

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 Global Offering

At the Latest Practicable Date, our share capital is RMB286,509,130,026 comprising 286,509,130,026 shares. The interests of our shareholders in our issued share capital are as follows:

Name	Nature	Number of shares	Approximate percentage of issued share capital (%)
MOF	State-owned shares	124,000,000,000	43.2796%
Huijin	State-owned shares	124,000,000,000	43.2796
Goldman Sachs	Foreign legal person shares	16,476,014,155	5.7506
SSF	State-owned shares	14,324,392,623	4.9996
Allianz	Foreign legal person shares	6,432,601,015	2.2452
American Express	Foreign legal person shares	1,276,122,233	0.4454
Total		<u>286,509,130,026</u>	<u>100%</u>

Upon Completion of Global Offering and A Share Offering

Immediately following completion of the Global Offering and the A Share Offering, assuming that neither of the over-allotment options for the Global Offering and the A Share Offering is exercised, our share capital will be RMB327,821,930,026 comprising 77,245,975,188 H shares and 250,575,954,838 A shares, representing 23.56% and 76.44%, respectively, of our share capital. Particulars of the shareholdings are as follows:

Name	Nature	Number of shares	Approximate percentage of issued share capital (%)
MOF	Note ⁽¹⁾	118,787,977,419	36.2355%
Huijin	Note ⁽¹⁾	118,787,977,419	36.2355
SSF	H shares	17,670,237,785	5.3902
Goldman Sachs	H shares	16,476,014,155	5.0259
Allianz	H shares	6,432,601,015	1.9622
American Express	H shares	1,276,122,233	0.3893
H shares issued and sold pursuant to the Global Offering	H shares	35,391,000,000	10.7958
A shares issued pursuant to the A Share Offering	A shares	13,000,000,000	3.9656
Total		<u>327,821,930,026</u>	<u>100%</u>

(1) For information relating to the shares held by the MOF and Huijin, please refer to “—Shares held by the MOF and Huijin.”

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Immediately following the completion of the Global Offering and the A Share Offering, assuming full exercise of the over-allotment options for the Global Offering and the A Share Offering, our share capital will be RMB334,018,850,026, comprising 83,056,501,962 H shares and 250,962,348,064 A shares, representing 24.87% and 75.13%, respectively, of our share capital. Particulars of the shareholdings are as follows:

<u>Name</u>	<u>Nature</u>	<u>Number of shares</u>	<u>Approximate percentage of issued share capital (%)</u>
MOF	Note ⁽¹⁾	118,006,174,032	35.3292%
Huijin	Note ⁽¹⁾	118,006,174,032	35.3292
SSF	H shares	18,172,114,559	5.4404
Goldman Sachs	H shares	16,476,014,155	4.9327
Allianz	H shares	6,432,601,015	1.9258
American Express	H shares	1,276,122,233	0.3821
H shares issued and sold pursuant to the Global Offering	H shares	40,699,650,000	12.1848
A shares issued pursuant to the A Share Offering	A shares	14,950,000,000	4.4758
Total		<u>334,018,850,026</u>	<u>100%</u>

(1) For information relating to the shares held by the MOF and Huijin, please refer to “—Shares held by the MOF and Huijin.”

Upon Completion of Global Offering

Immediately following the completion of the Global Offering, assuming no exercise of the over-allotment option for the Global Offering and without giving effect to the A Share Offering, our share capital will be RMB314,821,930,026, comprising 237,575,954,838 shares held by the MOF and Huijin and 77,245,975,188 H shares, representing 75.46% and 24.54%, respectively, of our share capital. Particulars of the shareholdings are as follows:

<u>Name</u>	<u>Nature</u>	<u>Number of shares</u>	<u>Approximate percentage of issued share capital (%)</u>
MOF	State-owned shares	118,787,977,419	37.7318%
Huijin	State-owned shares	118,787,977,419	37.7318
SSF	H shares	17,670,237,785	5.6128
Goldman Sachs	H shares	16,476,014,155	5.2334
Allianz	H shares	6,432,601,015	2.0433
American Express	H shares	1,276,122,233	0.4053
H shares issued and sold pursuant to the Global Offering ...	H shares	35,391,000,000	11.2416
Total		<u>314,821,930,026</u>	<u>100%</u>

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Immediately following the completion of the Global Offering, assuming full exercise of the over-allotment option for the Global Offering and without giving effect to the A Share Offering, our share capital will be RMB319,068,850,026, comprising 236,012,348,064 shares held by the MOF and Huijin and 83,056,501,962 H shares, representing 73.97% and 26.03%, respectively, of our share capital. Particulars of the shareholdings are as follows:

Name	Nature	Number of shares	Approximate percentage of issued share capital (%)
MOF	State-owned shares	118,006,174,032	36.9845%
Huijin	State-owned shares	118,006,174,032	36.9845
SSF	H shares	18,172,114,559	5.6954
Goldman Sachs	H shares	16,476,014,155	5.1638
Allianz	H shares	6,432,601,015	2.0160
American Express	H shares	1,276,122,233	0.4000
H shares issued and sold pursuant to the Global Offering ...	H shares	40,699,650,000	12.7558
Total		319,068,850,026	100%

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 the share capital of our company. However, apart from Chinese qualified domestic institutional investors, H shares generally cannot be subscribed for by or traded between legal or natural persons of China. A shares, on the other hand, can only be subscribed for by and traded between legal or natural persons of China, qualified foreign institutional investors or 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 and H shares are regarded as different classes of shares under our articles of association. The differences between the two classes of shares, including provisions on class rights, the dispatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different branches of the register of shareholders, the method of share transfer and appointment of dividend receiving agents are set out in our articles of association and summarized in Appendix VIII to this prospectus. 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, 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 H shares 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.

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A 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.

SHARES HELD BY THE MOF AND HUIJIN

Upon completion of our Global Offering and the A Share Offering, all the shares held by the MOF and Huijin 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. 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 the MOF and Huijin 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 branch share register maintained in Hong Kong, on the condition that (a) our Hong Kong branch share registrar lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant shares on the Hong Kong branch share register, and the due dispatch of share certificates, and (b) 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 Hong Kong branch 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 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 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 the MOF and Huijin becoming listed as H shares on the Hong Kong Stock Exchange, holders thereof would require the approval of the CSRC or the authorized securities approval authorities of the State Council.

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 Hong Kong branch share register, the MOF or Huijin 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 of our board of directors, we would then issue a notice to our Hong Kong branch share registrar with instructions that, with effect from a specified date, our Hong Kong branch 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 the MOF and Huijin with the China Securities Depository and Clearing Corporation Limited, the MOF and Huijin 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.

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- Under the Hong Kong Listing Rules, the MOF and Huijin, as our controlling shareholders, 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, they would respectively cease to be one of our controlling shareholders.
- Under the Shanghai Stock Exchange Securities Listing Rules, all the A shares held by the MOF and Huijin 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 the MOF and Huijin on our Hong Kong branch share register, the MOF and Huijin 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 to such converted H shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING AND 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 listing date shall generally be subject to this statutory restriction and shall not be transferred within a period of one year from the listing date. However, the shares to be transferred by the MOF, Huijin and the SSF, respectively, to the SSF in accordance with relevant PRC regulations regarding disposal of state-owned shares (see “Transfer of State-owned Shares” below) and shares sold by the Selling Shareholders as part of the Global Offering 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 shareholders, namely the MOF, Huijin and the SSF, are required to transfer to the SSF, in proportion to their respective holdings in our bank, such number of shares in aggregate equivalent to 10% of the number of the Offer Shares (3,539,100,000 shares before the exercise of the over-allotment option for the Global Offering, and an additional 530,865,000 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 held by the SSF (including those shares transferred to it from the MOF, Huijin and the SSF itself and those already 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 shareholders to the SSF or any subsequent disposal of such H shares by the SSF.

The transfer of state-owned shares by our state-owned shareholders to the SSF was approved by the MOF on August 17, 2006. The conversion of those shares into H shares was approved by the CSRC on September 19, 2006. 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.

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CONVERSION OF UNLISTED FOREIGN SHARES

Upon completion of the Global Offering, unlisted foreign shares held by Goldman Sachs, Allianz and American Express will be converted to H shares 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 capitalisation at the time of listing of not less than HK\$50 million.

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%; 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), as increased by any shares that may be issued 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 Listing Rule 8.08(1)(d).

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.

GENERAL MANDATE TO ISSUE SHARES

Subject to the completion of the Global Offering, our directors have been granted a general mandate to allot and issue domestic shares (including A shares) and H shares (including share options or convertible bonds) at any time, either separately or concurrently, within a period ending on the date of the next annual general meeting of the shareholders or the date on which our shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, provided that, the number of H shares or domestic shares (including A shares) to be issued shall not exceed 20% of the number of each of our H shares and domestic shares (including A shares) in issue, respectively, as of the date of listing.

For further details of this general mandate, see "Appendix IX—Statutory and General Information—1. Further Information About Us—C. Resolutions of our Shareholders."