

SHARE CAPITAL

GENERAL

Assuming that the Over-allotment Option is not exercised, the share capital of our Company immediately following the Global Offering will be as follows:

	<u>Renminbi</u>	<u>Approximate percentage of issued share capital</u>
Issued and to be issued, fully paid or credited as fully paid upon completion of the Global Offering:		
(Shares)		
2,834,999,878	Domestic Shares in issue ⁽¹⁾	2,834,999,878 64.43%
25,000,122	Unlisted Foreign Shares in issue (held by Transammonia) . .	25,000,122 0.57%
140,000,000	H Shares to be converted from Domestic Shares and held by NSSF ⁽²⁾	140,000,000 3.18%
	H Shares to be offered under the Global Offering:	
1,260,000,000	—under the International Offering ⁽³⁾	1,260,000,000 28.64%
140,000,000	—under the Hong Kong Public Offering	140,000,000 3.18%
<u>4,400,000,000</u>	<u>Total</u>	<u>4,400,000,000 100%</u>

- (1) Out of the 2,834,999,878 Domestic Shares, 2,759,999,512 Domestic Shares will be held by CNOOC and 25,000,122 Domestic Shares will be held by each of Guangdong AMP, Shanghai AMP and Zhejiang AMP.
- (2) According to the approvals of the relevant PRC authorities, a total of 140,000,000 Domestic Shares currently held by CNOOC will be converted into an equal number of H Shares and will be transferred to NSSF for retention upon completion of the Global Offering.
- (3) Includes the H Shares to be offered to the Strategic Investor and the Corporate Investors.

Assuming that the Over-allotment Option is exercised in full, the share capital of our Company immediately following the Global Offering will be as follows:

	<u>Renminbi</u>	<u>Approximate percentage of issued share capital</u>
Issued and to be issued, fully paid or credited as fully paid upon completion of the Global Offering:		
(Shares)		
2,813,999,878	Domestic Shares in issue ⁽¹⁾	2,813,999,878 61.04%
25,000,122	Unlisted Foreign Shares in issue (held by Transammonia) . .	25,000,122 0.54%
161,000,000	H Shares to be converted from Domestic Shares and held by NSSF ⁽²⁾	161,000,000 3.49%
	H Shares to be offered under the Global Offering:	
1,470,000,000	—under the International Offering ⁽³⁾	1,470,000,000 31.89%
140,000,000	—under the Hong Kong Public Offering	140,000,000 3.04%
<u>4,610,000,000</u>	<u>Total</u>	<u>4,610,000,000 100.0%</u>

- (1) Out of the 2,813,999,878 Domestic Shares, 2,738,999,512 Domestic Shares will be held by CNOOC and 25,000,122 Domestic Shares will be held by each of Guangdong AMP, Shanghai AMP and Zhejiang AMP.
- (2) According to the approvals of the relevant PRC authorities, a total of 161,000,000 Domestic Shares currently held by CNOOC will be converted into an equal number of H Shares and will be transferred to NSSF for retention upon completion of the Global Offering and the full exercise of the Over-allotment Option.
- (3) Includes the H Shares to be offered to the Strategic Investor and the Corporate Investors.

RANKING

Domestic Shares, Unlisted Foreign Shares and H Shares are ordinary shares in the share capital of our Company. The issue of all such Shares was approved by the relevant PRC authorities. H Shares may only be subscribed for by, and traded in, Hong Kong dollars between, legal or natural persons of Hong Kong, Macau, Taiwan and any country or region other than the PRC. Domestic Shares, on the other hand, may only be subscribed for by, and traded between, legal or natural persons of the PRC (other than Hong Kong, Macau and Taiwan) and qualified foreign institutional investors approved by the CSRC and must be subscribed for and traded in Renminbi. Dividends in respect of all Shares are to be declared in Renminbi and to be paid in Hong Kong dollars in respect of H Shares, in Renminbi in respect of Domestic Shares and in a foreign currency in respect of Unlisted Foreign Shares.

All the existing 2,974,999,878 Domestic Shares and 25,000,122 Unlisted Foreign Shares are held by the Promoters as promoter shares (as defined in the Company Law) as of the Latest Practicable Date. Promoter shares may not be sold within a period of one year from the date of the incorporation of our Company, unless approvals are granted by the SASAC and CSRC. CNOOC has obtained approvals of the relevant PRC authorities to have 140,000,000 Domestic Shares, if the Over-allotment Option is not exercised, or up to 161,000,000 Domestic Shares if the Over-allotment Option is fully exercised, converted into an equal number of H Shares and to transfer such Shares to NSSF for retention upon completion of the Global Offering. The PRC Company Law also provides that shares issued by a company prior to the company's public offering of shares shall not be transferred within a period of one year from the date which the publicly offered shares are first traded on any stock exchange. However, as advised by our counsel, Jun He Law Offices, the H Shares to be held by NSSF upon completion of the Global Offering shall not be subject to any lock-up under the PRC Law.

Unless otherwise provided in the PRC law or in the Articles of Association, Domestic Shares and Unlisted Foreign Shares are considered as one class of Shares, while H Shares constitute another class. Nevertheless, any payment of dividends or distributions upon the liquidation of our Company is to be made in Renminbi in respect of Domestic Shares and in a foreign currency in respect of Unlisted Foreign Shares.

Subject to the approval by the securities supervisory and administrative authorities of the State Council, (a) holders of Domestic Shares may transfer their Shares to overseas investors and such Shares may be listed or traded on an overseas exchange; and (b) Unlisted Foreign Shares may be listed or traded on an overseas securities exchange. Any listing or trading of the above-mentioned Shares on an overseas securities exchange shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities exchange. Unless otherwise required by the overseas securities exchange, the listing and trading of the above-mentioned Shares shall not be required to be resolved in a class meeting of our Company.

If PRC regulations subsequently require the conversion of Domestic Shares and Unlisted Foreign Shares to H Shares, we will comply with such regulations, the Articles of Association, the Hong Kong Listing Rules and other requirements of the Hong Kong Stock Exchange and the SFC. Potential conversion of a substantial number of Domestic Shares or Unlisted Foreign Shares into H Shares could increase the supply of the H Shares in the market and negatively impact the market price of the H Shares. See "Risk Factors—Risks relating to the Global Offering—Potential conversion of Domestic Shares or Unlisted Foreign Shares into H Shares may result in an increase in the number of H Shares available in the market and may affect the price of the H Shares". Nevertheless, as of the Latest Practicable Date, the Domestic Shares and the Unlisted Foreign Shares are not admitted for

SHARE CAPITAL

listing on any stock exchange and no arrangement has been made for the Domestic Shares and the Unlisted Foreign Shares to be traded or dealt with on any authorized trading facility in China.

Except as described above and in relation to the dispatch of notices and financial reports to shareholders, dispute resolution, registration of Shares on different parts of the share register, the method of share transfer and the appointment of dividend receiving agents, which are all provided for in the Articles of Association and are summarized in Appendix VII, the Domestic Shares, the Unlisted Foreign Shares and the H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. However, the transfer of Domestic Shares and Unlisted Foreign Shares is subject to such restrictions (other than the Pre-IPO Profit) as PRC laws may impose from time to time.

There are no founder or management or deferred shares in the capital of our Company.

Our Company has not approved any share issue or option plans other than the Global Offering.

Our Company has made certain undertakings in respect of issues of Shares (and other securities), the details of which are set out in the section headed “Underwriting” in this Prospectus.

CONTRIBUTION TO NSSF

According to relevant State policy of the PRC, shareholders who hold State-owned shares are generally required to reduce their shares in an amount of 10% of the entire offering in any overseas public offering by remitting the sale proceeds of such shares to NSSF, transferring such shares to NSSF for retention, or pursuant to other methods that are approved by the competent PRC authorities. Pursuant to the approvals of the relevant PRC authorities, CNOOC is required to transfer to NSSF such number of Domestic Shares as shall be equivalent to 10% of the number of Offer Shares. These Domestic Shares will be converted into H Shares on a one-for-one basis upon the listing of the H Shares on the Hong Kong Stock Exchange and will be held by NSSF immediately thereafter. Such share transfer to NSSF was one of the conditions of obtaining the necessary PRC regulatory approvals for the Global Offering.

NSSF will retain approximately 140,000,000 H Shares, representing approximately 3.18% of our total issued share capital, if the Over-allotment Option is not exercised, or 161,000,000 H Shares, representing approximately 3.49% of our total issued share capital if the Over-allotment Option is exercised in full. These H Shares will not constitute any part of the Offer Shares. Neither CNOOC nor our Company will receive any proceeds from the aforesaid transfer by CNOOC to NSSF of such Shares or any subsequent disposal of such H Shares by NSSF.

As advised by our PRC counsel, Jun He Law Offices:

- the aforesaid transfer is mandated by the relevant PRC authorities in accordance with the State policy and neither CNOOC nor our Company has any influence over the decision;
- both the aforesaid transfer and conversion, and the retention of H Shares by NSSF following completion of the Global Offering, have been approved by the relevant PRC authorities and are in compliance with the relevant PRC law;
- the H Shares to be held by NSSF upon completion of the Global Offering shall not be subject to any lock-up under the PRC Company Law; and
- there is no legal restriction on NSSF transferring or disposing of such H Shares following the listing of the H Shares on the Hong Kong Stock Exchange.