
STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering consists of (subject to adjustment and the Over-allotment Option):

- the Hong Kong Public Offering of 261,278,000 H Shares (subject to adjustment as mentioned below) in Hong Kong as described below under “—The Hong Kong Public Offering”; and
- the International Offering of an aggregate of 2,351,497,000 H Shares (offered by us and the Selling Shareholders) (subject to adjustment as mentioned below and the Over-allotment Option) outside the United States (including professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, and in the United States to QIBs in reliance on Rule 144A or another exemption under the U.S. Securities Act as described below under “—The International Offering—Allocation.”

Investors may apply for the H Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the H Shares under the International Offering, but may not do both.

Our Bank has obtained the requisite PRC governmental approvals, including the approval of the CSRC, in respect of the Global Offering.

The number of H Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in the subsection below headed “The Hong Kong Public Offering—Reallocation.”

THE HONG KONG PUBLIC OFFERING

Number of H Shares initially offered

We are initially offering 261,278,000 H Shares at the Offer Price, representing approximately 10% of the H Shares initially available under the Global Offering, for subscription by the public in Hong Kong. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of H Shares initially offered under the Hong Kong Public Offering will represent approximately 2.45% of our Bank’s total issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out below in “—Conditions of the Hong Kong Public Offering.”

Allocation

Allocation of H Shares to investors under the Hong Kong Public Offering will be based solely on the number of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Public Offer Shares validly applied for

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by applicants. The allocation of Hong Kong Public Offer Shares may, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Public Offer Shares.

The total number of Hong Kong Public Offer Shares available under the Hong Kong Public Offering will initially be divided into two pools for allocation purposes as follows:

- Pool A: The Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Public Offer Shares with a total subscription price (excluding brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee payable) of HK\$5 million or less; and
- Pool B: The Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Public Offer Shares with a total subscription price (excluding brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee payable) of more than HK\$5 million and up to the total value of Pool B.

For the purpose of this sub-section only, the “subscription price” for the Offer Shares means the price payable on application. Applicants should be aware that applications in Pool A and Pool B may receive different allocation ratios. If Hong Kong Public Offer Shares in one pool (but not both pools) are under-subscribed, the surplus Hong Kong Public Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Public Offer Shares from either Pool A or Pool B but not from both pools. We will reject multiple applications between the two pools and reject multiple applications within Pool A or Pool B. In addition, any application for more than 50% of the 261,278,000 Offer Shares initially included in the Hong Kong Public Offering (i.e., 130,639,000 Offer Shares) will be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Offer Shares under the International Offering, and such applicant’s application will be rejected if the said undertaking and/or confirmation is breached and/or untrue, as the case may be. We and the Hong Kong Underwriters will take reasonable steps to identify and reject applications under the Hong Kong Public Offering from investors who have indicated interest in or have received Offer Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have applied for or have received Offer Shares in the Hong Kong Public Offering.

Reallocation

Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Public Offer Shares to certain percentages of the total number of Offer Shares offered in the Global Offering if specific pre-designated levels of total demand in the Hong Kong Public Offering are reached:

- 261,278,000 Offer Shares, representing approximately 10% of the total number of the Offer Shares are initially available in the Hong Kong Public Offering;
- If the number of the H Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be

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reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 783,833,000 H Shares, representing approximately 30% of the Offer Shares initially available under the Global Offering;

- If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 1,045,110,000 H Shares, representing 40% of the Offer Shares initially available under the Global Offering; and
- If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 1,306,388,000 H Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, under particular circumstances, be reallocated as between these offerings by the Joint Global Coordinators. Subject to the foregoing paragraph, the Joint Global Coordinators may reallocate H Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators may in their sole and absolute discretion to reallocate to the International Offering all or any unsubscribed Hong Kong Public Offer Shares in such amounts as they deem appropriate.

References in this prospectus to applications, Application Forms, application monies or to the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of H Shares Initially Offered

Subject to the reallocation as described above, the number of H Shares to be initially offered under the International Offering will be 2,351,497,000 H Shares, representing approximately 90% of the Offer Shares under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of H Shares initially offered under the International Offering will represent approximately 22.03% of our total issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Allocation

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on behalf of our Bank by the International Purchasers or through selling agents appointed by

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them. International Offer Shares will be selectively placed with certain professional and institutional investors and other investors anticipated to have a sizeable demand for such Offer Shares. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in “—Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, H Shares after the listing of the H Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of H Shares on a basis which would lead to the establishment of a solid shareholder base, which would be to our benefit and to that of the shareholders as a whole.

The Joint Global Coordinators (for themselves and on behalf of the Joint Bookrunners and the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offering.

Over-allotment Option

In connection with the Global Offering, we and the Selling Shareholders are expected to grant the Over-allotment Option to the International Purchasers and the Joint Bookrunners exercisable by the Joint Global Coordinators on behalf of the Joint Bookrunners and the International Purchasers.

Pursuant to the Over-allotment Option, the Joint Global Coordinators have the right, exercisable at any time from the date of the International Purchase Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require our Bank to issue and allot and the Selling Shareholders to sell an aggregate of up to 391,916,000 additional Offer Shares, representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover, among other things, over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.55% of the Bank’s enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

THE SELLING SHAREHOLDERS

The Selling Shareholders is initially offering a total of 112,775,000 Sale Shares as part of the Global Offering. The Selling Shareholders may sell up to an additional 16,916,000 Sale Shares if the Over-allotment Option is exercised in full.

Pursuant to a letter issued by the NSSF (She Bao Ji Jin Fa [2013] No. 129) on September 11, 2013, amongst others, the NSSF instructed us to remit the proceeds (after deducting the SFC transaction levy and Hong Kong Stock Exchange trading fee) from the sale of the Sale Shares currently registered under the name of the Selling Shareholders in the Global Offering to an account designated by the NSSF in accordance with the relevant PRC laws and regulations.

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PRICING AND ALLOCATION

Offer Price Range

The Offer Price will be not more than HK\$3.88 per H Share and is expected to be not less than HK\$3.47 per H Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as further explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

Price Payable on Application

Applicants for Hong Kong Public Offer Shares under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$3.88 for each Hong Kong Public Offer Share (plus 1% brokerage, 0.003% SFC transaction levy, and 0.005% Hong Kong Stock Exchange trading fee). If the Offer Price is less than HK\$3.47, appropriate refund payments (including the brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee attributable to the surplus application monies, without any interest) will be made to successful applications.

Determining the Offer Price

The International Purchasers and the Joint Bookrunners are soliciting from prospective investors indications of interest in acquiring the H Shares in the International Offering. Prospective investors will be required to specify the number of H Shares under the International Offering they would be willing to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around Wednesday, November 6, 2013 and in any event on or before Monday, November 11, 2013 by agreement between the Joint Global Coordinators, on behalf of the Joint Bookrunners and the Hong Kong Underwriters, and our Bank (for and on behalf of ourselves and the Selling Shareholders). The number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

If, for any reason, our Bank (on behalf of ourselves and the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Joint Bookrunners and the Underwriters) are unable to reach an agreement on the Offer Price on or before Monday, November 11, 2013, the Global Offering will not proceed and will lapse.

Reduction in Indicative Offer Price Range and/or Number of Offer Shares

The Joint Global Coordinators, on behalf of the Joint Bookrunners and the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, and with the prior written consent of our Bank, reduce the indicative Offer Price range and/or the number of Offer Shares below those stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging

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applications under the Hong Kong Public Offering, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and posted on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of our Bank (www.hsbank.com.cn) notices of the reduction and/or supplemental prospectus (if any). Upon issue of such a notice and/or supplemental prospectus (if any), the revised indicative Offer Price range and/or number of Offer Shares will be final and conclusive. The Offer Price, if agreed upon by the Joint Global Coordinators, on behalf of the Joint Bookrunners and the Underwriters, and our Bank, for and on behalf of itself and the Selling Shareholders, will be fixed within such revised range. Such notice and/or supplemental prospectus (if any) will also include confirmation or revision, as appropriate, of the use of proceeds of the Global Offering, and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change materially as a result of such reduction.

Before submitting applications for Hong Kong Public Offer Shares, applicants should consider the possibility that any announcement of a reduction in the indicative offer price range and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such announcement so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Global Coordinators, on behalf of the Joint Bookrunners and the Underwriters, and our Bank (on behalf of ourselves and the Selling Shareholders), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, under certain circumstances, be reallocated between these two offerings at the discretion of the Joint Global Coordinators.

Announcement of Offer Price and Basis of Allocation

The final Offer Price, the level of indications of interest in the International Offering, the level of applications under the Hong Kong Public Offering, the results of applications and the basis of allotment of the Hong Kong Public Offer Shares are expected to be announced on Monday, November 11, 2013 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and to be posted on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of our Bank (www.hsbank.com.cn).

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to the agreement between our Bank (on behalf of ourselves and the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Joint Bookrunners and the Hong Kong Underwriters), on the Offer Price.

The International Purchase Agreement relating to the International Offering is expected to be entered on or about the Price Determination Date.

See section headed “Underwriting” in this prospectus for further details with respect to the underwriting arrangements.

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CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Offer Shares pursuant to the Hong Kong Public Offering will be conditional on, among other things:

- (a) the Listing Committee granting listing of, and permission to deal in, the H Shares to be offered pursuant to the Global Offering (including the additional H Shares which may be offered pursuant to the exercise of the Over-allotment Option) and any H Shares converted from Domestic Shares, which are to be held by NSSF in connection with the Global Offering, subject only to allotment and the dispatch of share certificates in respect thereof, and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Hong Kong Stock Exchange;
- (b) the Offer Price having been duly agreed upon between us (on behalf of ourselves and the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Joint Bookrunners and the Underwriters) and the execution and delivery of the Price Determination Agreement on or around the Price Determination Date;
- (c) the execution and delivery of the International Purchase Agreement by the parties thereto on or around the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Purchasers under the International Purchase Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

If, for any reason, the Offer Price is not agreed between our Bank (for and on behalf of itself and the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Joint Bookrunners and the Underwriters) on or before Monday, November 11, 2013, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.