

## SHARE CAPITAL

This section presents certain information regarding our share capital following the completion of the Global Offering and, where relevant, the A Share Offering.

### Before the Global Offering

As at the Latest Practicable Date, our share capital is RMB 31,113,111,400 (which comprised 31,113,111,400 shares). Our shareholders have the following interests in our issued share capital:

<u>Name of shareholder</u>	<u>Type of share</u>	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital (%)</u>
CITIC Group .....	state-owned shares	24,891,438,919	80.00%
CIFH .....	foreign legal person shares	4,718,909,200	15.17
BBVA .....	foreign legal person shares	1,502,763,281	4.83
Total .....		31,113,111,400	100.00%

### Upon Completion of the Global Offering and A Share Offering

Immediately upon the completion of the Global Offering and the A Share Offering (assuming that the Over-allotment Option is not exercised and BBVA and CIFH exercise their anti-dilution right and top-up right, respectively), our share capital will be RMB 38,300,523,054 (including 11,595,699,381 H Shares and 26,704,823,673 A Shares, which constitute 30.28% and 69.72% of our share capital, respectively). The relevant share interests will be as follows:

<u>Name of shareholder</u>	<u>Type of share</u>	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital (%)</u>
CITIC Group <sup>(4)</sup> .....	A Shares <sup>(1)(2)(3)</sup>	24,402,891,019	63.71%
CIFH <sup>(2)</sup> .....	H Shares	5,810,189,200	15.17
BBVA <sup>(2)(4)</sup> .....	H Shares	1,849,915,281	4.83
SSF <sup>(3)(5)</sup> .....	H Shares	488,547,900	1.28
Other H Share public shareholders <sup>(5)</sup> .....	H Shares	3,447,047,000	9.00
Other A Share public shareholders .....	A Shares	2,301,932,654	6.01
Total .....		38,300,523,054	100.00%

- (1) Upon completion of the A Share Offering and the Global Offering, all the shares held by CITIC Group will be registered as A Shares, which can be converted into H Shares upon obtaining the CSRC's approval. In addition, CSRC granted its approval to CITIC Group to convert not more than 10% of our total outstanding shares into H Shares one year from the listing of our H Shares on the Hong Kong Stock Exchange and, depending on market circumstances, CITIC Group may transfer such shareholding interest to strategic investors and institutional investors. Please see "— Stated-owned Shares held by CITIC Group" for more details.
- (2) CIFH and BBVA have the right to subscribe for additional H Shares at the Offer Price. Please see "Our Strategic Investor and Other Investors — Rights and Obligations of BBVA — Anti-dilution Right" and "Our Relationship with CITIC Group and Connected Transactions — Our Relationship with Our Promoters — CIFH Top-Up" for further details.
- (3) In accordance with relevant PRC regulations regarding disposal of state-owned shares, our state-owned shareholder, CITIC Group, is required to transfer to the SSF, in proportion to its holding in our bank, such number of shares in aggregate equivalent to 10% of the number of the Offer Shares. Please see "— Transfer of State-owned Shares" for more details.
- (4) CITIC Group agreed to sell to BBVA 52,892,289 shares after the first anniversary of the Global Offering, representing 0.17% of our outstanding shares immediately prior to the Global Offering. BBVA was also granted a call option to purchase from CITIC Group such number of shares representing 4.9% of our outstanding shares immediately after the relevant call option closing, or as shall result in the aggregate shareholding percentage of BBVA to be increased to 9.9% of our outstanding shares immediately after the

## SHARE CAPITAL

relevant call option closing, whichever is greater. The option is exercisable one year after the date on which dealings in our H Shares commence on the Hong Kong Stock Exchange.

- (5) SSF's stated 1.28% shareholding in our bank does not include the shares to be purchased by SSF as a cornerstone investor, which will be 73,260,000 shares assuming an offer price of HK\$5.46 per share, being the mid-point of the proposed price range set out in this prospectus. See "Our Strategic Investor and Other Investors — Cornerstone Investors." When such purchase completes, the shareholding of SSF in our bank will increase to 1.47% and the shareholding in our bank of other H Share public shareholders will be reduced to 8.81%.

Immediately upon the completion of the Global Offering and the A Share Offering (assuming the Over-allotment Option is exercised in full and BBVA and CIFH exercise their anti-dilution right and top-up right, respectively), our share capital shall be RMB 39,033,344,054 (including 12,401,802,481 H Shares and 26,631,541,573 A Shares, which constitute 31.77% and 68.23% of our share capital, respectively). The relevant share interests will be as follows:

<u>Name of shareholder</u>	<u>Type of share</u>	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital (%)</u>
CITIC Group <sup>(4)</sup>	A Shares <sup>(1)-(3)</sup>	24,329,608,919	62.33%
CIFH <sup>(2)</sup>	H Shares	5,855,002,200	15.00
BBVA <sup>(2)(4)</sup>	H Shares	1,885,311,281	4.83
SSF <sup>(3)(5)(6)</sup>	H Shares	561,830,000	1.44
Other H Share public shareholders <sup>(5)</sup>	H Shares	4,099,659,000	10.50
Other A Share public shareholders	A Shares	<u>2,301,932,654</u>	<u>5.90</u>
Total		<u>39,033,344,054</u>	<u>100.00%</u>

- (1) Upon completion of the A Share Offering and the Global Offering, all the shares held by CITIC Group will be registered as A Shares, which can be converted into H Shares upon obtaining the CSRC's approval. In addition, CSRC granted its approval to CITIC Group to convert not more than 10% of our total outstanding shares into H Shares one year from the listing of our H Shares on the Hong Kong Stock Exchange and, depending on market circumstances, CITIC Group may transfer such shareholding interest to strategic investors and institutional investors. Please see "— Stated-owned Shares held by CITIC Group" for more details.
- (2) CIFH and BBVA have the right to subscribe for additional H Shares at the Offer Price. Please see "Our Strategic Investor and Other Investors — Rights and Obligations of BBVA — Anti-dilution Right" and "Our Relationship with CITIC Group and Connected Transactions — Our Relationship with Our Promoters — CIFH Top-Up" for further details.
- (3) In accordance with relevant PRC regulations regarding disposal of state-owned shares, our state-owned shareholder, CITIC Group, is required to transfer to the SSF, in proportion to its holding in our bank, such number of shares in aggregate equivalent to 10% of the number of the Offer Shares. Please see "— Transfer of State-owned Shares" for more details.
- (4) CITIC Group agreed to sell to BBVA 52,892,289 shares after the first anniversary of the Global Offering, representing 0.17% of our outstanding shares immediately prior to the Global Offering. BBVA was also granted a call option to purchase from CITIC Group such number of shares representing 4.9% of our outstanding shares immediately after the relevant call option closing, or as shall result in the aggregate shareholding percentage of BBVA to be increased to 9.9% of our outstanding shares immediately after the relevant call option closing, whichever is greater. The option is exercisable one year after the date on which dealings in our H Shares commence on the Hong Kong Stock Exchange.
- (5) SSF's stated 1.44% shareholding in our bank does not include the shares to be purchased by SSF as a cornerstone investor, which will be 73,260,000 shares assuming an offer price of HK\$5.46 per share, being the mid-point of the proposed price range set out in this prospectus. See "Our Strategic Investor and Other Investors — Cornerstone Investors." When such purchase completes, the shareholding of SSF in our bank will increase to 1.63% and the shareholding in our bank of other H Share public shareholders will be reduced to 10.32%.
- (6) In accordance with relevant PRC regulations regarding disposal of state-owned shares, our state-owned shareholder, CITIC Group, is required to transfer to the SSF, in proportion to its holding in our bank, such number of shares in aggregate equivalent to 10% of the number of the Offer Shares. Please see "Transfer of State-owned Shares" for further details. In addition, SSF has agreed to subscribe, as a cornerstone investor, for such number of H Shares (rounded down to the nearest whole board lot of 1,000 shares) which may be subscribed with approximately HK\$400 million. See "Our Strategic Investor and Other Investors — Cornerstone Investors."

## SHARE CAPITAL

### Upon Completion of the Global Offering (excluding A Share Offering)

Immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised and excluding the A Share Offering, and BBVA and CIFH exercise their anti-dilution right and top-up right, respectively), our share capital shall be RMB 35,998,590,400 (including 11,595,699,381 H Shares and 24,402,891,019 state-owned shares, which constitute 32.21% and 67.79% of our share capital, respectively). The relevant share interests will be as follows:

<u>Name of shareholder</u>	<u>Type of share</u>	<u>Number of shares</u>	<u>Approximate percentage of total issued share capital (%)</u>
CITIC Group <sup>(1)</sup> .....	state-owned shares	24,402,891,019	67.79%
CIFH <sup>(2)</sup> .....	H Shares	5,810,189,200	16.14
BBVA <sup>(1)(2)</sup> .....	H Shares	1,849,915,281	5.14
SSF <sup>(3)(4)</sup> .....	H Shares	488,547,900	1.36
Other H Share public shareholders <sup>(4)</sup> .....	H Shares	3,447,047,000	9.57
Total .....		<u>35,998,590,400</u>	<u>100.00%</u>

*Notes:*

- (1) CITIC Group agreed to sell to BBVA 52,892,289 shares after the first anniversary of the Global Offering, representing 0.17% of our outstanding shares immediately prior to the Global Offering. BBVA was also granted a call option to purchase from CITIC Group such number of shares representing 4.9% of our outstanding shares immediately after the relevant call option closing, or as shall result in the aggregate shareholding percentage of BBVA to be increased to 9.9% of our outstanding shares immediately after the relevant call option closing, whichever is greater. The option is exercisable one year after the date on which dealings in our H Shares commence on the Hong Kong Stock Exchange.
- (2) CIFH and BBVA have the right to subscribe for additional H Shares at the Offer Price. Please see “Our Strategic Investor and Other Investors — Rights and Obligations of BBVA — Anti-dilution Right” and “Our Relationship with CITIC Group and Connected Transactions — Our Relationship with Our Promoters — CIFH Top-Up” for further details.
- (3) In accordance with relevant PRC regulations regarding disposal of state-owned shares, our state-owned shareholder, CITIC Group, is required to transfer to the SSF, in proportion to its holding in our bank, such number of shares in aggregate equivalent to 10% of the number of the Offer Shares. Please see “— Transfer of State-owned Shares” for more details.
- (4) SSF’s stated 1.36% shareholding in our bank does not include the shares to be purchased by SSF as a cornerstone investor, which will be 73,260,000 shares assuming an offer price of HK\$5.46 per share, being the mid-point of the proposed price range set out in this prospectus. See “Our Strategic Investor and Other Investors — Cornerstone Investors.” When such purchase completes, the shareholding of SSF in our bank will increase to 1.56% and the shareholding in our bank of other H Share public shareholders will be reduced to 9.37%.

### RANKING

The H Shares and A Shares in issue upon completion of the Global Offering and the A Share Offering will be ordinary shares in our share capital. However, apart from the PRC qualified domestic institutional investors, 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 (i) legal or natural persons of the PRC; (ii) qualified foreign institutional investors; or (iii) 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.

In addition, A Shares and H Shares are regarded as different classes of shares under the relevant terms of our Articles of Association. The differences between the two classes of shares are set out in our Articles of Association in details.

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 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,

## SHARE CAPITAL

either separately or concurrently every twelve months, not more than 20% of each of the existing issued A Shares and H Shares; (ii) where our plan to issue A Shares and H Shares on establishment is implemented within fifteen months from the date of approval by the securities regulatory authorities of the State Council; or (iii) to the conversion by our promoters of their shares to domestic public shares or foreign shares which will be listed and dealt in a stock exchange outside of the PRC upon receiving the approval of the CSRC or 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 after the date of this prospectus.

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 and A Share Offering.

### STATE-OWNED SHARES HELD BY CITIC GROUP

Upon completion of our Global Offering and the A Share Offering, all the shares held by CITIC Group will be registered as A Shares. These shares will be deposited with the China Securities Depository and Clearing Corporation Limited and are expected to be approved for listing on the Shanghai Stock Exchange. The state-owned shares held by CITIC Group would be converted into A Shares upon the listing of our A Shares on the Shanghai Stock Exchange and such number of A Shares held by CITIC Group representing 10% of our total outstanding shares could be converted into H Shares after the first anniversary of the listing of our shares. Upon further approval by the CSRC, the rest of the A Shares held by CITIC Group could also be converted into H Shares. CITIC Group undertakes that, within 36 months from the date on which our A Shares are listed on the Shanghai Stock Exchange, it will not transfer or entrust any other person to hold its direct or indirect interests in our A Shares, nor will it permit us to repurchase its A Shares. However, where CITIC Group obtains approval from the CSRC to convert its A Shares to H Shares, the portion of A Shares which are converted into H Shares will not be subject to the 36-month lock-up restriction. Under the PRC Company Law, CITIC Group is prohibited from transferring our shares within one year from the date of the first listing of our shares on a stock exchange.

Upon the Hong Kong Stock Exchange granting us approval for the listing of our H Shares as part of the Global Offering, all the shares held by CITIC Group will be approved for listing on the Hong Kong Stock Exchange and could, subject to completion of certain procedural requirements, be listed on the Hong Kong Stock Exchange. The relevant procedural requirements are the withdrawal of such shares from the China Securities Depository and Clearing Corporation Limited and re-registering such shares on our H share register maintained in Hong Kong, on the condition that (i) our H share registrar lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant shares on the H share register, and the due dispatch of share certificates; and (ii) the admission of the shares to trade in Hong Kong will comply with the Hong Kong Listing Rules and the General Rules of CCASS and CCASS Operational Procedures in force from time to time. Until such shares are re-registered on our H share register, such shares would not be listed as H Shares, and holders thereof will not be entitled to attend and vote at meetings of H Shares shareholders in respect of such shares. After completion of our Global Offering, no further approval from the Hong Kong Stock Exchange or of our shareholders (including our H Shares shareholders) would be required for the listing of such shares as H Shares on the Hong Kong Stock Exchange. However, prior to the shares held by CITIC Group becoming listed on the Hong Kong Stock Exchange as H Shares, CITIC Group must obtain the approval of the CSRC. Subject to CITIC Group maintaining a controlling shareholding interest in us, the CSRC has granted approval to CITIC Group to convert not more than 10% of its shareholding interest in us to H Shares one year from the listing of our shares on the Hong Kong Stock Exchange and, depending on market circumstances, transfer such shareholding interest to strategic investors and institutional investors.

To effect the withdrawal of their shares that are deposited with the China Securities Depository and Clearing Corporation Limited and re-register such shares on our H share register, CITIC Group shall issue to us a removal request on a prescribed form in respect of a specified number of shares attaching the relevant documents of title. Subject to our being satisfied with the authenticity of the document, and with the approval

## SHARE CAPITAL

of our board of directors, we would then issue a notice to our H share registrar with instructions that, with effect from a specified date, our H share registrar is to issue the relevant holders with H Share certificates for such specified number of shares. The relevant holders' shareholding interest deposited with the China Securities Depository and Clearing Corporation Limited would then be correspondingly reduced. In addition, we will comply with the Hong Kong Listing Rules in respect of the issuance of an announcement to inform shareholders and the public of such fact not less than three days prior to the proposed specified date. We will also comply with the Shanghai Stock Exchange Securities Listing Rules in respect of the issuance of announcements to shareholders and the public.

Upon completion of the Global Offering and the A Share Offering and the deposit of the shares held by CITIC Group with the China Securities Depository and Clearing Corporation Limited, CITIC Group will be subject to the following regulatory transfer restrictions:

- Under the PRC Company Law, shares which have been in issue before we publicly issue shares are prevented from being transferred within one year from the date of listing on a stock exchange.
- Under the Hong Kong Listing Rules, CITIC Group, as our controlling shareholder, together with CIFH, as a subsidiary of CITIC Group, are prevented from, amongst others (i) disposing of or agreeing to dispose any of our shares in respect of which they are shown by this prospectus to be the beneficial owners for a period of six months from the date of listing on the Hong Kong Stock Exchange and (ii) during a period of six months thereafter, disposing of or agreeing to dispose of any of our shares in respect of which they are shown by this prospectus to be the beneficial owners if, immediately after such disposition, CITIC Group would, whether individually or collectively with CIFH, cease to be our controlling shareholder.
- Under the Shanghai Stock Exchange Securities Listing Rules, all the A Shares held by CITIC Group are subject to a 36-month lock-up restriction from the date of listing on the Shanghai Stock Exchange.

Upon any re-registration of the shares of CITIC Group on our H share register, CITIC Group will remain subject to the above transfer restrictions under the PRC Company Law and Hong Kong Listing Rules to the extent that such restrictions have not expired. However, the 36-month lock-up restriction under the Shanghai Stock Exchange Securities Listing Rules will not apply, when the shares held by CITIC Group are converted into H Shares.

### **TRANSFER OF SHARES ISSUED TO CIFH AND BBVA**

Upon completion of the Global Offering and the A Share Offering, CIFH will be subject to the following regulatory transfer restrictions:

- Under the PRC Company Law, shares which have been in issue before we publicly issue shares are prevented from being transferred within one year from the date of listing on a stock exchange.
- Under the Hong Kong Listing Rules, CIFH (as a subsidiary of CITIC Group) together with CITIC Group, as our controlling shareholder, are prevented from, amongst others (i) disposing of or agreeing to dispose any of our shares for a period of six months from the date of listing on the Hong Kong Stock Exchange and (ii) during a period of six months thereafter, disposing of or agreeing to dispose of any of our shares if, immediately after such disposition, CITIC Group would, whether individually or collectively with CIFH, cease to be our controlling shareholder.

Upon completion of the Global Offering and the A Share Offering, shares held by BBVA which have been in issue before we publicly issue shares are, pursuant to the requirements under the PRC Company Law, prevented from being transferred within one year from the date of listing on a stock exchange. In addition, BBVA has agreed not to transfer its shares in us for certain periods of time. See "Our Strategic Investor and Other Investors — Rights and Obligations of BBVA — Transfer Restrictions".

## SHARE CAPITAL

### **TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING AND THE A SHARE OFFERING**

The PRC Company Law provides that in relation to the public offering of a company, the shares issued by a company prior to the public offering of shares shall not be transferred within a period of one year from the date on which the publicly offered shares commence trading on any stock exchange. Accordingly, shares issued by us prior to the Global Offering and the A Share Offering shall generally be subject to this statutory restriction and shall not be transferred within a period of one year from the listing date of the Offer Shares. However, the shares to be transferred by CITIC Group to the SSF in accordance with relevant PRC regulations regarding disposal of state-owned shares (see “Transfer of State-owned Shares” below) are not subject to such statutory restrictions on transfer.

### **TRANSFER OF STATE-OWNED SHARES**

In accordance with relevant PRC regulations regarding disposal of state-owned shares, our state-owned shareholder, CITIC Group, is required to transfer to the SSF, in proportion to its holding in our bank, such number of shares in aggregate equivalent to 10% of the number of the Offer Shares (488,547,900 shares before the exercise of the Over-allotment Option for the Global Offering, and an additional 73,282,100 shares upon the exercise in full of the Over-allotment Option for the Global Offering). At the time of the listing of our H Shares on the Hong Kong Stock Exchange, all the shares in our bank held by the SSF will be converted into H Shares on a one-for-one basis. These H Shares will not be part of the Global Offering. Our bank will not receive any proceeds from the transfer by our state-owned shareholder to the SSF or any subsequent disposal of such H Shares by the SSF.

The transfer of state-owned shares by our state-owned shareholder to the SSF was approved by the MOF on March 6, 2007. The conversion of those shares into H Shares was approved by the CSRC on March 21, 2007. We have been advised 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 PRC law.

The SSF is set up by the PRC Government to provide social security for the aged population as well as to promote national economic development and social stability. The fund comprises capital invested by the MOF, capital invested from the transfer of state-owned shares as well as capital raised from other sources as approved by the State Council and their investment return. The fund is run by the SSF.

The H Shares to be held by the SSF upon completion of the Global Offering will not be subject to any lock-up arrangements.

### **CONVERSION OF UNLISTED FOREIGN SHARES**

Unlisted foreign shares held by CIFH and BBVA before the Global Offering and the A Share Offering will be converted to H Shares upon the completion of the Global Offering on a one-for-one basis and will be listed for trading on the Hong Kong Stock Exchange.

### **PUBLIC FLOAT REQUIREMENTS**

Rule 8.08(1)(a) and (b) of the Hong Kong Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer’s listed securities to be maintained. This normally means that (i) at least 25% of the issuer’s total issued share capital must at all times be held by the public; and (ii) where an issuer has more than one class of securities apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Hong Kong Stock Exchange) at the time of listing must be at least 25% of the issuer’s total issued share capital. However, the class of securities for which listing is sought must not be less than 15% of the issuer’s total issued share capital and must have an expected market capitalization at the time of listing of not less than HK\$50 million.

## SHARE CAPITAL

We have applied to the Hong Kong Stock Exchange to request the Hong Kong Stock Exchange to exercise, and the Hong Kong Stock Exchange has confirmed that it will exercise, its discretion under Rule 8.08(1)(d) of the Hong Kong Listing Rules to accept a lower public float percentage of our company of the higher of:

- (a) 15.11%, or
- (b) such percentage of H Shares and A Shares held by the public immediately after completion of the Global Offering and the A Share Offering (where applicable) (which may include any Shares as increased upon the exercise of the Over-allotment Option under the Global Offering (where applicable)).

The above discretion is subject to the conditions that: (i) the H Shares held by the public will not be less than 15% of our total share capital; and (ii) full compliance with the disclosure requirements under Rule 8.08(1)(d) of the Hong Kong Listing Rules.

CITIC Group has agreed with BBVA that, unless agreed upon otherwise, on or prior to the date falling 15 months after the Global Offering, CITIC Group should take all actions, such as converting the A Shares held by it into H Shares and transferring such H Shares to third parties, to procure that we comply with the public float requirements as then requested by Hong Kong Stock Exchange without taking into account of the shareholding of BBVA in us. BBVA agrees that it will not acquire any of our shares which will result in its shareholding in us to exceed 4.83% until we have complied with the public float requirements without taking into account of the shareholding of BBVA in us, provided that the delivery of the 52,892,289 shares or the call option shares from CITIC Group to BBVA pursuant to the share and option purchase agreement shall not take effect prior to the date that we comply with the foregoing public float requirements without taking into account of the shareholding of BBVA in us.

We will make appropriate disclosure of the lower prescribed percentage of public float and confirm sufficiency of public float in successive annual reports after listing.