

1. FURTHER INFORMATION ABOUT US

A. Incorporation

We were established under the PRC Company Law as a joint stock limited company with limited liability on September 17, 2004. We established a place of business in Hong Kong at 45th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong and have been registered as an overseas company under Part XI of the Hong Kong Companies Ordinance. Mr. YAN Xiaojiang of 45th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong has been appointed as our agent for acceptance of service of process in Hong Kong.

B. Changes in share capital

(a) Our company

At the time of our establishment as a joint stock limited company, our registered capital was RMB 194,230,250,000, divided into 194,230,250,000 domestic shares, all of which were fully paid up or credited as fully paid up and were held by our promoters as follows:

<u>Name of promoters</u>	<u>Number of Domestic Shares (*000)</u>	<u>Approximate percentage of shareholding in the registered capital of our Company</u>
Huijin	165,538,000	85.228%
Jianyin	20,692,250	10.653%
State Grid	3,000,000	1.545%
Shanghai Baosteel	3,000,000	1.545%
Yangtze Power	2,000,000	1.030%

During the two years prior to the date of this prospectus, we recorded the following changes in our registered capital:

- on August 29, 2005, Huijin transferred 17,482,209,346 shares to Bank of America for consideration of US\$2.5 billion; and
- on August 29, 2005, Huijin transferred 9,905,742,750 shares to AFH for consideration of US\$1.466 billion.

Immediately after the Global Offering, our registered capital will be RMB 220,716,194,000, made up of 194,230,250,000 H shares converted from domestic shares and unlisted foreign shares and 26,485,944,000 H shares offered under the Global Offering (assuming the over-allotment option is not exercised).

Save as disclosed in this prospectus, there has been no alteration in our registered capital since our establishment.

(b) Our subsidiaries

Our principal subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

There has been no alteration in the registered capital of our principal subsidiaries within the two years preceding the date of this prospectus.

C. Resolutions of our Shareholders

- (a) Resolutions were passed by our shareholders on June 5 and June 6, 2005 pursuant to which, among other matters, our shareholders:
- approved the conversion of our company into an overseas subscription company;
 - approved the issue and offering of H shares and the granting of the over-allotment option;
 - approved the listing of the H shares on the Hong Kong Stock Exchange;
 - approved certain amendments to our articles of association; and
 - authorized our board of directors to handle all matters relating to the listing of our H shares.
- (b) Resolutions were passed by our shareholders on August 27, 2005, pursuant to which, among other matters, our shareholders adopted our articles of association and our directors were authorized to amend our articles of association in accordance with any comments from the relevant governing authorities in the PRC and the Hong Kong Stock Exchange.

2. FURTHER INFORMATION ABOUT OUR BUSINESS**A. Summary of material contracts**

Except for the contracts described below, there has been no contract entered into by any member of our group other than in the ordinary course of business, (i) within the two years immediately preceding the publication of this prospectus that is, or may be, material; or (ii) that contains any provision under which any member of our group has any obligation or entitlement which is material to us as at the date of this prospectus:

- (a) a transfer agreement and a supplemental agreement thereof, both dated June 28, 2004 and entered into between China Construction Bank and Cinda in relation to the disposal of non-performing loans with a face value of RMB 128.9 billion as of December 31, 2003 by China Construction Bank to Cinda in consideration of RMB 64.45 billion;
- (b) an underwriting agreement and a supplemental agreement thereof, dated July 16, 2004 and August 10, 2004, respectively and entered into between China Construction Bank and 中國國際金融有限公司 (China International Capital Corporation Limited) in relation to the issue of a maximum amount of RMB 15 billion of subordinated bonds;
- (c) in connection with the issue of subordinated bonds in an amount up to RMB 16.7 billion by us, we have entered into the following agreements:
- (i) an underwriting agreement dated December 22, 2004 and entered into between us and 中國農業銀行 (Agricultural Bank of China);
 - (ii) an underwriting agreement entered into in December, 2004 between us and 北京市農村信用合作社聯合社 (Beijing City Agricultural Credit Cooperative Society Union);
 - (iii) an underwriting agreement entered into in December, 2004 between us and 北京市商業銀行 (Beijing City Commercial Bank);
 - (iv) an underwriting agreement dated December 14, 2004 and entered into between us and 中國銀行股份有限公司 (Bank of China Limited);

- (v) an underwriting agreement entered into in December, 2004 between us and 中銀國際證券有限責任公司 (BOC International Securities Co., Ltd.);
 - (vi) an underwriting agreement dated December 21, 2004 and entered into between us and 中國銀河證券有限責任公司 (China Galaxy Securities Co., Ltd.);
 - (vii) an underwriting agreement entered into in December, 2004 between us and 中國國際金融有限公司 (China International Capital Corporation Limited);
 - (viii) an underwriting agreement entered into in December, 2004 between us and 中國人壽資產管理有限公司 (China Life Insurance Assets Management Co., Ltd.);
 - (ix) an underwriting agreement entered into in December, 2004 between us and 招商銀行股份有限公司 (China Merchants Bank Co. Limited);
 - (x) an underwriting agreement dated December 20, 2004 and entered into between us and 中國太平洋保險 (集團) 股份有限公司 (China Pacific Insurance (Group) Co., Ltd.);
 - (xi) an underwriting agreement dated December 29, 2004 and entered into between us and 中國平安人壽保險股份有限公司 (China Ping An Life Insurance Co., Ltd.);
 - (xii) an underwriting agreement dated December 29, 2004 and entered into between us and 中信實業銀行 (CITIC Industrial Bank);
 - (xiii) an underwriting agreement dated December 17, 2004 and entered into between us and 中信證券股份有限公司 (CITIC Securities Co., Ltd.);
 - (xiv) an underwriting agreement dated December 22, 2004 and entered into between us and 中國光大銀行 (China Everbright Bank);
 - (xv) an underwriting agreement dated December 21, 2004 and entered into between us and 廣東發展銀行 (Guangdong Development Bank Co. Ltd.);
 - (xvi) an underwriting agreement dated December 20, 2004 and entered into between us and 國泰君安證券股份有限公司 (Guotai Junan Securities Co., Ltd.);
 - (xvii) an underwriting agreement dated December 22, 2004 and entered into between us and 華夏銀行股份有限公司 (Hua Xia Bank Co. Limited);
 - (xviii) an underwriting agreement dated December 21, 2004 and entered into between us and 中國工商銀行 (Industrial and Commercial Bank of China);
 - (xix) an underwriting agreement entered into in December, 2004 between us and 興業銀行股份有限公司 (Industrial Bank Co., Ltd.);
 - (xx) an underwriting agreement dated December 17, 2004 and entered into between us and 南京市商業銀行 (Nanjing City Commercial Bank);
 - (xxi) an underwriting agreement entered into in December, 2004 between us and 深圳發展銀行 (Shenzhen Development Bank); and
 - (xxii) an underwriting agreement entered into in December, 2004 between us and 武漢市商業銀行 (Wuhan Urban Commercial Bank);
- (d) a separation agreement dated September 15, 2004 and entered into between Huijin, Jianyin and us, pursuant to which the assets and liabilities of China Construction Bank were divided between

us and Jianyin. See “Our Restructuring and Operational Reform — Separation of China Construction Bank” for further details;

- (e) a foreign exchange option agreement dated January 12, 2005 and entered into between Huijin and us, pursuant to which we purchased from Huijin an option to sell to Huijin a maximum of US\$22.5 billion in US dollars at an exchange rate of US\$1 to RMB8.2769 for a consideration of approximately RMB5,587 million. See “Financial Information” for details;
- (f) an investment agreement dated June 17, 2005 and entered into between us and Bank of America Corporation in relation to the subscription of our H shares by Bank of America Corporation in the amount of US\$500 million. See “Our Strategic Investors” for details;
- (g) a strategic assistance agreement dated June 17, 2005 and entered into between us and Bank of America Corporation regarding strategic assistance to be provided by Bank of America Corporation to us. See “Our Strategic Investors” for details;
- (h) an investment agreement dated July 1, 2005 and entered into between us and AFH in relation to the subscription of our H shares by AFH in the amount of US\$1 billion. See “Our Strategic Investors” for details;
- (i) a promoters agreement dated July 28, 2005 and entered into between us, Principal Financial Services, Inc. and 中國華電集團公司 (China Huadian Group Corporation) in relation to the establishment of CCB Principal Asset Management Co., Ltd., pursuant to which, we, Principal Financial Services, Inc. and China Huadian Group Corporation made contributions to the registered capital of CCB Principal Asset Management Co., Ltd. in the amount of RMB130 million, RMB50 million and RMB20 million, respectively; and
- (j) the Hong Kong underwriting agreement dated October 13, 2005 and entered into between us, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong underwriters. See “Underwriting” for further details.

B. Intellectual property

- (a) As at the Latest Practicable Date, we were the registered owner of the following material patents:














<u>Patent</u>	<u>Patent Number</u>	<u>Certificate Number</u>	<u>Type</u>	<u>Expiry Date</u>
標貼 (樂得家) Adhesive label (<i>Le De Jia</i>)	ZL 02 3 39979.1	288421	外觀設計 External design	September 17, 2012


- (b) As at the Latest Practicable Date, we were the registered owner of the following material trademarks:

<u>Name</u>	<u>Class (Note)</u>	<u>Place of registration</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Registration Number</u>
	36	PRC	November 28, 1998	November 27, 2008	1227914
 中国建设银行 China Construction Bank	36	PRC	July 21, 1997	July 20, 2007	1061933
 中国建设银行 China Construction Bank	36	Hong Kong	May 27, 2004	May 26, 2014	300221327

APPENDIX IX

STATUTORY AND GENERAL INFORMATION

Name	Class (Note)	Place of registration	Registration Date	Expiry Date	Registration Number
 中国建设银行 China Construction Bank	36	Madrid	May 21, 2004	May 21, 2014	838483
 中国建设银行 China Construction Bank	36	PRC	July 7, 1997	July 6, 2007	1049651
 中国建设银行 CHINA CONSTRUCTION BANK	36	PRC	July 21, 1997	July 20, 2007	1061932
 中国建设银行 China Construction Bank	36	PRC	July 21, 1997	July 20, 2007	1061931
 中国建设银行	36	PRC	July 7, 1997	July 6, 2007	1049653
 乐当家	36	PRC	November 28, 1998	November 27, 2008	1227913
 乐当家	36	PRC	November 28, 1998	November 27, 2008	1227915
 乐当家	36	PRC	April 7, 2004	April 6, 2014	3249160
 乐得家	36	PRC	August 21, 2004	August 20, 2014	3312794
 乐得家	36	PRC	April 7, 2000	April 6, 2010	1382739
 生肖龙卡 SHENGXIAOLONGKA	36	PRC	October 7, 2001	October 6, 2011	1647741
 生肖龙卡 SHENGXIAOLONGKA	36	PRC	October 7, 2001	October 6, 2011	1647742
 生肖龙卡	36	PRC	January 14, 2001	January 13, 2011	1507896
 生肖龙卡	36	PRC	December 17, 2000	December 16, 2010	1487622
 生肖龙卡	36	PRC	December 7, 2000	December 6, 2010	1487629
 生肖龙卡	36	PRC	December 7, 2000	December 6, 2010	1487630

<u>Name</u>	<u>Class (Note)</u>	<u>Place of registration</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Registration Number</u>
	36	PRC	July 7, 1997	July 6, 2007	1049652

Note: **Class 36 — Insurance, Finance, Monetary Issues, Real Estate Issues** This class mainly includes monetary and financial services provided by financial and monetary institutions, namely: (i) services provided by banks, foreign exchange brokers and settlement institutions; (ii) services provided by credit cooperatives, private financial companies, lenders, etc; (iii) services of investment trusts; (iv) services provided by stock and property brokers; (v) services related to the monetary business guaranteed by credit agents; (vi) services related to the issue of travellers' cheques and letters of credit; (vii) services provided by real estate administrators in relation to property leasing and valuation (viii) services related to insurance, including services provided by insurance agents or brokers and services provided to the insured and the insurer.

- (c) As at the Latest Practicable Date, we were the registered proprietor of the following material domain names:

<u>Domain name</u>	<u>Date of registration</u>
www.e-ccb.com	June 25, 1999
www.cyberccb.com	June 25, 1999
www.ccbanking.com	June 25, 1999
www.ccb-on-line.com	June 25, 1999
www.ccb.com.cn	March 24, 1997
www.ccb.cn	March 17, 2003
www.ccb-on-line.cn	March 17, 2003
www.95533.cn	March 17, 2003
www.chinaconstructionbank.com.cn	April 13, 2004
www.chinaconstructionbank.cn	April 13, 2004
www.chinaconstructionbankcorporation.com	April 13, 2004
www.chinaconstructionbankcorporation.com.cn	April 13, 2004
www.chinaconstructionbankcorporation.cn	April 13, 2004
www.ccbc.cn	April 13, 2004
www.chinaconstructionbankgroupinc.com	April 13, 2004
www.chinaconstructionbankgroupinc.com.cn	April 13, 2004
www.chinaconstructionbankgroupinc.cn	April 13, 2004
www.ccbgroup.com.cn	April 13, 2004
www.ccbgroup.cn	April 13, 2004
www.ccbcorp.com	April 13, 2004
www.ccbcorp.com.cn	April 13, 2004
www.ccbcorp.cn	April 13, 2004
www.ccbank.com.cn	April 13, 2004
www.ccbank.cn	April 13, 2004
www.95533.com.cn	September 10, 2004
www.95533ccb.com	April 3, 2003
www.95533ccb.com.cn	April 4, 2003
www.carbank.com.cn	April 10, 2002
www.cardbank.com.cn	March 26, 2004
www.huiruyi.com	December 9, 2003
www.waihitong.com	December 9, 2003

C. Our depositors

Our five largest depositors accounted for less than 30% of the total balance of the deposits as at June 30, 2005.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS**A. Particulars of Directors' and Supervisors' Service Contracts**

Each of our directors and supervisors has entered into a service contract with us for a term of three years beginning on the respective dates of the director's and supervisor's appointment and ending on the date of the third annual general meeting following his or her appointment. Our directors and supervisors are subject to rotation under our articles of association. The service contracts of our directors and supervisors are subject to termination in accordance with their respective terms. Pursuant to our articles of association, the remuneration of our directors and supervisors is determined by our shareholders in general meeting.

The contracts do not provide for compensation to our directors and supervisors in the event of early termination of the contract or any bonus, commission or profit sharing arrangements.

Save as disclosed above, none of our directors or supervisors has entered or proposes to enter into a service contract with us other than contracts expiring or determinable by us within one year without the payment of compensation (other than statutory compensation).

As of the date of this prospectus, none of our directors has provided personal guarantees in favor of lenders in connection with banking facilities granted to us.

B. Directors' and Supervisors' Interests and Short Positions in the Share Capital and Debenture of Our Company and its Associated Corporations

Immediately following the completion of the Global Offering, none of our directors or supervisors will have any interest or short position in our H shares, underlying shares or debentures of us or any of our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, or SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once our H shares are listed on the Hong Kong Stock Exchange. For this purpose, the relevant provisions of the SFO will be interpreted as if they also applied to our supervisors.

C. Substantial Shareholders and Persons Who Have an Interest or Short Position Disclosable Under Division 2 and 3 of Part XV of the SFO

So far as our directors are aware, the following persons will, immediately following the completion of the Global Offering and taking no account of any H shares which may be taken up under the Global Offering (except for the cases pursuant to the relevant investment agreements for Bank of America and AFH) or which may be sold pursuant to the exercise of the over-allotment option, have an interest or short position in

the H shares or underlying H shares of our company which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<u>Name of interested party</u>	<u>Capacity</u>	<u>Number of H shares in which the interested party has or is deemed to have interest in</u>	<u>Approximate percentage of shareholding in the registered capital of our company</u>
Huijin ⁽¹⁾	Beneficial interest and interest of controlled corporation	138,150,047,904 H shares	62.592%
Jianyin	Beneficial interest	20,692,250,000 H shares	9.375%
Bank of America ⁽²⁾	Beneficial interest	19,289,022,346 H shares	8.739%
AFH ⁽²⁾	Beneficial interest	13,519,369,750 H shares	6.125%

Notes: (1) Jianyin is wholly-owned by Huijin. By virtue of the SFO, Huijin is deemed to be interested in the 20,692,250 H shares held by Jianyin.

(2) Assumes an offer price of HK\$2.15, which is the mid-point of our indicative offer price range.

So far as our directors are aware, immediately following completion of the Global Offering and assuming that the over-allotment option is not exercised, the following parties will be directly or indirectly interested in 10% or more of the nominal value of any class of share capital or registered capital carrying rights to vote in any other member of our group:

<u>Name of interested party</u>	<u>Name of group member</u>	<u>Approximate percentage of shareholding</u>
Bausparkasse Schwäebisch Hall Principal Financial Services, Inc.	Sino-German Bausparkasse Corporation Limited	24.9%
China Huadian Group Corporation	CCB Principal Asset Management Co., Ltd.	25%
	CCB Principal Asset Management Co., Ltd.	10%

4. OTHER INFORMATION

A. Estate Duty

Our directors have been advised that no material liability for estate duty under PRC law is likely to fall upon us, on the basis that there is no estate duty under the PRC law.

B. Litigation

Save as disclosed in the sections headed “Business — Legal Proceedings” and “Business — Administrative Proceedings” of this prospectus, no member of the Group is involved in any material litigation, arbitration or administrative proceedings. So far as our directors are aware, no material litigation, arbitration or administrative proceedings are pending or threatened.

C. Sponsors

The listing of our H shares on the Hong Kong Stock Exchange is sponsored by China International Capital Corporation (Hong Kong) Limited, Morgan Stanley Dean Witter Asia Limited and CCB International Capital Limited.

China International Capital Corporation (Hong Kong) Limited, or CICCHK, is a wholly-owned subsidiary of China International Capital Corporation Limited, or CICC. Jianyin is a controlling shareholder of CICC and also holds an interest of approximately 10.653% in our company prior to the Global Offering. CCB International Capital Limited, or CCBIC, is our wholly-owned subsidiary. Accordingly CICCHK and CCBIC are not considered independent sponsors pursuant to Rule 3A.07 of the Hong Kong Listing Rules.

Morgan Stanley Dean Witter Asia Limited, or MSDW, has declared pursuant to Rule 3A.08 of the Hong Kong Listing Rules that it is independent pursuant to Rule 3A.07 on the bases set out below.

MSDW has confirmed that it does not fall under the circumstances set out in Rule 3A.07(1)-(8) and Rule 3A.07(10). In relation to Rule 3A.07(9), a sponsor is not independent if, inter alia, any member of the sponsor group has a current business relationship with the new applicant or a director, subsidiary, holding company or substantial shareholder of the new applicant which would be reasonably considered to affect the sponsor's independence in performing its duties as a sponsor as set out in Chapter 3A of the Listing Rules, or might reasonably give rise to a perception that the sponsor's independence would be so affected, save and except where the relationship arises pursuant to the sponsor's engagement by the new applicant for the purpose of providing sponsorship services.

MSDW is an indirect wholly-owned subsidiary of Morgan Stanley. Morgan Stanley is a shareholder in CICC, holding (indirectly through intermediate holding companies) 34.3% of CICC. Our substantial shareholder, Jianyin, holds a 43.35% shareholding in CICC.

MSDW considers that its relationship with Jianyin, through their common shareholding in CICC, would not be reasonably considered to affect MSDW's independence in performing its duties as our sponsor, nor might reasonably give rise to a perception that MSDW's independence would be so affected pursuant to Rule 3A.07(9), on the following bases:

- The common shareholding relationship in CICC by Morgan Stanley and Jianyin is unrelated to us, our business or operations.
- Although Morgan Stanley is entitled to appoint one member to the board of directors of CICC, Morgan Stanley currently has no other involvement in the management or operations of CICC.
- CICC's economic contribution is not material to Morgan Stanley's global after-tax profits.
- Save for the fact that Jianyin and Morgan Stanley have a common shareholding in CICC, there are currently no business dealings, or other connection of any kind, between Jianyin and Morgan Stanley.

D. Preliminary expenses

Our estimated preliminary expenses are approximately RMB 158 million and have been paid by the Company.

E. Qualification and consents of experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

China International Capital

Corporation (Hong Kong)

Limited..... Licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) as defined under the SFO

Morgan Stanley Dean Witter

Asia Limited

Licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), and type 6 (advising on corporate finance) as defined under the SFO

CCB International Capital

Limited.....

Licensed under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) as defined under the SFO

KPMG

Certified Public Accountants

Commerce & Finance Law

Offices.....

Registered law firm in the PRC

Chesterton Petty Ltd.

Chartered Surveyors and Valuers

Each of the Joint Sponsors, KPMG, Chesterton Petty Ltd., Commerce & Finance Law Offices has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

F. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies Ordinance so far as applicable.

G. Miscellaneous

Save as disclosed in this prospectus, as at the Latest Practicable Date:

- (a) none of our directors nor any of the parties listed in paragraph 4E of this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our company and its subsidiaries;
- (b) none of our directors nor any of the parties listed in paragraph 4E of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

- (c) save in connection with the Hong Kong underwriting agreement and the international purchase agreement, none of the parties listed in paragraph 4E of this Appendix:
 - (i) is interested legally or beneficially in any of our shares or any shares in any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities;
- (d) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this prospectus to any of our promoters nor is any such securities or amount or benefit intended to be paid or allotted or given;
- (e) none of our directors or their respective associates has any interest in our top five borrowers or our top five depositors;
- (f) no authorized debentures of our company and its subsidiaries have been issued;
- (g) there is no arrangement under which any director has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments during the current financial year;
- (h) save as those in the ordinary and usual course of our commercial banking business, there are no outstanding loans or guarantees granted or provided by any subsidiaries of our company to, or for the benefit of, any of our directors;
- (i) no director has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of our company and its subsidiaries and which was effected by any subsidiaries of our company in the current or immediately preceding financial year of our company or which was effected during an earlier financial year and remains in any respect outstanding or unperformed;
- (j) within the two years preceding the date of this prospectus, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (k) no share or loan capital of our company is under option or is agreed conditionally or unconditionally to be put under option;
- (l) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (m) none of the equity and debt securities of our company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (n) we have no outstanding convertible debt securities;
- (o) our company does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the PRC Sino-foreign Joint Venture Law;
- (p) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special items have been granted or paid to any director, proposed director, promoter, any of the parties listed in paragraph 4E of this Appendix nor any other person in connection with the issue or sale of any share or loan capital of our company or any of our subsidiaries;

- (q) there are no arrangements in existence under which future dividends are to be waived or agreed to be waived;
- (r) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months; and
- (s) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

H. Exemptions from Hong Kong Companies Ordinance Provisions and Parallel Rules under the Hong Kong Listing Rules

Property Valuation Report

According to the valuation report set out in Appendix V to this prospectus, as of August 31, 2005, we owned 10,269 parcels of land with an aggregate area of approximately 10 million square meters, 11,109 buildings with an aggregate gross floor area of approximately 17 million square meters and 36 buildings which are under construction with an aggregate gross floor area of approximately 284,000 square meters upon completion in the PRC. As of August 31, 2005, we also leased approximately 9,739 properties with an aggregate gross floor area of approximately 3 million square meters in the PRC, Hong Kong and overseas. Owing to the substantial number of properties involved, we have applied to the SFC for an exemption and the Hong Kong Stock Exchange for a waiver from strict compliance with certain of the valuation report requirements contained in paragraph 34(2) of the Third Schedule to the Hong Kong Companies Ordinance and Rules 5.01, 5.06 and 19A.27(4) and paragraph 3(a) of Practice Note 16 of the Hong Kong Listing Rules, respectively, on the grounds that:

- (a) it would be unduly burdensome to include a fully compliant valuation report in this prospectus and the inclusion of such detailed information would be irrelevant to potential investors in a commercial bank and would not be material to a potential investor's investment decision; and
- (b) it would be unduly burdensome to prepare an English translation of the report, as substantially all of the properties are located in the PRC and consequently the underlying valuation and title information is in Chinese.

The exemption has been granted by the SFC under section 342A(1) of the Hong Kong Companies Ordinance and the waiver has been granted by the Hong Kong Stock Exchange from Rules 5.01, 5.06 and 19A.27(4) and paragraph 3(a) of Practice Note 16 of the Hong Kong Listing Rules, subject to the following conditions:

- (i) a valuation report in the Chinese language complying with all the requirements of the Hong Kong Listing Rules and paragraph 34(2) of the Third Schedule will be made available for inspection in accordance with Appendix X — "Documents Delivered to the Registrar of Companies and Available for Inspection";
- (ii) the valuer's letter and the valuer's certificate containing a summary valuation of all the Group's property interests (except property interests held by the Group in Hong Kong, for which fully compliant particulars will be disclosed), including particulars of occupancy, open market values and their title status thereof, based on the valuation report will be included in this prospectus in the form set out in Appendix V to this prospectus; and
- (iii) this prospectus must set out particulars of this exemption.

We are of the view that the exemption from the SFC and the waiver from the Hong Kong Stock Exchange would not prejudice the interests of potential investors on the grounds mentioned above.

Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

I. Compliance Advisers

We will appoint Morgan Stanley Dean Witter Asia Limited and China International Capital Corporation (Hong Kong) Limited as our compliance advisers, or the Compliance Advisers, upon listing in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

We expect to enter into a compliance advisers' agreement with the Compliance Advisers, the material terms of which we expect to be as follows:

(a) our company will appoint the Compliance Advisers as our compliance advisers for the purpose of Rule 3A.19 of the Hong Kong Listing Rules for a period commencing on the date of listing our H shares on the Hong Kong Stock Exchange and ending on the date on which we comply with Rule 13.46 of the Hong Kong Listing Rules in respect of our financial results for the financial year ending 31 December 2006, or until the agreement is terminated, whichever is earlier;

(b) the Compliance Advisers shall provide us with services, including guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our principal channels of communication with the Hong Kong Stock Exchange;

(c) we will agree to indemnify the Compliance Advisers for certain actions against and losses incurred by the Compliance Advisers arising out of or in connection with the performance by the Compliance Advisers of their duties under the agreement, or any breach or alleged breach by us of the provisions of the agreement; and

(d) we may terminate the appointment of a Compliance Adviser only if the Compliance Advisers' work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to the Compliance Advisers as permitted by Rule 3A.26 of the Hong Kong Listing Rules. Each of the Compliance Advisers will have the right to resign or terminate its appointment if we breach the agreement or by service of 3 months' notice to us.