

Significant Events

Material Litigation and Arbitration

The Bank was involved in certain litigation and arbitration cases in its regular course of business. In addition, because of the scope and scale of the Bank's international operations, the Bank is from time to time subject to a variety of claims under the laws of various jurisdictions in which the Bank operates. After consulting legal professionals, the Senior Management holds that none of the litigation and arbitration cases will have a significant impact on the financial position or operating results of the Bank at the current stage.

Purchase and Sale of Material Assets

During the reporting period, the Bank did not undertake any purchase and sale of material assets that is required to be disclosed.

Implementation of Stock Incentive Plan and Employee Stock Ownership Plan

The Bank approved a long-term incentive policy, including the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan, at the Board meeting and the extraordinary shareholders' meeting held in November 2005. To date, the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan have not been implemented.

Significant Connected Transactions

The Bank had no significant connected transactions during the reporting period. For details of the related party transactions as defined by the relevant accounting standards by the end of the reporting period, please refer to Note V.43 of the Consolidated Financial Statements.

Major Contracts and the Enforcement thereof

Material Custody, Sub-contracts and Leases

During the reporting period, the Bank did not take any significant custody of, sub-contract or lease any material business assets from other companies, or allow its material business assets to be subject to such arrangements that are required to be disclosed.

Material Guarantee Business

As approved by PBOC and CBIRC, the Bank's guarantee business is an off-balance-sheet item in the ordinary course of its business. The Bank operates its guarantee business in a prudent manner and has formulated specific management measures, operational processes and approval procedures in accordance with the risks of the guarantee business and carries out this business accordingly. During the reporting period, save as disclosed above, the Bank did not enter into any material guarantee business that is required to be disclosed.

Other Major Contracts

During the reporting period, the Bank had no other major contract that was required to be disclosed.

Misappropriation of Funds by Controlling Shareholder and Other Related Parties

During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes.

Significant Events

Undertakings

Huijin made a “non-competing commitment” when the Bank launched its IPO. As at 31 December 2019, Huijin has strictly observed and has not breached such undertaking.

The Bank’s Directors and Senior Management made “Commitments on Effective Implementation of the Remedial Measures” when the Bank issued its preference shares. As at 31 December 2019, The Bank’s Directors and Senior Management have strictly observed and have not breached such undertaking.

Disciplinary Actions Imposed on the Bank, its Directors, Supervisors, Senior Management Members and Controlling Shareholder

During the reporting period, neither the Bank nor any of its directors, supervisors, senior management members or controlling shareholder was subject to any investigation, compulsory measures or accusation of criminal responsibilities by relevant authorities or any investigation, administrative punishment or regulatory measures by CSRC, or had material administrative

punishment imposed on them by other administrative authorities, or were publicly reprimanded by any stock exchange.

Integrity of the Bank and its Controlling Shareholder

During the reporting period, neither the Bank nor its controlling shareholder failed to perform any effective judgment of the court or to pay off any due debt of large amount.

Performing Social Responsibility for Poverty Alleviation

For details of the Bank’s performance of social responsibility regarding poverty alleviation during the reporting period, please refer to the section “Corporate Social Responsibilities” and the Bank’s *2019 Corporate Social Responsibility Report* published on the websites of SSE, HKEX and the Bank.

Other Significant Events

For announcements regarding other significant events during the reporting period made in accordance with the regulatory requirements, please refer to the websites of SSE, HKEX and the Bank.