

INTRODUCTION

Board of Directors

Currently, our Board of Directors consists of 17 directors, six of whom are independent non-executive directors. Except for independent non-executive directors who are each limited to a single term of three years, our directors are elected at shareholders' general meetings for a term of three years, which is renewable upon re-election and re-appointment.

The functions and duties of our Board of Directors include the following:

- to be responsible for convening shareholders' general meetings and to report on its performance to shareholders at the shareholders' general meeting;
- to implement the resolutions of the shareholders' general meetings;
- to decide on our operational plans, investment plans and material asset disposal plans;
- to formulate our proposed annual preliminary and annual final financial budgets;
- to formulate our profit distribution plans and plans for recovery of losses;
- to formulate proposals for increases in or reductions of our registered share capital, issuance of bonds or other securities and listing plans;
- to formulate proposals for material acquisitions, the purchase of our shares, merger, separation, change of the nature of our company, or dissolution or liquidation of our company;
- within the scope authorized by our shareholders' general meetings, to decide on external investments, purchases and sales of assets, pledges of assets, external guarantees, and related party transactions;
- to decide on the establishment of our internal management structure;
- to appoint or remove our president and secretary of the board, and, based on the recommendations of the president, to appoint or remove the executive vice presidents and other executive officers including the chief finance officer(s), and to decide on matters relating to their emoluments and on the imposition of any disciplinary measures;
- to decide what percentage of the company's profits would go into the president incentive fund;
- to establish our basic management system;
- to formulate proposals for any amendment to our articles of association;
- to manage our disclosure of information;
- to propose, at each shareholders' general meeting, the appointment, dismissal or re-appointment of the accounting firms to audit our company;
- to review working reports of the president and to examine the president's performance; and
- to exercise any other power prescribed by the applicable laws and regulations and our articles of association, as well as any other power conferred by the shareholders in shareholders' general meetings.

The following is a summary of the procedures we have adopted historically for nominating and appointing directors pursuant to applicable PRC laws and regulations and our articles of association:

- shareholders may nominate candidates to be directors for the nomination committee's consideration;
- following due consideration of the qualifications and experience of a candidate, the nomination committee makes a recommendation to our Board of Directors in respect of the candidate;
- our Board of Directors may by resolution approve the nomination of a candidate and endorse such candidate for election by the shareholders at a shareholders' general meeting;
- the qualifications and experience of the candidate are included in the proxy materials given to shareholders and, in the case of independent non-executive directors, reported to the SHSE;
- shareholders at a general meeting may vote to elect the candidate as a director; and
- following election by the shareholders, we report the election results to the CBRC for approval.

Under PRC laws and regulations, the qualification of a director of a commercial bank has to be sent to the CBRC for review after his election to be a director.

Board of Supervisors

Our Board of Supervisors consists of nine members, two of whom are external supervisors and three of whom are employee representative supervisors. Except for the employee representative supervisors elected by employees, our supervisors are elected at shareholders' general meetings for a term of three years, which is renewable upon re-election and re-appointment.

The functions and powers of the Board of Supervisors include the following:

- to examine and supervise our financial activities;
- to oversee the conduct of our directors, president and other executive officers in carrying out their duties, and to make proposals to remove our directors, president and other executive officers if they breach any applicable laws, regulations, or our articles of association;
- to demand that a director, president or another executive officer rectify his conduct when such conduct is prejudicial to the interests of our company;
- to review, examine and opine on the regular reports by our Board of Directors, to review the financial information such as the financial reports, business reports and plans for the distribution of profits to be submitted by our Board of Directors to the shareholders at the shareholders' general meetings and, if necessary, to appoint certified public accountants and practicing auditors to re-examine the company's financial information;
- to propose the convening of shareholders' general meetings, and, if our Board of Directors fails to call such a meeting as required under our articles of association, to convene the shareholders' general meetings;
- to submit proposals at the shareholders' general meetings;

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- to carry out inquiries regarding our directors, president, executive vice presidents or other executive officers, and bring actions against them according to the PRC Company Law;
- to investigate any irregularities in the operations of our company;
- to oversee an audit, if required, of any resigning director or executive officer; and
- to exercise the other powers prescribed by law, administrative regulations or rules or our articles of association, and powers conferred at a shareholders' general meeting.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The business address of our directors, supervisors and senior management is China Merchants Bank Tower, No.7088, Shennan Boulevard, Shenzhen 518040, China.

Directors

The following table sets out certain information relating to our directors. All but four of our existing directors were elected to their current term on the Board of Directors by our shareholders on June 25, 2004. Mr. Wu Jiesi was elected on September 20, 2005, and Mr. Chow Kwong Fai, Edward, Mr. Liu Yongzhang and Ms. Liu Hongxia were elected on May 16, 2006. The current term for all of our directors expires on June 24, 2007.

<u>Name</u>	<u>Age</u>
Non-executive Directors:	
Mr. QIN Xiao (秦 曉), chairman	59
Mr. WEI Jiafu (魏家福), vice chairman	57
Mr. FU Yuning (傅育寧)	49
Mr. LI Yinquan (李引泉)	51
Mr. HUANG Dazhan (黃大展)	48
Mr. TAN Yueheng (譚岳衡)	44
Ms. SUN Yueying (孫月英)	48
Mr. WANG Daxiong (王大雄)	46
Mr. FU Junyuan (傅俊元)	45
Executive Directors:	
Mr. MA Weihua (馬蔚華), president and chief executive officer	58
Ms. CHEN Wei (陳 偉), executive vice president and chief financial officer	46
Independent Non-executive Directors:	
Mr. WU Jiesi (武捷思)	55
Mr. LIN Chuxue (林初學)	47
Mr. Austin HU Chang Tau (胡長燾)	58
Mr. CHOW Kwong Fai, Edward (周光暉)	54
Mr. LIU Yongzhang (劉永章)	50
Ms. LIU Hongxia (劉紅霞)	43

Mr. QIN Xiao (秦 曉) is the chairman of our Board of Directors and a non-executive director of our company. He joined us in April 2001. Mr. Qin obtained a doctorate degree in economics from Cambridge University in 2003 and is a senior economist. He is a member of the Tenth Chinese People's Political Consultative Conference, has been chairman of the board of China Merchants Group since January 2001 and is a part-time professor at the School of Economics & Management, Tsinghua University and PBOC Postgraduate Division. He was previously the vice chairman of the board of China International Trust and Investment Corporation from 2000 to 2001, general manager of the

China International Trust and Investment Corporation from 1995 to 2000, chairman of the board of China CITIC Industrial Bank (now China CITIC Bank) from 1998 to 2001, an advisor on the Foreign Currency Policy of the State Administration of Foreign Exchange from 1999 to 2001, vice chairman of the Affiliate of International Chamber of Commerce in China from 1999 to 2001, chairman of the APEC Business Advisory Council for the 2001 term from 2000 to 2001, and a representative of the Ninth National People's Congress.

Mr. WEI Jiafu (魏家福) is the vice chairman of our Board of Directors and a non-executive director of our company. He joined us in April 2001. Mr. Wei obtained a master's degree in transportation planning and management from Dalian Maritime University in 1999 and a doctorate degree from Tianjin University in 2001. He has been a member of the Chinese Communist Party Central Committee for Disciplinary Inspection since November 2002 and the president of COSCO since November 1998. Currently, he is also the chairman of the China Group Companies Promotion Association, the China Shipowners' Association and the China Federation of Industrial Economics. In addition, he is a member of the Council of Bo'ao Forum for Asia, and a member of the Harvard Business School Asia-Pacific Advisory Board and an advisor of the Panama Canal Authority. Mr. Wei was the president of COSCO Holding (Singapore) Pte. Ltd. from 1993 to 1995, general manager of Chinese-Tanzania Joint Shipping Company from 1992 to 1993, Tianjin Ocean Shipping Company from 1995 to 1998 and COSCO Bulk Carrier Company Limited from 1997 to 1998. In 2003, he was awarded the "Famous Person in Shipping Award" from the Lloyd's Asia Shipping Magazine and the "Port Pilot Award" conferred by the Port Authority of Long Beach, the United States.

Mr. Wei has been an executive director and chairman of China COSCO Holdings Company Limited since February 2005, and was the chairman and executive director of COSCO Pacific Limited from June 2000 to June 2005. He has been the chairman and a non-executive director of COSCO Pacific Limited since June 2005, and the chairman and director of COSCO International Holdings Limited since June 2000. All these three companies are listed on the Hong Kong Stock Exchange. Mr. Wei has been the chairman and director of COSCO Corporation (Singapore) Limited (a company listed on the Singapore Stock Exchange) since March 2000, chairman and director of COSCO Container Lines Company Limited since July 2000, chairman and director of COSCO (Hong Kong) Group Limited since June 2000 and the general manager of COSCO Bulk Carrier Company Limited since April 2000.

Mr. FU Yuning (傅育寧) is a non-executive director of our company. He joined us in March 1999. Mr. Fu obtained a doctorate degree from Brunel University, the United Kingdom in 1987. Mr. Fu has been the chairman and managing director of China Merchants Holdings (International) Co., Ltd. (a company listed on the Hong Kong Stock Exchange) and the chairman and executive director of China Merchants China Direct Investments Limited (a company listed on the Hong Kong Stock Exchange) since January 1999, and a director and president of China Merchants Group since April 2000. He has also been an independent non-executive director of Integrated Distribution Services Group Limited (a company listed on the Hong Kong Stock Exchange) since November 2004, an independent non-executive director of Sino Land Company Limited (a company listed on the Hong Kong Stock Exchange) since June 2005 and a director of Hong Kong Port Development Council since January 2003. He has served as the chairman of Shenzhen Chiwan Petroleum Supply Base Co., Ltd. (a company listed on the Shenzhen Stock Exchange) since April 1998 and chairman of China Nanshan Development (Group) Inc. since December 1998. He previously served as chairman of the board of Shenzhen Chiwan Wharf Holdings Limited (a company listed on the Shenzhen Stock Exchange) from

1993 to 1998 and chairman of Union Bank of Hong Kong Limited (now known as Industrial and Commercial Bank of China (Asia) Limited) (a company listed on the Hong Kong Stock Exchange) from 1999 to 2000.

Mr. LI Yinquan (李引泉) is a non-executive director of our company. He joined us in April 2001. Mr. Li obtained master's degrees in economics and finance in 1986 and 1988, respectively, and is a senior economist. He has been vice president and chief financial officer of China Merchants Group since March 2004 and an executive director of China Merchants Holdings (International) Company Limited (a company listed on the Hong Kong Stock Exchange) since June 2001. Mr. Li previously served as division chief of the General Affairs Office of the Agricultural Bank of China from 1985 to 1992, an assistant general manager of the International Business Department and head of the Preparatory Group of the New York Branch from 1992 to 1995, deputy general manager of the Personnel and Education Department from 1995 to 1996, deputy general manager of the Hong Kong Branch from 1997 to 1999, and general manager of the Planning and Finance Department of China Merchants Holdings (Hong Kong) Co., Ltd. from 2000 to 2002.

Mr. HUANG Dazhan (黃大展) is a non-executive director of our company. He joined us in February 2002. Mr. Huang obtained a doctorate degree in economics from University of Manchester, the United Kingdom in 1993. Mr. Huang has been the managing director of China Merchants Finance Holdings Company Limited since June 1999, a director of China Merchants Holdings (Hong Kong) Company Limited since April 2000, a financial advisor to China Merchants Group since 1998, a director of China Merchants Securities Co., Limited since March 1999, an executive director of China Merchants China Direct Investments Limited (a company listed on the Hong Kong Stock Exchange) since March 1999, and a director of China Credit Trust Co., Ltd. since November 2005. Mr. Huang also has been the chairman of the board of China Merchants China Investment Management Limited since February 1999, Houlder Insurance Brokers Far East Ltd since March 1999, China Merchants Insurance Company Limited since February 1999, China Merchants Holdings (UK) Co. Ltd. since March 1999, Houlder Insurance Brokers (China) Limited since June 2001, China Merchants Finance Investment Holdings Co., Ltd. since March 1999, China Merchants Houlder Insurance Brokers Far East (Shanghai) Co. Ltd. since November 2004, China Merchants Industry Development (Shenzhen) Ltd. since March 1999, and Shenzhen Yan Qing Investment Development Company Limited since September 2001. He also has been an independent non-executive director of China Wireless Technologies Limited (a company listed on the Hong Kong Stock Exchange) since November 2004, and a supervisor of Industrial Bank Co., Ltd. since June 2004. He previously served as an executive director, a member of the executive committee and chairman of the audit committee of Union Bank of Hong Kong Limited (now known as Industrial and Commercial Bank of China (Asia) Limited) (a company listed on the Hong Kong Stock Exchange) from 1999 to 2000.

Mr. TAN Yueheng (譚岳衡) is a non-executive director of our company. He joined us in June 2004. He obtained a master's degree in monetary banking from the postgraduate faculty of the PBOC in 1986 and a doctorate degree in economics from the postgraduate college of China Social Science Institute in 1989 and is a senior economist and senior visiting scholar of University of Southern California, U.S. He has been the deputy general manager of China Merchants Finance Holdings Company Limited since July 2002 and a chief supervisor of China Merchants Securities Co., Ltd. since March 2003. He previously worked as an economist at the Research and Information Department of the Head Office of Agricultural Bank of China in June 1986, chief officer of the Department of Fiscal and Financial Affairs of the State Planning Commission from 1989 to 1992, deputy general manager and general manager of the International Department of China Southern Securities Company Limited

from 1992 to 1995, general manager and chairman of China Southern Securities Advisory Company from 1995 to 1997, deputy general manager of Jiangnan Finance Limited from 1997 to 2002, director and deputy general manager of CMBI from 1997 to 2002, general manager of Shenzhen New Jiangnan Investment Company Limited from 1997 to 2002 and director of Great Wall Securities Co., Ltd. from 1997 to 2002.

Ms. SUN Yueying (孫月英) is a non-executive director of our company. She joined us in April 2001. Ms. Sun is a university graduate and is a senior accountant. She has been the chief accountant of COSCO since December 2000. She previously served as deputy manager of the Finance Department of Tianji Ocean Shipping Company from 1982 to 1993, head of the General Affairs and Management Department of COSCO Japan Company Limited from 1993 to 1997, deputy general manager of the Accounting and Finance Department from December 1997 to November 1998, general manager of the Treasury Department of COSCO from November 1998 to February 2000 and vice chief accountant of COSCO from February 2000 to December 2000.

Mr. WANG Daxiong (王大雄) is a non-executive director of our company. He joined us in March 1998. Mr. Wang is a university graduate and is a senior accountant. Mr. Wang has been the chief accountant and vice president of China Shipping since January 1998 and 2001, respectively. He has also been a non-executive director of China Shipping Container Lines Company Limited (a company listed on the Hong Kong Stock Exchange) since February 2004, an executive director of China Shipping Development Co., Ltd. (a company listed on the Hong Kong Stock Exchange and SHSE) since August 1997 and chairman of the board of China Shipping (Hainan) Haisheng Shipping and Enterprise Co., Ltd. (a company listed on the SHSE) since July 2001. He previously served as a chief accountant and head of the Finance Department of Guangzhou Maritime Transport (Group) Co., Ltd. from 1996 to 1998.

Mr. FU Junyuan (傅俊元) is a non-executive director of our company. He joined us in March 2000. Mr. Fu obtained a master's degree in business administration and is a senior accountant. Mr. Fu has been chief accountant of China Communications Construction Group (Ltd.) since September 2005. He previously served as deputy head and head of the Infrastructure Auditing Division of the Audit Bureau of the Ministry of Communications from 1989 to 1993, and head of the General Affairs Office of the Audit Bureau of the Ministry of Communications from 1994 to 1996.

Mr. MA Weihua (馬蔚華) is an executive director, the president and chief executive officer of our company. He joined us in January 1999. Mr. Ma obtained a doctorate degree in economics in 1999 and is a senior economist. Mr. Ma is currently a representative of the Tenth National People's Congress and a member of the Fourth Shenzhen Standing Committee of the Chinese People's Political Consultative Conference. He has been chairman of the board of CMBI since September 1999 and of CIGNA and CMC Life Insurance Company Ltd. since September 2003, a director of China Merchants Group since July 2002, and an independent non-executive director of TOM Online Inc. (a company listed on the NASDAQ and the Hong Kong Growth Enterprise Market of the Hong Kong Stock Exchange) since October 2003. He is also vice chairman of the Affiliate of International Commerce Chamber in China, deputy chairman of China Enterprise Directors Association, chairman of the Association of Shenzhen Domestic Banks and the Shenzhen Association of Listed Companies, and a member of the Standing Council of China Society for Finance and Banking and of the Standing Council of the Eighth Council of Red Cross Society of China and a part time professor at over ten higher educational institutions including the Peking University, Nankai University, Jilin University and Southwest Finance University. He previously served as deputy office director of the PBOC in 1990,

deputy director of the Planning and Funding Department of the PBOC from 1991 to 1992, president of the PBOC, Hainan Branch and head of the State Administration of Foreign Exchange, Hainan Branch from 1992 to 1998. He was named as “China Economy Person of the Year” by CCTV in 2001 and one of the “Rising Stars of Banking” by the United Kingdom’s *The Banker* magazine in 2005.

Ms. CHEN Wei (陳偉) is an executive director, executive vice president and chief financial officer of our company. She joined us in February 1993. Ms. Chen obtained a doctorate degree in management in 2006 and is a senior economist. She previously served as deputy head of the Funding and Planning Division from 1986 to 1991 and as head of the Financial Administration Department of the PBOC, Shenzhen Special Economic Zone Branch from 1991 to 1993.

Mr. WU Jiesi (武捷思) is an independent non-executive director of our company. He joined us in September 2005. Mr. Wu obtained a doctorate degree in economics from the PBOC Finance Research Institute in 1996 and conducted post-doctorate research work in theoretical economics at the Economics Institute of Nankai University in 2001. He is a senior economist and a mentor of doctoral students. He has been the managing director and chief executive officer of Hopson Development Holdings Limited (a company listed on the Hong Kong Stock Exchange) since April 2005, an independent non-executive director of Beijing Enterprises Holdings Limited (a company listed on the Hong Kong Stock Exchange) since July 2004, an independent non-executive director of China Insurance International Holdings Company Limited (a company listed on the Hong Kong Stock Exchange) since May 2000, a non-executive director of China Water Affairs Group Limited (a company listed on the Hong Kong Stock Exchange) since February 2006 and a non-executive director of Shenzhen Investment Limited (a company listed on the Hong Kong Stock Exchange) since May 2006. He served in the Industrial and Commercial Bank of China from 1984 to 1995 in various senior positions and was the president of Industrial and Commercial Bank of China, Shenzhen Branch prior to his appointment as Deputy Mayor of the Shenzhen Municipal People’s Government. As the Deputy Mayor between 1995 and 1998, he was responsible for finance, taxation, public revenue, securities, banking and education for the municipality. Mr. Wu was appointed as Assistant to the Governor of Guangdong Provincial People’s Government from 1998 to February 2000. He was the chairman of Guangdong Yue Gang Investment Holdings Company Limited from 2000 to 2005, the chairman of GDH Limited from 2000 to 2005, the honorary president of Guangdong Investment Limited (“GDI”), (a company listed on the Hong Kong Stock Exchange) from March 14, 2004 to April 28, 2005 and the honorary president of Guangdong Tannery Limited (a company listed on the Hong Kong Stock Exchange) from 2004 to 2005.

Mr. Wu assisted the Governor of Guangdong Provincial People’s Government in the handling of the debt restructuring of Guangdong Enterprises (Holdings) Limited (“GDE”) and its subsidiaries and associates (the “GDE Group”). As part of the process, he was appointed as a director of GDE on February 12, 2000. The debt restructuring of the GDE Group was a successful one and closing of the debt restructuring took place on December 22, 2000. He ceased to be a director of GDE from May 8, 2001. The debt restructuring of GDI (an associate of GDE) and its subsidiaries was also completed on December 22, 2000, and all the financial indebtedness under the debt restructuring scheme was repaid or settled in full in May 2003. Mr. Wu served as a director of GDI from March 14, 2000 to April 28, 2005. Neither GDE or GDI has been dissolved or put into liquidation within 12 months after Mr. Wu ceased to act as their director.

Mr. LIN Chuxue (林初學) is an independent non-executive director of our company. He joined us in June 2004. Mr. Lin obtained a bachelor’s degree in electric engineering from Zhejiang University

in 1982 and a master's degree in business administration from University of Stirling, the United Kingdom in 1992. He has been a professor level senior engineer. He has been the vice president of China Three Gorges Project Corporation since January 2002, chairman of Three Gorges Finance Co., Ltd. since May 2002 and director of China Yangtze Power Co., Ltd. since September 2005. He previously served as deputy head of the Mechanical & Electric Division of the Business Department of CITIC Company from 1986 to 1987, head of CITIC Company Bohai Aluminium Project Office from 1987 to 1989, division manager and assistant president of CITIC Development Co., Ltd. from 1989 to 1993, deputy director of the Securities Department of CITIC Company from 1994 to 1995, executive vice president of CITIC Securities Co., Ltd. from 1995 to 1997, director of CITIC Securities Co., Ltd. from 1995 to 2002, supervisor of Zhonghai Trust and Investment Company from 1998 to 2002, deputy director of the Finance Department of CITIC Company from 1997 to 2002, supervisor of the Management Information Center of CITIC Company and deputy managing head of eFinance Office of CITIC Company from 2000 to 2002.

Mr. Austin HU Chang Tau (胡長燾) is an independent non-executive director of our company. He joined us in June 2004. Mr. Hu obtained an MBA degree from The George Washington University, Washington D.C. in 1977. He is an Executive Education Fellow at Woodrow Wilson School of Public and International Affairs, Princeton University, U.S. and a senior consultant of the School of Public Policy and Management, Tsinghua University. He joined the World Bank in 1972 and had been responsible for conducting research in economics and for lending projects of the World Bank. He retired as deputy representative of the Representative Office of the World Bank in China in 2005. He is currently serving as senior consultant to the head of China Office of the World Bank.

Mr. CHOW Kwong Fai, Edward (周光暉) is an independent non-executive director of our company. He joined us in May 2006. Mr. Chow obtained a degree in business from Middlesex Polytechnic (subsequently renamed Middlesex University), the United Kingdom in 1975, and is a member of the Chinese People's Political Consultative Conference — Zhejiang Province and the Election Committee of Hong Kong SAR. Mr. Chow has been the chairman of China Infrastructure Group Holdings PLC since May 1996 and chairman of CIG Yangtze Ports PLC (a company listed on the Hong Kong Stock Exchange) since February 2003. He is a fellow member of The Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and has been an independent non-executive director of COSCO Pacific Limited (a company listed on the Hong Kong Stock Exchange) since June 2005, a deputy chairman of both the Hong Kong Institute of Directors and the Business and Professionals Federation of Hong Kong since July 1997 and June 1998 respectively, deputy chairman of the Professional Accountants in Business Committee of the International Federation of Accountants since 2006 and a core member of the OECD/World Bank Asian Corporate Governance Roundtable since 1999. He previously served as the president of the Hong Kong Institute of Certified Public Accountants in 2005, chairman of its Corporate Governance Committee from 1995 to 2000 and from 2003 to 2004, and chairman of its Professional Accountants in Business Committee from 2001 to 2004. Mr. Chow previously worked for 11 years with Deloitte Haskins & Sells in the UK and Price Waterhouse (as they were then known) in Hong Kong.

Mr. LIU Yongzhang (劉永章) is an independent non-executive director of our company. He joined us in May 2006. He obtained a master's degree in economics from Shanghai University of Finance and Economics in January 1997 and has been an associate professor of the International Business Administration Faculty, a mentor to postgraduates, the deputy secretary to the party committee of the Shanghai University of Finance and Economics and an independent director of

Shanghai Jin Jiang International Industrial Investment Company Limited (a company listed on the SHSE) since June 2004. He previously served as the deputy secretary and secretary to the league committee of the Shanghai University of Finance and Economics from 1984 to 1985, deputy division chief and division chief of the Student Management Division of the Shanghai University of Finance and Economics from 1985 to 1997, a member of the party committee and head of the party organisation committee from 1994 to 1997. From January 1995 to June 1995, he was a visiting scholar of the University of Illinois at Chicago, U.S., where he studied the subject of management.

Ms. *LIU Hongxia* (劉紅霞) is an independent non-executive director of our company. She joined us in May 2006. Ms. Liu obtained a doctorate degree in management from the Central University of Finance and Economics in June 2004 and was a post doctoral fellow in Corporate Governance Center of the Nankai University. She has been a professor in accounting at the Central University of Finance and Economics since November 2003, an accreditations expert of Beijing senior accountants since 2003, a director at Beijing Asia-Pacific Research Center of China Financial Accounting from 1998 to 2004 and a director at the Beijing Institute of Accounting since 2006. She was previously a lecturer at the Capital University of Economics and Business, the Shandong University of Finance, the Central College for Treasury Finance Administration and the Central University of Finance and Economics, School of Accounting, and practised as an auditor with Beijing Zhongzhou Accountancy firm.

Supervisors

<u>Name</u>	<u>Age</u>
Mr. <i>SHI Jiliang</i> (史紀良)	60
Mr. <i>ZHU Genlin</i> (朱根林)	51
Mr. <i>CHEN Haoming</i> (陳浩鳴)	40
Mr. <i>LI Yi</i> (李 毅)	62
Ms. <i>LU Yuhuan</i> (盧玉環)	35
Mr. <i>LIN Rongguang</i> (林榮光)	45
Mr. <i>XIANG Youzhi</i> (項有志)	42
Ms. <i>ZHOU Wenqiong</i> (周文琼)	43
Mr. <i>SHAO Ruiqing</i> (邵瑞慶)	49

Mr. *SHI Jiliang* (史紀良) is the chairman of Board of Supervisors and external supervisor of our company. He is a university graduate and is a senior economist. He is a member of the Tenth National Committee of the Chinese People's Political Consultative Conference. He was formerly vice president of the Heilongjiang branch of the Agricultural Bank of China from 1983 to 1988, vice president of the Tianjin branch of the Agricultural Bank of China from 1988 to 1991, president of the Tianjin branch of the PBOC from 1991 to 1994, president of the Agricultural Bank of China from 1994 to 1997, vice president of the PBOC from 1997 to 2003 and vice chairman of the China Banking Regulatory Commission from 2003 to 2005.

Mr. *ZHU Genlin* (朱根林) is a supervisor of our company. Mr. Zhu obtained a master's degree in economics in 1995 and is a senior economist and associate researcher. He has been the chief financial officer of Shanghai Automotive Industry Corporation (Group) since February 2002 and a supervisor of Shanghai Automotive Co., Ltd. (a company listed on the SHSE) since March 2001. He previously served as the manager of the Planning and Management Department of Shanghai International Trust & Investment Co., Ltd. from 1997 to 1998, general manager and legal representative of Shanghai Shangtou Investment Management Company (上投投資管理公司) from 1997 to 1998, general manager

and chairman of Shanghai Automotive Group Finance Company from 1998 to 2000 and deputy chief accountant of Shanghai Automotive Industry Corporation (Group) from 2000 to 2002.

Mr. CHEN Haoming (陳浩鳴) is a supervisor of our company. Mr. Chen obtained a master's degree in economics from the Central University of Finance and Economics in 2000 and is a senior economist. He has served as a deputy manager of Zhonghai Trust and Investment Co., Ltd. since August 2005. He previously served as the head of the Assets Division of the Finance Department of China National Offshore Oil Corp from 1997 to 2000 and general manager of CNOOC Investment Co., Ltd. from 2000 to 2005.

Mr. LI Yi (李 毅) is a supervisor of our company. Mr. Li is a university graduate and senior economist. He previously served as head of the Planning and Finance Division of Shandong Province Communications Department from 1994 to 1996, head of the Planning and Infrastructure Division from 1996 to 1998 and the general manager of Shandong Communications Development and Investment Company Limited from 1998 to 2005.

Ms. LU Yuhuan (盧玉環) is a supervisor of our company. She is a university graduate and has been an accountant of the Guangdong Provincial Highways Administration Bureau since February 2002. Ms. Lu previously worked as an accountant at the Guangdong Road Affairs Administration Bureau from 1995 to 2000, and the Roads and Bridges Administration Center of Guangdong Provincial Highways Administration Bureau from January 2001 to February 2002.

Mr. LIN Rongguang (林榮光) is an employee representative supervisor of our company. Mr. Lin is a university graduate and an economist. He has been the deputy general manager of our Shenzhen Branch since 2003. He previously served as the deputy branch manager of our Shenzhen Futian Branch from 1993 to 1995, branch manager of our Shenzhen Baoan Branch from 1995 to 1999, general manager of the Risk Management Department of our Shenzhen Branch from 2000 to 2002, and an assistant general manager of our Shenzhen Branch from 2002 to 2003.

Mr. XIANG Youzhi (項有志) is an employee representative supervisor of our company. Mr. Xiang obtained a doctorate degree in management from Xiamen University in 1998 and is a senior accountant. He has been the deputy general manager of our Planning and Finance Department since June 2006. He previously served as the deputy general manager of the Accounting Department at our head office from February 2006 to June 2006 and as an assistant general manager of the Accounting Department at our head office from 2003 to February 2006.

Ms. ZHOU Wenqiong (周文琼) is an employee representative supervisor of our company. Ms. Zhou is a university graduate and is an accountant. She has been the deputy general manager (executive) of the Auditing and Supervision Department of our Shanghai Branch since 2004. She previously served as an assistant general manager of the Accounting Department of our Shanghai Branch from 2001 to 2002 and an assistant general manager (executive) of our Auditing and Supervision Department of our Shanghai Branch from 2002 to 2003.

Mr. SHAO Ruiqing (邵瑞慶) is an external supervisor of our company. Mr. Shao obtained a doctorate degree in Tongji University in May 2005 and is a professor and mentor to doctoral students. He is currently the deputy head of the Shanghai Lixin University of Commerce, the deputy head of the China Association of Communications Accountancy, a director of the China Institute of Accounting Instructors, the deputy head of the Shanghai Association of Communications Accountancy, a director,

and a member of the working committee on higher education of the Shanghai Institute of Accountancy. He has also served as an independent non-executive director of Zhonghai Shipping (Hainan) Haisheng Shipping and Enterprise Co., Ltd. (a company listed on the SHSE) since February 2003, Nanjing Water Transport Industry Co., Ltd. (a company listed on the SHSE) since February 2002, Shenzhen Guangju Energy Co., Ltd. (a company listed on the Shenzhen Stock Exchange) since November 2004 and CHEC Dredging Co., Ltd. since June 2002. Mr Shao was formerly the head of the finance and accounting department of the Shanghai Maritime University, and deputy dean of the school of management and dean of the School of Economic Administration of the Shanghai Maritime University.

Senior Management

<u>Name</u>	<u>Age</u>
Mr. MA Weihua (馬蔚華), president and chief executive officer	58
Ms. CHEN Wei (陳偉), executive vice president and chief financial officer	46
Mr. LI Hao (李浩), executive vice president	47
Mr. TANG Zhihong (唐志宏), executive vice president	46
Ms. YIN Fenglan (尹鳳蘭), executive vice president	52
Mr. LAN Qi (蘭奇), secretary of our Board of Directors	50

Qualified Accountant

Mr. CHENG Ting Nan (鄭鼎南)	37
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Senior Management

Mr. MA Weihua (馬蔚華) is the president and chief executive officer of our company. Please refer to the biography under the paragraph “— Directors.”

Ms. CHEN Wei (陳偉) is an executive vice president and chief financial officer of our company. Please refer to the biography under the paragraph “— Directors.”

Mr. LI Hao (李浩) is an executive vice president of our company. He joined us in May 1997. Mr. Li obtained a master’s degree in business administration in 2000 and is a senior accountant. He served as the deputy head and head of the Enterprise Finance Office of the Finance and Accounting Department of the Ministry of Communications from 1987 to 1994, an assistant director and deputy director of the Finance and Accounting Department of the Ministry of Communications from 1994 to 1997. Mr. Li has been the executive vice president of our company since 1997 and the general manager of our Shanghai Branch from April 2000 to March 2002.

Mr. TANG Zhihong (唐志宏) is an executive vice president of our company. He joined us in May 1995. Mr. Tang graduated from Jilin University in 1982 and is a senior economist. He served as the vice president, president of Jinzhou Branch of the PBOC from 1992 to 1995 and head of the State Administration of Foreign Exchange, Jinzhou Branch from 1994 to 1995. He also served as the deputy general manager of our Shenyang Branch from 1995 to 1998, and during the period from 1997 to 1998, he was seconded to our Shenzhen Branch as the deputy general manager. He was the general manager of our Lanzhou Branch from 1998 to 1999, the general manager of our Shanghai Branch from 1999 to 2000 and the general manager of our Shenzhen Branch from 2000 to 2004. He has been our executive vice president since 2004. Mr. Tang is also a director of CIGNA and CMC Life Insurance Company Ltd. and China UnionPay Co., Ltd.

Ms. YIN Fenglan (尹鳳蘭) is an executive vice president of our company. She joined us in May 1994. Ms. Yin obtained a master's degree in 1998 and is a senior economist. She worked previously at the PBOC Beijing City Branch as the deputy head of the Currency Issuance Department from April 1986 to November 1986, deputy director and director of the General Office Department of the PBOC Beijing City Branch from 1986 to 1993, and assistant manager and manager of the Planning Capital Department of the PBOC Beijing City Branch from 1993 to 1994. She also worked as the deputy general manager, general manager of our Beijing Branch from 1994 to 2004 and has been the executive vice president of our company since 2004.

Mr. LAN Qi (蘭 奇) is the secretary of our Board of Directors and head of the Office of our Board of Directors. Please refer to the biography under the paragraph “— Joint Company Secretaries”.

Joint Company Secretaries

Mr. LAN Qi (蘭 奇) is one of the joint company secretaries of our company. Mr. Lan also serves as the secretary of our Board of Directors and as head of the Office of our Board of Directors. He joined us in April 1993. Mr. Lan obtained a master's degree in economics from monetary banking specialty of the graduate institute of the PBOC in 1987 and is a senior economist. He previously served as deputy head of the Financial Administration Division of PBOC Jiangxi Branch and vice president of PBOC Jiangxi Province Pingxiang City Branch from 1987 to 1993. Mr. Lan has been working in our company since 1993. He previously served as deputy general manager, general manager of the Development and Research Department of our head office from April 1993 to August 1993, deputy general manager of the Securities Department of our head office from August 1993 to June 1995, deputy general manager of CMB Securities Company from August 1993 to June 1995, general manager of the Human Resources Department, Research Department and Merchant Banking Department of our head office from 1996 to 2002 and general manager of CMBI and office chief of our General Affairs Office from 2000 to 2004.

Mrs. SENG Sze Ka Mee, Natalia (沈施加美), aged 49, is one of the joint company secretaries of our company. She joined us in August 2006. Mrs. Seng has been an executive director of Tricor Services Limited and head of its Corporate Services Division since January 2006. Mrs. Seng is a Fellow of The Hong Kong Institute of Chartered Secretaries, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Directors. Mrs. Seng had worked for over 20 years in the Company Secretarial Department of Ernst & Young and she has served many listed companies over these years. Mrs. Seng is currently the company secretary of Ping An Insurance (Group) Company of China, Ltd. and Parkson Retail Group Limited (both of which are listed on the Hong Kong Stock Exchange) since February 2004 and November 2005, respectively, and as the company secretary of the manager of Prosperity Real Estate Investment Trust (a real estate investment trust listed on the Main Board of the Hong Kong Stock Exchange) since October 2005.

Rule 8.17 and Rule 19A.16 Requirements

According to Rule 8.17 of the Hong Kong Listing Rules, the secretary of the company must be a person who is ordinarily resident in Hong Kong, who has the requisite knowledge and experience to discharge the functions of secretary of the listed company and who:

- (a) is an Ordinary Member of The Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance or a professional accountant; or

- (b) is an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of a company secretary of an issuer.

Rule 19A.16 of the Hong Kong Listing Rules, however, provides that the secretary of a PRC issuer need not be ordinarily resident in Hong Kong, provided such person can meet the other requirements of Rule 8.17.

As Mr. Lan does not possess the requisite experience and qualifications as required under Rule 8.17(2) of the Hong Kong Listing Rules, he does not meet all the requirements under Rule 8.17.

In view of the above, the company has appointed Mrs. Seng, who meets the requirements under Rule 8.17 of the Hong Kong Listing Rules, as a joint company secretary to assist Mr. Lan to enable him to acquire the “relevant experience” under Rule 8.17(3) of the Hong Kong Listing Rules. Both of them will jointly discharge the duties and responsibilities with reference to their past experience and education background and the respective working environment.

Further, Mrs. Seng, as a joint company secretary, will work closely with, and provide assistance to, Mr. Lan in the discharge of his duties as joint company secretary. Mrs. Seng is familiar with and as a resident in Hong Kong, has easy access to the governing bodies such as the Hong Kong Stock Exchange, the SFC as well as the Hong Kong Companies Registry. In the opinion of the company and the Joint Sponsors, Mrs. Seng is a suitably qualified person to accompany and render assistance to Mr. Lan so as to enable Mr. Lan to acquire the “relevant experience” as is normally required of him as a company secretary under Rule 8.17(3) of the Hong Kong Listing Rules.

Mrs. Seng has been engaged as our joint company secretary for a period of three years from August 2006. Given Mr. Lan’s qualification and past experience, it is anticipated that Mr. Lan will gain experience with the assistance of Mrs. Seng. Upon expiry of the three-year period, a further evaluation of the qualification and experience of Mr. Lan and the need for on-going assistance would be made. It is expected that the Company and Mr. Lan would then endeavor to demonstrate to the Hong Kong Stock Exchange’s satisfaction that Mr. Lan, having had the benefit of Mrs. Seng’s assistance, would by then have acquired the “relevant experience” within the meaning of Rule 8.17(3).

We have applied to the Hong Kong Stock Exchange for, and have been granted, a waiver from strict compliance with the requirements of Rule 8.17 and Rule 19A.16 of the Hong Kong Listing Rules. Upon the expiration of the three-year period, we will re-evaluate the qualifications and experience of Mr. Lan to determine whether the requirements as stipulated in Rule 8.17 can be satisfied.

Qualified Accountant

Mr. CHENG Ting Nan (鄭鼎南) became a qualified accountant of our company on a full time-basis in May 2006. He is a member of the senior management. Mr. Cheng joined us in August 2003 and served as the Head of Accounting Department of our Hong Kong Branch. Mr. Cheng has over 12 years of financial management and accounting experience working for international banks in Hong Kong. Mr. Cheng is a Certified Public Accountant, an Authorized Supervisor of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, the United Kingdom. He graduated from City University of Hong Kong with a

bachelor degree in accounting and received a master's degree in business administration from the Open University of Hong Kong.

COMPENSATION OF DIRECTORS, SUPERVISORS AND OFFICERS

Our executive directors, employee supervisors and officers receive compensation in the form of salaries, bonuses and housing allowances. In addition, as required by PRC regulations, we participate in various defined contributions retirement plans organized by the provincial or municipal governments for our employees. Our independent non-executive directors and external non-employee supervisors receive fees based on their responsibilities.

The aggregate fees and compensation paid to our directors and supervisors for the three years ended December 31, 2005, 2004 and 2003 were approximately RMB14,398,000, RMB13,753,000 and RMB16,190,000, respectively. In addition, aggregate contributions paid to pension scheme for our directors and supervisors were approximately RMB516,000, RMB117,000 and RMB167,000, respectively in those periods. The aggregate fees and compensation paid to the five individuals with highest emoluments (which includes certain directors and supervisors) for the three years ended December 31, 2005, 2004 and 2003 were approximately RMB20,754,000, RMB19,694,000 and RMB19,124,000, respectively.

Under arrangements currently in force, the estimated remuneration and benefits in kind receivable by our directors and supervisors in respect of the year ending December 31, 2006 is approximately RMB11,920,000.

Share Appreciation Rights Plan

In order to motivate and incentivize our senior management and other key employees, we plan to adopt a share appreciation rights plan. The plan is designed to align the financial interests of our senior management and key employees with our future results of operations and the performance of our H Shares. The plan has been approved by our Board of Directors but is pending regulatory and shareholders' approval. The following describes the proposed plan as approved by our Board of Directors.

Eligible participants for our share appreciation rights plan will include senior management and other key employees designated by our Board of Directors. Under the plan, we may grant to eligible participants share appreciation rights, up to 25% of which are exercisable in each year after the second anniversary of the date of the grant. The amount of share appreciation rights which may be granted to eligible participants annually ranges from 90,000 rights to 300,000 rights. All share appreciation rights will have an exercise period of ten years from the date of grant and will lapse after the ten-year term or when the relevant participant ceases to be employed by us for whatever reason, whichever is the earlier.

Eligible participants will be entitled to receive an amount equal to the difference, if any, between the closing market price of our H Shares on the last trading day immediately preceding the written notification of exercise by the relevant participant and the exercise price. The exercise price of the share appreciation rights will be the average closing price of our H Shares for the month immediately preceding the date of grant to the relevant participant.

WAIVERS FROM STRICT COMPLIANCE WITH RULE 8.12 AND RULE 19A.15 OF THE HONG KONG LISTING RULES

According to Rule 8.12 of the Hong Kong Listing Rules, an issuer must have a sufficient management presence in Hong Kong with at least two of the issuer's executive directors ordinarily resident in Hong Kong. However, pursuant to Rule 19A.15 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange may for issuers incorporated in the PRC grant a waiver from the requirement of Rule 8.12 of the Hong Kong Listing Rules.

We conduct substantially all of our operations in the PRC, and we do not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong. Most of our directors reside in the PRC. We will have certain internal arrangements to maintain effective communication with the Hong Kong Stock Exchange, including (i) appointing Mr. Ma Weihua and Ms. Chen Wei as our authorized representatives to act as one of our principal channels of communication with the Hong Kong Stock Exchange; (ii) appointing Mrs. Seng Sze Ka Mee, Natalia, one of our joint company secretaries, to serve as alternate to the authorized representatives (all three persons mentioned earlier will be readily reachable by the Hong Kong Stock Exchange); and (iii) retaining the Compliance Advisor to act as one of our principal channels of communication with the Hong Kong Stock Exchange pursuant to Rule 19A.06(4) of the Hong Kong Listing Rules for a period commencing on the date of the listing of our H Shares until the date on which our company announces our financial results and dispatches our annual report for the first full financial year following listing. Mr. Ma Weihua and Ms. Chen Wei have indicated that, where necessary, they would endeavor to make arrangements to travel to Hong Kong to meet with the Hong Kong Stock Exchange within a reasonable time frame upon the request of the Hong Kong Stock Exchange and be readily available by telephone, facsimile and email. Mrs. Seng is a resident of Hong Kong.

Accordingly, pursuant to Rule 19A.15, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements to have a sufficient management presence in Hong Kong.

COMMITTEES UNDER THE BOARD OF DIRECTORS

Our Board of Directors has established an Audit and Related Party Transactions Control Committee, and its main duties are: to propose the appointment or replacement of the external auditors; to monitor our internal auditing system and its implementation; to be responsible for the communication between internal auditors and external auditors; to audit our financial information and its disclosure; to examine our internal control system; to examine our material related party transactions; and to perform other matters as authorized by our Board of Directors. Current members of the Audit and Related Party Transactions Control Committee include Wang Daxiong, Fu Junyuan, Chow Kwong Fai, Edward, Liu Hongxia and Lin Chuxue, of which three are independent non-executive directors and two are non-executive directors, with Liu Hongxia acting as the chairwoman.

Our Board of Directors has established a Risk Management Committee, and its main duties are: to monitor the risk management in respect of credit risk, market risk and operational risk by our senior management; to conduct regular assessments on our risk status; to put forward proposals on perfecting our risk management and internal control; and to perform other matters as authorized by our Board of Directors. Current members of the Risk Management Committee include Sun Yueying, Huang Dazhan, Wang Daxiong, Chen Wei and Austin Hu Chang Tau, with Sun Yueying acting as the chairwoman.

Our Board of Directors has established a Remuneration and Appraisal Committee, and its main duties are: to study the standards for appraising directors and senior management, conduct appraisals according to our actual situation and accordingly put forward proposals; to study and formulate remuneration policy and plans of directors and senior management; and to perform other matters as authorized by our Board of Directors. Current members of the Remuneration and Appraisal Committee include Li Yinquan, Fu Junyuan, Liu Yongzhang, Wu Jiesi and Austin Hu Chang Tau, with Austin Hu Chang Tau acting as the chairman.

Our Board of Directors has also established a Nomination Committee, and its main duties are: to put forward proposals to our Board of Directors relating to the size and composition of our Board of Directors based on our business activities, asset scale and shareholding structure; to study the standards and procedures for electing directors and senior management and put forward proposals to our Board of Directors; to conduct extensive searches for qualified candidates for directors and senior management; to conduct preliminary examination of the candidates for directors and senior management and put forward proposals; and to perform other matters as authorized by our Board of Directors. Current members of the Nomination Committee include Fu Yuning, Ma Weihua, Lin Chuxue, Liu Yongzhang and Liu Hongxia, with Lin Chuxue acting as the chairman.

Our Board of Directors has also established an Executive Committee, and its main duties are: to examine and supervise the implementation of the board resolutions; to regularly review the work reports of the management team of the president in relation to our operation and management; to examine our material matters, including changes in senior management, changes in departmental organs above the branch level and significant investment matters; to decide on the basis for distributing the president incentive fund; to put forth proposals and plans on important matters requiring discussion and decision of our Board of Directors; to analyze the medium- to long-term development strategies and material investment decisions of our company and provide recommendations; and to perform other duties as authorized by our Board of Directors. Current members of the Executive Committee include Fu Yuning, Wei Jiafu, Wang Daxiong, Fu Junyuan and Ma Weihua, with Fu Yuning acting as the chairman.

COMPLIANCE ADVISORS

We will appoint CICC Hong Kong and UBS AG as our joint compliance advisors (the “Compliance Advisors”) upon listing in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

We expect to enter into a compliance advisors’ agreement with the Compliance Advisors, the material terms of which we expect to be as follows:

- (a) our company will appoint the Compliance Advisors as our joint compliance advisors for the purpose of Rule 3A.19 of the Hong Kong Listing Rules for a period commencing on the date of the listing of 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 first full financial year commencing after the date of listing, or until the agreement is terminated, whichever is earlier;
- (b) the Compliance Advisors shall provide us with certain services, including providing guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and applicable laws, rules, codes and guidelines and, where appropriate, acting as one of our principal channels of communication with the Hong Kong Stock Exchange; and

MANAGEMENT

- (c) we will agree to indemnify the Compliance Advisors for actions against and losses incurred by the Compliance Advisors arising out of, or in connection with, certain events including the performance by the Compliance Advisors of their duties under the agreement.