
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 Bank of Zhengzhou Co., Ltd.*, you should at once hand this circular, together with the accompanying form of proxy for the AGM and the reply slip for the AGM, 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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Bank of Zhengzhou Co., Ltd.*
鄭州銀行股份有限公司*

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

(H Shares Stock Code: 6196)

(Preference Shares Stock Code: 4613)

**2018 BOARD OF DIRECTORS' REPORT,
2018 BOARD OF SUPERVISORS' REPORT,
2018 ANNUAL FINANCIAL STATEMENTS,
2019 FINANCIAL BUDGET,
2018 PROFIT DISTRIBUTION PLAN,
2018 ANNUAL REPORT,
RE-APPOINTMENT OF AUDITORS,
SPECIAL REPORT ON THE DEPOSIT AND ACTUAL USE OF
PROCEEDS RAISED IN 2018,
SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR 2018,
ESTIMATED QUOTA ON RECURRING RELATED PARTY
TRANSACTIONS FOR 2019,
GENERAL MANDATE FOR ISSUANCE OF NEW SHARES,
ISSUANCE PLAN OF ELIGIBLE CAPITAL REPLENISHMENT
INSTRUMENTS,
PLAN ON AUTHORIZATION TO THE BOARD GRANTED BY THE
GENERAL MEETING,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF 2018 AGM**

The Letter from the Board is set out on pages 3 to 12 of this circular.

The Bank will convene the AGM at Multi-Function Room, 29/F, Bank of Zhengzhou Building, 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC at 9:00 a.m. on May 24, 2019 (Friday). The notice of the AGM is set out on pages IX-1 to IX-4 of this circular.

Whether or not you are attending and/or voting at the AGM, you are requested to (i) complete the reply slip despatched by the Bank on April 8, 2019 in accordance with the instructions printed thereon, and return the reply slip to the H Share Registrar (for holders of H Shares) on or before May 4, 2019 (Saturday); and (ii) complete the form of proxy despatched by the Bank on April 8, 2019 in accordance with the instructions printed thereon, and return it to the H Share Registrar (for holders of H Shares) in any event not less than 24 hours before the scheduled time for holding of the AGM (i.e. by 9:00 a.m. on May 23, 2019 (Thursday)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending in person or voting at the AGM or any adjournment thereof should you so wish.

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

April 30, 2019

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DEFINITIONS

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

“A Share(s)”	the domestic share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Bank, which are listed on the Shenzhen Stock Exchange (stock code: 002936) and traded in RMB
“AGM” or “Annual General Meeting”	the 2018 annual general meeting of the Bank to be held at Multi-Function Room, 29/F, Bank of Zhengzhou Building, 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC at 9:00 a.m. on May 24, 2019 (Friday)
“Articles of Association”	the Articles of Association of the Bank (as amended from time to time)
“Bank”	Bank of Zhengzhou Co., Ltd.* (鄭州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and offshore preference shares of which are listed on the Hong Kong Stock Exchange (H Shares stock code: 6196; offshore preference shares stock code: 4613) and the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002936), respectively (including its subsidiaries unless the context otherwise requires)
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“China” or “PRC”	the People’s Republic of China, but for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Bank

DEFINITIONS

“Eligible Capital Replenishment Instruments”	Eligible capital replenishment instruments with write-down terms which comply with the regulatory requirements under the Administrative Measures for the Capital of Commercial Banks (Provisional) issued by the CBIRC and Guiding Opinions of the China Banking Regulatory Commission on Commercial Banks’ Innovation on Capital Instruments
“H Share(s)”	overseas-listed foreign shares in the share capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 6196) and traded in Hong Kong Dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Bank
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange as amended or supplemented from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	April 25, 2019, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“PBoC”	the People’s Bank of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shares”	the A Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Bank
“%”	per cent.

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LETTER FROM THE BOARD



Bank of Zhengzhou Co., Ltd.*
鄭州銀行股份有限公司*

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

(H Shares Stock Code: 6196)

(Preference Shares Stock Code: 4613)

Executive Directors:

Wang Tianyu (*Chairman*)
Shen Xueqing
Feng Tao (*Vice Chairman*)

Non-executive Directors:

Fan Yutao
Zhang Jingguo
Ji Hongjun
Liang Songwei
Wang Shihao

Independent Non-executive Directors:

Xie Taifeng
Wu Ge
Chan Mei Bo Mabel
Li Yanyan

Registered office in the PRC:

22 Shangwu Waihuan Road
Zhengdong New District
Zhengzhou
Henan Province
The PRC

*Principal place of business
in Hong Kong:*

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

Dear Shareholders,

**2018 BOARD OF DIRECTORS' REPORT,
2018 BOARD OF SUPERVISORS' REPORT,
2018 ANNUAL FINANCIAL STATEMENTS,
2019 FINANCIAL BUDGET,
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PLAN ON AUTHORIZATION TO THE BOARD GRANTED BY
THE GENERAL MEETING,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF 2018 AGM**

I. INTRODUCTION

The Bank will convene the AGM on May 24, 2019 (Friday), a notice thereof is set out on pages IX-1 to IX-4 of this circular, at which resolutions will be proposed to approve, including, 2018 Board of Directors' report, 2018 Board of Supervisors' report, 2018 annual financial

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statements, 2019 financial budget, 2018 profit distribution plan, 2018 annual report, re-appointment of auditors, special report on the deposit and actual use of proceeds raised in 2018, special report on related party transactions for 2018, estimated quota on recurring related party transactions for 2019, general mandate for issuance of new Shares, issuance plan of eligible capital replenishment instruments, plan on authorization to the Board granted by the general meeting and proposed amendments to the Articles of Association.

The purpose of this circular is to set out the notice of the AGM and provide you with the details of the aforesaid resolutions.

II. MATTERS TO BE HANDLED AT THE AGM

1. 2018 Board of Directors' Report

For details of the Board of Directors' Report for the year ended December 31, 2018, please refer to the full text of the report as set out in Appendix I to this circular.

2. 2018 Board of Supervisors' Report

For details of the Board of Supervisors' Report for the year ended December 31, 2018, please refer to the full text of the report as set out in Appendix II to this circular.

3. 2018 Annual Financial Statements

Please refer to the financial statements included in the 2018 annual report published by the Bank for details of the audited annual financial statements of the Bank for the year ended December 31, 2018 which were prepared in accordance with the International Financial Reporting Standards.

4. 2019 Financial Budget

In accordance with the needs of the strategic development and business operation of the Bank, the Bank compiled a budget plan on capital expenditure for 2019, which outlined a planned investment of RMB995,810,000, representing an increase of RMB33,270,000 or 3% as compared with the budget of RMB962,540,000 from the previous year, and an increase of RMB416,870,000 or 72% as compared with the actual expenditure of RMB578,940,000 from the previous year. Of which:

- (i) RMB78,720,000 for project refurbishment, representing a decrease of RMB63,220,000 or 45% as compared with the budget of RMB141,940,000 from the previous year, and a decrease of RMB26,390,000 or 25% as compared with the actual expenditure of RMB105,110,000 from the previous year. The investment for the year will be mainly used for establishment, relocation and renovation of outlets;

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- (ii) RMB407,760,000 for technology projects, representing an increase of RMB90,010,000 or 28% as compared with the budget of RMB317,750,000 from the previous year, and an increase of RMB140,610,000 or 53% as compared with the actual expenditure of RMB267,150,000 from the previous year. The investment for the year will be mainly used for upgrade of existing systems, development and testing and purchase of IT equipment;
- (iii) RMB209,650,000 for fixed assets, representing a decrease of RMB51,630,000 or 20% as compared with the budget of RMB261,280,000 from the previous year, and an increase of RMB25,810,000 or 14% as compared with the actual expenditure of RMB183,840,000 from the previous year. The investment for the year will be mainly used for purchase of office equipment, equipment at outlets, installation of monitoring devices and purchase of other fixed assets; and
- (iv) RMB299,680,000 for construction projects, representing an increase of RMB58,110,000 or 24% as compared with the budget of RMB241,570,000 from the previous year, and an increase of RMB276,840,000 or 1,212% as compared with the actual expenditure of RMB22,840,000 from the previous year. The investment for the year includes infrastructure construction of a financial services centre amounting to RMB177,860,000, infrastructure construction of an integrated business office building amounting to RMB96,820,000 and ongoing investment in the office building of Fugou Zhengyin County Bank Co., Ltd. (扶溝鄭銀村鎮銀行股份有限公司) amounting to RMB25,000,000.

5. 2018 Profit Distribution Plan

In accordance with the provisions of relevant laws and regulations, the annual profit distribution plan for the year ended December 31, 2018 proposed by the Board for consideration and approval by Shareholders is as follows:

- (i) 10% of the net profit, equivalent to RMB301,458,000, was appropriated as the statutory surplus reserve;
- (ii) RMB350,000,000 was appropriated as the general reserve;
- (iii) An aggregate of RMB502,343,000 of dividends was distributed to the holders of offshore preference shares (the payment of which was settled on October 18, 2018);
- (iv) It is proposed that the cash dividend of RMB1.50 (tax inclusive) will be distributed for every 10 Shares based on the total number of ordinary Shares on the share registration date when the distribution plan is implemented in the future with an aggregate cash dividend of RMB888,290,000, representing 34.75% of the net profit attributable to ordinary Shareholders of the Bank in the consolidated statements for the year. In particular, cash dividend for A Shares will be distributed in Renminbi, while cash dividend for H Shares will be distributed in Hong Kong Dollars. The

LETTER FROM THE BOARD

exchange rate of RMB to HKD will be calculated based on the average middle rate of the five business days preceding the date of cash dividend declaration (inclusive) as announced by the PBoC; and

- (v) No transfer of capital reserve to share capital was involved in this profit distribution.

For the purpose of determining the entitlement of holders of H Shares to the cash dividend for 2018, the register of members of H Shares of the Bank will be closed from May 30, 2019 to June 4, 2019 (both days inclusive), during which no transfer of H Shares will be effected. Unregistered holders of H Shares who wish to qualify for the entitlement to the proposed cash dividend distribution for 2018 are required to lodge the transfer documents together with the relevant share certificates with the H Share Registrar of the Bank, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on May 29, 2019.

On March 28, 2019, the profit distribution plan was considered and passed at the meeting of the Board, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval of the Shareholders.

6. 2018 Annual Report

Please refer to the 2018 annual report published by the Bank.

7. Re-appointment of Auditors

The Board proposes to re-appoint KPMG and KPMG Huazhen LLP as the Bank's international and domestic auditors for 2019, whose term of office ends after the Bank's 2019 annual general meeting, and authorize the Board to determine their remuneration.

8. Special Report on the Deposit and Actual Use of Proceeds Raised in 2018

The Bank deposited and used the proceeds raised in strict compliance with the relevant requirements of the Listing Rules of the Shenzhen Stock Exchange, Supervisory Guidelines No. 2 for Listed Companies – Supervisory Requirements for Management and Use of Raised Funds of Listed Companies, the Guidelines on the Standard Operation of Companies Listed on the Small and Medium-Sized Enterprise Board of the Shenzhen Stock Exchange and the Management Policies on Proceeds of Bank of Zhengzhou Co., Ltd., and disclosed the use of the proceeds raised in a timely, truthful, accurate and complete manner. During the year ended December 31, 2018, there were no violations regarding the use and management of the proceeds raised.

The special report on the deposit and actual use of proceeds raised in 2018 will be considered and approved by the Shareholders at the AGM, the full text of which is set out in Appendix III to this circular.

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9. Special Report on Related Party Transactions for 2018

The special report on related party transactions for 2018 compiled by the Bank will be considered and approved by the Shareholders at the AGM, the full text of which is set out in Appendix IV to this circular.

10. Estimated Quota on Recurring Related Party Transactions for 2019

To further enhance the Bank's management of related party transactions and improve the approval process, the Bank made a reasonable projection of the estimated quota on recurring related party transactions for 2019 in accordance with relevant regulations, including the Listing Rules of the Shenzhen Stock Exchange and Administrative Measures for Related Party Transactions of Bank of Zhengzhou Co., Ltd.

The reasonable projection of the estimated quota on recurring related party transactions for 2019 of the Bank will be considered and approved by the Shareholders at the AGM, details of which are set out in Appendix V to this circular.

11. General Mandate for Issuance of New Shares

Under applicable laws and regulations of the PRC, the Hong Kong Listing Rules and the Articles of Association, a general mandate is proposed to be granted to the Board at the AGM to issue A Shares and/or H Shares and to authorize the Board to delegate the relevant powers in order to meet capital requirements for the continuing business development of the Bank and to use financing platforms effectively and flexibly. As of the Latest Practicable Date, there was a total of 4,403,931,900 A Shares in issue and 1,518,000,000 H Shares in issue, respectively. Upon the passing of the special resolution approving the general mandate to issue new Shares, and assuming that no new A Shares and/or H Shares will be issued prior to the date of the AGM, the Bank may issue up to 880,786,380 A Shares and 303,600,000 H Shares under the general mandate.

Details of the general mandate are set out below:

11.1 Specific plans on the general mandate to issue new Shares

- (a) Under the conditions set out in (b) below, the Board is hereby authorized to approve, allot, issue, grant and/or otherwise deal with Shares (A Shares and/or H Shares), securities convertible into Shares, options or warrants for securities with rights to subscribe for or convert to Shares or other securities with rights to subscribe for or convert to Shares (excluding preference shares), separately or at the same time during the Relevant Period (as defined below).

LETTER FROM THE BOARD

Notwithstanding the fulfilment of the conditions set out in (b) below, if the allotment of the Shares to which voting rights are attached will result in a de facto change in control of the Bank, the Board shall obtain authorization by way of a special resolution in advance before making such an allotment.

- (b) The number of A Shares and/or H Shares, securities convertible into such Shares, options or warrants for securities with rights to subscribe for or convert to such Shares, or other securities with rights to subscribe for or convert to such Shares (excluding preference shares) (which shall be calculated on the basis of the number of A Shares or H Shares that such securities can be converted into or be allotted) proposed to be approved, allotted, issued, granted and/or otherwise dealt with by the Board shall not exceed 20% of each of the A Shares and/or the H Shares in issue as at the date on which this resolution is passed at the general meeting, respectively.

- (c) For the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Bank following the date of passing of this resolution;
- (ii) the expiration of 12 months following the date of passing of this resolution; or
- (iii) the date on which the authority granted to the Board under this resolution is revoked or amended by a special resolution passed by the Shareholders of the Bank at any Shareholders’ general meeting.
- (d) The Board is hereby authorized to determine the details of the issuance plan, including but not limited to:
- (i) the class and number of Shares proposed to be issued;
- (ii) the pricing basis and/or the offer price (including the price range);
- (iii) the date of opening and closing of the issuance;
- (iv) the use of the proceeds raised;
- (v) the recommendation, agreement and share options to be made or granted for the exercise of the said power; and

LETTER FROM THE BOARD

- (vi) other content to be included in the detailed issuance plan as required by the relevant laws and regulations and other regulatory documents, the relevant regulatory authorities and the stock exchange where Shares are listed.

- (e) 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 the completion of the increase in the registered capital of the Bank.

When exercising the authorizations set out in (d) and (e) above, the Board will comply with the relevant requirements for issuance under general mandate under the Hong Kong Listing Rules (including but not limited to Rule 13.36 and Rule 19A.38 of the Hong Kong Listing Rules) and the applicable PRC laws and regulations.

For the avoidance of doubt, the Shares and securities mentioned in this resolution shall refer to ordinary Shares only, excluding preference shares.

11.2 Use of proceeds

Proceeds are intended to be used to replenish the core tier I capital of the Bank after deducting the expenses for the issuance under the general mandate to issue the A Shares and/or H Shares and approval by relevant state authorities.

11.3 Matters relevant to the mandate

In order to enhance the efficiency of decision-making, reduce internal approval procedures and grasp market opportunities, in respect of the general mandate to issue Shares, it is proposed to the AGM to approve the authorization of 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 will be separately determined upon the exercise of the general mandate by the Board under this resolution.

LETTER FROM THE BOARD

12. Issuance Plan of Eligible Capital Replenishment Instruments

The details in relation to the issuance of eligible capital replenishment instruments by the Bank are set out in Appendix VI to this circular.

This resolution, which was considered and approved by the Board of Directors on March 28, 2019, is proposed for the consideration and approval by the Shareholders by way of special resolution at the AGM and will be implemented after obtaining approval from regulatory authorities such as the CBIRC and the PBoC.

13. Plan on Authorization to the Board Granted by the General Meeting

In order to optimize the corporate governance structure and enhance the efficiency of decision making, pursuant to relevant laws and regulations including the PRC Commercial Banking Law and requirements of the Articles of Association and after taking into account the actual situation of the Bank, the Bank has formulated the plan on authorization to the Board granted by the general meeting. For details of the plan, please refer to Appendix VII to this circular.

14. Proposed Amendments to the Articles of Association

Reference is made to the announcements of the Bank dated March 29, 2019 and April 2, 2019.

Pursuant to the Guidelines on the Corporate Governance of Commercial Banks, the Interim Measures for the Equity Management of Commercial Banks and related regulations as promulgated by the China banking regulatory authorities, and after taking into account the actual situation of the Bank, it is proposed to amend the relevant articles of the existing Articles of Association of the Bank. The resolution on the amendments to the Articles of Association was approved at the Board meeting held on March 28, 2019.

Proposed amendments to the Articles of Association are subject to the approval of the Shareholders at the AGM by way of special resolution and the approval of the China banking regulatory authorities, and shall take effect from the date on which the Bank has obtained all necessary approvals. It will be proposed at the AGM to grant the authorization to the Board, and agree the Board to delegate such authorization to other persons to make adjustments or amendments to the Articles of Association (including but not limited to words, sections, clauses, effective conditions or appendices) in accordance with the laws and regulations, and the opinions on the amendments to the Articles of Association from the regulatory authorities in or out of the PRC, and to deal with procedural matters such as approval, filing and information disclosure.

LETTER FROM THE BOARD

The Board also resolved that the chairman of the Board is authorized to make further supplements or adjustments to the proposed amendments in accordance with the feedback from the regulatory authorities before submitting the amendments to the Articles of Association to the AGM for approval.

The full text of such amendments is set out in Appendix VIII to this circular.

III. OTHERS

In addition, the Duty Performance Report of Independent Directors of Bank of Zhengzhou Co., Ltd. for 2018, the Evaluation Report on the Performance of Duties by the Board and Directors of Bank of Zhengzhou Co., Ltd. for 2018, the Evaluation Report on the Performance of Duties by the Board of Supervisors and Supervisors of Bank of Zhengzhou Co., Ltd. for 2018 and the Evaluation Report on the Performance of Duties by Senior Management and members of Bank of Zhengzhou Co., Ltd. for 2018, all of which are prepared by the Board of Supervisors, will be circulated at the AGM.

IV. THE AGM

The Bank proposes to convene the AGM at Multi-Function Room, 29/F, Bank of Zhengzhou Building, 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, PRC at 9:00 a.m. on May 24, 2019 (Friday) to consider, if thought fit, approve the matters set out in the notice of AGM. The form of proxy and the reply slip have been sent in accordance with the Hong Kong Listing Rules on April 8, 2019 (Monday). The notice of AGM is set out in Appendix IX to this circular.

Whether or not you intend to attend and/or vote at the AGM, you are requested to complete and return the form of proxy despatched by the Bank in accordance with the instructions printed thereon. If you are attending the AGM (in person or by a proxy), you are requested to complete the reply slip despatched by the Bank, and return it to the H Share Registrar (for holders of H Shares) on or before May 23, 2019 (Thursday).

Completion and return of the form of proxy will not preclude you from attending or voting in person at the AGM or any adjournment thereof should you so wish, and the completion and return of the reply slip will not preclude any holders of H Shares from attending and voting at the meeting.

V. METHODS OF VOTING AT THE AGM

Pursuant to the requirements of Rule 13.39(4) of the Hong Kong Listing Rules, voting by the Shareholders at the AGM shall be taken by the way of poll.

Please be advised that pursuant to Article 41 of the Articles of Association, when the number of Shares pledged by a Shareholder reaches or exceeds 50% of his/her/its holding of Shares in the Bank, the voting rights of such Shareholder at general meetings and the voting rights of Director(s) nominated by such Shareholder at Board meetings shall be restricted.

LETTER FROM THE BOARD

VI. CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM

In order to determine the list of holders of H Shares who are entitled to attend and vote at the AGM, the Bank's register of members of H Shares will be closed from April 24, 2019 (Wednesday) to May 24, 2019 (Friday), both days inclusive, during which no transfer of H Shares will be effected. The holders of H Shares included in the Bank's register of members of H Shares on May 24, 2019 (Friday) shall be entitled to attend and vote at the AGM.

In order to be eligible for attending and voting at the AGM, all transfer documents together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on April 23, 2019 (Tuesday).

VII. RECOMMENDATION

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

VIII. OTHER INFORMATION

You are kindly requested to pay attention to the information set out in Appendices I to IX to this circular.

By Order of the Board
Bank of Zhengzhou Co., Ltd.*
WANG Tianyu
Chairman

Zhengzhou, Henan, the PRC
April 30, 2019

As at the date of this circular, the Board comprises Mr. WANG Tianyu, Mr. SHEN Xueqing and Mr. FENG Tao as executive directors, Mr. FAN Yutao, Mr. ZHANG Jingguo, Mr. JI Hongjun, Mr. LIANG Songwei and Mr. WANG Shihao as non-executive directors, Mr. XIE Taifeng, Mr. WU Ge, Ms. CHAN Mei Bo Mabel and Ms. LI Yanyan as independent non-executive directors.

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Dear Shareholders:

In 2018, amid profound changes in the economic and financial spheres, the Board of Bank of Zhengzhou Co., Ltd. (the “**Bank**”), with the support of all Shareholders and under the supervision of the Board of Supervisors, strictly abided by financial regulatory requirements within the PRC and abroad, adhered to the general principle of seeking progress in stability, constantly improved the corporate governance mechanism, and strengthened risk management and construction of internal control systems. As a result, the Bank made solid progress in reform and transformation, completed all tasks for the year and was successfully listed in the A-share market. The details of our accomplishments are as follows:

As at the end of 2018, the Bank’s total assets reached RMB466.142 billion, representing an increase of 6.96% compared with the beginning of the year. The Bank recorded an operating income of RMB11.157 billion, representing an increase of 9.44% from the same period of the previous year, and realized a profit before provision of RMB7.97 billion, an increase of 6.21% from the same period of the previous year. The Bank has met all regulatory requirements in respect of major indicators. In addition, the Bank ranked 245th among the Top 1,000 World Banks 2018 published by the UK magazine The Banker in terms of tier-one capital, entering the top 300 for the very first time; it was rated by the Financial Times as one of the Top Ten City Commercial Banks of the Year on the gold medal list of 2018; it also ranked 6th in the comprehensive evaluation of city commercial banks with an asset scale of more than RMB200 billion in 2018 under the GYROSCOPE Evaluation System, suggesting that the Bank’s market reputation and overall competitiveness are improving.

I. WORK OF THE BOARD OF DIRECTORS IN 2018

(I) Promoting A-share Listing to Enhance Capital Strength

- 1. Overtaking peers to go public on SZSE.** In the process of applying for A-share IPO, the Board led the Bank to seize the key points in a practical manner, mobilized staff at all levels to work together on updating the application materials in a timely manner to fully reflect the operating results; we conducted in-depth analysis of the key issues, put forward solutions, and carefully responded to the opinions of the regulatory authority instead of evading or covering up the issues; by grasping the key links and strengthening organizational leadership, we passed the review of the Public Offering Review Committee of the CSRC, and successfully obtained IPO approval and went public, standing out among a long list of commercial banks under IPO review. As such, the Bank has become China’s first city commercial bank listed in both the A-share and H-share markets.
- 2. Making solid progress for successful issuance.** According to the actual situation of the Bank, the Board scientifically formulated the offering plan after carefully judging the market conditions and learning from the experience of peers; by planning in advance and taking multiple measures, we completed the registration of 2,904 shareholders’ securities accounts and achieved zero error in reporting

shareholders' equity custody information; with careful preparation and organization, our roadshows went smoothly with a response rate of 95.12% in terms of online communication. After comprehensive consideration and scientific analysis of the Bank's fundamentals and H-share price level, the valuation levels of comparable peers, market conditions and other relevant factors, we ultimately fixed the issue price at RMB4.59 per share and issued 600 million shares to raise RMB2.754 billion. Our online offering was oversubscribed 406 times, representing a demand-to-offer ratio of 0.246%.

- 3. Broadening financing channels to increase capital.** The Bank's A-share IPO raised a total of RMB2.708 billion after deducting issuance expenses, which will be used to supplement the Bank's core tier-1 capital. The IPO success, while enhancing the Bank's market image and overall competitiveness, further enhances the Bank's capital strength, provides guarantee for the Bank's steady development, and lays a foundation for the Bank to make full use of both the domestic and overseas capital markets with sound capital planning, broaden its capital replenishment channels, and establish a long-term mechanism for capital replenishment.

(II) Accurately Grasping the Strategic Direction and Creating a Development Blueprint

- 1. Fully implementing the "Three-Re and Three-Support" strategy.** On the basis of summarizing the development problems of the Bank, the Board outlined the "Three-Re and Three-Support" strategy and made a "prescription" for the Bank's transformation, which became the guiding principle for the Bank's development in the next few years. In 2018, the "Three-Re and Three-Support" strategy took root in many aspects. We continued our efforts in developing trade finance, micro and small enterprises finance and public finance, strengthened the prevention and control of credit risk, market risk and operational risk, formed ten capacity reinforcement teams, implemented six key projects and accelerated transformation of management methods, thereby improving our business, management and innovation capabilities. We also launched a "talent hunting scheme", introduced a new core system and refined the appraisal system for better talent, technology and system support.
- 2. Adjusting the five-year strategic development plan in due course.** To adapt to the new market environment, the Board of Directors conducted in-depth analysis of the macroeconomic situation and the trends of the financial industry, scientifically evaluated the implementation of the strategic plan between 2016 and 2018, reviewed the Bank's strategic vision, strategic objectives, channel strategy and overall strategy, and made forward-looking adjustments to the five-year strategic development plan. The adjusted strategic plan has more specific development objectives, more sound development principles and clearer business philosophies, paving the way for the Bank's sustained and healthy development in the next two years.

3. **Earnestly performing the strategic leading function.** The Board continued to strengthen its strategic leadership role and follow up on the implementation of the development strategy. We reviewed and approved the proposals submitted by the management on the annual operating results for 2017, work arrangements for 2018, organizational development plan for 2018, operating results for the first half of 2018 and work arrangements for the second half of 2018, and kept track and evaluated the effectiveness of the Bank's operation and management activities and construction of branches.
4. **Promoting the projects for corporate and retail business transformation and risk control in an orderly fashion.** For corporate banking, we deepened our capacity in the commerce and logistics fields and achieved initial results in customer development, product innovation, construction of the "Five-Cloud" platform, 1+N risk control capacity implementation, and capacity improvement. For retail business transformation, we elaborately built a retail marketing system by changing marketing concepts, enriching marketing activities, conducting coordinated cost management, and improving supervision and tracking mechanisms. For credit risk control, we focused on cutting existing credit loans, controlling new credit loans and improving risk control capacity to constantly strengthen asset quality control and optimize the credit structure.

(III) Improving Corporate Governance and Promoting Steady Development

1. **More prominent leading position of the Communist Party.** The Board conscientiously implemented the Communist Party's regulations, strengthened the position and responsibility of the Communist Party Committee in corporate governance, insisted that any "major decisions, major appointments and dismissals, major project arrangements and use of significant funds" shall be discussed and researched by the Communist Party Committee first, and then submitted to the Board for approval, and finally implemented by the management, and aligned the Articles of Association with the Rules of Procedure of the Communist Party Committee, with a view to giving full play to the leading and political role of the Communist Party Organization in navigating direction, controlling the overall situation and ensuring implementation.
2. **More efficient decision-making of the Board.** In 2018, the term of the fifth session of the Board of Directors of the Bank expired. The Board, in strict accordance with the laws and regulations, regulatory requirements and the provisions of the Bank's Articles of Association, carried out the procedures for re-election of Directors and elected the members of the sixth session of the Board at the 2017 annual general meeting. While maintaining the overall stability of the Board, we further optimized the composition of the Board, thus laying a good foundation for building an efficient and professional board of directors.

3. **Optimized corporate governance system.** The Board thoroughly studied the new spirit and new requirements of the regulatory authorities on corporate governance, reviewed and improved the Bank's corporate governance mechanisms in terms of organizational structure and system building according to the rules of the securities market, amended the Articles of Association of the Bank, added six sets of measures covering independent Directors' annual work reports and the management of information disclosure errors, and revised five sets of measures including the Management Measures for Independent Directors and the Work Rules for the Audit Committee, thereby ensuring the order and compliance of corporate governance.
4. **More effective incentive and restraint mechanisms.** The Board proactively explored a medium-and long-term incentive mechanism beneficial to the Bank's sustainable development by optimizing performance appraisal and strengthening remuneration management. The Remuneration and Assessment Committee held four meetings to consider six proposals. To combine incentives and constraints, match remuneration with responsibilities and link performance pay to long-term risks, the Board formulated the Measures for the Management of Remuneration and Performance of Directors and Supervisors at the Governance Level, the Measures for the Management of Remuneration and Performance of Senior Executives at the Management Level and the Management Measures for Delayed Payment of Performance Pay.

(IV) Solidly Fulfilling the Duties of the Board of Directors and Improving Decision-making Ability

1. **Strictly implementing the resolutions of the general meeting.** In 2018, the Board convened one annual general meeting and one extraordinary general meeting, at which 21 resolutions were considered and approved and three reports were heard. The Board earnestly performed its duties entrusted by the general meeting, strictly implemented the resolutions of the general meeting, actively advanced the key tasks such as A-share IPO, strategic guidance and corporate governance, and safeguarded the legitimate rights and interests of all Shareholders.
2. **Earnestly performing the duties of the Board of Directors.** In 2018, the Board held 12 meetings, including seven on-site meetings and five meetings by telecommunication, to consider and approve 79 proposals including the 2017 report on operating results, and to hear 11 reports such as the 2017 internal audit report. The convening, holding and voting procedures of all Board meetings were in compliance with the relevant laws and regulations and the provisions of the Articles of Association of the Bank. All Directors were faithful and diligent in performing their duties, devoted enough time and energy to the Bank's operation and management, gave full play to their experience and expertise in the economic and financial fields, carefully considered various proposals, and made decisions in a prudent and scientific manner.

- 3. Effectively playing the roles of the special committees of the Board of Directors.** The Board continuously improved the operation mechanism of its special committees. After the re-election of the Board, members of the special committees are re-elected based on the professional expertise of the Directors with finer division of specialties and better decision-making capacity. In 2018, the special committees held a total of 36 meetings, including two meetings of the Strategic Development Committee, ten meetings of the Related Party Transactions Control Committee, four meetings of the Risk Management Committee, seven meetings of the Audit Committee, six meetings of the Nomination Committee, four meetings of the Remuneration and Assessment Committee and three meetings of the Consumer Rights Protection Committee. The roles of the special committees were effectively played.
- 4. Actively improving Directors' ability to perform their duties.** In 2018, the Directors deepened their understanding of the domestic and international economic situation, the development level of the industry, the Bank's development stage and risk management through participation in meetings, field research, study and training, in an ongoing effort to improve their capability to perform duties. They put forward many effective opinions and suggestions on the Bank's development, facilitating the Bank's sound and stable operation.

(V) Implementing Comprehensive Risk Management and Optimizing Internal Control Mechanism

- 1. Improving the comprehensive risk management system.** In 2018, the Board adhered to the philosophy of "prudent, rational and sound" risk management, regularly heard the management's reports on risk management, and held four meetings of the Risk Management Committee to consider 11 proposals. We formulated the risk appetite statement for 2018, set sound risk indicators, and determined prudent risk limits to control risk exposure. We consolidated the foundation for credit risk management, strengthened the capabilities in the management of market risk, liquidity risk, operational risk and information technology risk, and carried out strict isolation of risks after considering the correlation between various risks. We innovated in management measures, implemented the "Big Data Risk Control" project, and launched the President's Cockpit and Risk Management Dashboard to enrich risk control methods.
- 2. Strengthening the compliance of related party transactions.** In 2018, the Board further standardized the management of related party transactions, strictly implemented the procedures for identification, definition, approval and disclosure of related party transactions, and held ten meetings of the Related Party Transactions Control Committee to consider 22 proposals. We revised the Administrative Measures for Related Party Transactions in due course, updated the list of related parties and their information regularly, incorporated the general management process regarding related party transactions into the unified credit management system, and optimized the approval procedures for related party transactions continuously to make the management of related party transactions more standardized and efficient.

- 3. Improving the internal control system and the swindle prevention & control mechanism.** In 2018, the Board grasped the IPO opportunity to continuously optimize the internal control system by carrying out review and ex-post assessment of internal control measures and implementing external regulations. During the year, we added and revised 267 internal control provisions to improve the internal control system on an ongoing basis; strengthened the authorization risk management and control, upgraded the unified credit granting system, and realized the control of total authorization amount and flexibility of re-authorization; carried out internal control compliance inspections including 7 special inspections to facilitate improvements; set up an in-process early warning platform with 60 risk monitoring models in 9 categories; and strengthened the implementation of swindle prevention & control responsibilities by refining the division of such responsibilities according to the annual work plan for compliance management and swindle prevention & control. As a result, there were no major safety incidents or cases during the year.
- 4. Reinforcing internal audit.** In 2018, the Board earnestly performed its duties in internal audit management and held seven meetings of the Audit Committee to consider 21 proposals. Adhering to the principles of independence, objectivity and materiality, we continuously innovated in audit methods, expanded the coverage areas of audit, strengthened supervision, and improved audit quality and efficiency to give an objective view of the Bank's business and management conditions, thus effectively improving the internal control mechanism.

(VI) Making Sufficient Information Disclosure to Safeguard the Legitimate Rights and Interests of Investors

- 1. Making information disclosure in compliance with relevant regulations.** In 2018, the Board carried out information disclosure on a reasonable, prudent and objective basis according to the principles of truthfulness, accuracy, completeness and timeliness and in strict accordance with the Administrative Measures for Information Disclosure of Listed Companies, the Listing Rules of the Shenzhen Stock Exchange, the Guidelines on the Standard Operation of Companies Listed on the Small and Medium-Sized Enterprise Board of the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Management Measures for Information Disclosure of the Bank. During the year, the Bank completed the preparation and disclosure of regular reports including the 2017 annual report and corporate social responsibility report and the 2018 interim report and third quarter report, and published 73 and 80 announcements on the websites of the Shenzhen Stock Exchange and the Hong Kong Stock Exchange respectively. By doing so, we enabled investors to learn about the Bank's business operations in a timely manner, protected the legitimate rights and interests of investors, and built a good image of the Bank in the capital market.

2. **Strengthening the management of inside information.** We formulated and implemented the Management Measures for Inside Information and Registration of Insiders, the Management Measures for the Shares of the Bank Held by Directors, Supervisors and Senior Management Personnel and other rules and regulations of the Bank, strictly controlled the scope of insiders having access to inside information, maintained a detailed list of insiders of the Bank, and continuously optimized the internal information management mechanism. As a result, no insider was found to illegally trade in shares of the Bank using inside information, nor was there any insider subject to regulatory sanctions by the regulatory authorities for involving in insider trading in violation of the measures for the management of inside information and insiders.
3. **Carrying out investor relations management.** We strengthened communication with investors to safeguard the interests of investors, especially small and medium investors. To this end, we held online roadshows for A-share IPO to enhance investors' understanding of the Bank's operations; set up a dedicated hotline to answer calls from investors and resolve their questions, so as to safeguard investors' rights and interests; and used the interaction platform (irm.cninfo.com.cn) of the Shenzhen Stock Exchange to respond to the concerns of investors in a timely manner.

(VII) Practicing Corporate Social Responsibility to Give Back to Society

1. **Serving local economic development.** To support the state's major strategic initiatives, we contributed to the construction of Zhengzhou as a National Central City, promoted the construction of a regional financial center in Zhengzhou, initiated and hosted a summit of China's commerce and logistics banks to promote the innovation in and development of commerce and logistics banking, so as to establish role models in the industry and serve the real economy.
2. **Improving the effectiveness of calibrated poverty alleviation.** According to the requirements for local poverty alleviation, we tasked ourselves with supporting rural revitalization, building characteristic villages and serving rural financial needs, explored the industrial poverty alleviation model of "banks + three-level poverty alleviation agencies of the government + enterprises + poor households", and carried out donation activities to support education cause, so as to help special populations in need.
3. **Following the inclusive finance initiative.** To serve the real economy with the Bank's principal business, we vigorously developed inclusive finance by providing financial services for small and micro enterprises, citizens, entrepreneurs and innovators, and on-campus personnel, improved the working mechanism for the protection of consumer rights and interests, so as to increase the coverage, availability and satisfaction of our financial services for the benefit of the public.

4. **Practicing the concept of green development.** We continued to improve the green credit system, directed financial resources towards environment-friendly industries, developed e-banking business, expanded the construction of online service channels, strengthened environmental risk management, and promoted sustainable ecological development.
5. **Giving back to society.** We sponsored the Zhengzhou International Marathon to promote the prosperous development of Zhengzhou's sports industry with concrete actions. We cooperated with the relevant authorities to extract monitoring data on illegal fundraising and reported clues to suspected illegal fundraising cases to help maintain financial order and social stability. Moreover, we vigorously supported public welfare undertakings in an active effort to live up to our social responsibility.

II. KEY WORK ARRANGEMENTS OF THE BOARD OF DIRECTORS FOR 2019

In 2019, the banking industry is still facing great uncertainties. The Board will continue to deepen its understanding of the domestic and international financial environment, enhance its sensitivity to strategic direction and holistic control, make its arrangements and decisions more scientific, encourage the Bank to actively participate in the financial supply-side structural reform, improve the quality and efficiency of serving the real economy, and maintain a balance between stable development and risk prevention, so as to realize sustainable development with steady progress.

1. Implement the Bank's strategic development plan and play a leading role in strategy making. We will adhere to the problem-oriented approach and maintain our strategic focus, and continue to promote the "Three-Re and Three-Support" strategy and carry out the tasks of "stabilizing profit growth, non-performing loan rate and characteristic businesses, increasing the return on assets, controlling the cost of debt, and lowering capital consumption". To improve development quality, we will rectify work style, standardize practices, prevent risks, enhance efficiency and promote transformation while accelerating growth and shifting development patterns.
2. Expand capital replenishment channels to enhance capital support. The Board will continue to improve the capital replenishment mechanism, replenish capital mainly through internal accumulation of capital, reasonably choose means of fundraising such as private placement and convertible bonds, and focus on replenishment of core tier-1 capital. In addition, the Board will innovate in capital replenishment methods and use a diverse range of capital replenishment tools including bonds to improve the capital adequacy ratio at all levels and refine the capital structure, so as to support the Bank's business development and strategy implementation and better serve the real economy.

3. Improve risk management capabilities to prevent and resolve risks. The Board will strengthen the ultimate responsibility of risk management by tackling the key issues, overcoming weaknesses and solidifying the foundation, regard credit risk as the top priority of risk management, continuously improve the comprehensive risk control system and standards, enhance technology system support, intensify the construction of risk management teams, and focus on reducing existing credit loans and controlling new ones to firmly defend the bottom line of risks.
4. Improve corporate governance and keep the Board running efficiently. The Board will continue to optimize the organizational structure, improve the management measures, ensure good communication and coordination among the general meeting, the Board of Directors, the Board of Supervisors and the management, intensify the research, training and subject study of Directors, give full play to the professional support role of independent Directors, improve the ability of Directors to perform duties, and enhance the leading role of the Board in decision making.
5. Strengthen equity management to improve Shareholders' compliance performance. The Board will implement the regulatory requirements, improve the measures for equity management, conduct qualification review of Shareholders and identification of their ultimate controllers in accordance with the laws and regulations, and optimize the operational procedures for equity information inquiry, equity pledge, etc. We will keep track of the changes in the information on major Shareholders and update the shareholding structure in a timely manner. In addition, we will accurately identify related parties to ensure the compliance of related party transactions and complete, sufficient, and timely information disclosure in this regard.
6. Make sufficient information disclosure to safeguard the legitimate rights and interests of investors. The Board will urge the Bank to strengthen the management of information disclosure affairs, enhance the transparency of operation and management, ensure the completeness, accuracy, authenticity and availability of information disclosed to investors, and reinforce insider management, so as to safeguard the legitimate rights and interests of investors.

Dear Shareholders:

In 2018, the Board of Supervisors of the Bank was dedicated to fulfilling its duties diligently in the spirit of being responsible to the Shareholders and employees in accordance with the Company Law, the Guidelines on the Corporate Governance of Commercial Banks, the Articles of Association and the requirements of the rules and regulations for the Board of Supervisors, and formed a relatively complete supervision system covering the supervision over meetings, strategies, financial affairs and performance appraisal, which had positive catalytic effects on the Bank's steady business development, enhancement of risk control and improvement of the corporate governance structure. The foregoing practices promoted the standard operation and sound development of corporate governance.

I. MAJOR WORK OF THE BOARD OF SUPERVISORS

During the year ended December 31, 2018, the Board of Supervisors took full participation in various meetings and activities of "three Boards and one Management" of the Bank. The Board of Supervisors convened six meetings and four special committee meetings of the Board of Supervisors, at which 14 proposals concerning business operation, internal control, risk management, corporate governance and performance appraisal of duties of the Directors and the Supervisors were considered, while 19 reports concerning internal audit, connected transactions and quality of assets were heard. During the year ended December 31, 2018, members of the Board of Supervisors attended the general meetings and were present at all the on-site meetings of the Board, and supervised the convening of the meetings were in compliance with the relevant laws and regulations, voting procedures, the Directors' attendance of, opinions expressed at and voting results of the general meetings and Board meetings, respectively. During the year ended December 31, 2018, the attendance of and presence at various meetings and activities by members of the Board of Supervisors furnished the Board of Supervisors with access to information on the operation and management of the Bank in all aspects in a timely manner, thereby substantially consolidating its supervisory functions. The Board of Supervisors had no objections to the supervisory matters during the year ended December 31, 2018.

During the year ended December 31, 2018, the Board of Supervisors optimized and adjusted its organizational structure. The sixth session of the Board of Supervisors of Bank of Zhengzhou was elected at the 2017 annual general meeting convened on June 15, 2018. The Board of Supervisors established the supervisory committee and the nomination committee pursuant to the laws. The sixth session of the Board of Supervisors consists of six Supervisors, of whom three were employee Supervisors, one was Shareholder Supervisors and two were external Supervisors. Both committees comprised three members, each of which is chaired by an external Supervisor, thus satisfying the regulatory requirements for the composition and proportion of members of the Board of Supervisors.

During the year ended December 31, 2018, the external Supervisors proactively familiarized themselves with the operation and management of the Bank, and gave opinions and suggestions on significant matters by attending meetings of the Board of Supervisors, convoking and convening special committee meetings of the Board of Supervisors, being present at the Board meetings, participating in the Board of Supervisors' investigations and surveys (on a collective or separate basis) at branch level. During the adjournment of the meetings of the Board of Directors and the Board of Supervisors, the external Supervisors were able to review various documents and reports of the Bank and exchange opinions with the Board of Directors and management on any findings in a timely manner, thereby playing an active role in performing their supervisory duties.

II. INDEPENDENT OPINIONS ON RELEVANT MATTERS

Performance of duties by the Board of Directors and senior management and its members

During the year ended December 31, 2018, the Board of Supervisors completed the 2017 report of assessment of the performance of the Board of Directors, senior management and its members as required and reported the performance assessment results to the general meetings and regulatory authorities. The Board of Supervisors was of the view that the Board of Directors and senior management performed their duties according to the Guidelines on the Corporate Governance of Commercial Banks and the Articles of Association. In promoting the listing of the Bank and its major business decisions, they displayed solidarity, vision, prudence and steady progress, leading the Bank to achieve a new leap. The senior management continued to improve their capability to execute strategic decisions, and established and finalized various measures to ensure the completion of various jobs for the whole year.

Compliance with laws and regulations in operations

During the year ended December 31, 2018, the operating activities of the Bank complied with the requirements of the Company Law, the Commercial Banking Law and Articles of Association, and the process of decision making was legitimate and effective. The Directors and senior management were honest, trustworthy and diligent in carrying out their duties. In the course of carrying out their duties during the year, no acts in violation of laws and regulations and the Articles of Association or detrimental to the interests of the Bank and Shareholders were found among the Directors and senior management.

Truthfulness of financial report

During the year ended December 31, 2018, upon careful review of the 2017 annual report by all Supervisors in a practical manner and in the spirit of being responsible to all Shareholders, the Board of Supervisors was of the view that procedures for the preparation of the 2017 annual report by the Board complied with the laws, administrative regulations and the requirements of the CSRC; the report truthfully, accurately and completely reflected the actual situation of the Bank; and there were no false representations, misleading statements or material omissions contained therein.

Use of proceeds

During the year ended December 31, 2018, the actual use of proceeds was consistent with the purposes stated in the Bank's prospectus.

Related party transactions

During the year ended December 31, 2018, the Board of Supervisors supervised the related party transactions, and considered that the prices of the related party transactions of the Bank were fair and reasonable and no acts detrimental to the interests of the Bank and Shareholders were found by the Board of Supervisors.

Internal control

During the year ended December 31, 2018, the Board of Supervisors considered that the Bank had established a relatively comprehensive corporate governance structure, formulated relatively complete management systems relating to corporate governance and internal control, and was capable of improving the foregoing in accordance with the actual situation of the Bank and regulatory requirements. The internal control system of the Bank was carried out smoothly, complied with the relevant standard requirements of laws and regulations on the management of corporate internal control systems, and completely, truthfully and objectively reflected the establishment and operation of the internal control system of the Bank. The Board of Supervisors reviewed the 2017 Internal Control Evaluation Report of the Bank and had no objections to the contents.

Implementation of resolutions of general meetings

During the year ended December 31, 2018, the Board of Supervisors supervised the implementation of the resolutions of general meetings, and considered that the Board was capable of earnestly implementing the relevant resolutions of general meetings and did not take any action detrimental to the interests of Shareholders.

Profit Distribution Plan

The Board of Supervisors reviewed the 2017 Profit Distribution Plan and was of the view that the distribution plan was in line with the relevant requirements of the laws, regulations and the Articles of Association, complied with the overall interest of all Shareholders and would facilitate the Bank's long-term development.

Preference shares dividend distribution plan

During the year ended December 31, 2018, the Bank's preference shares dividend distribution plan was in compliance with the relevant requirements of the laws, regulations, the Articles of Association and provisions under the terms of preference share issuance.

Accounting policy changes

During the year ended December 31, 2018, the Bank's accounting policy changes were reasonable amendments as required by the relevant documents of the Ministry of Finance, and complied with the relevant requirements of regulatory authorities including the Ministry of Finance, CSRC, Shenzhen Stock Exchange and Hong Kong Stock Exchange, which can reflect the Bank's financial position and operation results more objectively and fairly and is in the interests of the Bank and its Shareholders.

I. BASIC INFORMATION OF PROCEEDS

(I) Actual amount of proceeds and remittance thereof

Approved by the Reply on Authorizing the Initial Public Offering of Bank of Zhengzhou Co., Ltd. (Zheng Jian Xu Ke [2018] No. 1199) issued by CSRC, Bank of Zhengzhou Co., Ltd. (the “**Bank**”) issued 600,000,000 ordinary shares (A shares) with a par value of RMB1.00 each for the initial public offering in September 2018 at a price of RMB4.59 per share, and raised proceeds of RMB2,754,000,000.00 in total. The actual amount of proceeds raised were RMB2,727,075,471.69 after deducting sponsor and underwriting fees of RMB26,924,528.31 (excluding VAT) and was transferred to the designed account (account no.: 15601123012011189500008) opened by the Business Department of Bank of Zhengzhou Co., Ltd. on September 13, 2018. In addition, after deducting other issuance expenses related to proceeds of RMB18,290,275.89 (excluding VAT), net proceeds amounted to RMB2,708,785,195.80.

The aforementioned proceeds have been verified by KPMG Huazhen LLP, by which the capital verification report (KPMG Huazhen Yan Zi No. 1800380) was issued.

(II) Use of proceeds

As at December 31, 2018, after deducting the issuance expenses, the proceeds raised from this offering were fully used to replenish the Bank’s capital. The proceeds have been fully utilized.

II. DEPOSIT AND MANAGEMENT OF PROCEEDS

(I) Management of proceeds

In order to regulate the management and use of proceeds and protect investors’ interests, the Bank has complied with the regulations and requirements of the laws and regulations such as the Company Law, the Securities Law and the Listing Rules of the Shenzhen Stock Exchange, and formulated the Management Policies on Proceeds of Bank of Zhengzhou Co., Ltd (the “**Management Policies**”) based on the Bank’s actual situation. In accordance with the regulations of the Management Policies, the Bank adopted special account deposit for proceeds. The Bank opened a special account (account no.: 15601123012011189500008) for proceeds in the Business Department of Bank of Zhengzhou Co., Ltd., specifically used for the deposit of proceeds raised from public offering of new shares. The Bank also entered into the Agreement on Governing Special Account for the Deposit of Proceeds from the Initial Public Offering with sponsor institution, China Merchants Securities Co., Ltd., specifying each party’s rights and obligations. The Bank has established approval procedures for the use of and approval for proceeds, facilitating the management and use of proceeds, conducting supervision on its use and guaranteeing proceeds’ designated use.

(II) Deposit of proceeds in each bank account

As at December 31, 2018, the deposit of special account for proceeds is detailed below:

Name of the Bank: Business Department of Bank of Zhengzhou Co., Ltd.

Account name: Bank of Zhengzhou Co., Ltd.

Bank account no.: 15601123012011189500008

Deposit balance: RMB0

III. ACTUAL USE OF PROCEEDS DURING THE YEAR**(I) Use of proceeds from investment projects**

As at December 31, 2018, the Bank's proceeds raised from initial public offering of ordinary shares amounted to RMB2,708,785,195.80 in total after deducting sponsor and underwriting fees and other issuance expenses, which was fully used to replenish the Bank's core tier-one capital. Please refer to the attachment of this report for the comparison table of specific use of proceeds.

(II) The Bank made no changes for the place of and the adjustment to the way of applying the proceeds.

(III) The Bank had no situation in which proceeds replace self-raised funds for investment projects in the initial stage.

(IV) The Bank made no application of idle proceeds for temporary replenishment of working capital.

(V) As at December 31, 2018, the Bank's proceeds were used up and there were no remaining proceeds used for investment projects.

(VI) The Bank had no excess proceeds.

(VII) As at December 31, 2018, the Bank had no unused proceeds.

(VIII) The Bank had no other uses of proceeds.

IV. CHANGES IN THE USE OF PROCEEDS FOR INVESTMENT PROJECTS

During the year ended December 31, 2018, the Bank made no changes in the use of proceeds for investment projects and there was no external transfer or replacement of proceeds for investment projects.

During the year ended December 31, 2018, the Bank had no proceeds invested in advance or proceeds replacement.

V. ISSUES CONCERNING THE USE OF PROCEEDS AND ITS DISCLOSURE

The Bank deposited and used the proceeds in strict compliance with the relevant requirements of the Listing Rules of the Shenzhen Stock Exchange, Supervisory Guidelines No. 2 for Listed Companies – Supervisory Requirements for Management and Use of Raised Funds of Listed Companies, the Guidelines on the Standard Operation of Companies Listed on the Small and Medium-Sized Enterprise Board of the Shenzhen Stock Exchange and the Management Policies on Proceeds of Bank of Zhengzhou Co., Ltd., and disclosed the use of proceeds in a timely, true, accurate and complete manner. During the year ended December 31, 2018, there were no violations regarding the use and management of proceeds.

Attachment: comparison table of the use of proceeds

Attachment:

Comparison Table of the Use of Proceeds

Unit: RMB

Amount of proceeds (note 1)					2,708,785,195.80	Total amount of proceeds used during 2018					2,708,785,195.80
Total amount of proceeds involved in change of use during the year ended December 31, 2018					Nil	Cumulative amount of proceeds used					2,708,785,195.80
Cumulative total amount of proceeds involved in change of use					Nil						
Proportion of cumulative total amount of proceeds involved in change of use					Nil						
Project undertaken for investment and the use of excess proceeds	Change in project undertaken, including those partially changed (if any)	Total amount of proceeds undertaken for investment	Total investment amount after adjustment⁽¹⁾	Invested amount during 2018	Cumulative invested amount as of December 31, 2018⁽²⁾	Progress of investment as of December 31, 2018 (%)^{(3)=(2)/(1)}	Date of the project reaching the intended working condition	Results realized during 2018	Cumulative results realized as of December 31, 2018	Estimated results achieved	Any material changes in the feasibility of the project
Replenished capital	Nil	2,708,785,195.80	2,708,785,195.80	2,708,785,195.80	2,708,785,195.80	100%	N/A	N/A	N/A	N/A	No
Reason for not meeting the schedule (by specific project)						Nil					
Explanation of the material change in the feasibility of the project						Nil					
Amount and use of the excess proceeds and the progress of the use						Nil					
Change of the place of applying the proceeds						Nil					
Adjustment to the way of applying the proceeds						Nil					
Application and replacement of the proceeds in the initial stage						Nil					
Application of idle proceeds for temporary replenishment of working capital						Nil					
Amount of positive balance of proceeds upon commencement of the project and the relevant reason											The Bank's proceeds were used up and there were no remaining proceeds used for investment projects.
Application of unused proceeds											The Bank's proceeds were used up and there were no unused proceeds.
Issues or other matters regarding the use and disclosure of proceeds						Nil					

Notes:

1. The amount of proceeds represented the net proceeds after deducting sponsor and underwriting fees and other issuance expenses.
2. The proceeds were fully used to replenish the Bank's core tier-one capital. As the capital used for investment projects included the Bank's own capital and proceeds raised, it was unable to audit the results realized by the proceeds as at December 31, 2018 independently.

I. IMPLEMENTATION OF RELATED PARTY TRANSACTIONS MANAGEMENT POLICIES

During the the year ended December 31, 2018, the Bank strictly complied with the laws, administrative regulations, department rules, regulatory documents of the Administrative Measures for Related Party Transactions issued by CBIRC, Listing Rules of the Hong Kong Stock Exchange, Listing Rules of the Shenzhen Stock Exchange, the Accounting Standards for Business Enterprise and the Administrative Measures for Related Party Transactions of Bank of Zhengzhou Co., Ltd. and the requirements of the Bank's Articles of Association, strengthened the Bank's management on related party transactions and rigorously controlled the risk of related party transactions to ensure the Bank's related party transactions will not compromise the interest of all Shareholders and customers of the Bank, so as to promote the stable and healthy development of the Bank's business.

(I) Confirmation of Related Parties

Within the scope of authority conferred by the general meeting and under the guidance of the Board, the Bank carried out the task of collecting related information statistics of the Bank, systematically collecting and summarizing relevant basic information including the Bank's related legal persons and related natural persons, conducting classification and organizing to complete basic information database gradually. As at the end of 2018, the Bank had a total of 227 related legal persons and 432 related natural persons within the three regulatory and administrative scopes of CBIRC, domestic Accounting Standards for Business Enterprises, the Listing Rules of the Hong Kong Stock Exchange and the Listing Rules of the Shenzhen Stock Exchange, which was reported to the Board of Directors and the Board of Supervisors after the Related Party Transactions Control Committee considered and approved it.

(II) Approval of Related Party Transactions

In 2018, the Bank continued to strengthen the compliance management of related party transactions and strictly assumed the approval and disclosure obligations of related party transactions in accordance with the respective regulatory requirements of CBIRC, the Hong Kong Stock Exchange and the Shenzhen Stock Exchange. First, general related party transactions will be subject to the approval of the Related Party Transactions Control Committee of the Bank's Board of Directors. Second, significant related party transactions, after obtaining approval from Related Party Transactions Control Committee of the Bank's Board of Directors, will be submitted to the Board of Directors for approval and reported to the Bank's Board of Supervisors and CBIRC. Third, the single transaction amount exceeding RMB30 million and surpassing 5% of audited net assets in the latest period will be submitted to the general meeting for approval after submitting to the Related Party Transactions Control Committee of the Board of Directors and the Board of Directors for consideration. During the year ended December 31, 2018, the directors were diligent and conscientious, complied with general business terms and adhered to the principle of satisfying the interest of all Shareholders when considering related party transactions matters. Independent Directors issued pre-voting endorsement statement and

independent opinions on the fairness of significant related party transactions and the implementation of internal approval procedures before voting for related party resolutions. All related Directors abstained to vote for the resolutions.

(III) Pricing of Related Party Transactions

In accordance with the regulations of the Administrative Measures for Related Party Transactions of Bank of Zhengzhou Co., Ltd., the Bank combines the ratings and risk of related party customers to determine corresponding prices for various types of related party transactions, so as to ensure the legitimacy and fairness of the pricing of related party transactions. During the year ended December 31, 2018, related party transactions between the Bank and the related parties complied with general business principles and were conducted on terms no better than the same types of transactions with non-related party. For normal banking business transactions with the related parties conducted in the Bank's daily ordinary course of business, transactions with the related parties were conducted in accordance with general commercial terms and normal business procedures and did not compromise the legal interest of other Shareholders, and were conducted on a fair basis.

(IV) Disclosure of Related Party Transactions

The Bank strictly complies with the regulatory requirements of CBIRC, Shenzhen Stock Exchange and Hong Kong Stock Exchange, disclosing related party transactions information in its interim reports and annual reports on a regular basis. The Bank also discloses related party transactions information for non-recurring related party transactions in designated websites including CNINFO timely, accurately and completely.

II. MAJOR WORK OF THE RELATED PARTY TRANSACTIONS CONTROL COMMITTEE OF THE BOARD

During the the year ended December 31, 2018, the Related Party Transactions Control Committee of the Board held a total of ten meetings to consider and approve important proposals including 2017 Annual Work Report of the Related Party Transactions Control Committee, related tarty transactions and list of the related parties, the details are as follows:

Session of the meeting	Proposals of the meetings
The 20th meeting of the fifth session of the Related Party Transactions Control Committee of the Board	<ol style="list-style-type: none">1. Resolution on the proposal that the Bank intends to underwrite the targeted debt financing instruments involving related party transaction of Zhengzhou Investment Holdings Co., Ltd.;2. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to ZH International Holdings Limited.

Session of the meeting	Proposals of the meetings
The 21th meeting of the fifth session of the Related Party Transactions Control Committee of the Board	<ol style="list-style-type: none">1. Special report on related party transactions for 2017 of Bank of Zhengzhou Co., Ltd.;2. 2017 annual work report of the Related Party Transactions Control Committee of the Board of Bank of Zhengzhou Co., Ltd.;3. Resolution on the proposal that the Bank intends to offer guarantees involving related party transaction to Xunxian Zhengyin County Bank Co., Ltd.;4. Resolution on the proposal that the Bank intends to subscribe second tranche of the Super Short-term Commercial Papers in 2018 involving related party transaction of China Minsheng Investment Co., Ltd.
The 22nd meeting of the fifth session of the Related Party Transactions Control Committee of the Board	<ol style="list-style-type: none">1. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Zhengzhou Municipal Construction Engineering Group (鄭州市政工程集團);2. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Queshan Zhengyin County Bank Co., Ltd.;3. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Xunxian Zhengyin County Bank Co., Ltd.;4. Resolution on the proposal that the Bank intends to offer guarantees involving related party transaction to Fugou Zhengyin and Queshan Zhengyin.
The 1st meeting of the sixth session of the Related Party Transactions Control Committee of the Board	<ol style="list-style-type: none">1. Resolution on the election of the chairman of the sixth session of the Related Party Transactions Control Committee of the Board of Bank of Zhengzhou Co., Ltd.

Session of the meeting	Proposals of the meetings
The 2nd meeting of the sixth session of the Related Party Transactions Control Committee of the Board	1. Resolution on the proposal that Xunxian Zhengyin and Queshan Zhengyin intends to invest in the Bank's interbank wealth management products involving related party transactions.
The 3rd meeting of the sixth session of the Related Party Transactions Control Committee of the Board	1. Resolution on the proposal that the Bank intends to underwrite non-financial corporate debt financing instruments involving related party transaction of Henan Investment Group Co., Ltd.; 2. Resolution on the proposal that Zhongmu Zhengyin County Bank intends to invest in the Bank's interbank wealth management products involving related party transactions.
The 4th meeting of the sixth session of the Related Party Transactions Control Committee of the Board	1. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to China Minsheng Investment Group (中國民生投資集團); 2. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Zhengzhou Investment Holdings Group (鄭州投資控股集團).
The 5th meeting of the sixth session of the Related Party Transactions Control Committee of the Board	1. Resolution on considering the list of related parties of Bank of Zhengzhou.
The 6th meeting of the sixth session of the Related Party Transactions Control Committee of the Board	1. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Zhengzhou Investment Holdings Group (鄭州投資控股集團); 2. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Zhengzhou Development & Investment Group Co., Ltd.;

Session of the meeting	Proposals of the meetings
	3. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Zhengzhou Construction Investment Group (鄭州建投集團); 4. Resolution on the proposal that the Bank intends to grant credit involving related party transaction to Henan Zensun Group.
The 7th meeting of the sixth session of the Related Party Transactions Control Committee of the Board	1. Resolution on granting credit involving related party transaction to Jinyang Electric Co., Ltd..

III. RELATED PARTY TRANSACTIONS

At the end of 2018, the Bank's maximum balance of credit grant to a related party was RMB1,104 million, representing 2.53% of the Bank's net capital; the Bank's maximum balance of credit grant to a group customer of related legal person or other organizations was RMB1,636 million, representing 3.75% of the Bank's net capital; the Bank's balance of credit grant to all related parties was RMB7,923 million, including legal persons' balance of credit grant of RMB7,895 million and related natural persons' balance of credit grant of RMB28 million, which represented 18.15% of the Bank's net capital in total. Therefore, the thresholds of related party transactions comply with the regulatory requirements of the CBIRC.

(I) Credit Grant Related Party Transactions

For related party transactions regarding credit grant approved by the Related Party Transactions Control Committee of the Board of the Bank in 2018, credit grant to each related party is set out below:

Unit: RMB million

No.	Company name	Business	Credit grant limit
1	Henan Zhengyang Construction Engineering Co., Ltd. (河南正陽建設工程有限公司)	Factoring	420
2	ZH International Holdings Limited (正恒國際控股有限公司)	Bond investment	100 (USD)
3	China Minsheng Investment Co., Ltd. (中國民生投資股份有限公司)	Bond investment	300

No.	Company name	Business	Credit grant limit
4	Beijing Zhongmin Assets Management Co., Ltd.	Working capital loans	1,600
5	Zhengzhou Investment Holdings Co., Ltd (鄭州投資控股有限公司)	Asset management scheme	300
6	Zhengzhou Investment Holdings Co., Ltd (鄭州投資控股有限公司)	Bond investment	200
7	Zhengzhou Jinyang Electric Co., Ltd. (鄭州金陽電氣有限公司)	Working capital loans	80
8	Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司)	Entrusted debt investment	300
9	Zhengzhou Construction Investment Group Co., Ltd. (鄭州市建設投資集團有限公司)	Entrusted debt investment	500
10	Zhengzhou Municipal Construction Engineering General Corporation (鄭州市市政工程總公司)	Working capital loans	300
11	Henan Kanghui Cement Products Co., Ltd. (河南康暉水泥製品有限公司)	Working capital loans	150
12	Fugou Zhengyin County Bank Co., Ltd. (扶溝鄭銀村鎮銀行股份有限公司)	Loan guarantee to support farmers	120
13	Queshan Zhengyin County Bank Co., Ltd (確山鄭銀村鎮銀行股份有限公司)	Loan guarantee to support farmers	50
14	Xunxian Zhengyin County Bank Co., Ltd (浚縣鄭銀村鎮銀行股份有限公司)	Loan guarantee to support farmers	30
15	Queshan Zhengyin County Bank Co., Ltd (確山鄭銀村鎮銀行股份有限公司)	Interbank credit grant	300
16	Xunxian Zhengyin County Bank Co., Ltd (浚縣鄭銀村鎮銀行股份有限公司)	Interbank credit grant	300

(II) Other related party transactions

As at the end of 2018, Zhongmu Zhengyin County Bank Co., Ltd. had balance under wealth management product of the Bank of RMB2,100 million, Fugou Zhengyin County Bank Co., Ltd. had balance under wealth management product of the Bank of RMB70 million. The Bank underwrote RMB250 million of targeted debt financing instruments of Zhengzhou Investment Holdings Co., Ltd.

In order to strengthen the related party transaction management of Bank of Zhengzhou Co., Ltd. (the “**Bank**”), upon imposing strict risk control, the Bank has made a reasonable projection of the recurring party transactions that are likely to be conducted in 2019 in accordance with the Listing Rules of the Shenzhen Stock Exchange and other relevant regulations. The expected quota and the transaction scope are predicted based on the existing partnerships with relevant customers and future business development needs, the details of which are as follows:

I. OVERVIEW OF RECURRING RELATED PARTY TRANSACTIONS

The recurring related party transactions of the Bank refer to the transfer of resources or obligations between the Bank and its related parties, mainly including the Bank’s credit granting, asset transfer and provision of services with related natural persons in the course of day-to-day operations.

According to the Administrative Measures for Related Party Transactions between Commercial Banks and Their Insiders and Shareholders ([2004] No. 3) issued by the former China Banking Regulatory Commission (CBRC) and the Administrative Measures for Related Party Transactions of the Bank: credit granting means that a commercial bank provides direct financial support to its customers, or provides security with respect to potential damages and payment obligations incurred by the customers in relevant economic activities, including loans, loan commitments, acceptance, discounting, securities repurchase, trade financing, factoring, letters of credit, letters of guarantee, overdrafts, inter-bank lending, guarantees and other on-and off-balance sheet business activities; asset transfer means the purchase and sale of self-used movable and immovable properties and credit assets of a commercial bank, and its acceptance and disposal of pledged assets; provision of services means a commercial bank’s provision of credit evaluation, asset evaluation, auditing, legal and other services.

APPENDIX V ESTIMATED QUOTA ON RECURRING RELATED PARTY TRANSACTIONS FOR 2019

II. BASIC INFORMATION OF EXPECTED ANNUAL RECURRING RELATED PARTY TRANSACTIONS CREDIT LIMIT

(I) Corporation-type related party transactions

In 2019, the expected quota on the Bank's corporation-type related party transactions is all attributable to credit granting businesses, the details of specific quota and business type are set out in table 1 below:

Table 1: Expected quota on and business types of corporation-type related party transactions

Unit: RMB million

No.	Related parties	Credit granting business quota	
		2018 actual	2019 expected
1	Henan Investment Group Co., Ltd. (河南投資集團有限公司) and its associated corporations	–	2,000
2	Zhengzhou Construction Investment Group Co., Ltd. (鄭州市建設投資集團有限公司) and its associated corporations	1,902	2,000
3	Zhengzhou Municipal Construction Engineering General Corporation (鄭州市市政工程總公司) and its associated corporations	450	500
4	Henan Zhengyang Construction Engineering Group Co., Ltd. (河南正陽建設工程集團有限公司) and its associated corporations	1,660	2,500
5	Henan Huida Jiarui Property Co., Ltd. (河南暉達嘉睿置業有限公司) and its associated corporations	1,674	2,900
6	China Minsheng Investment Co., Ltd. (中國民生投資股份有限公司) and its associated corporations	2,200	1,300
7	Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) and its associated corporations	1,350	2,000
8	Henan Asset Management Company Limited (河南資產管理有限公司) and its associated corporations	1,900	1,900
9	Bridge Trust Company Limited (百瑞信託有限責任公司) and its associated corporations	–	3,000
10	Associated corporations of Zhongyuan Trust Co., Ltd. (中原信託有限公司)	–	3,000

Note: Credit granting business refers to the business type that complies with the relevant requirements of the CBRC Order (2004 No. 3) – the Administrative Measures for Connected Transactions between Commercial Banks and Their Insiders and Shareholders, and the relevant provisions in relation to the Bank's credit grant.

(II) Related party transactions of subsidiaries

The Bank's subsidiaries include five subsidiaries and three associates. In 2019, the details of the Bank's expected quota for subsidiaries' related party transactions are set out in table 2 below:

Table 2: Expected quota on and business types for subsidiaries' related party transactions*Unit: RMB million*

No.	Related parties	2018 Credit granting business quota	2019 Expected	
			Credit granting business quota	Non-credit granting business
1	Henan Jiuding Financial Leasing Co., Ltd.	3,000	3,000	–
2	Fugou Zhengyin County Bank Co., Ltd.	300	500	7 affiliated county banks purchased no more than RMB9.5 billion of the Bank's non-guaranteed wealth management products.
3	Xinmi Zhengyin County Bank Co., Ltd.	300	300	
4	Xunxian Zhengyin County Bank Co., Ltd.	300	300	
5	Queshan Zhengyin County Bank Co., Ltd.	300	300	
6	Zhongmu Zhengyin County Bank Co., Ltd.	300	300	
7	Yanling Zhengyin County Bank Co., Ltd.	300	300	
8	Xinzheng Zhengyin County Bank Co., Ltd.	300	300	

Notes:

- Credit granting business refers to the business type that complies with the relevant requirements of the CBRC Order (2004 No. 3) – the Administrative Measures for Related Party Transactions between Commercial Banks and Their Insiders and Shareholders, and the relevant provisions in relation to the Bank's credit grant.
- Expected quota as stated in table 1 and table 2 is the maximum amount for the Bank's recurring related party transactions in 2019 and does not constitute the Bank's credit grant commitment to related parties. When related party transactions within the expected limit are actually taking place, they will be approved in accordance with the Bank's internal approval procedures.

(III) Credit grant to related natural persons

In 2019, the Bank's total credit grant quota to related natural persons is set to be no more than RMB100 million.

III. BASIC INFORMATION OF RELATED PARTIES**(I) Related corporation legal person****1. Henan Investment Group Co., Ltd.**

The registered domicile of Henan Investment Group Co., Ltd. is Investment Building, 41 Nongye Road East, Zhengzhou and its legal representative is Liu Xinyong. With a registered capital of RMB12 billion, its business scope includes: investment management, investment in construction projects, sale of industrial means of production, machinery and equipment required for construction projects, and raw materials of products used in investment projects (except those subject to special regulations of the state); rental of housing (for items subject to approval, relevant business activities shall not be carried out until approval is obtained).

As at the end of 2017 and the end of June 2018, total assets amounted to RMB13.89 million and RMB153.62 million respectively; revenue from principal business amounted to RMB28,325.77 million and RMB14,278.16 million respectively; and net profit amounted to RMB1,615.89 million and RMB868.29 million respectively.

Related relationship: the company is a shareholder corporation that holds more than 5% of the Bank's shares indirectly.

2. Zhengzhou Construction Investment Group Co., Ltd.

The registered domicile of Zhengzhou Construction Investment Group Co., Ltd. is Shibo Building, No. 8 Business Outer Ring Road, Zhengdong New District, Zhengzhou and its legal representative is Qin Guangyuan. With a registered capital of RMB1.92 billion, its business scope includes: investment, construction, operation and management of urban infrastructure; primary development and consolidation of urban construction land; domestic advertising design, production, agency and publishing; management of public parking lots; investment in public welfare undertakings; investment management; real estate development and construction; rental of housing; property management services; sales of electricity.

As at the end of 2017 and the end of September 2018, total assets amounted to RMB24,056.31 million and RMB25,064.95 million respectively; revenue from principal business amounted to RMB173.39 million and RMB137.45 million respectively; and net profit amounted to RMB36.41 million and RMB13.80 million respectively.

Related relationship: a secondary subsidiary of the Bank's substantial shareholder, Ministry of Finance.

3. Zhengzhou Municipal Construction Engineering General Corporation

The registered domicile of Zhengzhou Municipal Construction Engineering General Corporation is 1 Youai Road, Zhengzhou and its legal representative is Duo Huayong. With a registered capital of RMB300 million, its business scope includes: general contracting of municipal public works; professional contracting of concrete prefabricated components, general contracting of highway engineering construction, professional contracting of earthwork engineering, professional contracting of urban and road lighting engineering, professional contracting of ready-mixed concrete, general contracting of mechanical and electrical installation engineering, professional contracting of bridge engineering, professional contracting of prestressed engineering, general contracting of building engineering and construction, professional contracting of foundation and foundation engineering, professional contracting for civil air defense engineering, and contracting of foreign projects; property management services, rental of housing (these operations shall not be carried out without valid licenses or permits); sales of building materials and mechanical and electrical products (excluding cars); technology development, technical services, technology transfer; landscaping works; municipal engineering, landscape engineering, architectural design and research; project management and related technical and management services; urban and rural planning; engineering consultation; engineering surveying; engineering investigation.

As at the end of 2017 and 2018, total assets amounted to RMB4,340.40 million and RMB4,821.30 million respectively; revenue from principal business amounted to RMB3,399.73 million and RMB4,420.19 million respectively; and net profit amounted to RMB72.48 million and RMB72.44 million respectively.

Related relationship: a secondary subsidiary of the Bank's substantial shareholder, Ministry of Finance.

4. Henan Zhengyang Construction Engineering Group Co., Ltd.

The registered domicile of Henan Zhengyang Construction Engineering Group Co., Ltd. is Complex Building, 35 Guoyuan Road, Guancheng Hui District, Zhengzhou and its legal representative is Huang Kefei. With a registered capital of RMB5 billion, its business scope includes: general contracting for construction projects; general contracting for highway engineering construction; general contracting of municipal public works; professional contracting for foundation and foundation engineering; professional contracting of building decoration engineering; professional contracting for building curtain wall engineering; professional contracting of waterproof, anti-corrosion and insulation engineering; rental of housing; sales of building materials; architectural engineering design.

As at the end of 2017 and 2018, total assets amounted to RMB4,262.16 million and RMB6,098.39 million respectively; revenue from principal business amounted to RMB3,124.02 million and RMB3,034.13 million respectively; and net profit amounted to RMB170 million and RMB163.64 million respectively.

Related relationship: a corporation controlled by the Bank's Director, ZHANG Jingguo (張敬國).

5. Henan Huida Jiarui Property Co., Ltd.

The registered domicile of Henan Huida Jiarui Property Co., Ltd. is Free Trade Building, 296 Zhengkai Avenue, Kaifeng District, Henan Free Trade Zone and its legal representative is Zhu Guanjun. With a registered capital of RMB290 million, its business scope includes: real estate development and sales.

As at the end of 2017 and 2018, total assets amounted to RMB3,805.00 million and RMB3,113.27 million respectively; revenue from principal business amounted to RMB nil and RMB nil respectively; and net profit amounted to RMB157.01 million and RMB69.34 million respectively.

Related relationship: a corporation controlled by the Bank's Supervisor, ZHU Zhihui (朱志暉)

6. China Minsheng Investment Co., Ltd.

The registered domicile of China Minsheng Investment Co., Ltd. is 23/F, 100 Zhongshan South Road, Huangpu District, Shanghai and its legal representative is Lv Benxian. With a registered capital of RMB50 billion, its business scope includes: equity investment, equity investment management, business consulting, financial consulting (not including agency accounting), industrial investment, asset management, investment consulting.

As at the end of 2017 and the end of September 2018, total assets amounted to RMB306,112.58 million, RMB310,863.83 million respectively; revenue from principal business amounted to RMB2,859.99 million, RMB24,687.24 million respectively; and net profit amounted to RMB5,564.12 million, RMB1,602.07 million respectively.

Related relationship: a corporation controlled by the Bank's former Director, LI Huaizhen (李懷珍).

7. Zhengzhou Investment Holdings Co., Ltd.

Zhengzhou Investment Holdings Co., Ltd. is a wholly state-owned limited liability company, the registered domicile of which is 1 Songshan South Road, Zhengzhou and its legal representative is Liang Songwei. With a registered capital of RMB3.13 billion, its business scope includes: investment and operation of state-owned assets; real estate development and sales; rental of housing.

As at the end of 2017 and the end of September 2018, total assets amounted to RMB21,297.62 million and RMB21,102.88 million respectively; revenue from principal business amounted to RMB1,692.02 million and RMB872.43 million respectively; and net profit amounted to RMB14.21 million and RMB15.32 million respectively.

Related relationship: a corporation controlled by the Bank's Director, LIANG Songwei (梁嵩巍).

8. Henan Asset Management Co., Ltd.

The registered domicile of Henan Asset Management Co., Ltd. is Henan Media Building, 2 Business Outer Ring Road, Zhengdong New District, Zhengzhou, Henan Province and its legal representative is Cheng Dongmei. With a registered capital of RMB5 billion, its business scope includes: acquisition, management and disposal of non-performing assets; investment and asset management; private fund management; equity custody, entrusted asset management; enterprise bankruptcy, liquidation and other related management services; corporate mergers and acquisitions services, corporate listing and restructuring services; financial, investment, legal and risk management consulting services.

As at the end of 2017 and 2018, total assets amounted to RMB4,358.54 million and RMB12,265.42 million respectively; revenue from principal business amounted to RMB10.30 million and RMB447.02 million respectively; and net profit amounted to RMB14.17 million and RMB306.28 million respectively.

Related relationship: the Bank's Director, JI Hongjun (姬宏俊), serves as a director of the company.

9. Bridge Trust Co., Ltd.

The registered domicile of Bridge Trust Co., Ltd. is Zhongyuan Guangfa Financial Building, 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou and its legal representative is Wang Zhenjing. With a registered capital of RMB4 billion, its business scope includes: capital trust; chattel trust; real estate trust; securities trust; other property or property rights trusts; investment fund business undertaken as the promoter of an investment fund or fund management company; restructuring, mergers and

acquisitions, project finance, corporate finance, financial advisory and other services related to management of corporate assets; underwriting of securities as approved by relevant authorities under the State Council; intermediary, advisory, credit investigation and related services; custody and safe deposit box services; utilization of inherent properties through interbank deposits and lending, loans, leasing and investments; provision of guarantees to others with inherent properties; interbank lending and borrowing; other business as prescribed by laws and regulations or approved by the CBIRC.

As at the end of 2017 and 2018, total assets amounted to RMB9,069,143,703 and RMB9,491,239,187 respectively; revenue from principal business amounted to RMB1,832,214,249 and RMB1,675,208,033 respectively; and net profit amounted to RMB1,412,010,984 and RMB1,012,408,176 respectively.

Related relationship: the Bank's Director, FAN Yutao (樊玉濤), serves as a director of the company.

10. Zhongyuan Trust Co., Ltd.

The registered domicile of Zhongyuan Trust Co., Ltd. is 24 Business Outer Ring Road, Zhengzhou and its legal representative is Cui Zejun. Its business scope includes: capital trust; chattel trust; real estate trust; securities trust; other property or property rights trusts; investment fund business undertaken as the promoter of an investment fund or fund management company; restructuring, mergers and acquisitions, project finance, corporate finance, financial advisory and other services related to management of corporate assets; underwriting of securities as approved by relevant authorities under the State Council; intermediary, advisory, credit investigation and related services; custody and safe deposit box services; utilization of inherent properties through interbank deposits and lending, loans, leasing and investments; provision of guarantees to others with inherent properties; interbank lending and borrowing; and other business as prescribed by laws and regulations or approved by the China Banking Regulatory Commission.

As at the end of 2017 and 2018, total assets amounted to RMB10,053.74 million and RMB9,554.50 million respectively; revenue from principal business amounted to RMB1,840.60 million and RMB1,253.82 million respectively; and net profit amounted to RMB763.12 million and RMB413.55 million respectively.

Related relationship: the Bank's Director, JI Hongjun (姬宏俊), serves as the vice president of the company.

(II) Related Subsidiaries**1. Henan Jiuding Financial Leasing Co., Ltd.**

The registered domicile of Henan Jiuding Financial Leasing Co., Ltd. is 23/F, PICC Building, 24 Business Outer Ring Road, Zhengdong New District, Zhengzhou, Henan Province and its legal representative is Bai Xiaofeng. With a registered capital of RMB2 billion, its business scope includes: financial leasing business; outward or inward transfer of financial leasing assets; fixed income securities investment business; acceptance of lease deposits from lessees; absorbing time deposits with a term of three months or more from non-banking shareholders; interbank lending and borrowing; borrowing from financial institutions; offshore borrowing; sale and disposal of leased assets; economic consulting; other business as approved by the regulatory authorities.

As at the end of 2017 and 2018, total assets amounted to RMB11,182.69 million and RMB16,159.17 million respectively; revenue from principal business amounted to RMB749.06 million, RMB860.52 million respectively; and net profit amounted to RMB112.89 million and RMB39.51 million respectively.

Related relationship: the company is a subsidiary of the Bank.

2. Fugou Zhengyin County Bank Co., Ltd.

The registered domicile of Fugou Zhengyin County Bank Co., Ltd. is Fugou County, Zhoukou and its legal representative is Zhang Rongshun. With a registered capital of RMB60 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; interbank lending and borrowing; debit card business; acting as an agent for issuance, honoring and underwriting of government bonds; acting as a collection and payment agent; other business as approved by China's banking regulatory authority.

As at the end of 2017 and 2018, total assets amounted to RMB504.40 million and RMB601.93 million respectively; revenue from principal business amounted to RMB18.63 million and RMB25.64 million respectively; and net profit amounted to RMB2.74 million and RMB7.13 million respectively.

Related relationship: the company is a subsidiary of the Bank.

3. Xinmi Zhengyin County Bank Co., Ltd.

The registered domicile of Xinmi Zhengyin County Bank Co., Ltd. is the north side of the west section of Chengqu Street, Xinmi City and its legal representative is Yin Kuiwei. With a registered capital of RMB125 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; interbank lending and borrowing;

bank card businesses; acting as an agent for issuance, honoring and underwriting of government bonds; agency collection and payment and agency insurance business; other business as approved by the banking regulatory authority.

As at the end of 2017 and 2018, total assets amounted to RMB682.26 million and RMB791.70 million respectively; revenue from principal business amounted to RMB43.13 million and RMB37.74 million respectively; and net profit amounted to RMB0.94 million and RMB4.78 million respectively.

Related relationship: the company is a subsidiary of the Bank.

4. Xunxian Zhengyin County Bank Co., Ltd.

The registered domicile of Xunxian Zhengyin County Bank Co., Ltd. is the west side of the middle section of Huanghe Road, Xunxian and its legal representative is Zhao Lijuan. With a registered capital of RMB50 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; acting as an agent for issuance, honoring and underwriting of government bonds; interbank lending and borrowing; debit card business; other business as approved by the banking regulatory authority.

As at the end of 2017 and 2018, total assets amounted to RMB70.32 million and RMB413.45 million respectively; revenue from principal business amounted to approximately RMB68,500 and RMB12.66 million respectively; and net profit amounted to RMB2.58 million and RMB5.83 million respectively.

Related relationship: the company is a subsidiary of the Bank.

5. Queshan Zhengyin County Bank Co., Ltd.

The registered domicile of Queshan Zhengyin County Bank Co., Ltd. is the west side of the north section of National Highway 107, Panlong Town, Queshan County, Zhumadian and its legal representative is Feng Tao. With a registered capital of RMB50 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; interbank lending and borrowing; bank card businesses; acting as an agent for issuance, honoring and underwriting of government bonds; agency collection and payment and agency insurance business; other business as approved by the banking regulatory authority.

As at the end of 2017 and 2018, total assets amounted to RMB77.14 million and RMB270.64 million respectively; revenue from principal business amounted to approximately RMB40,400 and RMB8.86 million respectively; and net profit amounted to RMB4.19 million and RMB1.95 million respectively.

Related relationship: the company is a subsidiary of the Bank.

6. Zhongmu Zhengyin County Bank Co., Ltd.

The registered domicile of Zhongmu Zhengyin County Bank Co., Ltd. is the middle section of Guandu Street, Zhongmu County, Zhengzhou and its legal representative is Wang Tianyu. With a registered capital of RMB561.35 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; interbank lending and borrowing; bank card businesses; acting as an agent for issuance, honoring and underwriting of government bonds; acting as a collection and payment agent; other business as approved by the banking regulatory authority; concurrent-business insurance agency business.

As at the end of 2017 and 2018, total assets amounted to RMB16,670.77 million and RMB16,878.87 million respectively; revenue from principal business amounted to RMB820.82 million and RMB871.93 million respectively; and net profit amounted to RMB215.27 million and RMB246.08 million respectively.

Related relationship: the company is an associate of the Bank.

7. Yanling Zhengyin County Bank Co., Ltd.

The registered domicile of Yanling Zhengyin County Bank Co., Ltd. is 198 Huadu Avenue, Yanling County and its legal representative is Zhang Shumin. With a registered capital of RMB60 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; interbank lending and borrowing; debit card business; acting as an agent for issuance, honoring and underwriting of government bonds; purchase and sale of government bonds and financial bonds; acting as a collection and payment agent and insurance agent; other business as approved by China's banking regulatory authority. (Business activities subject to approval according to law may be carried out only after being approved by the competent authorities).

As at the end of 2017 and 2018, total assets amounted to RMB720.11 million and RMB785.99 million respectively; revenue from principal business amounted to RMB46.75 million and RMB43.47 million respectively; and net profit amounted to RMB9 million and RMB7.34 million respectively.

Related relationship: the company is an associate of the Bank.

8. Xinzheng Zhengyin County Bank Co., Ltd.

The registered domicile of Xinzheng Zhengyin County Bank Co., Ltd. is Building No. 23, Qingdu Shoufu Community, Yuqian Road, Xinzheng and its legal representative is Guo Zhibin. With a registered capital of RMB69.12 million, its business scope includes: receiving deposits from the public; provision of short, medium and long-term loans; domestic settlement; bill acceptance and discounting; interbank lending and borrowing; debit card business; acting as an agent for issuance, honoring and underwriting of government bonds; purchase and sale of government bonds and financial bonds; acting as a collection and payment agent and insurance agent; other business as approved by China's banking regulatory authority.

As at the end of 2017 and 2018, total assets amounted to RMB1,521.45 million and RMB2,182.08 million respectively; revenue from principal business amounted to RMB107.20 million and RMB116.12 million respectively; and net profit amounted to RMB3.41 million and RMB17.01 million respectively.

Related relationship: the company is an associate of the Bank.

(III) Related Natural Persons

1. The Bank's Directors and Supervisors, the senior management personnel of the head office and branches, and other persons who have the right to decide on or participate in the Bank's credit granting and asset transfer;
2. Natural person Shareholders who directly or indirectly hold more than 5% of the Shares of the Bank (the Shares or voting rights held or controlled by the close relatives of the natural person Shareholders and the Shares or voting rights held or controlled by these natural person Shareholders shall be calculated together);
3. directors, supervisors and senior management personnel exercising direct or indirect control over any legal person or other organization of the Bank;
4. Close relatives of the persons mentioned in subparagraphs 1 and 2 above, including parents, spouses, siblings and their spouses, adult children and their spouses, parents of spouses of adult children, parents of spouses, siblings of spouses and their spouses, siblings of parents and their spouses, adult children of siblings of parents and their spouses;
5. Natural persons who fit any of the above descriptions during the past 12 months or will fit any of the above descriptions within the next 12 months pursuant to relevant agreements;

6. The natural person controlling shareholders, directors and key management personnel of the related legal persons or other organizations of the Bank. The “related legal persons or other organizations” referred to herein do not include the legal persons or other organizations over which the Bank’s insiders and major natural person Shareholders and their close relatives have direct, indirect or joint control or can exert significant influence;
7. Other natural persons deemed by the CBIRC, the CSRC, the Shenzhen Stock Exchange or the Bank in the “Substance over Form” principle to have special relations with the Bank, which may cause the Bank to lean towards their interests.

IV. Main Content and Pricing Policy of Related Party Transactions

The expected recurring related party transactions of the Bank in 2019 are ordinary dealings within the normal business scope of the Bank. The transactions between the Bank and related parties are conducted following the principle of market-based pricing and on terms no more favorable than those of similar transactions available to non-related parties.

V. Purpose of Related Party Transactions and their Implications on the Bank

The above-mentioned recurring related party transactions of the Bank are ordinary business activities within the normal business scope of the Bank and conducive to putting into play the resource advantages of high-quality related party customers and facilitating the Bank’s business expansion. Transactions between the Bank and related parties are conducted following the principle of market-based pricing and are carried out on terms no more favorable than those of similar transactions available to non-related parties. These transactions do not involve tunneling of interests or price manipulation, do no harm to the interests of the Bank and its Shareholders, conform to the principle of fairness under the requirements on management of related party transactions, do not affect the independence of the Bank, and have no adverse impact on the Bank’s ability to continue as a going concern, profits and losses, and asset conditions.

**APPENDIX VI ISSUING ELIGIBLE CAPITAL REPLENISHMENT
INSTRUMENTS BY THE BANK**

In order to further replenish the capital amount and secure the continuous and stable development of various businesses of the Bank and in compliance with relevant regulatory requirements of the Administrative Measures for the Capital of Commercial Banks (Provisional) (Decree of the China Banking Regulatory Commission 2012 No. 1), Guiding Opinions on Commercial Banks' Innovation in Capital Instruments (Yin Jian Fa [2012] No. 56), Opinions on Further Supporting Innovation in Capital Instruments of Commercial Banks (Yin Jian Fa [2018] No. 5) issued by the CBIRC and Notice on the Issuance by Financial Institutions of Banking Industry of Bonds for Capital Replenishment (Announcement of the People's Bank of China [2018] No. 3) issued by PBoC, the Bank intends to issue capital supplementary bonds. The detailed plans are as follows:

I. TYPE OF BONDS

Capital bonds without a fixed term or tier-2 capital bonds are in compliance with the Administrative Measures for the Capital of Commercial Banks (Provisional) issued by the CBIRC and other relevant regulatory requirements and can be used to supplement the capital of commercial banks.

II. ISSUANCE SCALE

Not exceeding RMB10 billion or equivalent foreign currency.

III. TARGET INVESTORS

Including domestic and foreign institutional investors.

IV. TERM OF BONDS

The initial term shall not be less than five years, of which capital bonds without a fixed term shall have no fixed maturity date before the exercise of redemption right by the Bank, which is in line with the duration of the Bank's ongoing operations.

V. MEANS OF LOSS ABSORPTION

Upon the occurrence of the triggering events specified in the offering documents, the loss will be absorbed by means of write-down.

VI. INTEREST RATE

Based on market interest rates.

**APPENDIX VI ISSUING ELIGIBLE CAPITAL REPLENISHMENT
INSTRUMENTS BY THE BANK**

VII. USE OF PROCEEDS

It will be used to replenish the Bank's other tier-1 capital or tier-2 capital to improve operation capacity, enhance risk resistance capability and support the continuous and healthy development of the Bank's various businesses.

VIII. TERM OF VALIDITY OF THE RESOLUTION

Within two years from the date of consideration and approval at the general meeting.

IX. AUTHORIZATION AND DELEGATION

It is proposed to grant authorization to the Board of Directors by the general meeting and delegate the authorization by the Board of Directors to the senior management of the Bank for the determination of the specific terms on the issuance of the bonds for capital replenishment and handling of all related matters pursuant to the rules and approval requirements promulgated by relevant regulatory authorities and the aforementioned terms and conditions; and to authorize the senior management of the Bank to handle all the related matters such as redemption and write-down pursuant to the rules and approval requirements promulgated by relevant regulatory authorities within the duration of the bonds for capital replenishment.

The above authorizations will be valid within two years from the date of consideration and approval at the general meeting.

Pursuant to relevant laws and regulations such as the PRC Commercial Banking Law and the requirements of the Articles of Association, the plan on authorisation is formulated as follows:

I. RIGHT OF CONSIDERATION AND APPROVAL FOR EQUITY INVESTMENT

Any single equity investment (including conversion of bonds into shares, merger and acquisition, etc.) with an amount not exceeding 10% of the latest audited net assets of the Bank shall be considered by the Board and approved by more than two-thirds of its members by voting.

II. RIGHT OF CONSIDERATION AND APPROVAL FOR BOND ISSUANCE

Any issuance of ordinary financial bonds (excluding corporate bonds for replenishing capital, such as subordinated bonds and convertible bonds) shall be conducted by the management as authorized by the Board, duties of which include determining specific terms regarding bond issue size, duration, interest rate, offering market, offering method, etc., and dealing with all relevant and subsequent matters in relation to bond issuance with reference to market conditions and the asset and liability structure.

III. RIGHT OF CONSIDERATION AND APPROVAL FOR BOND INVESTMENT

Bond investment, disposal and write-off shall be conducted by the management as authorized by the Board.

IV. RIGHT OF CONSIDERATION AND APPROVAL FOR ASSET ACQUISITION

1. Acquisition of credit assets and credit granting shall be fully considered and approved by the Board.
2. Any single acquisition of fixed assets with an amount not exceeding RMB1 billion, if within the annual budget approved by the general meeting, shall be considered by the Board and approved by more than two-thirds of its members by voting.
3. Any single acquisition of other non-credit assets with an amount not exceeding RMB80 million (including acquisition of technology systems) shall be considered and approved by the Board.

V. RIGHT OF CONSIDERATION AND APPROVAL FOR ASSET DISPOSAL

1. Any single equity asset disposal with the net carrying value not exceeding 1% of the latest audited net assets of the Bank shall be considered by the Board and approved by more than two-thirds of its members by voting.

2. Any proposed disposal of any single fixed asset with the net carrying value not exceeding RMB100 million, and where added to the net book value of all fixed assets disposed within the latest four months will amount to a sum not exceeding 1% of the latest audited carrying value of fixed assets of the Bank, shall be considered and approved by the Board.
3. Disposal of credit assets and other non-credit assets shall be fully considered and approved by the Board.

The above-mentioned asset disposal includes sale and transfer, but excludes the write-off of assets, the provision of guarantees with relevant assets.

VI. RIGHT OF CONSIDERATION AND APPROVAL FOR ASSET WRITE-OFF

1. Write-off of credit assets of any single account with a principal amount not exceeding RMB300 million shall be considered and approved by the Board.
2. Write-off of any single fixed asset with the net carrying value not exceeding RMB100 million shall be considered and approved by the Board.
3. Write-off of any single equity asset with the net carrying value not exceeding 0.5% of the latest audited net assets of the Bank shall be considered by the Board and approved by more than two-thirds of its members by voting.
4. Write-off of any other single non-credit asset with an amount not exceeding RMB100 million shall be considered and approved by the Board.

VII. RIGHT OF CONSIDERATION AND APPROVAL FOR ASSET MORTGAGE AND OTHER NON-COMMERCIAL BANKING GUARANTEE

Provision of any single asset mortgage or other non-commercial banking guarantee for an external party with an amount not exceeding RMB200 million shall be considered and approved by the Board.

VIII. RIGHT OF CONSIDERATION AND APPROVAL FOR LEGAL ENTITIES

The investment in and establishment of legal entities by the Bank onshore (including banks, non-banking institutions or companies with independent legal person status) and significant matters such as external investment, capital increase, division and merger conducted by these legal entities which require the Shareholders to exercise their decision right shall be considered and decided by the Board. For those involving investment limits, they shall be implemented in accordance with the right of consideration and approval for equity investment as set out herein.

IX. RIGHT OF CONSIDERATION AND APPROVAL FOR EXTERNAL DONATIONS

Any single external donation (including charity donations and commercial sponsorship) with the expense not exceeding RMB30 million as well as charity and relief donations, where the total external donation expense for the current year does not exceed the sum of RMB50 million and 1% of the Bank's net profit for the previous year (subject to a total limit of RMB80 million), shall be considered and approved by the Board.

A donation to a region stricken by material contingencies exceeding the above total or single transaction limit may be considered by the Board but shall be approved by more than two-thirds of its members by voting.

Details of the proposed amendments are set out below:

No.	Existing Articles	Revised Articles
	CHAPTER 3 SHARES AND REGISTERED CAPITAL	CHAPTER 3 SHARES AND REGISTERED CAPITAL
	Section 3 Transfer of Shares	Section 3 Transfer of Shares
1.	<p>Article 36 Any entity or individual that purchases above 5% of the total number of issued and outstanding shares of the Bank shall obtain prior approval from the banking regulatory and administrative authorities under the State Council. Shareholders shall forthwith report to the Board of Directors if there is related party relationship or acting in concert relationship among shareholders.</p> <p>If, in the absence of prior approval from the banking regulatory and administrative authorities under the State Council, the number of shares held by a shareholder is above 5% of the total number of the issued shares of the Bank (the “Excess Shares”), prior to obtaining approval from the banking regulatory and administrative authorities under the State Council, shareholders holding the Excess shares, when exercising shareholders’ rights stipulated in Article 62 of the Articles in respect of the Excess Shares, shall be subject to necessary restrictions, including but not limited to:</p> <p>(1) No voting rights shall be attached to the Excess Shares when a vote is taken at the shareholders’ general meeting; and</p>	<p>Article 36 Any entity or individual <u>together with its related parties and persons acting in concert who intend to hold for the first time or increase by in aggregate, severally or jointly, more than 5% of total shares of our Bank, shall report to the banking regulatory and administrative authorities under the State Council for its approval in advance.</u> that purchases above 5% of the total number of issued and outstanding shares of the Bank shall obtain prior approval from the banking regulatory and administrative authorities under the State Council. <u>Any entity or individual together with its related parties and persons acting in concert who hold, severally or jointly, more than 1% but less than 5% of total shares of our Bank, shall report to the banking regulatory and administrative authorities under the State Council within ten working days after obtaining the relevant equities.</u> Shareholders shall forthwith report to the Board of Directors if there is related party relationship or acting in concert relationship among shareholders.</p> <p>If, in the absence of prior approval from the banking regulatory and administrative authorities under the State Council, the number of shares held by a shareholder is above 5% of the total number of the issued shares of the Bank (the “Excess Shares”), prior to obtaining approval from the banking regulatory and administrative authorities under the State Council, shareholders holding the Excess shares, when exercising shareholders’ rights stipulated in Article 62 of the Articles in respect of the Excess Shares, shall be subject to necessary restrictions, including but not limited to:</p>

No.	Existing Articles	Revised Articles
	<p>(2) The right to nominate directors and supervisors as stipulated in the Articles shall not be attached to the Excess Shares.</p> <p>If a shareholder holding the Excess Shares obtains the approval from the banking regulatory and administrative authorities under the State Council, the shareholder shall hold such Excess Shares in accordance with the approval from the banking regulatory and administrative authorities under the State Council. If a shareholder holding the Excess Shares fails to obtain the approval from the banking regulatory and administrative authorities under the State Council, the shareholder must transfer the shareholding within the period prescribed by the banking regulatory and administrative authorities under the State Council.</p> <p>Notwithstanding the foregoing provisions, shareholders of the Bank holding the Excess Shares shall not be subject to any restrictions when exercising the rights stipulated in items (1), (6) and (7) of Article 62 of the Articles.</p> <p>Shares held by shareholders and their related parties shall be calculated together.</p>	<p>(1) No voting rights shall be attached to the Excess Shares when a vote is taken at the shareholders' general meeting; and</p> <p>(2) The right to nominate directors and supervisors as stipulated in the Articles shall not be attached to the Excess Shares. <u>Shareholders who should have sought approval from or reported to but failed to seek approval from or report to the banking regulatory and administrative authorities under the State Council shall not exercise rights to request the convening of a general meeting (including class meeting), vote, nominate, propose, dispose, etc..</u></p> <p><u>The shares of the Bank may be held by financial instruments, but the shares of the Bank accumulatively held by a single investor, issuer or manager and its de facto controller, related parties and persons acting in concert through financial instruments shall not exceed 5% of total shares of the Bank. A substantial shareholder of the Bank shall not hold shares of the Bank through financial instruments issued, managed or through any other means controlled by such substantial shareholder.</u></p> <p>If a shareholder holding the Excess Shares obtains the approval from the banking regulatory and administrative authorities under the State Council, the shareholder shall hold such Excess Shares in accordance with the approval from the banking regulatory and administrative authorities under the State Council. If a shareholder, in the absence of prior approval from the banking regulatory and administrative authorities under the State Council, the number of shares held by a shareholder is above 5% of the total number of the issued shares of the Bank (the "Excess Shares"), holding the Excess Shares fails to obtain the approval from the banking regulatory and administrative authorities under the State Council, the shareholder must transfer the shareholding within the period prescribed by the banking regulatory and administrative authorities under the State Council.</p>

No.	Existing Articles	Revised Articles
		<p>Notwithstanding the foregoing provisions, shareholders of the Bank holding the Excess Shares shall not be subject to any restrictions when exercising the rights stipulated in items (1), (6) and (7) of Article 62 of the Articles.</p> <p>Shares held by shareholders and their related parties shall be calculated together.</p>
	CHAPTER 7 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING	CHAPTER 7 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING
	Section 1 Shareholders	Section 1 Shareholders
2.	<p>Article 67 Shareholders 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 and the Articles;</p> <p>...</p> <p>(7) To assume other obligations required by the laws, administrative regulations 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>Article 67 Shareholders 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 requirements and the Articles;</p> <p>...</p> <p><u>(7) For shareholders who have made false statements, abused their shareholders' rights or acted to damage the interests of the Bank, the banking regulatory and administrative authorities under the State Council may restrict or prohibit connected transactions between the Bank and such shareholders, limit the maximum number of the Bank's shares that they can hold and the percentage of the Bank's shares that they can pledge, and their rights to request the convening of the general meeting, vote, nominate, propose, dispose, etc.;</u></p> <p>(78) To assume other obligations required by the laws, administrative regulations, regulatory requirements and the Articles.</p> <p><u>Except as otherwise provided in the Articles,</u> 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>

No.	Existing Articles	Revised Articles
3.	<p>Article 69 Shareholders, particularly substantial shareholders, shall support the Board of Directors of the Bank in formulating reasonable capital plans, in order to meet the capital regulatory requirements on a continuous basis. When the capital adequacy ratio of the Bank fails to meet the regulatory requirements, shareholders shall formulate a capital restoration plan where the capital adequacy ratio will meet the regulatory requirements within a limited time frame and restore capital by increasing core capital and other means. Substantial shareholders shall not prevent other shareholders from injecting capital or eligible shareholders from investing in the Bank.</p>	<p>Article 69 Shareholders, particularly substantial shareholders, shall support the Board of Directors of the Bank in formulating reasonable capital plans, in order to meet the capital regulatory requirements on a continuous basis. <u>The substantial shareholders shall undertake in writing that he/she will replenish the Bank's capital whenever necessary, and report their capital replenishment capacity to the banking regulatory and administrative authorities under the State Council through the Bank on an annual basis.</u> When the capital adequacy ratio of the Bank fails to meet the regulatory requirements, shareholders shall formulate a capital restoration plan where the capital adequacy ratio will meet the regulatory requirements within a limited time frame and restore capital by increasing core capital and other means. Substantial shareholders shall not prevent other shareholders from injecting capital or eligible shareholders from investing in the Bank.</p>
4.	<p>Section 7 Special Procedures for Voting by a Certain Class of Shareholders</p>	<p>Section 7 Special Procedures for Voting by a Certain Class of Shareholders</p> <p>CHAPTER 8 SPECIAL PROCEDURES FOR VOTING BY A CERTAIN CLASS OF SHAREHOLDERS</p>
	<p>CHAPTER 8 DIRECTORS AND BOARD OF DIRECTORS</p>	<p>CHAPTER 89 DIRECTORS AND BOARD OF DIRECTORS</p>
	<p>Section 3 Board of Directors</p>	<p>Section 3 Board of Directors</p>
5.	<p>Article 184 Directors shall attend Board meetings in person. If a director cannot attend a meeting due to certain reasons, he/she may appoint another director in writing to attend on behalf.</p>	<p>Article 184 Directors shall attend Board meetings in person. If a director cannot attend a meeting due to certain reasons, he/she may appoint another director <u>of the same class</u> in writing to attend on behalf.</p>
	<p>Section 6 Secretary to the Board of Directors and Office of the Board of Directors</p>	<p>Section 6 Secretary to the Board of Directors and Office of the Board of Directors</p>
6.	<p>Article 210 The president, finance chief, supervisors and the certified public accountants of the accountants' firms engaged by the Bank, as well as other persons prohibited by the laws, administrative rules, departmental regulations and other regulatory documents from serving as the Secretary to the Board of Directors shall not serve as the Secretary to the Board of Directors.</p>	<p>Article 210 The president, finance chief, supervisors and the certified public accountants of the accountants' firms engaged by the Bank, as well as other persons prohibited by the laws, administrative rules, departmental regulations and other regulatory documents from serving as the Secretary to the Board of Directors shall not serve as the Secretary to the Board of Directors.</p>

No.	Existing Articles	Revised Articles
	CHAPTER 20 SUPPLEMENTAL PROVISIONS	CHAPTER 201 SUPPLEMENTAL PROVISIONS
7.	<p>Article 370 Interpretation</p> <p>...</p> <p>(2) “Substantial shareholders” means the shareholder who can directly, indirectly, or jointly hold or control above 5% of the shares or voting rights of the Bank and have a material impact upon the decision-making of the Bank.</p> <p>...</p>	<p>Article 370 Interpretation</p> <p>...</p> <p>(2) “Substantial shareholders” means the shareholder who can directly, indirectly, or jointly hold or control above 5% of the shares or voting rights of the Bank and have, or holds less than 5% of the Bank’s total shares but has a material impact upon the decision-making on the operational management of the Bank.</p> <p><u>The “significant influence” in the preceding paragraph include, but is not limited to, dispatching directors, supervisors or senior management personnel to the Bank, affecting the Bank’s financial and operational management decisions through agreements or other means, and other circumstances identified by the banking regulatory and administrative authorities under the State Council.</u></p> <p>...</p>
8.	<p>Article 372 The Articles shall be written in Chinese. Should there be any inconsistency between the Articles written in another language or provided in other versions, the latest Chinese version approved and registered by the Administration for Industry & Commerce shall prevail.</p>	<p>Article 372 The Articles shall be written in Chinese. Should there be any inconsistency between the Articles written in another language or provided in other versions, the latest Chinese version approved and registered by and filed with the Administration for Industry & Commerce shall prevail.</p>
9.	<p>Article 377 After approval by the banking regulatory and administrative authorities under the State Council and after consideration and approval by the shareholders’ general meeting, the Articles shall become effective from the date of public offering of domestically listed shares of the Bank on the stock exchange.</p>	<p>Article 377 After Upon approval by the banking regulatory and administrative authorities under the State Council and after consideration and approval by shareholders’ general meeting, the Articles shall become effective from the date of public offering of domestically listed shares of the Bank on the stock exchange. <u>thereupon.</u></p>

Note: As Section 7 of Chapter 7 of the Articles of Association is adjusted to Chapter 8, other provisions of the Articles of the Association and the terms of the cross-guidelines are changed accordingly.

The English version of the Articles of Association is an unofficial translation of the Chinese version. In the event of any inconsistency, the Chinese version shall prevail.



Bank of Zhengzhou Co., Ltd.*

鄭州銀行股份有限公司*

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

(H Shares Stock Code: 6196)

(Preference Shares Stock Code: 4613)

NOTICE OF 2018 AGM

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting (the “**AGM**”) of Bank of Zhengzhou Co., Ltd.* (the “**Bank**”) will be held at 9:00 a.m. on May 24, 2019 (Friday) at Multi-Function Room, 29/F, Bank of Zhengzhou Building, 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC, to consider, and if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. to consider and approve the 2018 Board of Directors’ report;
2. to consider and approve the 2018 Board of Supervisors’ report;
3. to consider and approve the 2018 annual financial statements;
4. to consider and approve the 2019 financial budget;
5. to consider and approve the 2018 profit distribution plan;
6. to consider and approve the 2018 annual report;
7. to consider and approve the re-appointment of KPMG and KPMG Huazhen LLP as the Bank’s overseas and domestic auditors for 2019, whose term of office ends after the Bank’s 2019 annual general meeting, and authorize the Board to determine their remuneration;
8. to consider and approve the special report on the deposit and actual use of proceeds raised in 2018;
9. to consider and approve the special report on related party transactions for 2018;
10. to consider and approve the estimated quota on recurring related party transactions for 2019;

SPECIAL RESOLUTIONS

11. to consider and approve the general mandate for the issuance of new Shares;
12. to consider and approve the proposal of the Bank's issuance of eligible capital replenishment instruments;
13. to consider and approve the plan on authorization to the Board granted by the general meeting; and
14. to consider and approve the amendments to the Articles of Association.

By order of the Board
Bank of Zhengzhou Co., Ltd.*
WANG Tianyu
Chairman

Zhengzhou, Henan, the PRC

April 8, 2019

Notes:

1. Pursuant to the Hong Kong Listing Rules, all resolutions proposed at the meeting will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman decides to permit the vote by a show of hands). The voting results will be published on both the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank (www.zzbank.cn) in accordance with the Hong Kong Listing Rules.
2. **CLOSURE OF THE H SHARE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM**

In order to determine the list of holders of H Shares who are entitled to attend and vote at the AGM, the Bank's H Share register of members will be closed from April 24, 2019 (Wednesday) to May 24, 2019 (Friday), both days inclusive, during which period no transfer of the H Shares of the Bank will be effected. The holders of H Shares included in the Bank's H Share register of members on May 24, 2019 (Friday) shall be entitled to attend and vote at the AGM. In order to be eligible for attending and voting at the AGM, all transfer documents together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) before 4:30 p.m. on April 23, 2019 (Tuesday).

3. REPLY SLIP

The holders of H Shares who intend to attend and vote at the AGM (in person or by proxy) shall complete the reply slip, and return it by hand, by post or by fax on or before May 4, 2019 (Saturday) to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, so that the Bank can receive such reply slip 20 days before the AGM is convened. Completion and return of the reply slip will not preclude you from attending or voting at the AGM.

However, in the event that holders of H Shares do not return reply slips, and the reply slips suggest that the number of H Shares with voting rights represented by those holders of H Shares intending to attend the AGM fails to reach more than a half of the total number of H Shares with rights to vote at the AGM of the Bank, the AGM may be postponed.

4. PROXY

Any holders of H Shares entitled to attend and vote at the AGM is entitled to appoint one or more persons (if the holder of H Shares holds two or more issued Shares of the Bank with a nominal value of RMB1.00 each), whether such person is a Shareholder of the Bank or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the AGM.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the seal of the legal person or signed by its Director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized, and served at the same time as the power of attorney. The power of attorney of the proxy of the holders of H Shares shall be served to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the scheduled time for holding of the AGM (i.e. by 9:00 a.m. on May 23, 2019 (Thursday) or any adjournment thereof (as the case may be).

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

In case of registered joint holders of any H Shares, one of the registered joint holders can vote on such shares in person or by a proxy as the only holder entitled to vote. If one or more registered joint holders attend the AGM in person or by proxy, only the vote of the person whose name appears first in the H Share register of members relating to the joint holders (in person or by proxy) will be accepted as the only vote of the joint holders.

5. MISCELLANEOUS

- (i) The holders of H Shares or their proxies shall present their identity documents when attending the AGM (or any adjournment thereof). If the legal representative of corporate holders of H Shares or any other persons officially authorized by the corporate holders of H Shares is present at the AGM (or any adjournment thereof), such legal representative or other persons shall present their identity documents and the certifying documents for appointment as a legal representative or valid authorization documents (as the case may be).
- (ii) The AGM is expected to last for no more than half a day. Shareholders and representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

- (iii) Address of Computershare Hong Kong Investor Services Limited:

Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

- 6. The details about the aforesaid resolutions proposed for the consideration and approval of the AGM are set out in the circular of the AGM to be despatched by the Bank. Unless otherwise indicated, the capitalized terms used in this notice shall have the same meaning as those defined in the circular of the AGM to be despatched by the Bank. Shareholders should also read the Bank's 2018 annual report to be published in April 2019.

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

As at the date of this notice, the Board comprises Mr. WANG Tianyu, Mr. SHEN Xueqing and Mr. FENG Tao as executive directors, Mr. FAN Yutao, Mr. ZHANG Jingguo, Mr. JI Hongjun, Mr. LIANG Songwei and Mr. WANG Shihao as non-executive directors, Mr. XIE Taifeng, Mr. WU Ge, Ms. CHAN Mei Bo Mabel and Ms. LI Yanyan as independent non-executive directors.