
UNDERWRITING

HONG KONG UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited
CCB International Capital Limited
ABCI Securities Company Limited
Haitong International Securities Company Limited
Yuanta Securities (Hong Kong) Company Limited
Ever-Long Securities Company Limited
AMC Wanhai Securities Limited
Sinolink Securities (Hong Kong) Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Bank is offering initially 66,000,000 Hong Kong Offer Shares (subject to adjustment) for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms at the Offer Price.

Subject to:

- the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the H Shares to be offered pursuant to the Global Offering as mentioned herein (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option); and
- certain other conditions set out in the Hong Kong Underwriting Agreement (including the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) and the Bank agreeing upon the Offer Price),

the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

One of the conditions is that the Offer Price must be agreed between the Bank (for itself and on behalf of the Selling Shareholders) and the Sole Representative (for itself and on behalf of the Joint Bookrunners and the Hong Kong Underwriters). For applicants applying under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Bank (for itself and on behalf of the Selling Shareholders) and the Sole Representative (for itself and on behalf of the Joint Bookrunners and the Underwriters) the Global Offering will not proceed.

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Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination, if, at any time prior to 8:00 a.m. on the day that trading in the H Shares commences on the Hong Kong Stock Exchange:

- (1) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, Singapore, the United States, the United Kingdom, the European Union (or any member thereof) or Japan (each a “**Relevant Jurisdiction**”); or
 - (b) any change or development involving a prospective change or development, or any event or series of events likely to result in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a fluctuation of the Hong Kong dollars and/or the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or
 - (c) any event or series of events in the nature of force majeure (including, without limitation, acts of government, labor disputes, strikes, lock-outs, fire, explosion, flooding, civil commotion, riots, public disorder, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption in transportation, outbreak of diseases or epidemics including, but not limited to, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9 and such related/mutated forms, economic sanction, in whatever form) in or directly or indirectly affecting any Relevant Jurisdiction; or
 - (d) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any Relevant Jurisdiction; or
 - (e) any moratorium, suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Singapore Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Tokyo Stock Exchange; or
 - (f) any general moratorium on commercial banking activities in any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or
 - (g) any (A) change or prospective change in exchange controls, currency exchange rates or foreign investment regulations, or (B) any change or prospective change in

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taxation in any Relevant Jurisdiction adversely affecting an investment in the H Shares; or

- (h) the issue or requirement to issue by the Bank of a supplemental or amendment to the prospectus, Application Forms, preliminary offering circular or offering circular or other documents in connection with the offer and sale of the H Shares pursuant to the Companies Ordinance or the Hong Kong Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Sole Representative, adversely affect the marketing for or implementation of the Global Offering; or
- (i) any litigation or claim being threatened or instigated against any member of the Group, any director or any supervisor of the Bank; or
- (j) any contravention by any member of the Group or any director or supervisors of the Bank of the Companies Ordinance, the Companies (Winding up and Miscellaneous Provisions) Ordinance, the PRC Company Law or the Hong Kong Listing Rules; or
- (k) any governmental authority in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group, any director or any supervisor of the Bank; or
- (l) any of the chairman, president of the Bank or any director or any supervisor of the Bank vacating his/her office, or any of them being charged with an indictable offence or prohibited by operation of laws or otherwise disqualified from taking part in the management of a company or the commencement by any governmental authority of any action against any of them in his or her capacity as such or an announcement by any governmental authority that it intends to take any such action against any of them; or
- (m) any demand by creditors for repayment of indebtedness or a petition being presented for the winding-up or liquidation of any member of the Group or any member of the Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (n) a prohibition on the Bank for whatever reason from allotting or selling the H Shares (including the Over-allotment Option Shares) pursuant to the terms of the Global Offering;

and which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Representative (for itself and on behalf of the Hong Kong Underwriters): (A) is or will be or may be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder's equity, profit, losses, results of operations, position or condition (financial or otherwise), or prospects of the Bank or the Group as a whole; or (B) has or will have or may have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the

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distribution of Offer Shares and/or has made or is likely to make or will make it impracticable or inadvisable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or (C) makes or will make or may make it impracticable or inadvisable or incapable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by the prospectus, the Application Forms, the formal notice, the preliminary offering circular or the offering circular; or (D) would have or may have the effect of making a part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (2) there has come to the notice of the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers or any of the Hong Kong Underwriters after the date of the Hong Kong Underwriting Agreement:
 - (a) that any statement contained in the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement) and/or any notices, announcements, advertisements, communications issued or used by or on behalf of the Bank in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become untrue, incomplete, incorrect or misleading in any material respect or any forecasts, estimate, expressions of opinion, intention or expectation expressed in the Hong Kong Public Offering Documents and/or any notices, announcements, advertisements, communications so issued or used are not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or
 - (b) any contravention by any member of the Group or any director or any supervisor of the Bank of any law which in the sole opinion of the Sole Representative (i) has or will have or may have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased, or (ii) has made or is likely to make or will make it impracticable or inadvisable or incapable, for any material part of the Hong Kong Underwriting Agreement or the Global Offering to be performed or implemented as envisaged, or to proceed with the Global Offering; or
 - (c) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Hong Kong Listing Rules or any other applicable law; or
 - (d) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the prospectus, not having been disclosed in the prospectus, constitutes a material omission therefrom; or
 - (e) either (i) there has been a material breach of any of the Warranties or provisions of the Hong Kong Underwriting Agreement by the Bank or (ii) any of the Warranties given by the Bank in the Hong Kong Underwriting Agreement, is (or would when repeated be) untrue, incorrect, incomplete or misleading in any material respect; or
 - (f) any of the Reporting Accountant, or counsel or advisor of the Bank or other experts has withdrawn its respective consent to the issue of this prospectus with the inclusion

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of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

- (g) any event, act or omission which gives or is likely to give rise to any liability of the Bank pursuant to the indemnities given by the Bank under the Hong Kong Underwriting Agreement, which liability has a material adverse effect; or
- (h) any material breach of any of the obligations of the Bank under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (i) any expert as disclosed in the Hong Kong Public Offering Documents (other than the Sole Sponsor) has withdrawn or subject to withdraw its consent to being named in any of the Hong Kong Public Offering Documents or to the issue of any of the Hong Kong Public Offering Documents; or
- (j) any material adverse change or material prospective adverse change or development involving a prospective material adverse change in the assets, business, general affairs, management, shareholder's equity, profits, losses, properties, results of operations, in the position or condition (financial or otherwise) or prospects of the Bank and the subsidiary banks, as a whole; or
- (k) the Bank has withdrawn this prospectus or the Global Offering;

then the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) may, in its sole and absolute discretion and upon giving notice in writing to the Bank, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Hong Kong Stock Exchange pursuant to the Hong Kong Listing Rules

The Bank is expected to undertake to the Hong Kong Stock Exchange that, except in certain circumstances prescribed by Rule 10.08 of the Hong Kong Listing Rules or pursuant to the Global Offering and the Over-allotment Option, no further shares or securities convertible into securities of the Bank (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of shares or securities will be completed within six months from the Listing Date).

Undertakings pursuant to the Hong Kong Underwriting Agreement

The Bank has, pursuant to the Hong Kong Underwriting Agreement, undertaken to each of the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option), at any time during the date falling six months from the Listing Date (the “**First Six-Month Period**”), the Bank will not without the prior written consent of the Sole Sponsor and the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Hong Kong Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose

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of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, in the share capital of the Bank, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital of the Bank), or deposit any share capital of the Bank, with a depository in connection with the issue of depository receipts; or

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of such share capital of the Bank or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase such share capital of the Bank); or
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or
- (d) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period) or publicly disclose that the Bank will or may enter into any transaction described above. The Bank further agrees that, in the event of an issue or disposal of any of the H Shares or any interest therein or the Bank offering to or agreeing to or announcing any intention to effect any such transaction after the First Six-Month Period expires, it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Bank will, create a disorderly or false market for any of the H Shares or other securities of the Bank.

Hong Kong Underwriters' Interests in the Bank

Save for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in the Bank or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Bank.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Underwriting Agreements.

The International Offering

In connection with the International Offering, it is expected that the Bank will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares, failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

The Bank and the Selling Shareholders will grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Representative (for itself and on behalf of the International

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Underwriters) during the 30-day period from the last day for lodging of applications under the Hong Kong Public Offering, which will end on Saturday, February 4, 2017, to require the Bank and the Selling Shareholders to allot and issue up to an aggregate of 99,000,000 additional H Shares, representing approximately 15% of the H Shares initially available under the Global Offering, at the Offer Price, among other things, to cover over-allocations in the International Offering, if any. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Total Commission and Expenses

According to the Hong Kong Underwriting Agreement, the Hong Kong Underwriters will receive an underwriting commission of 1.8% on the Offer Price of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commissions payable. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the Bank will pay an underwriting commission attributable to such re-allocated Hong Kong Offer Shares to the Sole Representative and the relevant International Underwriters (but not the Hong Kong Underwriters). In addition, the Bank may, at its sole discretion, pay any or all of the Hong Kong Underwriters an additional incentive fee of up to 1.0% (in aggregate) of the Offer Price per Hong Kong Offer Share.

Assuming the Over-allotment Option is not exercised at all and based on an Offer Price of HK\$4.65 per Offer Share (being the mid-point of the indicative offer price range of HK\$4.54 to HK\$4.76 per H Share), the aggregate commissions and fees (including a discretionary incentive fee which may be payable by the Bank), together with listing fees, SFC transaction levy, Hong Kong Stock Exchange trading fee, legal and other professional fee and printing and other expenses, relating to the Global Offering are estimated to be approximately RMB165.9 million (equivalent to approximately HK\$185.3 million) in total.

Indemnity

The Bank has agreed to indemnify, among others, the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including, among other matters, losses arising from the performance of their obligations under the Hong Kong Underwriting Agreements and any breach by the Bank of the Hong Kong Underwriting Agreements as the case may be.

Over-allotment and Stabilization

For details of the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering—Stabilization”.

SOLE SPONSOR’S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Hong Kong Listing Rules.

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ACTIVITIES BY SYNDICATE MEMBERS

The below lists out a variety of activities that underwriters of the Hong Kong Public Offering, together referred to as “Syndicate Members”, may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their or part of their underlying assets, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in the sections headed “Structure of the Global Offering—The International Offering—Over-allotment Option” and “Information about this Prospectus and the Global Offering—Over-allotment and Stabilization”.

These activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.