

Changes in Share Capital and Shareholdings of Substantial Shareholders

Changes in Share Capital during the Reporting Period

Unit: Share

	1 January 2006		Increase/decrease during the reporting period					31 December 2006	
	Number of shares	%	Issue of shares before IPO	Issue of H Shares	Issue of A Shares	Others	Sub-total	Number of shares	%
I. Shares subject to selling restriction								173,487,740,209	68.34%
1. State-owned shares (promoters' shares)	174,128,718,217	83.15%				(2,803,313,477)	(2,803,313,477)	171,325,404,740	67.49%
2. Shares held by state-owned legal persons			8,514,415,652			(8,514,415,652)	—		
3. Shares held by other domestic investors				3,038,959,000		(876,623,531)	2,162,335,469	2,162,335,469	0.85%
Incl.:									
Shares held by domestic legal persons									
Shares held by domestic natural persons									
4. Shares held by foreign investors	35,298,644,140	16.85%				(35,298,644,140)	(35,298,644,140)		
Incl.:									
Shares held by overseas legal persons	35,298,644,140	16.85%				(35,298,644,140)	(35,298,644,140)		
Shares held by overseas natural persons									
II. Shares not subject to selling restriction								80,351,421,800	31.66%
1. RMB-denominated ordinary shares					3,454,547,000	876,623,531	4,331,170,531	4,331,170,531	1.71%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares				29,403,878,000		46,616,373,269	76,020,251,269	76,020,251,269	29.95%
4. Others									
III. Total	209,427,362,357	100.00%	8,514,415,652	29,403,878,000	6,493,506,000	—	44,411,799,652	253,839,162,009	100.00%

Notes:

- The Bank issued 8,514,415,652 ordinary shares to NCSSF on 13 March 2006.
- On 1 June 2006, the Bank completed a successful initial public offering of 25,568,590,000 H Shares and was listed on the Hong Kong Stock Exchange. On 9 June 2006, pursuant to the exercise of the over-allotment option, 3,835,288,000 H Shares were further issued, thereby issuing in aggregate a total of 29,403,878,000 H shares. During the offering and listing of H Shares, 35,298,644,140 unlisted foreign shares held by overseas strategic investors of the Bank, 8,514,415,652 ordinary shares held by NCSSF, and 2,803,313,477 ordinary shares transferred by the promoter — Huijin to NCSSF according to state provisions were all converted into H Shares and became listed on the Hong Kong Stock Exchange.
- In June 2006, 6,493,506,000 A Shares were offered to the public. On 29 June 2006, the A shares offered to the public by the Bank and 171,325,404,740 ordinary

shares held by the promoter — Huijin were registered as A shares. On 5 July 2006, the Bank's A Shares were listed on the Shanghai Stock Exchange. Of the A Shares offered, 1,285,712,000 shares were placed to 14 strategic investors with a lock-up period of eighteen months, 876,623,531 shares were placed with a lock-up period of three months and 876,623,469 shares with a lock-up period of six months to the offline investors, and 3,454,547,000 shares were not subject to selling restriction. The shares placed to offline investors have been unfrozen and allowed to be tradable on the stock exchange on 5 October 2006 and 5 January 2007 respectively.

- By the end of 2006, the Bank has issued 253,839,162,009 shares, including 177,818,910,740 A Shares and 76,020,251,269 H Shares.
- "Selling restriction" in the above-mentioned table refers to A Shares issued by the Bank only.
- In the reporting period, the Bank has not issued bonus shares or transferred shares from the surplus reserve.

Shareholder Information in the Report Period

Number of Shareholders and Shareholdings

Issue and Listing of Shares

The Bank successfully floated H Shares on the Hong Kong Stock Exchange on 1 June 2006, including 25,568,590,000 shares issued in the IPO and 3,835,288,000 shares issued pursuant to the exercise of the over-allotment option on 9 June 2006. The number of H Shares issued, at an offer price of HKD2.95 per share, accounted for 11.89% of the Bank's total equity after the offering. The Bank raised approximately HKD86.7 billion in the offering. Thereafter, the Bank successfully offered A Shares from 19 to 23 June 2006, at an issue price of RMB3.08 per share and was listed on Shanghai Stock Exchange on 5 July 2006. 6,493,506,000 A Shares were issued in the IPO, accounting for approximately 2.56% of the fully diluted total equity. Approximately RMB20 billion was raised in the offering.

The IPOs of H Shares and A Shares accounted for 14.14% of the total enlarged share capital of the Bank. After the IPOs, the share capital of the Bank increased to RMB253,839,162,009 or 253,839,162,009 shares.

Issue of Subordinated Bonds and Use of Proceeds

For the issue of subordinated bonds, please refer to Note V.29 to the Financial Statements. The purpose of the Bank's issue of the subordinated bonds was to effectively mitigate liquidity risk and optimize the maturity structure of assets and liabilities. The Bank plans to utilize the long-term funds raised by the issuance to grant long and medium-term loans, especially those relating to high-quality infrastructure construction projects. During the reporting period, the Bank has not issued subordinated bonds.

Shareholder Information at the End of the Report Period

As at 31 December 2006, the Bank had 846,127 shareholders of which, there were 378,972 holders of H Shares and 467,155 holders of A Shares.



Shareholdings

Trading Schedule of A Shares subject to selling restriction

Unit: Share

Date	Number of shares allowed to be tradable at the maturity of lock-up period	Remaining shares subject to selling restriction	Remaining shares not subject to selling restriction	Remarks
5 January 2007	876,623,469	172,611,116,740	5,207,794,000	Shares placed to offline institutional investors (with a lock-up period of 6 months) were unfrozen
5 January 2008	1,285,712,000	171,325,404,740	6,493,506,000	Shares placed to strategic investors (with a lock-up period of 18 months) will be unfrozen
5 July 2009	171,325,404,740	—	177,818,910,740	Commitment of the company

Note: Huijin undertook that within three years of the Bank's A Shares listing, it would not transfer the A Shares of the Bank directly or indirectly held by itself or entrust other persons to manage the shares, nor would it allow the Bank to repurchase such shares, with the exception of those allowed to be converted into H Shares following approval of the China Securities Regulatory Commission and other authorised securities approval authority of the State Council. Any withdrawal of Huijin's shares that are deposited with the China Securities Depository and Clearing Corporation Limited and the re-registration of such shares as H Shares would not affect any pre-existing restrictions on the sale or transfer applicable to Huijin's shares.

Number of shares subject to selling restriction held by top 10 shareholders and the selling restriction as at 31 December 2006

Unit: Share

No.	Name of shareholder	Number of shares subject to selling restriction	Time for trading	Number of new shares available for trading	Selling restriction
1	Central SAFE Investments Limited	171,325,404,740	5 July 2009	171,325,404,740	Commitment of the company
2	China Life Insurance (Group) Company — Traditional — Ordinary insurance products	144,559,043	See Note below	See Note below	Lock-up period
3	China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L-CT001 SH	123,376,000	5 January 2008	123,376,000	Lock-up period
4	State Development & Investment Corp.	90,909,000	5 January 2008	90,909,000	Lock-up period
4	Baosteel Group Co., Ltd	90,909,000	5 January 2008	90,909,000	Lock-up period
4	China Southern Power Grid Co., Ltd	90,909,000	5 January 2008	90,909,000	Lock-up period
4	China Huaneng Group	90,909,000	5 January 2008	90,909,000	Lock-up period
4	Chinese People Property Insurance Company Limited — Traditional — Ordinary insurance products — 008C-CT001 SH	90,909,000	5 January 2008	90,909,000	Lock-up period
4	China Reinsurance (Group) Company — Group level — Fund owned by the Group — 007G-ZY001 SH	90,909,000	5 January 2008	90,909,000	Lock-up period
4	CNOOC	90,909,000	5 January 2008	90,909,000	Lock-up period
4	Ping An Life Insurance Company of China — Traditional — Ordinary insurance products	90,909,000	5 January 2008	90,909,000	Lock-up period
4	Shenhua Group Co., Ltd	90,909,000	5 January 2008	90,909,000	Lock-up period
4	China National Aviation Holding Company	90,909,000	5 January 2008	90,909,000	Lock-up period
4	China Aluminum Corporation	90,909,000	5 January 2008	90,909,000	Lock-up period

Note: Among the 144,559,043 shares held by China Life Insurance (Group) Company — Traditional — Ordinary insurance products, 47,157,043 shares have been unfrozen and available for trading on the market on 5 January 2007, the remaining 97,402,000 will be unfrozen and available for trading on the market on 5 January 2008.



Top ten shareholders as at 31 December 2006

Unit: Share

No.	Name of shareholder	Type of Shareholder	Type of shares	Number of shares held	Proportion in total share capital
1	Central SAFE Investments Limited	State-owned	A	171,325,404,740	67.49%
2	HKSCC Nominees Limited	Foreign	H	30,262,318,674	11.92%
3	RBS China Investments S.à.r.l.	Foreign	H	20,942,736,236	8.25%
4	Asia Financial Holdings Pte. Ltd	Foreign	H	10,471,368,118	4.13%
5	National Council for Social Security Fund, PRC	State-owned	H	8,377,341,329	3.30%
6	UBS AG	Foreign	H	3,377,860,684	1.33%
7	Asian Development Bank	Foreign	H	506,679,102	0.20%
8	The Bank of Tokyo-Mitsubishi UFJ Ltd	Foreign	H	473,052,000	0.19%
9	Wingreat International Limited	Foreign	H	420,490,000	0.17%
10	Best Sense Investments Limited	Foreign	H	236,526,000	0.09%
10	Turbo Top Limited	Foreign	H	236,526,000	0.09%

The number of shares held by H share shareholders was recorded in the Register of Members as kept by the H Share Registrar of the Bank as at 31 December 2006.

The Bank is not aware of whether the shares held by the aforesaid shareholders have been pledged or frozen, nor is the Bank aware of the existence of connected relations among the above-mentioned shareholders.

Top ten shareholders of A Shares not subject to selling restriction as at 31 December 2006

Unit: Share

No.	Name of shareholder	Number of shares not subject to selling restriction	Type of shares
1	ICBC — Southern Securities Investment Fund for Stocks with Good Performance and Growth	210,000,000	A
2	Agricultural Bank of China — Jingshun Great Wall Domestic Demand Growth No. 2 Stock Securities Investment Fund	96,629,963	A
3	ICBC — Lion Value Growth Stock Securities Investment Fund	73,469,700	A
4	IFC — Standard Chartered — CITIGROUP GLOBAL MARKETS LIMITED	62,858,475	A
5	ICBC — SSE 50 Trading Open-end Index Securities Investment Fund	49,869,579	A
6	ICBC — E Fund Value Selective Stock Securities Investment Fund	42,000,000	A
7	China Pacific Life Insurance Co., Ltd — traditional — ordinary insurance products	35,179,154	A
8	Tiance Investment Management and Consulting (Shanghai) Co., Ltd	31,575,159	A
9	China Life Insurance Company Limited — traditional — ordinary insurance products — 005L-CT001 SH	27,058,100	A
10	Xinghe Securities Investment Fund	25,843,028	A

Some of the above shareholders are managed by the same legal entity. Save for that, the Bank is not aware of any connected relations and concerted action among the above-mentioned shareholders.

Substantial Interest in Share Capital

The register maintained by the Bank pursuant to section 336 of the SFO recorded that, as at 31 December 2006, the following corporations had the following interests (as defined in the SFO) in the Bank set opposite their respective names:



Name of Shareholder	Number of shares held	Type of shares	Percentage of total issued A Shares	Percentage of total issued H Shares	Percentage of total issued share capital	Capacity
Central SAFE Investments Limited	171,325,404,740	A	96.35%	—	67.49%	Beneficial owner
The Royal Bank of Scotland Group PLC ¹	20,944,789,236	H	—	27.55%	8.25%	Attributable interest & beneficial owner
RBS CI Limited ¹	20,942,736,236	H	—	27.54%	8.25%	Attributable interest & beneficial owner
RBS China Investments S.à.r.l.	20,942,736,236	H	—	27.54%	8.25%	Beneficial owner
Temasek Holdings (Private) Limited ²	11,792,559,118	H	—	15.51%	4.65%	Attributable interest
National Council for Social Security Fund	11,317,729,129	H	—	14.89%	4.46%	Beneficial owner
UBS AG	4,582,523,525	H	—	6.03%	1.81%	Attributable interest, beneficial owner & person having a security interest in shares
	1,084,612,402 (S) ³			1.43%	0.43%	

Notes:

- 1 The Royal Bank of Scotland Group PLC (“RBS Group”) holds the entire issued share capital of RBS CI Limited, which in turn holds 51.61% of RBS China Investments S.à.r.l. (“RBS China”). Accordingly, RBS Group and RBS CI Limited are deemed to have the same interests in the Bank as RBS China for the purpose of the SFO.
- 2 Temasek Holdings (Private) Limited (“Temasek”) holds the entire issued share capital of Fullerton Management Pte Ltd, which in turn holds the entire issued share capital of Asia Financial Holdings Pte Ltd. Accordingly, for the purpose of the SFO, Temasek and Fullerton Management Pte Ltd are deemed to have the same interests in the Bank as Asia Financial Holdings Pte Ltd, which has an interest in 11,785,825,118 shares of the Bank.
- 3 “S” denotes short positions.

All the interests stated above represented long positions except stated otherwise. Save as disclosed above, as at 31 December 2006, no other interests or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

The Controlling Shareholder of the Bank

Central SAFE Investments Limited (“Huijin”)

Huijin is a wholly state-owned company with limited liability. Established on 16 December 2003, the company has a registered capital of RMB372.465 billion and paid-in capital of RMB496.6125 billion. Its legal representative is Hu Xiaolian. On behalf of the state, Huijin performs the rights and obligations as an investor in the Bank, and implements the equity investment subject to the approval of the State Council and policies and arrangement relating to the state’s reform of state-owned financial institutions. Huijin does not engage in other business activities.