

Changes in Share Capital and Shareholdings of Shareholders

Ordinary Shares

Changes in Ordinary Share Capital

Unit: Share

	As at 1 January 2018		Increase/decrease during the reporting period					As at 31 December 2018	
	Number of shares	Percentage	Issuance of new shares	Bonus shares	Shares transferred from surplus reserve	Others	Subtotal	Number of shares	Percentage
I. Shares subject to selling restrictions	-	-	-	-	-	-	-	-	-
II. Shares not subject to selling restrictions	294,387,791,241	100.00%	-	-	-	-	-	294,387,791,241	100.00%
1. RMB-denominated ordinary shares	210,765,514,846	71.59%	-	-	-	-	-	210,765,514,846	71.59%
2. Overseas listed foreign shares	83,622,276,395	28.41%	-	-	-	-	-	83,622,276,395	28.41%
III. Total Ordinary Shares	294,387,791,241	100.00%	-	-	-	-	-	294,387,791,241	100.00%

Notes:

- As at 31 December 2018, the Bank had issued a total of 294,387,791,241 ordinary shares, including 210,765,514,846 A Shares and 83,622,276,395 H Shares.
- As at 31 December 2018, none of the Bank's A Shares and H Shares were subject to selling restrictions.

Number of Ordinary Shareholders and Shareholdings

Number of ordinary shareholders as at 31 December 2018: 736,594 (including 548,563 A-Share Holders and 188,031 H-Share Holders)

Number of ordinary shareholders as at the end of the last month before the disclosure of this report: 727,085 (including 539,623 A-Share Holders and 187,462 H-Share Holders)

The top ten ordinary shareholders as at 31 December 2018 are set forth below:

Unit: Share

No.	Name of ordinary shareholder	Changes during the reporting period	Number of shares held as at the end of the reporting period	Percentage of total ordinary shares	Number of shares subject to selling restrictions	Number of shares pledged or frozen	Type of shareholder	Type of ordinary shares
1	Central Huijin Investment Ltd.	-	188,461,533,607	64.02%	-	None	State	A
2	HKSCC Nominees Limited	39,723,749	81,911,858,658	27.82%	-	Unknown	Foreign legal person	H
3	China Securities Finance Co., Ltd.	524,896,540	8,596,044,925	2.92%	-	None	State-owned legal person	A
4	Central Huijin Asset Management Ltd.	-	1,810,024,500	0.61%	-	None	State-owned legal person	A
5	Buttonwood Investment Platform Ltd.	-	1,060,059,360	0.36%	-	None	State-owned legal person	A
6	HKSCC Limited	152,807,731	649,609,382	0.22%	-	None	Foreign legal person	A
7	MUFG Bank, Ltd.	-	520,357,200	0.18%	-	Unknown	Foreign legal person	H
8	China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH	266,533,363	418,701,556	0.14%	-	None	Other	A
9	China Pacific Life Insurance Co., Ltd. — China Pacific Life Insurance Dividend Equity Portfolio (Traditional) with management of Changjiang Pension Insurance Co., Ltd.	382,238,605	382,238,605	0.13%	-	None	Other	A
10	ICBCCS SSE 50 Index Exchange Traded Fund	328,458,200	328,458,200	0.11%	-	None	Other	A

Changes in Share Capital and Shareholdings of Shareholders

The number of shares held by H-Share Holders was recorded in the register of members kept at the H-Share Registrar of the Bank.

HKSCC Nominees Limited acted as the nominee for all the institutional and individual investors that maintain an account with it as at 31 December 2018. The aggregate number of the Bank's H Shares held by HKSCC Nominees Limited included the number of shares held by the National Council for Social Security Fund.

Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd.

HKSCC Limited is the nominee holder who holds securities on behalf of others. The securities included the SSE securities acquired by Hong Kong and overseas investors through Shanghai-Hong Kong Stock Connect.

Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.

Substantial Shareholder Interests

The register maintained by the Bank under section 336 of the SFO recorded that, as at 31 December 2018, the shareholders indicated in the following table were substantial shareholders (as defined in the SFO) having interests in shares of the Bank:

Name of shareholder	Capacity (types of interest)	Number of shares held/ Number of underlying shares (unit: share)	Type of shares	Percentage of total issued A-Share capital	Percentage of total issued H-Share capital	Percentage of total issued ordinary share capital
Central Huijin Investment Ltd.	Beneficial owner	188,461,533,607	A	89.42%	–	64.02%
	Interest of controlled corporations	1,810,024,500	A	0.86%	–	0.61%
	Total	190,271,558,107	A	90.28%	–	64.63%
National Council for Social Security Fund	Beneficial owner	6,684,735,907	H	–	7.99%	2.27%
	Interest of controlled corporations	5,924,680,117	H	–	7.09%	2.01%
BlackRock, Inc.		1,816,000(S)	H	–	0.0022%	0.0006%
Citigroup Inc.	Person having a security interest in shares	238,800	H	–	0.0003%	0.0001%
	Interest of controlled corporations	620,401,815	H	–	0.74%	0.21%
		226,274,847(S)	H	–	0.27%	0.08%
	Approved lending agent	3,621,740,964(P)	H	–	4.33%	1.23%
	Total	4,242,381,579	H	–	5.07%	1.44%
		226,274,847(S)	H	–	0.27%	0.08%
		3,621,740,964(P)	H	–	4.33%	1.23%

Notes:

- BlackRock, Inc. holds the entire issued share capital of BlackRock Holdco 2 Inc., while BlackRock Holdco 2 Inc. holds the entire issued share capital of BlackRock Financial Management, Inc. Thus BlackRock, Inc. and BlackRock Holdco 2 Inc. are deemed to have equal interests in shares of the Bank as BlackRock Financial Management, Inc. under the SFO. BlackRock, Inc. holds a long position of 5,924,680,117 H Shares and a short position of 1,816,000 H Shares of the Bank through BlackRock Financial Management, Inc. and other corporations controlled by it. In the long position of 5,924,680,117 H Shares, 10,128,000 H Shares are held through derivatives. In the short position of 1,816,000 H Shares, 1,803,000 H Shares are held through derivatives.
- Citigroup Inc. holds the entire issued share capital of Citicorp LLC, while Citicorp LLC holds the entire issued share capital of Citibank, N.A. Thus Citigroup Inc. and Citicorp LLC are deemed to have equal interests in shares of the Bank as Citibank, N.A. under the SFO. Citigroup Inc. holds a long position of 4,242,381,579 H Shares and a short position of 226,274,847 H Shares of the Bank through Citibank, N.A. and other corporations controlled by it. In the long position of 4,242,381,579 H Shares, 3,621,740,964 H Shares are held in the lending pool and 348,871,041 H Shares are held through derivatives. The total 226,274,847 H Shares in the short position are held through derivatives.
- "S" denotes short position, "P" denotes lending pool.

Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 31 December 2018, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

Changes in Share Capital and Shareholdings of Shareholders

Controlling Shareholder of the Bank

Central Huijin Investment Ltd.

Central Huijin Investment Ltd. (“Huijin”) is a state-owned investment company established on 16 December 2003 under the Company Law, with Mr. DING Xuedong⁸ as its legal representative. Wholly owned by China Investment Corporation (“CIC”), Huijin makes equity investments in major state-owned financial institutions, as authorised by the State Council. To the extent of its capital contribution, Huijin exercises its rights and fulfils its obligations as an investor on behalf of the State, in accordance with applicable laws aimed at preserving and enhancing the value of state-owned financial assets. Huijin neither engages in other business activities nor intervenes in the daily operation of the major state-owned financial institutions of which it is the controlling shareholder.

As at 31 December 2018, the basic information of companies directly held by Huijin is as follows:

No.	Company name	Proportion of the total capital held by Huijin
1	China Development Bank	34.68%
2	Industrial and Commercial Bank of China Limited ★☆	34.71%
3	Agricultural Bank of China Limited ★☆	40.03%
4	Bank of China Limited ★☆	64.02%
5	China Construction Bank Corporation ★☆	57.11%
6	China Everbright Group Ltd.	55.67%
7	China Everbright Bank Company Limited ★☆	19.53%
8	China Export & Credit Insurance Corporation	73.63%
9	China Reinsurance (Group) Corporation ☆	71.56%
10	New China Life Insurance Company Limited ★☆	31.34%
11	China Jiayin Investment Limited	100.00%
12	China Galaxy Financial Holding Co., Ltd.	69.07%
13	Shenwan Hongyuan Group Co., Ltd. ★	22.28%
14	China International Capital Corporation Limited ☆	55.68%
15	China Securities Co., Ltd. ★☆	31.21%
16	Jiantou & Zhongxin Assets Management Limited	70.00%
17	Guotai Junan Investment Management Co., Ltd.	14.54%

Notes:

- ★ denotes A share listed company and ☆ denotes H share listed company.
- Through public trading on Beijing Financial Assets Exchange, Huijin entered into an equity transfer agreement with Haier Group (Qingdao) Financial Holdings Co., Ltd. on 6 June 2018, and transferred 398.5 million domestic investment shares of China International Capital Corporation Limited (“CICC”). As at the end of 2018, the relevant procedures were still in process. Upon completion of the above transaction, Huijin will directly hold 46.2% of the shares of CICC.
- Besides the above companies controlled or held by Huijin, Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Huijin. Central Huijin Asset Management Ltd., established in November 2015 and registered in Beijing with registered capital of RMB5 billion, provides asset management business.

For further details regarding China Investment Corporation, please refer to the information on its website (www.china-inv.cn). Please refer to the *Announcement on Matters Related to the Incorporation of China Investment Corporation* published on 9 October 2007 by the Bank for relevant information of China Investment Corporation.

⁸ Mr. DING Xuedong was transferred to serve as Deputy Secretary General of the State Council (Minister Level). He authorised TU Guangshao to function in the capacity of Legal Representation of CIC, Chairman and Legal Representative of Huijin. The authorisation came into effect on 2 March 2017, and ceased to be effective upon new appointment by the State Council. TU Guangshao currently serves as Vice Chairman and General Manager of CIC.

Changes in Share Capital and Shareholdings of Shareholders

As at 31 December 2018, no other legal-person shareholder held 10% or more voting shares of the Bank (excluding HKSCC Nominees Limited).

During the reporting period, Non-executive Directors of the Bank Mr. ZHANG Xiangdong (left the post in June 2018), Mr. ZHAO Jie, Mr. LI Jucai, Ms. XIAO Lihong, Ms. WANG Xiaoya and Mr. LIAO Qiang were recommended by Central Huijin Investment Ltd.

Preference Shares

Issuance and Listing of Preference Shares

With the approvals of CBRC (Yinjianfu [2014] No. 563) and CSRC (Zhengjianxuke [2014] No. 938), the Bank made a non-public issuance of RMB39.94 billion (approximately USD6.5 billion) Offshore Preference Shares on 23 October 2014 in the offshore market. Such Offshore Preference Shares have been listed on the Hong Kong Stock Exchange since 24 October 2014.

With the approvals of CBRC (Yinjianfu [2014] No. 562) and CSRC (Zhengjianxuke [2014] No. 990), the Bank made a non-public issuance of RMB32 billion Domestic Preference Shares (First Tranche) on 21 November 2014 in the domestic market. With the approval of SSE (Shangzhenghan [2014] No. 818), Domestic Preference Shares (First Tranche) have been traded on the Comprehensive Business Platform of SSE since 8 December 2014. The Bank made a non-public issuance of RMB28 billion Domestic Preference Shares (Second Tranche) on 13 March 2015 in the domestic market. With the approval of SSE (Shangzhenghan [2015] No. 377), Domestic Preference Shares (Second Tranche) have been traded on the Comprehensive Business Platform of SSE since 31 March 2015.

For the terms of issuance of the Offshore Preference Shares and Domestic Preference Shares, please refer to the Bank's announcements published on the websites of SSE, HKEX and the Bank.

Number of Preference Shareholders and Shareholdings

Number of preference shareholders as at 31 December 2018: 48 (including 47 domestic preference shareholders and 1 offshore preference shareholder)

Number of preference shareholders as at the end of the last month before the disclosure of this report: 48 (including 47 domestic preference shareholders and 1 offshore preference shareholder)

The top ten preference shareholders as at 31 December 2018 are set forth below:

Unit: Share

No.	Name of preference shareholder	Changes during the reporting period	Number of shares held as at the end of the reporting period	Percentage of total preference shares	Number of shares pledged or frozen	Type of shareholder	Type of preference shares
1	Bank of New York Mellon Corporation	–	399,400,000	39.96%	Unknown	Foreign legal person	Offshore Preference Shares
2	China Mobile Communications Group Co., Ltd.	–	180,000,000	18.01%	None	State-owned legal person	Domestic Preference Shares
3	China National Tobacco Corporation	–	50,000,000	5.00%	None	State-owned legal person	Domestic Preference Shares
4	Zhong Wei Capital Holdings Co., Ltd.	–	30,000,000	3.00%	None	State-owned legal person	Domestic Preference Shares
5	Yunnan Branch of China National Tobacco Corporation	–	22,000,000	2.20%	None	State-owned legal person	Domestic Preference Shares
6	China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH	–	21,000,000	2.10%	None	Other	Domestic Preference Shares
7	China Shuangwei Investment Co., Ltd.	–	20,000,000	2.00%	None	State-owned legal person	Domestic Preference Shares
7	National Social Security Fund Portfolio 304	–	20,000,000	2.00%	None	Other	Domestic Preference Shares
7	Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-customer Assets Management Plan	–	20,000,000	2.00%	None	Other	Domestic Preference Shares
10	Ping An Life Insurance Company of China, Ltd. — proprietary fund	–	19,000,000	1.90%	None	Domestic non-state-owned legal person	Domestic Preference Shares

Changes in Share Capital and Shareholdings of Shareholders

The Bank of New York Mellon Corporation, acting as the custodian for all the offshore preference shareholders that maintain an account with Euroclear and Clearstream as at 31 December 2018, held 399,400,000 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.

Both Yunnan Branch of China National Tobacco Corporation and China Shuangwei Investment Co., Ltd. are wholly-owned subsidiaries of China National Tobacco Corporation. Zhong Wei Capital Holdings Co., Ltd. is a subsidiary of China Shuangwei Investment Co., Ltd.

As at 31 December 2018, China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH is one of both the Bank's top ten ordinary shareholders and top ten preference shareholders.

Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, and among the aforementioned preference shareholders and the Bank's top ten ordinary shareholders.

Profit Distribution of Preference Shares

For the profit distribution policy of the preference shares and the profit distribution arrangement during the reporting period, please refer to the section "Report of the Board of Directors".

Other Information regarding the Preference Shares

During the reporting period, there was no redemption, conversion into ordinary shares or voting rights recovery in respect of the preference shares of the Bank.

Preference shares issued by the Bank contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and preference shares issued are non-derivative instruments that will be settled in the entity's own equity instruments, but includes no contractual obligation for the entity to deliver a variable number of its own equity instruments. The Bank classifies preference shares issued as an equity instrument. Fees, commissions and other transaction costs of preference shares issuance are deducted from equity. The dividends on preference shares are recognised as profit distribution at the time of declaration.

The funds raised from the issuance of the Offshore Preference Shares and Domestic Preference Shares have been fully used to replenish the Bank's additional tier 1 capital and increase its capital adequacy ratio.

Issuance of Other Securities

Please refer to Note V.30 to the Consolidated Financial Statements for details of the bonds issued by the Bank.

No shares of the Bank have been specifically issued to its employees.