tel No.: (852) 2862 8628
Fax No.: (852) 2865 0990

The address of the registered office and principal place of business in the PRC of the Bank:

The Board Office
Huishang Bank Building, No. 1699 Yungu Road
Hefei, Anhui Province
the PRC
Tel No.: (86) 0551 6266 7787/6519 5721
Fax No.: (86) 0551 6266 7787

As at the date of this notice, the board of directors of the Bank comprises Yan Chen and Zhang Renfu as executive directors; Ma Lingxiao, Wu Tian, Wang Zhaoyuan, Qian Dongsheng, Gao Yang, Wang Wenjin and Zhao Zongren as non-executive directors; Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng and Huang Aiming as independent non-executive directors.

* *Huishang Bank Corporation Limited 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/deposit-taking business in Hong Kong.*