

Measures on Equity Management of Bank of Gansu Co., Ltd.

CHAPTER I GENERAL PROVISIONS

Article 1 These measures are formulated in accordance with the Company Law of the People's Republic of China, the Commercial Bank Law of the People's Republic of China, the Interim Measures on Equity Management of Commercial Banks, the CBRC Notice on Enhancing Management of Pledge of Equity Interest in Commercial Banks, the Guidance of the People's Bank of China, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission on Enhancing Regulation on Investment in Financial Institutions by Non-Financial Enterprises, the Circular of the General Office of China Banking Regulatory Commission on Regulating Matters on Reporting by Shareholders of Commercial Banks, as well as other relevant laws, regulations, rules and regulatory documents, and the Articles of Association of Bank of Gansu Co., Ltd. (hereafter referred to as the "Bank's Articles of Association") and based on the actual conditions of the Bank, for the purpose of standardizing acts of the Bank's shareholders, protecting the lawful rights and interests of the Bank, its depositors and other customers, safeguarding the legitimate interests of its shareholders, and promoting the sound operation and healthy development of the Bank.

Article 2 These measures shall apply to all shareholders holding ordinary shares of the Bank (hereafter referred to as the "Shares"). Where preference shares are issued, the preference shareholders and equity management for preference shares shall be subject to relevant laws and regulations.

Article 3 The Shares of the Bank issued for subscription in RMB have been registered with China Securities Depository and Clearing Corporation Limited (hereafter referred to as the "CSDC") in accordance with regulatory requirements. For the Shares with confirmed holders of the securities account, all acts in relation to the Shares, including registration and changes, shall comply with the relevant provisions of CSDC. The Shares of the Bank issued and listed in Hong Kong for subscription in foreign currencies are mainly under the safe custody of entrusted trustee companies under Hong Kong Securities Clearing Company Limited.

Article 4 The Bank has opened the "Special Securities Account for Unconfirmed Holders of Bank of Gansu Co., Ltd." in the CSDC, the registered shares in such account will be managed uniformly by the Bank, including confirmation of holders, handling the registration procedure for securities account holders with the CSDC, completing the payment of undistributed cash dividends for the relevant shares prior to confirmation of holders and providing judicial assistance in respect of the relevant shares.

Article 5 The Bank shall conduct its equity management according to the principles of categorized management, sound qualifications, clear relationship, well-defined rights and responsibilities, openness, and transparency.

Article 6 The shareholders of the Bank shall have sound social reputation, credit records, tax payment records and financial status, and shall comply with applicable laws, regulations and regulatory requirements.

Article 7 The relationship between the Bank's shareholders and their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries shall be clear and transparent.

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

Article 8 The shareholders of the Bank shall abide by laws and regulations, regulatory requirements and the provisions of the Bank's Articles of Association, exercise their shareholder rights and perform statutory obligations according to laws.

Article 9 The Bank and its shareholders shall make full disclosure of relevant information and accept social supervision in accordance with relevant laws, regulations and regulatory requirements.

CHAPTER II SHAREHOLDER'S RESPONSIBILITIES

Article 10 The shareholders of the Bank shall perform their bona fide obligation to the Bank according to law, to ensure the truthfulness, completeness and validity of the information on shareholders' qualification they present to the Bank.

Article 11 The shareholders of the Bank shall perform their obligation of capital contribution in strict accordance with applicable laws and regulations and the requirements of the banking regulatory authority.

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

Article 12 Each substantial shareholder of the Bank shall undertake in writing that he/she will abide by applicable laws and regulations, regulatory requirements and the Bank's Articles of Association when purchasing the Bank's equity, and shall explain the purpose of such purchase.

A substantial shareholder refers to a shareholder who holds or controls more than 5% of the shares or voting rights of the Bank, or holds less than 5% of the Bank's total shares but has significant impact on the operation and management of the Bank.

The aforementioned "significant impact" includes but is not limited to the dispatching of director(s), supervisor(s) or senior executive(s) to the Bank, exerting impact on the Bank's financial, operational and management decisions by way of agreement or through other means, and other circumstances as identified by the banking and insurance regulatory authority or its local offices.

Article 13 No shareholder of the Bank may authorize any other person to hold Shares of the Bank or accept any other person's authorization to hold equity of the Bank.

A substantial shareholder of the Bank shall state its equity structure level by level up to its actual controller and ultimate beneficiary, as well as its relationship as a related party or a person acting in concert with any other shareholder.

Article 14 Where a shareholder of the Bank intends to transfer its equity in the Bank to any other party, it shall inform the transferee of the need to meet the conditions set forth by laws and regulations and by the banking and insurance regulatory authority. The transferee shall have the qualifications for entities to invest in commercial banks set forth the banking and insurance regulatory authority. Where the transferee becomes a substantial or controlling shareholder of the Bank, it shall meet the qualifications and conditions on substantial or controlling shareholders set forth laws and regulations and by the banking and insurance regulatory authority. And shall be filed or apply for approval in accordance with laws and regulations and by the banking and insurance regulatory authority.

Where it results in changes in the substantial or controlling shareholder of the Bank due to the transfer of Shares, the Bank shall report to the banking and insurance regulatory authority or its local offices and change relevant information in a timely manner.

Article 15 The same investor and its related parties and persons acting in concert purchasing shares of the Bank shall follow the requirements on shareholding ratios as prescribed by the banking and insurance regulatory authority.

The same investor and its related parties and persons acting in concert shall not purchase shares of more than two commercial banks as a major shareholder or control more than one commercial bank, unless otherwise stipulated by laws and regulations.

Article 16 The Bank's substantial shareholders shall have an outstanding principal business, solid capital strength, standard corporate governance, clear shareholding structure, qualified management ability, excellent financial conditions and appropriate assets, liabilities and leverage. They shall also have reasonable and clear commercial plans on investing in the financial industry.

Article 17 Any of the Bank's substantial shareholders and its controlling shareholder or actual controller shall not fall under any of the following circumstances:

- (I) Being listed as an object subject to any joint punishment for dishonesty by relevant authorities;
- (II) Committing any act of seriously evading or cancelling the Bank's debts;
- (III) Providing false materials or making false statements;
- (IV) Assuming major liability for the business failure of the Bank or significant violation of laws and regulations;
- (V) Rejecting or obstructing the banking and insurance regulatory authority or its local offices from conducting their regulatory work according to law;
- (VI) Having been investigated and punished by any financial regulatory authority or any other competent government agency for violation of laws and regulations, thus having caused adverse impact; or
- (VII) Any other circumstances that may adversely affect the operation and management of the Bank.

Article 18 Where a shareholder or an investor of the Bank becomes the controlling shareholder of the Bank, it shall meet the following conditions:

- (I) Having outstanding core principal business and the business development is sustainable;
- (II) Having solid capital strength with continuous contribution ability. All financial indicators conform to the Prudential conditions stipulated by the regulatory authorities.

- (III) Having standard governance with a concise and clear organizational structure and a transparent structure of beneficial owners; and
- (IV) Having standard management ability with professional financial talents.

Article 19 Where a shareholder or an investor of the Bank falls under any of the following circumstances, it shall not become the controlling shareholder of the Bank: blindly expanding into the financial industry with deviations from principal business demands; having weak risk controls; making high-leveraged investments; having various related enterprises or complicated and non-transparent shareholding relationships; conducting frequent and abnormal connected transactions; carrying out unfair competition through abuse of market monopoly or technical advantages to manipulate the market and disturb the financial order.

Article 20 Where an investor and its related parties and persons acting in concert, individually or in aggregate, propose to initially hold or increase to hold more than 5% of the total Shares of the Bank in aggregate, they shall report to the banking and insurance regulatory authority or its local offices for approval. The approval of the administrative license for proposing to hold more than 5% of the total Shares of the Bank through stock exchanges is valid for six months. The specific requirements and procedures for approval shall be subject to relevant provisions of the banking and insurance regulatory authority.

Where an investor and its related parties and persons acting in concert, individually or in aggregate, hold more than 1% but less than 5% of total capital or total shares of the Bank, they shall report to the banking and insurance regulatory authority or its local offices through the Bank within 10 working days after obtaining the relevant shares. The materials and procedures for reporting shall be subject to the requirements of the Circular of the General Office of China Banking Regulatory Commission on Regulating Matters on Reporting by Shareholders of Commercial Banks.

Where a natural person, an investor in financial products and its related parties and persons acting in concert, individually or in aggregate, purchase more than 1% but less than 5% of total shares of the Bank in the stock market, they shall report with refer to relevant provisions of the Circular of the General Office of China Banking Regulatory Commission on Regulating Matters on Reporting by Shareholders of Commercial Banks on the catalogue of materials and key matters in reporting.

Shareholders who should have sought approval of or reported to but failed to seek approval of or report to the regulatory authority shall not exercise rights to request to convene a general meeting, vote, nominate, propose and dispose. The banking and insurance regulatory authority or its local offices shall have the right punish them in accordance with the Interim Measures on Equity Management of Commercial Banks.

Article 21 The substantial shareholders of the Bank shall not transfer the Shares held by them within five years from the date of obtaining the Shares.

Special circumstances where the banking and insurance regulatory authority or its local offices approves to adopt risk management measures, or the banking and insurance regulatory authority enforces the transfer, or the Shares involved in judicial enforcement or the transfer occurs between different entities controlled by the same investor are excluded.

Article 22 The substantial shareholders of the Bank shall exercise their contributors rights and perform their contributors duties in strict accordance with laws and regulations, regulatory provisions and the Bank's Articles of Association, and may not abuse their shareholder rights or utilize their influence to intervene in the decision-making power and management power that the Board of Directors and the senior management are entitled to in accordance with the Bank's Articles of Association, or directly intervene in or utilize their influence to intervene in the business management of the Bank bypassing the Board of Directors and the senior management, channel interests for its own benefit, or cause damage to the lawful rights and interests of any depositor, the Bank or any other shareholder in any other form.

Article 23 The substantial shareholders of the Bank shall undertake in writing that he/she will replenish the Bank's capital whenever necessary and report their capital replenishment capacity to the banking and insurance regulatory authority or its local offices through the Bank on an annual basis.

Article 24 The substantial shareholders of the Bank shall establish effective risk isolation mechanisms to prevent any risk from spreading and transferring among shareholders, the Bank and other related parties.

Article 25 A substantial shareholder of the Bank shall effectively manage the multiple position-holding between its Board of Directors, Board of Supervisors and senior management and those of the Bank or other related parties to prevent conflicts of interest.

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

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

Article 28 Financial products may hold shares of the Bank, but the shares accumulatively held in the Bank by the financial products controlled by a single investor, issuer or manager and its actual controller, related parties and persons acting in concert shall not exceed 5% of the total shares of the Bank.

A substantial shareholder of the Bank may not hold shares of the Bank through financial products issued, managed or controlled by it or by any other means.

Article 29 The shareholders of the Bank shall actively cooperate the banking and insurance regulatory authority or its local offices in relevant measures taken on implementing penetration regulation on them.

Article 30 For shareholders who have made false statements, abused their shareholders rights or acted to damage the interests of the Bank, the Bank, based on the requirements of the banking and insurance regulatory authority, may restrict or prohibit related transactions between them and the Bank, limit the maximum number of the bank's Shares that they can hold and the percentage of shares that they can pledge, and their rights to request to convene the general meeting, vote, nominate, propose, dispose and other rights.

CHAPTER III EQUITY INFORMATION MANAGEMENT AND DISCLOSURE

Article 31 The substantial shareholders of the Bank shall report the following information to the Bank in a timely, accurate and complete manner:

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

- (VIII) Any regulatory measures imposed on them such as suspension of business for rectification, designated custody, take-over or revocation, or any entry into proceedings in relation to dissolution, bankruptcy or liquidation; and
- (IX) Any other circumstances that may cause changes to their shareholder qualifications or lead to changes in their equity holding of the Bank.

Article 32 The Bank shall disclose its share information in a truthful, accurate and complete manner through semi-annual reports or annual reports on its official website and via other channels, the contents of which shall include:

- (I) The total number of shares and shareholders at the end of the reporting period and any changes in its shares during the reporting period;
- (II) Shareholdings of the top 10 shareholders of the Bank at the end of the reporting period;
- (III) Information about the substantial shareholders and their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries at the end of the reporting period;
- (IV) Related party transactions with its substantial shareholders and their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries during the reporting period;
- (V) Pledge of the Bank's equity by any of the substantial shareholders;
- (VI) Shareholder's nomination of directors and supervisors; and
- (VII) Other information as required by the banking and insurance regulatory authority.

Article 33 Where relevant information of the substantial shareholders may lead to significant changes in their shareholder qualifications or result in major changes in their shares in the Bank, the Bank shall make timely explanations thereof in its information disclosure.

Article 34 The Bank shall, when disclosing information, make an explanation about any share matter that has been reported to the banking and insurance regulatory authority or its local offices but is still pending approval thereof.

CHAPTER IV EQUITY PLEDGE

Article 35 Where a shareholder of the Bank pledges its equity in the Bank, it shall abide by the relevant provisions on pledging the equity as set forth by applicable laws and regulations, the banking and insurance regulatory authority, China Securities Regulatory Commission, the CSDC and the Bank, without causing damage to the interests of other shareholders and the Bank.

Article 36 Where a shareholder guarantees with the Shares of the Bank for himself/herself or others, it shall inform the Board of the Company in advance. The Company shall not accept the guarantee with the Shares of the Company as the collateral. The office of the Board of the Bank is responsible for the daily work of the collecting, sorting and submitting of pledge information on the Shares of the Company.

Article 37 When a shareholder who holds a seat or seats on the Board of Directors and/or the Board of Supervisors of the Bank, or directly, indirectly or jointly holds or controls more than 2% of the Bank's Shares or voting rights pledges its equity in the Bank, it shall file an application with the Board of Directors of the Bank in advance, stating the reasons for the pledge, the number of shares to be pledged, the time duration of the pledge and the basic information about the pledge holder. Where the Board of Directors determines that the intended pledge will exert significant adverse impact on equity stability, corporate governance, risk control or related party transactions control of the Bank, it shall reject the filing of the application. When the Board of Directors reviews the relevant matters of the application, the director nominated by the shareholder planning to make the pledge and elected at the general meeting shall recuse himself or herself.

Article 38 After the completion of the registration of share pledge, the shareholder shall promptly provide the Company with relevant information concerning the pledged shares based on the needs of the Company for the risk management and information disclosure. When the shares of a substantial shareholder holding more than 5% of the shares are pledged, the shareholder shall notify the Bank within 2 day after the date of the occurrence of the event and the Bank will make an announcement based on the disclosure requirements on the pledge of the shares of shareholders.

Article 39 A shareholder may not pledge the Bank's shares if the balance of its borrowings from the Bank exceeds the audited net value of the equity it held in the Bank in the previous year.

Article 40 Where the Bank's equity pledged by one of its shareholders reaches 50% or more of the Bank's total shares held by it, the voting rights of the shareholder at the general meeting and the voting rights of the director nominated by it and elected at the general meeting at the Board meetings shall be both restricted. The Bank shall set out the above circumstances in the minutes of relevant meetings.

Article 41 The Bank shall establish and improve the firewall on operational risks of shareholders to prevent various risks from the equity pledge by shareholders. Relevant shareholders who have pledged the Shares of the Bank shall provide the Bank with the audited report or financial statements for the previous year. Where shareholders are involved in lawsuits, arbitrations, with being frozen, sold at a discounted price or auctioned, they shall promptly notify the Board of the Bank after the occurrence of relevant circumstances.

Article 42 In any of the following circumstances, the Bank shall disclose information through interim reports, annual reports and other means, in a timely manner, and report the relevant information to the banking and insurance regulatory authority within 10 days after any of the following circumstances occurs:

- (I) The shares of the Bank pledged reach or exceed 20% of the total equity;
- (II) A substantial shareholder pledges 50% or more of the shares held in the Bank; and
- (III) The Bank's pledged shares are subject to being frozen, judicial auctions and legal restrictions on voting rights or subject to other rights restrictions.

Article 43 The banking and insurance regulatory authority or its local offices shall have the right to restrict the proportion of the pledged shares of the Bank held by the same shareholder, its related parties and persons acting in concert.

CHAPTER V SHAREHOLDERS EVALUATION AND DUTIES AND RESPONSIBILITIES OF THE BANK

Article 44 The Board of Directors of the Bank shall perform their due diligence and assume ultimate responsibility for the management of equity matters. The board Chairman is the first responsible person for handling the Bank's equity matters. The secretary to the Board shall assist the Chairman with his/her work, and is the person directly responsible for handling equity matters.

The Chairman and the secretary to the Board shall faithfully, honestly and diligently perform their duties.

Article 45 The Office of the Board of the Bank shall be responsible for handling matters relating to the Bank's equity and conducting the registration of equity information and disclosure of information.

Article 46 The Bank shall boost communication with its shareholders and investors, and shall take charge of relevant work including but not limited to applying for administrative licenses, reporting of shareholder information and other relevant matters and submitting relevant documents.

Article 47 The Bank shall strengthen the examination of shareholder qualifications. It shall verify the information about its substantial shareholders and their controlling shareholders, actual controllers, related parties, persons acting in concert, ultimate beneficiaries and understand any changes in such information, make judgment on shareholder's influence on its operation and management of the Bank, and report or disclose relevant information in a timely, accurate and complete manner according to law.

Article 48 The Board of Directors of the Bank shall, at least annually, evaluate its substantial shareholders regarding their qualifications, performance of commitments, implementation of the Bank's Articles of Association or relevant agreements, as well as their compliance with laws, regulations and regulatory requirements, and submit the evaluation reports thereof to the banking and insurance regulatory authority or its local offices in a timely manner.

Article 49 The credit balance granted by the Bank to an individual entity such as a substantial shareholder, controlling shareholder, actual controller, related party, party acting in concert or ultimate beneficiary shall not exceed 10% of the net capital of the Bank. The total credit balance granted by the Bank to an individual substantial shareholder and controlling shareholder, actual controller, related party, party acting in concert and ultimate beneficiary shall not exceed 15% of the net capital of the Bank.

The credits in the preceding paragraph include loans (including trade finances), bill acceptances and discounts, overdrafts, bond investments, special purpose vehicle investments, issuance of letter of credit, factoring, guarantees, loan commitments, and other businesses of which credit risks are essentially borne by the Bank or the wealth management products issued by the Bank. The Bank shall identify the ultimate debtors according to the principle of penetration.

Where the substantial shareholder and controlling shareholder, actual controller, related party, party acting in concert and ultimate beneficiary of the Bank are financial institutions, the Bank shall abide by laws and regulations and relevant rules of regulatory authorities on interbank business when the Bank conducts such businesses with them.

Article 50 When entering into the sale or purchase or lease of the Bank's own movable or immovable properties; the purchase and sale of credit assets; the receipt and disposal of repossessed assets; transactions relating to services such as credit enhancement, credit assessment, assets assessment, law, information, technology and infrastructure; commissioned or entrusted sales and other transactions with its substantial shareholders, controlling shareholders, actual controllers, related parties, parties acting in concert or ultimate beneficiaries, the Bank shall comply with laws and regulations and the relevant requirements of the banking and insurance regulatory authority, and shall conduct such transactions in accordance with commercial principles which shall be no more favorable than the conditions offered to non-related parties regarding the similar transactions, so as to prevent risk contagion and tunneling.

Article 51 The Bank shall, in accordance with laws and regulations and the actual conditions of the Bank, improve the measures on related party transactions, reinforce the management of related party transactions, accurately identify related parties, and strictly implement the review/approval and information disclosure systems for related party transactions, and timely report information on related party transactions to the banking and insurance regulatory authority or its local offices.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 52 The term “more than” mentioned herein is inclusive of the concerned figure, while the terms “less than” and “insufficient” are both exclusive of the concerned figure.

Article 53 The meanings of the following terms mentioned in these measures are explained as follows:

- (I) Based on the provisions of Article 216 of the Company Law of the People’s Republic of China, the controlling shareholder refers to a shareholder who contributes more than 50% of the total capital of a limited liability company or holds more than 50% of the total share capital of a limited liability company, or a shareholder who, despite its contribution or shareholding being less than 50% of the total capital or the total share capital of a limited liability company, has sufficient voting rights carried on its shareholding to exert significant impact on the resolutions of the shareholders’ meeting or the general meeting.
- (II) Based on the provisions of Article 216 of the Company Law of the People’s Republic of China, the actual controller refers to the person who, despite not being a shareholder of the company, is able to actually control the conduct of the company through investment relations, agreements or other arrangements.
- (III) Related/Connected party includes the “connected transactions” under the Accounting Standards for Business Enterprises 36–Disclosure of Related Party and the Hong Kong Listing Rules of the Hong Kong Stock Exchange.

Based on the Accounting Standards for Business Enterprises 36–Disclosure of Related Party, if a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control or significant influence from another party, they are considered to be related parties. However, the enterprises controlled by the state do not have connections with each other based on the fact that their shares are in each case controlled by the State.

Based on the Hong Kong Listing Rules of the Hong Kong Stock Exchange, connected transactions are transactions conducted by the listed issuer group (namely the listed issuer and its subsidiaries) with connected persons, and specified categories of transactions conducted by the listed issuer group with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions. They may be one-off transactions or continuing transactions.

(IV) A concerted action refers to the act or fact that an investor, through agreements or other arrangements and in cooperation with other investors, jointly expands the quantity of the voting rights carried on the shares of a company in their control. The investors engaged in concerted actions are people acting in concert.

(V) The ultimate beneficiary refers to the person who effectively enjoys the return on the Bank's shares.

Article 54 Matters not covered herein shall be subject to the relevant laws, regulations, rules, regulatory documents and the Bank's Articles of Association. In case of any discrepancy between these measures and the newly enacted laws, regulations, rules and regulatory documents, the newly enacted laws, regulations, rules, regulatory documents and relevant requirements shall prevail. The Bank will amend these measures when appropriate and will submit it to the general meeting for consideration and approval.

Article 55 These measures shall come into effect after it is considered and approved at the general meeting of the Bank.

Article 56 These measures shall be interpreted by the Board of Directors of the Bank.