
SHARE CAPITAL

As of the date of this prospectus, the registered share capital of our Company is RMB4,275,000,000, divided into 4,275,000,000 Domestic Shares with a nominal value of RMB1.00 each.

Assuming the Over-allotment Option is not exercised, the share capital of our Company immediately after the Global Offering will be as follows:

<u>Number of Shares</u>	<u>Description of Shares</u>	<u>Approximate Percentage to Total Share Capital</u>
4,199,559,000	Domestic Shares in issue	83.50%
<u>829,853,000</u>	H Shares to be issued and sold under the Global Offering	<u>16.50%</u>
<u>5,029,412,000</u>		<u>100%</u>

Assuming the Over-allotment Option is exercised in full, the share capital of our Company immediately after the Global Offering will be as follows:

<u>Number of Shares</u>	<u>Description of Shares</u>	<u>Approximate Percentage to Total Share Capital</u>
4,188,243,000	Domestic Shares in issue	81.44%
<u>954,330,000</u>	H Shares to be issued and sold under the Global Offering	<u>18.56%</u>
<u>5,142,573,000</u>		<u>100%</u>

OUR SHARES AND RANKING

Domestic Shares and H Shares are both ordinary shares in the share capital of the Company. However, H Shares may only be subscribed for by, and traded in Hong Kong dollars between, qualified domestic institutional investors and legal or natural persons of Hong Kong, Macau, Taiwan or any country other than the PRC. Domestic Shares, on the other hand, may only be subscribed for by, and traded between, legal or natural persons of the PRC (other than Hong Kong, Macau and Taiwan). All dividends in respect of H Shares are to be declared in Renminbi and paid by the Company in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be declared and paid by the Company in Renminbi.

All of the existing Domestic Shares are held by nine existing Shareholders. Shares which were issued by the Company before the Global Offering may not be transferred within a year from the date of the listing of shares of the Company on the Stock Exchange. Upon the approval of the relevant regulatory authorities of the PRC and Hong Kong, the Domestic Shares may be converted into H Shares.

Save as described above and in relation to the dispatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different parts of the register of shareholders, the method of share transfer and the appointment of dividend receiving agents, circumstances under which general meeting and class meeting are required, which are all provided for in the Articles of Association and summarized in Appendix VI to this prospectus, the Domestic Shares and H Shares will rank *pari passu* with each other in all aspects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. However, the transfer of Domestic Shares is subject to restrictions imposed by PRC laws from time to time.

SHARE CAPITAL

TRANSFER AND SALE OF STATE-OWNED SHARES

In accordance with the Provisional Measures on Reducing State-owned Shares to Raise Social Security Fund (Guo Fa [2001] No. 22) (《減持國有股籌集社會保障資金管理暫行辦法》) (國發 [2001] 22號) issued by the State Council, our nine state-owned Shareholders are required to transfer to NSSF, in aggregate, such number of Shares equivalent to 10% of the number of the Offer Shares to be issued by us, or pay the equivalent cash at the Offer Price under the Global Offering to NSSF, or a combination of both, for the benefit of NSSF. Our Company will not receive any proceeds from the transfer of H Shares by the state-owned Shareholders to the NSSF, the sale of Sale Shares, or any subsequent disposal of such H Shares by the NSSF.

The conversion of those Shares into H Shares was approved by the CSRC on October 29, 2013. Pursuant to a letter issued by the NSSF (She Bao Ji Jin Fa [2013] No. 139) on October 12, 2013, the NSSF instructed us to (i) arrange for the sale of the Sale Shares, which shall equal to 10% of all of the Shares that our state-owned Shareholders (excluding Daqin Railway) shall relinquish for the benefit of the NSSF in connection with our Global Offering pursuant to relevant PRC laws and regulations, and (ii) remit the proceeds from the sale of the Sale Shares, after deduction of expenses to an account designated by the NSSF. Based on the discussion by the interested parties and the approval by the SASAC, HPG will sell the applicable Sale Shares and remit such proceeds from the sale of the applicable Sale Shares to NSSF on behalf of Daqin Railway.

Please see “Structure of the Global Offering—The Selling Shareholders.” We have been advised by King & Wood Mallesons Lawyers, our PRC legal advisor, that the conversion and the sale of the Sale Shares have been approved by the relevant PRC authorities and are legal and valid under PRC law.

THE PROPOSED A SHARE OFFERING

The Company submitted an application to the CSRC for approval of the A share offering in September 2010 and another application to the CSRC to suspend the review of our A share offering process in September 2013 in light of the Global Offering. The Company will comply with the Hong Kong Listing Rules and will not issue A Shares or additional securities within six months after the listing of H Shares.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, an overseas listed company is required to register its shares that are not listed on any overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 business days upon its listing.