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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)

ANNOUNCEMENT IN RELATION TO THE APPROVAL FROM CBRC ANHUI BUREAU CONCERNING THE ISSUANCE OF OFFSHORE PREFERENCE SHARES AND AMENDMENTS TO THE ARTICLES AND THE APPROVAL FROM CSRC CONCERNING THE ISSUANCE OF OFFSHORE PREFERENCE SHARES

Reference is made to the shareholders' circular of Huishang Bank Corporation Limited (the "**Bank**") dated 12 April 2016 and the announcements of the Bank dated 19 May 2016, 25 May 2015 and 20 June 2016, respectively. At the 2015 Annual General Meeting, the 2016 First Class Meeting for Domestic Shareholders and the 2016 First Class Meeting for H Shareholders held on 20 June 2016, the resolution in relation to the non-public issuance of offshore preference shares was considered and approved respectively. Meanwhile, at the 2015 Annual General Meeting, the resolution in relation to the proposed amendments to the Articles of Association of Huishang Bank Corporation Limited (the "**Articles**") was considered and approved.

I. THE APPROVAL FROM CBRC ANHUI BUREAU CONCERNING THE ISSUANCE OF OFFSHORE PREFERENCE SHARES AND AMENDMENTS TO THE ARTICLES

On 12 September 2016, the Bank received the "Approval from CBRC Anhui Bureau Concerning the Issuance of Offshore Preference Shares and Amendments to the Articles of Association by Huishang Bank Corporation Limited" (Wan Yin Jian Fu [2016] No.109) issued by the Anhui Bureau of China Banking Regulatory Commission (the "**CBRC Anhui Bureau**") pursuant to which, the CBRC Anhui Bureau approved the Bank's issuance of up to 60 million offshore preference shares, which will raise proceeds not exceeding RMB6 billion or its equivalent in foreign currencies and which will be treated as Additional Tier 1 Capital of the Bank in accordance with relevant regulatory requirements. Approval was also granted to the amended Articles.

A comparison table of the amendments to the Articles is attached to this announcement for reference and the amended Articles will become effective on the date when the issuance of the first tranche of the offshore preference shares is completed and the Bank will publish the amended Articles prior to the completion of such issuance.

II. THE APPROVAL FROM CSRC CONCERNING THE ISSUANCE OF OFFSHORE PREFERENCE SHARES

On 21 October 2016, the Bank received the “Approval Concerning the Issuance of Offshore Preference Shares by Huishang Bank Corporation Limited” (Zheng Jian Xu Ke [2016] No. 2386) issued by the China Securities Regulatory Commission (the “CSRC”) pursuant to which, the CSRC approved the Bank’s issuance of up to 60 million offshore preference shares, with each offshore preference share having a par value of RMB100. The offshore preference shares may be listed on The Stock Exchange of Hong Kong Limited after issuance. Furthermore, the mandatory conversion of the offshore preference shares into ordinary shares upon the occurrence of any trigger events was also approved and any ordinary shares so converted may be listed on The Stock Exchange of Hong Kong Limited.

The board of directors of the Bank will deal with the relevant matters in respect of the issuance of offshore preference shares in accordance with relevant laws and regulations, the requirements set out in the relevant approvals from the regulatory authorities including the CBRC Anhui Bureau, the CSRC and the authorisations granted by the shareholders’ meetings of the Bank.

Announcement of the captioned matters is hereby given.

Appendix: Comparison Table of the Amendments to the Articles of Association of Huishang Bank Corporation Limited

By order of the Board
Huishang Bank Corporation Limited*
LI Hongming
Chairman

Hefei, Anhui, China
31 October 2016

As at the date of this announcement, the Board of the Bank comprises Li Hongming, Xu Demei, Wu Xuemin and Ci Yaping as executive directors; Zhang Feifei, Zhu Jiusheng, Qian Li, Lu Hui, Zhao Zongren, Qiao Chuanfu and Gao Yang as non-executive directors; Au Ngai Daniel, Dai Genyou, Wang Shihao, Zhang Shenghuai, Fung Weichang and Zhu Hongjun 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.*

APPENDIX

COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF HUIZHANG BANK CORPORATION LIMITED

No.	Articles	Existing articles	Suggested revisions
1	Article 7	The entire share capital of the Bank is divided into shares of equal par value; shareholders shall be liable for the liabilities of the Bank to the extent of their respective shareholdings and the Bank shall be liable for its debts to the extent of all its assets.	The entire share capital of the Bank is divided into shares of equal par value; shareholders Shareholders shall be liable for the liabilities of the Bank to the extent of their respective shareholdings and the Bank shall be liable for its debts to the extent of all its assets.
2	Article 14	<p>The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares according to its needs and upon the approval from the applicable authorities of the State Council.</p> <p>The Bank shall adopt the principles of openness, fairness and impartiality when issuing shares, and each share in the same class shall have the same rights.</p> <p>Each share of the same class issued at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares shall pay the same price for each share.</p>	<p>The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares such as preference shares according to its needs and upon the approval from the applicable authorities of the State Council. <u>In these Articles, preference shares refer to the other classes of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Bank in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Bank (such as voting rights) are restricted.</u></p> <p><u>Unless otherwise specified, references in Chapters 3 to 17 of these Articles to share(s) (including H Shares) and share certificate(s) shall refer to ordinary share(s) and ordinary share certificate(s) and references to shareholders in Chapter 3 to Chapter 17 of these Articles shall refer to ordinary shareholders. Special matters relating to preference shares are set out separately in Chapter 18 of these Articles.</u></p> <p>The Bank shall adopt the principles of openness, fairness and impartiality when issuing shares, and each share in the same class shall have the same rights.</p> <p>Each share of the same class issued at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares shall pay the same price for each share.</p>

No.	Articles	Existing articles	Suggested revisions
3	Article 19	The total number of ordinary shares that the Bank can issue upon approval by the examination and approval departments authorised by the State Council is 11,049,819,283 shares. The Bank's share capital structure is: 11,049,819,283 ordinary shares, among which 7,887,319,283 are domestic shares, representing 71.38% of the total shares issued by the Bank; and 3,162,500,000 H shares, representing 28.62% of the total shares issued by the Bank.	The total number of ordinary shares that the Bank can issue upon approval by the examination and approval departments authorised by the State Council is 11,049,819,283 shares. The Bank's <u>ordinary</u> share capital structure is: 11,049,819,283 ordinary shares, among which 7,887,319,283 are domestic shares, representing 71.38% of the total shares issued by the Bank; and 3,162,500,000 H shares, representing 28.62% of the total shares issued by the Bank.
4	Article 44.1	The Bank shall keep a complete register of shareholders. The register of shareholders shall comprise the following parts: ... (3) any other register of shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank.	The Bank shall keep a complete register of shareholders. The register of shareholders shall comprise the following parts: ... (3) any other register of shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares (<u>including preference shares</u>) of the Bank.
5	Article 53.1	Holders of ordinary shares of the Bank shall enjoy the following rights: ...	Holders of <u>ordinary</u> shares of the Bank shall enjoy the following rights (<u>if the Articles have other regulations on the rights of holders of preference shares, those other regulations shall apply</u>): ...
6	Article 58.1	Holders of the ordinary shares of the Bank shall have the following obligations: ...	Holders of the <u>ordinary</u> shares of the Bank shall have the following obligations (<u>if the Articles have other regulations on the obligations of holders of preference shares, those other regulations shall apply</u>): ...
7	Article 66.1	The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law: ... (18) 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.	The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law: ... (18) <u>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</u> (18) <u>19</u> 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.

No.	Articles	Existing articles	Suggested revisions
8	Article 74	The shareholders' general meeting shall be convened by the Board of Directors. If the Board of Directors is unable or fails to perform its duty in convening the shareholders' general meeting, the Board of Supervisors shall promptly convene the meeting. If the Board of Supervisors does not convene the meeting, the shareholders who individually or jointly hold 10% or more of the Bank's shares for not less than ninety (90) consecutive days (the "Convening Shareholders") may convene such meetings on their own initiative.	The shareholders' general meeting shall be convened by the Board of Directors. If the Board of Directors is unable or fails to perform its duty in convening the shareholders' general meeting, the Board of Supervisors shall promptly convene the meeting. If the Board of Supervisors does not convene the meeting, the shareholders who individually or jointly hold 10% or more of the Bank's total <u>voting</u> shares for not less than ninety (90) consecutive days (the "Convening Shareholders") may convene such meetings on their own initiative.
9	Article 86.1	The notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders (regardless of whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For Domestic Shareholders, the notice of a shareholders' general meeting may be in form of an announcement.	The notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders <u>entitled to attend</u> (regardless of whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For Domestic Shareholders, the notice of a shareholders' general meeting may be in form of an announcement.
10	Article 104.1	Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information: ... (3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of Bank shares; ...	Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information: ... (3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of Bank <u>voting</u> shares; ...
11	Article 154.1	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: (7) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles.	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: ... (7) <u>the effect of the issuance of preference shares on the rights and interests of every class of shareholders;</u> (7) other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles.

No.	Articles	Existing articles	Suggested revisions
12	Article 313	<p>The after-tax profits of the Bank for the year shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> (1) to make up for the losses of previous years; (2) to set aside 10% to statutory reserve funds; (3) to set aside general reserves; (4) to set aside discretionary reserve funds; and (5) to divide profits and pay dividends to shareholders in proportion to their shareholdings. <p>No further contribution may be required when the accumulated amount of the statutory reserve funds of the Bank reaches 50% of its registered capital. The shareholders' general meeting shall decide on whether to set aside discretionary reserve funds after setting aside statutory reserve funds and general reserves. The Bank shall not distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.</p> <p>Where the shareholders' general meeting distributes profits to shareholders in violation of the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.</p> <p>Shares held by the Bank shall not participate in the distribution of profits.</p> <p>Where the capital adequacy ratio of the Bank does not meet the required standards of the relevant regulatory authorities, the Bank shall not distribute profits to investors.</p>	<p>The after-tax profits of the Bank for the year shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> (1) to make up for the losses of previous years; (2) to set aside 10% to statutory reserve funds; (3) to set aside general reserves; (4) <u>to pay dividends on preference shares;</u> (5) to set aside discretionary reserve funds; and (56) to divide profits and pay dividends to <u>ordinary</u> shareholders in proportion to their shareholdings. <p>No further contribution may be required when the accumulated amount of the statutory reserve funds of the Bank reaches 50% of its registered capital. The shareholders' general meeting shall decide on whether to set aside discretionary reserve funds after setting aside statutory reserve funds and general reserves <u>and payment of dividends on preference shares.</u> The Bank shall not distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.</p> <p>Where the shareholders' general meeting distributes profits to shareholders in violation of the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.</p> <p>Shares held by the Bank shall not participate in the distribution of profits.</p> <p>Where the capital adequacy ratio of the Bank does not meet the required standards of the relevant regulatory authorities, the Bank shall not distribute profits to investors. <u>Under the premise of ensuring the capital adequacy ratio meets regulatory requirements, the Bank may distribute profits if it has distributable profits.</u></p> <p><u>The payment of dividends on preference shares should be subject to laws, administrative regulations, rules, relevant provisions of the securities regulatory authorities where the Bank's shares are listed and the preference shares are issued or listed, and the Articles.</u></p>

No.	Articles	Existing articles	Suggested revisions
13	Article 347.2	<p>The Bank's assets shall be liquidated in the following order:</p> <p>(6) to distribute to shareholders according to their shareholding ratio.</p>	<p>The Bank's assets shall be liquidated in the following order: ...</p> <p>(6) to distribute to shareholders according to <u>the class of the share and their shareholding ratio.</u></p>
14	Article 359		<p><u>Unless otherwise specified in laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the place where the shares of the Bank are listed and this Chapter, the rights and obligations of preference shareholders and management of preference shares shall be governed by the provisions relating to ordinary shares (including H shares) in these Articles.</u></p>
15	Article 360		<p><u>The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares of the Bank, and the capital raised from the issue of preference shares shall not be more than 50% of the net assets of the Bank prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).</u></p>
16	Article 361		<p><u>In accordance with relevant rules on regulatory capital for commercial banks, the Bank may formulate terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Bank shall convert the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares are mandatorily converted into ordinary shares, the Bank shall report such conversion to banking regulatory authorities under the State Council for review and approval.</u></p>

No.	Articles	Existing articles	Suggested revisions
17	Article 362		<p><u>The preference shares issued by the Bank shall not have any put option, and the preference shareholders shall have no right to require the Bank to redeem preference shares. Subject to the approval of the banking regulatory authorities under the State Council and upon compliance with the relevant requirements, the Bank has the right to redeem all or part of the preference shares after the fifth year following the date of the relevant issuance of the preference shares. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Bank shall write down the total amount of outstanding preference shares after the Bank redeems the preference shares.</u></p> <p><u>The exercise by the Bank of its right to redeem the preference shares shall be subject to the fulfilment of the following conditions:</u></p> <p>(1) <u>the Bank shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Bank has a sustainable income generating capability; or</u></p> <p>(2) <u>the capital position of the Bank immediately after redemption of the preference shares will remain significantly higher than the regulatory capital requirements prescribed by the banking regulatory authorities under the State Council.</u></p> <p><u>The redemption price of offshore preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.</u></p>

No.	Articles	Existing articles	Suggested revisions
18	Article 363		<p data-bbox="930 261 1353 321"><u>Preference shareholders of the Bank shall enjoy the following rights:</u></p> <ol style="list-style-type: none"> <li data-bbox="930 346 1353 406">(1) <u>to receive distribution of dividends in priority to ordinary shareholders;</u> <li data-bbox="930 431 1353 542">(2) <u>to receive distribution of residual assets of the Bank on liquidation in priority to those of ordinary shareholders;</u> <li data-bbox="930 568 1353 683">(3) <u>upon the occurrence of the circumstances provided in Article 365, to attend and vote at shareholders' general meetings;</u> <li data-bbox="930 708 1353 853">(4) <u>upon the occurrence of the circumstances provided in Article 366, to have its voting rights restored in accordance with the requirements of that Article;</u> <li data-bbox="930 878 1353 963">(5) <u>to make proposals or inquiries in relation to the business operations and activities of the Bank;</u> <li data-bbox="930 989 1353 1219">(6) <u>to inspect the Bank's Articles, register of shareholders, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial reports; and</u> <li data-bbox="930 1244 1353 1355">(7) <u>other rights conferred to preference shareholders by laws, administrative regulations, department rules and these Articles.</u>

No.	Articles	Existing articles	Suggested revisions
19	Article 364		<p data-bbox="930 261 1356 431"><u>Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares and the amount of shares held by the shareholders in the event of the following:</u></p> <ol style="list-style-type: none"> <li data-bbox="930 459 1356 517">(1) <u>a request to convene an extraordinary general meeting of shareholders;</u> <li data-bbox="930 544 1356 602">(2) <u>a request to convene and preside over a general meeting of shareholders;</u> <li data-bbox="930 629 1356 715">(3) <u>a request to submit an proposal or an interim proposal to a general meeting of shareholders;</u> <li data-bbox="930 742 1356 827">(4) <u>a request to nominate the directors and supervisors who are not staff representatives of the Bank;</u> <li data-bbox="930 855 1356 940">(5) <u>identifying controlling shareholder(s) according to the relevant provisions of these Articles;</u> <li data-bbox="930 968 1356 1081">(6) <u>identifying person(s) restricted from serving as independent directors of the Bank according to the related provisions of these Articles;</u> <li data-bbox="930 1108 1356 1336">(7) <u>identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations; and</u> <li data-bbox="930 1364 1356 1476">(8) <u>other circumstances provided under laws, administrative regulations, departmental regulations and these Articles.</u>

No.	Articles	Existing articles	Suggested revisions
20	Article 365		<p data-bbox="930 261 1356 427"><u>The preference shareholders are not entitled to attend any shareholders' general meeting of the Bank nor do the preference shares carry voting rights in any shareholders' general meeting other than in the following circumstances:</u></p> <ol data-bbox="930 459 1356 906" style="list-style-type: none"> <li data-bbox="930 459 1356 517"><u>(1) amendments to these Articles that relate to preference shares;</u> <li data-bbox="930 544 1356 625"><u>(2) reduction of the registered capital of the Bank by more than 10% on a single or aggregate basis;</u> <li data-bbox="930 653 1356 710"><u>(3) merger, division, dissolution or change of corporate form of the Bank;</u> <li data-bbox="930 738 1356 795"><u>(4) issuance of preference shares by the Bank; and</u> <li data-bbox="930 823 1356 906"><u>(5) other events specified in laws, administrative rules and departmental regulations and these Articles.</u> <p data-bbox="930 938 1356 1242"><u>On the occurrence of any of the above matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Articles. The preference shareholders are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote (preference shares held by the Bank do not entitle the Bank to vote).</u></p> <p data-bbox="930 1274 1356 1523"><u>Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).</u></p>

No.	Articles	Existing articles	Suggested revisions
21	Article 366		<p data-bbox="930 261 1356 655">In the event that the Bank fails to pay the prescribed dividend to the preference shareholders for three financial years in aggregate or two consecutive financial years, the preference shareholders will have the right to attend and vote at the shareholders' general meetings as if they are ordinary shareholders from the day immediately after the shareholders' general meeting resolves that the Bank will not pay the prescribed dividend for the current dividend period. The voting rights of the preference shareholders will remain restored until the Bank pays the current period dividend in full.</p> <p data-bbox="930 683 1356 768">The formula for calculating the voting rights of the offshore preference shares with restored voting rights is as follows:</p> <p data-bbox="930 795 1356 880">$Q = V/P \times$ conversion exchange rate, with any fractional restored voting right rounded down to the nearest whole number.</p> <p data-bbox="930 908 1356 1747">Where: "Q" denotes the H share voting rights restored from the offshore preference shares held by each offshore preference shareholder; "V" denotes the aggregate value of the offshore preference shares with restored voting rights held by each offshore preference shareholder; "P" denotes the conversion price; the initial conversion price is decided by the issuance plan for offshore preference shares passed by shareholders' general meeting and denominated in Hong Kong dollars (which shall be converted with reference to the central parity rate of RMB to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the announcement date of the Board of Directors resolution on the issuance plan for offshore preference shares (rounded up to the nearest 2 decimal places)); and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the offshore preference shares are denominated based on the RMB central parity rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the passing of the Board of Directors' resolution in respect of the issuance plan for offshore preference shares.</p>

No.	Articles	Existing articles	Suggested revisions
22	Article 367		<p><u>The dividend rate for the issued and outstanding preference shares of the Bank consists of the benchmark rate and the fixed spread. The dividend rate may be adjusted at different intervals. During a specified period after issuance of the preference shares, the dividend rate will remain the same and during any adjusted dividend rate period, the dividend rate will remain the same.</u></p> <p><u>Preference shareholders shall rank in priority to the ordinary shareholders in terms of dividend distribution and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the preference shareholders shall be payable in cash.</u></p> <p><u>After receiving the dividends at the prescribed dividend rate, the preference shareholders shall not be entitled to any distribution of residual profits of the Bank together with the ordinary shareholders. In accordance with the relevant rules on regulatory capital of commercial banks, the Bank shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends not paid to the preference shareholders in full by the Bank will not be accumulated to the following dividend periods.</u></p>
23	Article 368		<p><u>In the event of liquidation of the Bank as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Bank after liquidation in accordance with laws, administrative regulations, departmental rules and paragraph (1) to (5) under Article 347 shall be distributed first to the preference shareholders. Preference shareholders will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the preference shares held by each preference shareholder as a proportion of the aggregate value of all preference shares of the Bank.</u></p>

No.	Articles	Existing articles	Suggested revisions
24	Article 369.1	<p>Interpretation</p> <p>(1) The “controlling shareholder(s)” herein shall refer to the person(s) satisfying any of the following conditions: ...</p> <p>(iii) the person holds more than 30% of issued and outstanding shares of the Bank when acting alone or in concert with others; or...</p>	<p>Interpretation</p> <p>(1) The “controlling shareholder(s)” herein shall refer to the person(s) satisfying any of the following conditions: ...</p> <p>(iii) the person holds more than 30% of issued and outstanding total <u>voting</u> shares of the Bank when acting alone or in concert with others; or ...</p>
25	Article 371	<p>Unless otherwise specified herein, references to “above”, “within” and “below” shall include the actual given figures, while references to “less than”, “under”, “beyond” and “exceed” shall exclude such actual given figures.</p>	<p>Unless otherwise specified herein, references to “above”, “within” and “below” shall include the actual given figures, while references to “less than”, “under”, “beyond” and “exceed” shall exclude such actual given figures; <u>references to “total voting shares” shall only include the total number of ordinary shares and preference shares with restored voting rights.</u></p>