
SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

Before the Global Offering

As of the Latest Practicable Date, our share capital, comprising 40,434,790,000 A Shares, was categorized as follows:

	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital</u>
		(%)
A Shares	40,434,790,000	100.00
Total	<u>40,434,790,000</u>	<u>100.00</u>

Upon Completion of Global Offering

Immediately following completion of the Global Offering and assuming that neither the Offer Size Adjustment Option nor the Over-allotment Option is exercised, our share capital would be categorized as follows:

	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital</u>
		(%)
H Shares	5,588,000,000	12.28
A Shares	<u>39,926,790,000</u>	<u>87.72</u>
Total	<u>45,514,790,000</u>	<u>100.00</u>

Immediately following the completion of the Global Offering and assuming exercise in full of either the Offer Size Adjustment Option or the Over-allotment Option, our share capital would be categorized as follows:

	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital</u>
		(%)
H Shares	6,426,200,000	13.89
A Shares	<u>39,850,590,000</u>	<u>86.11</u>
Total	<u>46,276,790,000</u>	<u>100.00</u>

Immediately following the completion of the Global Offering and assuming exercise in full of both the Offer Size Adjustment Option and the Over-allotment Option, our share capital would be categorized as follows:

	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital</u>
		(%)
H Shares	7,264,400,000	15.44
A Shares	<u>39,774,390,000</u>	<u>84.56</u>
Total	<u>47,038,790,000</u>	<u>100.00</u>

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SHARE CLASSES

The H Shares and A Shares in issue upon completion of the Global Offering will be ordinary Shares in our share capital. However, apart from QDIIs, H Shares generally cannot be subscribed for by, or traded between, legal or natural persons of the PRC. A Shares, on the other hand, can only be subscribed for by, and traded between, legal or natural persons of the PRC, QFIIs or qualified foreign strategic investors and must be traded in Renminbi. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of A Shares are to be paid by us in Renminbi.

Our A Shares have been listed on the Shanghai Stock Exchange since August 18, 2010.

In addition, A Shares and H Shares are regarded as different classes of Shares under our Articles of Association. The differences between the two classes of Shares, provisions on class rights, dispatch of notices and financial reports to Shareholders, dispute resolution, registration of Shares on different branches of the register of Shareholders, the method of Share transfer and appointment of dividend receiving agents are set out in our Articles of Association and summarized in “Appendix VI – Summary of Articles of Association” to this prospectus. Further, any change or abrogation of the rights of class Shareholders should be approved by way of a special resolution of the general meeting of Shareholders and by a separate meeting of Shareholders convened by the affected class of Shareholders. However, the procedures for approval by separate class Shareholders shall not apply:

- (i) where we issue, upon approval by a special resolution of our Shareholders in a general meeting, either separately or concurrently every twelve months, not more than 20% of each of the existing issued domestic shares and foreign shares listed overseas;
- (ii) where our plan to issue domestic shares and foreign shares listed on overseas establishments is implemented within fifteen months from the date of approval by the securities regulatory authorities of the State Council; and
- (iii) to the conversion by our Shareholders of their domestic shares into foreign shares listed overseas and the listing of such shares on an overseas stock exchange upon receiving the approval of the authorized securities approval authorities of the State Council.

A Shares and H Shares will however rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made.

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the Global Offering.

CONVERSION OF OUR A SHARES INTO H SHARES

According to the regulations by the State Council securities regulatory authorities and our Articles of Association, the holders of A Shares may convert their A Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the State Council securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant stock exchange(s) and have been approved by the State Council securities regulatory authorities, including the CSRC. The listing of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

Based on the procedures for the conversion of our A Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our A Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting or voting of the Shareholders at a general meeting is required for the listing and trading of the converted Shares on the Hong Kong Stock Exchange. Any application for listing of the converted Shares on the Hong Kong Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

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After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant A Shares will be withdrawn from the China Securities Depository and Clearing Corporation Limited and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share registrar to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our H Share registrar lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Shares certificates and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange will comply with the Listing Rules and the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the transferred Shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

So far as our Directors are aware, none of our major Shareholders propose to convert any of their A Shares into H Shares, except for the A Shares to be transferred to the SSF in the Global Offering. See “Transfer of State-owned Shares” below.

SHARE LOCK-UP

For the non-disposal restrictions on Huijin in respect of its interests in our Bank and the related waiver, see “Waivers from Strict Compliance with the Listing Rules – 6. Waiver in Relation to Non-disposal of Shares by Huijin” and “Underwriting – Underwriting Arrangements and Expenses – Undertakings”. As a result of the announcement of the Proposed Restructuring, both Huijin and China Everbright (Group) are deemed as our controlling shareholders and are subject to the lock-up requirements under Rule 10.07 of the Listing Rules. For details of the lock-up undertakings of Huijin and China Everbright (Group), see “Underwriting – Underwriting Arrangements and Expenses – Undertakings”.

TRANSFER OF STATE-OWNED SHARES

In accordance with relevant PRC rules regarding the transfer of state-owned shares in overseas capital markets and relevant approvals from MOF, our 116 state-owned Shareholders, which together held 30,219,870,241 Shares of the Bank as of the Latest Practicable Date, representing about 74.74% of our total issued share capital, are required to transfer to the SSF, in proportion to their respective shareholdings in our Bank, such number of Shares in aggregate equivalent to 10% of the number of the Offer Shares, being 508,000,000 Shares before the exercise of either the Offer Size Adjustment Option or the Over-allotment Option, an additional 76,200,000 Shares upon the exercise of either the Offer Size Adjustment Option or the Over-allotment Option in full, and an additional 152,400,000 Shares upon the exercise of both the Offer Size Adjustment Option and the Over-allotment Option in full. The Company’s PRC advisor, King & Wood Mallesons Lawyers, has advised the Company that, based on the approvals issued by the MOF, the obligations to transfer the state-owned Shares shall be borne by the state-owned Shareholders who remain as Shareholders of the Company as of the day when the application lists close for the Hong Kong Public Offering. From the Latest Practicable Date to the day when the application lists close for the Hong Kong Public Offering, the Shareholders approved by the MOF to bear the obligations to transfer the state-owned shares may buy in or sell out our Shares, thus the numbers of such Shareholders and the Shares held by them may be changed. Our Bank will not receive any proceeds from the transfer of H Shares by our state-owned Shareholders to the SSF or any subsequent disposal of such H Shares by the SSF.

The transfer of state-owned Shares by our state-owned Shareholders to the SSF was approved by the MOF on April 1, 2011 and September 21, 2011, and was further confirmed by the MOF on April 12, 2013. The conversion of those Shares into H Shares was approved by the CSRC on October 15, 2013. We have been advised by our PRC legal advisor, King & Wood Mallesons, that the transfer and the conversion, and the holding of H Shares by the SSF following such transfer and conversion, have been approved by the relevant PRC authorities and are legal under the PRC laws.