

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, our share capital comprised 8,246,899,553 Domestic Shares.

	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital</u>
		(%)
Domestic Shares in issue	8,246,899,553	100.00

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering, assuming the Over-allotment Option is not exercised, our total issued share capital will be as follows:

	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital</u>
		(%)
Domestic Shares	7,972,029,553	72.5
H Shares	3,023,570,000 ⁽¹⁾	27.5
Total Share Capital	<u>10,995,599,553</u>	<u>100.00</u>

Note:

- (1) Such 3,023,570,000 H Shares are inclusive of (i) 2,748,700,000 new H Shares to be issued pursuant to the Global Offering; and (ii) 274,870,000 H Shares to be converted from Domestic Shares and sold for the benefit of the NSSF pursuant to the relevant PRC regulations relating to reduction of state-owned shares.

Immediately following completion of the Global Offering, assuming the Over-allotment Option is exercised in full, our total issued share capital will be as follows:

	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital</u>
		(%)
Domestic Shares	7,930,799,553	69.52
H Shares	3,477,100,000 ⁽¹⁾	30.48
Total Share Capital	<u>11,407,899,553</u>	<u>100.00</u>

Note:

- (1) Such 3,477,100,000 H Shares are inclusive of (i) 2,748,700,000 new H Shares to be issued pursuant to the Global Offering and 412,300,000 additional new H Shares to be issued upon the exercise of the Over-allotment Option in full; and (ii) 274,870,000 H Shares to be converted from Domestic Shares and sold for the benefit of the NSSF and 41,230,000 additional H Shares to be converted from Domestic Shares and sold for the benefit of the NSSF upon the exercise of the Over-allotment Option in full, pursuant to the relevant PRC regulations relating to reduction of state-owned shares.

SHARE CAPITAL

CONVERSION OF OUR DOMESTIC SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

According to stipulations by the State Council securities regulatory authority and our Articles of Association, our Domestic Shares may be converted into H Shares. Such converted shares may be transferred to overseas investors and may be listed or traded on an overseas stock exchange provided that the conversion and trading of such converted shares shall have duly completed pursuant to any requisite internal approval process and the approval from the relevant PRC regulatory authorities, including the CSRC. In addition, such conversion and trading shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of our Domestic Shares are to be converted to H Shares to be traded on the Hong Kong Stock Exchange, such conversion requires the approval of the relevant PRC 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. A vote by the shareholders in separate class meetings is not required for the listing and trading of the converted shares on an overseas 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 any proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Domestic 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 conditions that (i) 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 despatch of H Share certificates and (ii) the admission of the H Shares to trading on the Hong Kong Stock Exchange complies with the Hong Kong 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 Promoters proposes to convert any of their Domestic Shares into H Shares.

RANKING

Domestic Shares and H Shares are ordinary shares in the share capital of our Bank. However, unless otherwise approved by relevant authorities, H Shares cannot be subscribed for by, or traded between, legal or natural persons of the PRC. Domestic Shares, on the other hand, may only be subscribed for by, and traded between, legal or natural persons of the PRC or qualified foreign institutional investors or eligible foreign strategic investors, and must be traded in Renminbi. All dividends or distributions declared, paid or made in respect of the Domestic Shares and H Shares after the date of this prospectus will rank *pari passu* with each other. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be paid by us in Renminbi.

Except as described above and in relation to the despatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different registers of shareholders, the method of share transfer and the appointment of dividend receiving agents, are all provided for in our Articles of Association and summarised in Appendix VI in this prospectus.

SHARE CAPITAL

TRANSFER OF SHARES TO THE NSSF

In accordance with the relevant PRC regulations regarding disposal of state-owned shares or their monetary equivalent based on the Offer Price, our 31 state-owned shareholders are required to transfer to the NSSF such number of Domestic Shares, which in aggregate is equivalent to 10% of the number of the Offer Shares to be issued by our Bank (2,748,700,000 H Shares, before the exercise of the Over-allotment Option or 3,161,000,000 H Shares after the exercise in full of the Over-allotment Option), among which the number of Domestic Shares that should have been transferred by Harbin Technology Import & Export Company Limited (哈爾濱技術進出口公司) will be transferred by Harbin Economic Development on its behalf. At the time of the listing of our H Shares on the Hong Kong Stock Exchange, such Domestic Shares will be converted into H Shares on a one-for-one basis. Neither we nor any of these state-owned shareholders will receive any proceeds from the transfer of such Domestic Shares to the NSSF.

The transfer of such Domestic Shares by our state-owned shareholders to the NSSF was approved by the MOF on 19 August 2013. The conversion of those Domestic Shares into H Shares and the offering of the Sale Shares was approved by the CSRC on 4 March 2014. Pursuant to a letter issued by the NSSF (Shebaojijinfa 2014 No.27) on 17 February 2014, the NSSF instructed us to (i) arrange for the sale of the Sale Shares, which represent all of the Domestic Shares that our state-owned shareholders shall sell for the benefit of the NSSF in connection with the Global Offering pursuant to relevant PRC rules; and (ii) remit the proceeds from the sale of the Sale Shares to an account designated by the NSSF. See “Structure of the Global Offering – The Selling Shareholders”. We have been advised by Jun He Law Offices Beijing, our PRC legal advisor, that both the transfer and sale described above and the conversion have been approved by the relevant authorities and comply with PRC law.

GENERAL MEETING AND CLASS MEETING

For details of circumstances under which our shareholders’ general meeting and class shareholders’ general meeting are required, see paragraph “Notice of Meetings and Business to be Conducted Thereat” and “Change of Rights of Existing Shares or Classes of Shares” of “Appendix VI – Summary of Articles of Association”.