

Changes in Share Capital and Shareholdings of Shareholders

Ordinary Shares

Changes in Ordinary Share Capital

Unit: Share

	As at 1 January 2019		Increase/decrease during the reporting period					As at 30 June 2019	
	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 30 June 2019, 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 30 June 2019, 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 30 June 2019: 709,181 (including 522,749 A-Share Holders and 186,432 H-Share Holders)

The top ten ordinary shareholders as at 30 June 2019 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	(1,034,855)	81,910,823,803	27.82%	-	Unknown	Foreign legal person	H
3	China Securities Finance Co., Ltd.	-	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	China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH	546,554,148	965,255,704	0.33%	-	None	Other	A
7	HKSCC Limited	(2,889,614)	646,719,768	0.22%	-	None	Foreign legal person	A
8	MUFG Bank, Ltd.	-	520,357,200	0.18%	-	Unknown	Foreign legal person	H
9	China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH	264,799,783	518,074,010	0.18%	-	None	Other	A
10	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	0.13%	-	None	Other	A

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 30 June 2019. 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 SSE securities acquired by Hong Kong and overseas investors through Shanghai-Hong Kong Stock Connect.

"China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH" and "China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH" are both under management of China Life Insurance Company Limited.

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 30 June 2019, the shareholders indicated in the following table were substantial shareholders having the following interests in shares of the Bank (as defined in the SFO):

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%
BlackRock, Inc.	Interest of controlled corporations	6,067,202,180	H	-	7.26%	2.06%
		1,808,000(S)	H	-	0.002%	0.001%
Citigroup Inc.	Person having a security interest in shares	528,800	H	-	0.0006%	0.0002%
	Interest of controlled corporations	550,405,706	H	-	0.66%	0.19%
		143,817,331(S)	H	-	0.17%	0.05%
	Approved lending agent	4,470,821,170(P)	H	-	5.35%	1.52%
	Total	5,021,755,676	H	-	6.01%	1.71%
		143,817,331(S)	H	-	0.17%	0.05%
		4,470,821,170(P)	H	-	5.35%	1.52%

Notes:

- 1 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 6,067,202,180 H Shares and a short position of 1,808,000 H Shares of the Bank through BlackRock Financial Management, Inc. and other corporations controlled by it. In the long position of 6,067,202,180 H Shares, 5,030,000 H Shares are held through derivatives. The total 1,808,000 H Shares in the short position are held through derivatives.
- 2 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 5,021,755,676 H Shares and a short position of 143,817,331 H Shares of the Bank through Citibank, N.A. and other corporations controlled by it. In the long position of 5,021,755,676 H Shares, 4,470,821,170 H Shares are held in the lending pool and 257,525,840 H Shares are held through derivatives. The total 143,817,331 H Shares in the short position are held through derivatives.
- 3 "S" denotes short position, "P" denotes lending pool.

Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 30 June 2019, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

Preference Shares

Issuance and Listing of the Preference Shares

During the reporting period, with the approvals of CBIRC (Yinbaojianfu [2019] No. 387) and CSRC (Zhengjianxuke [2019] No. 1051), the Bank made a non-public issuance of RMB73.0 billion Domestic Preference Shares on 24 June 2019 in the domestic market. With the approval of SSE (Shangzhenghan [2019] No. 1164), such Domestic Preference Shares have been traded on the Comprehensive Business Platform of SSE since 17 July 2019.

For the terms of issuance of the 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

Below are the number and shareholding of the Bank's preference shareholders of the Domestic Preference Shares (First Tranche), the Domestic Preference Shares (Second Tranche) and the Offshore Preference Shares as at 30 June 2019.

Number of preference shareholders as at 30 June 2019: 48 (including 47 domestic preference shareholders and 1 offshore preference shareholder)

The top ten preference shareholders as at 30 June 2019:

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

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 30 June 2019, 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 30 June 2019, “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.

The Bank has completed the registration process of the custodian service for the Domestic Preference Shares (Third Tranche) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 4 July 2019. For details of the preference shareholders of Domestic Preference Shares (Third Tranche), please refer to the Bank’s announcements published on the websites of SSE, HKEX and the Bank.

Profit Distribution of the Preference Shares

For the profit distribution policy of the preference shares and the profit distribution arrangements during the reporting period, please refer to the section “Significant Events”.

Other Information regarding 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.

At the Board meeting held on 29 April 2019, the Proposal on Exercising the Redemption Right of the Offshore Preference Shares was approved. The Bank has received a reply letter from CBIRC that raised no objections to the Bank’s redemption of Offshore Preference Shares of USD6.4998 billion (equivalent to approximately RMB39.94 billion). The Bank proposes to redeem all of its Offshore Preference Shares on 23 October 2019 in accordance with relevant laws, regulations and the issue documents of the Offshore Preference Shares.

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. Preference shares issued are non-derivative instruments that will be settled in the entity’s own equity instruments, but include 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 arising from preference share 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 preference shares have been fully used to replenish the Bank’s additional tier 1 capital and increase its capital adequacy ratio.