

## SHARE CAPITAL

As of the Latest Practicable Date, the registered and issued share capital of the Bank was RMB3,294,797,692, comprising 3,294,797,692 Domestic Shares.

Immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised, the share capital of the Bank will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital</u>
Domestic Shares .....	3,234,797,692	83.1%
H Shares converted from Domestic Shares and sold by the Selling Shareholders pursuant to the Global Offering .....	60,000,000	1.5%
H Shares issued pursuant to the Global Offering .....	600,000,000	15.4%
<b>Total</b> .....	<b><u>3,894,797,692</u></b>	<b><u>100.0%</u></b>

Immediately following the completion of the Global Offering and assuming that the Over-allotment Option is fully exercised, the share capital of the Bank will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital</u>
Domestic Shares .....	3,225,797,692	81.0%
H Shares converted from Domestic Shares and sold by the Selling Shareholders pursuant to the Global Offering .....	69,000,000	1.7%
H Shares issued pursuant to the Global Offering .....	690,000,000	17.3%
<b>Total</b> .....	<b><u>3,984,797,692</u></b>	<b><u>100.0%</u></b>

Upon the completion of the Global Offering, the Bank will have two classes of shares, Domestic Shares and H Shares, both of which are ordinary shares. H Shares may not be subscribed for by or traded between legal or natural persons of the PRC, other than certain qualified domestic institutional investors in the PRC, qualified PRC investors under Shanghai—Hong Kong Stock Connect and Shenzhen—Hong Kong Stock Connect, and other persons who are entitled to hold H Shares under PRC laws and regulations.

The Bank's articles of association regard the Domestic Shares and the H Shares as different classes of shares, and set out their differences. A summary of these differences is set forth in Appendix V to this prospectus. The differences include provisions on class rights, the dispatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different registers of shareholders, the method of share transfers and appointment of dividend receiving agents.

The rights conferred on any class of shareholders may not be varied or abrogated without approval by a special resolution of the shareholders at a general meeting and by holders of that class of shares at a separate meeting. Appendix V to this prospectus lists the circumstances that would be deemed variation or abrogation of the rights of a class of shares. However, approval by separate classes of shareholders is not required when:

- the Bank issues not more than 20% of each of the then outstanding Domestic Shares and H Shares with the approval of a special resolution of the shareholders at a general meeting, either separately or concurrently, once every 12 months; or
- with the approval of the regulators, the Bank issues H Shares upon conversion of Domestic Shares. See “—Conversion of the Domestic Shares into the H Shares”.

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Except as described above, Domestic Shares and H Shares will rank equally with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of the H Shares will be declared in RMB and paid in Hong Kong dollars, while all dividends in respect of the Domestic Shares will be paid in RMB. In addition to cash, dividends may be distributed in the form of shares. Holders of H Shares and Domestic Shares will receive share dividends in the form of H Shares and Domestic Shares, respectively.

### LOCK-UP PERIODS

The PRC Company Law requires that shares issued prior to public offering of shares of a company shall not be transferred within one year from the date on which such shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Bank prior to its issue of the H Shares shall be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

The Bank's directors, supervisors, senior management holding the Shares and other individuals holding more than 50,000 internal employee shares have undertaken not to transfer their Shares within three years from the Listing Date pursuant to the requirements of the regulatory authorities.

### TRANSFER AND SALE OF STATE-OWNED SHARES

PRC laws and regulations require the Bank's state-owned Shareholders to transfer to the NSSF, in proportion to their respective shareholdings, such number of Shares in the aggregate equivalent to 10% of the Shares to be issued by the Bank in the Global Offering, being 60,000,000 H Shares if the Over-allotment Option is not exercised, or 69,000,000 H Shares if the Over-allotment Option is exercised in full or pay equivalent cash to NSSF at the Offer Price of the Global Offering, or a combination of both. At the time of the Listing of the H Shares, the Domestic Shares transferred by these state-owned Shareholders will be converted into the H Shares on an one-for-one basis. The Bank and such state-owned Shareholders will not receive any amount in respect of the transfer of Domestic Shares to NSSF.

The transfer of state-owned Shares to the NSSF was approved by the SASAC on March 22, 2016. The conversion of such state-owned Shares into H Shares was approved by the CSRC on August 17, 2016.

NSSF has instructed the Bank on September 1, 2016 to (i) arrange for the sale of the Sales Shares; and (ii) remit the sale proceeds (after deducting the SFC transaction levy and Hong Kong Stock Exchange trading fee) to an account designated by NSSF. The Bank has been advised by King & Wood Mallesons, the PRC legal advisers to the Bank, that the transfer and sale described above have been approved by the CSRC and the SASAC and instructed by the NSSF. See "Structure of the Global Offering—The Selling Shareholders".

### CONVERSION OF THE DOMESTIC SHARES INTO THE H SHARES

PRC regulations and the Bank's articles of association allow the Domestic Shares to be converted into overseas listed shares. The conversion, listing and trading shall be approved internally and by the regulators (including the CSRC and the Hong Kong Stock Exchange), and comply with applicable laws, regulations and rules.

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Subject to fulfilling the procedures below, the Bank may apply for the listing of all or any portion of the Domestic Shares on the Hong Kong Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and deliver of shares for entry on the H Share register. As any listing of additional Shares after the Bank's initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it does not require prior application for listing as at the time of the Bank's initial listing in Hong Kong.

Approval by separate class of shares is not required for the listing and trading of the converted shares on an overseas stock exchange. The Bank should make an announcement of any application for listing of the converted shares on the Hong Kong Stock Exchange after the Bank's initial listing.

After all the requisite approvals are obtained, the Bank needs to complete the following procedures: the relevant Domestic Shares will be withdrawn from the China Securities Depository and Clearing Corporation Limited and the Bank will re-register such Shares on the Bank's H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the Bank's H Share register will be on the conditions that (i) the Bank's H Share Registrar lodges with the Hong Kong Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates and (ii) the admission of the H Shares to trade 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 effect from time to time. The converted shares would not be listed as H Shares before they are re-registered on the Bank's H Share register.

### **SHAREHOLDERS' GENERAL MEETINGS AND CLASS MEETINGS**

For details of circumstances under which the Shareholders' general meetings and class meetings are required, see "Notice of Meetings and Matters to be Considered" and "Change of Rights of Existing Shares or Classes of Shares" in "Appendix V—Summary of Articles of Association".