You should carefully consider, in addition to the other information contained in this prospectus, including the risks and uncertainties described below, carefully before making an investment decision. You should pay particular attention to the fact that we are a PRC company and are governed by a legal and regulatory environment that in some respect differs from that which prevails in other countries. Our business, financial condition or results of operations could be affected materially and adversely by any of these risks. The trading price of our H Shares could decline due to any of these risks, and you may lose all or part of your investment. For more information concerning the PRC and certain related matters discussed below, see "Regulation and Supervision".

RISKS RELATING TO OUR LOAN PORTFOLIO

If we are unable to effectively maintain the quality of our loan portfolio, our financial condition and results of operations may be materially and adversely affected.

Our results of operations are negatively impacted by our non-performing loans, and the sustainability of our growth depends largely on our ability to effectively manage our credit risk and maintain the quality of our loan portfolio (including related party loans). We have undertaken various initiatives to improve our credit risk management system. See "Risk Management — Overview." As of December 31, 2006, 2005 and 2004, our non-performing loans were RMB 11.6 billion, RMB 15.3 billion and RMB 19.3 billion, respectively. For additional information on our asset quality, see "Assets and Liabilities — Assets — Asset Quality of Our Loan Portfolio." However, we cannot assure you that our credit risk management system is free from deficiency. Failure of our credit risk system to perform effectively may result in an increase in the level of our non-performing loans and adversely affect the quality of our loan portfolio (including related party loans). In addition, the quality of our loan portfolio may also deteriorate due to various other reasons, including factors beyond our control. If such deterioration were to occur, it would materially and adversely affect our financial condition and results of operations.

Actual losses on our loan portfolio may exceed our allowance for impairment losses in the future.

As of December 31, 2006, our allowance for impairment losses on loans was RMB 9,786 million, the ratio of our allowance for impairment losses to total loans to customers was 2.1%, and the ratio of our allowance for impairment losses to non-performing loans was 84.6%. The amount of the allowance is based on our current assessment of various factors affecting the quality of our loan portfolio and our expectation of changes to these factors that may affect the quality of our loan portfolio in the future. These factors include, among other things, (i) the financial condition, repayment ability and repayment intention of our borrowers; (ii) the realizable value of any collateral and the ability of the guarantor to perform its obligations; and (iii) general factors relating to China, such as its economy, interest rates, exchange rates, legal and regulatory environment and government economic policies, including its recent policies regarding the property development industry. Although we have made provisions based on what we believe to be a prudent assessment of these factors and expectation of changes to these factors, due to uncertainties of future developments and the fact that many of these factors are partially or entirely beyond our control, we cannot assure you that our assessment of and expectations concerning these factors will not differ from actual developments, or that the quality of our loan portfolio will not deteriorate. The occurrence of any of the foregoing may result in our allowance for impairment losses being inadequate to cover our actual losses and we may need to make additional provisions for impairment losses, which may materially and adversely affect our net profit and financial condition.

We face concentration risks on our credit exposure to certain customers.

As of December 31, 2006, loans to our ten largest single borrowers totaled RMB 21,134 million, which represented 4.6% of our total loans. As of the same date, loans to our ten largest group borrowers totaled RMB 22,407 million, which represented 4.8% of our total loans. We are a subsidiary of the CITIC Group and extend related party loans in the ordinary course of our business. If any of the loans to our such single or group borrower (including CITIC Group and its subsidiaries and other related parties) deteriorate, our asset quality will be adversely affected. In addition, our allowance for impairment losses may not be adequate to cover our actual losses and we may need to make additional provisions for impairment losses, which may materially and adversely affect our financial condition.

We face concentration risks on our credit exposure to certain industry sectors.

As of December 31, 2006, our loans to the (i) manufacturing (which includes, among others, steel, automobile, mechanical manufacturing and electronics industries); (ii) wholesale and retail; (iii) production and supply of electric power, gas and water industries; and (iv) transportation, storage and post service represented 29.4%, 9.1%, 10.3% and 9.7%, respectively, of our total corporate loan portfolio. If any of the industries in which we face concentration risks experiences a significant downturn, whether as a result of macroeconomic policy measures, general economic downturn or otherwise, our asset quality may be adversely affected. Recent macroeconomic policy measures that have materially affected some of these industries include those aimed at moderating "over-heating" in the real estate market, which have affected the growth in prices and the volume of sales in this industry, and recent reforms of the electricity tariff setting mechanism in the power generation industry, which may limit the profitability of power producers. In addition, our allowance for impairment losses may not be adequate to cover our actual losses, and we may need to make additional provisions for impairment losses, which may materially and adversely affect our net profit.

We may be unable to realize the full value of the collateral pledged or guarantees granted to secure our loans.

As of December 31, 2006, 31.5% of our loans were secured by collateral, which consist of real estate and other financial and non-financial assets located in the PRC. Any significant decline in the value of the collateral securing our loans, whether as a result of macroeconomic policy measures, general economic downturn or otherwise, may result in a reduction in the amount we can recover from any collateral realization if borrowers default and an increase in our impairment losses. Moreover, in certain circumstances, our rights to the collateral securing our loans may have lower priority than certain other rights. For example, according to the new Bankruptcy Law of the PRC promulgated on August 27, 2006, which will become effective on June 1, 2007, claims for the amount that a company in bankruptcy owed to its employees prior to August 27, 2006, including salaries, benefits and other fees and expenses, if not adequately provided for in accordance with liquidation proceedings, will have priority to our rights to the collateral. In addition, the procedures for liquidating or otherwise realizing the value of collateral of borrowers in China may be protracted or ultimately unsuccessful, and the enforcement process in China may be difficult for legal and practical reasons. As a result, it is often difficult and time-consuming for banks to take control of or liquidate the collateral securing non-performing loans. For the foregoing reasons, we may be unable to realize the expected value on collateral in a timely manner or at all.

A material portion of our loans is backed by guarantees provided by third parties. As of December 31, 2006, 34.1% of our loans (excluding discounted bills) were guaranteed. A significant deterioration in the financial condition of the guarantors may significantly decrease the amounts we may recover from them upon any default. Moreover, we are subject to the risk of guarantees being deemed invalid by a court if a guarantor fails to satisfy the requirements of the PRC laws under certain circumstances. For instance, under the PRC Guarantee Law, no branches of an enterprise legal person may act as guarantors without appropriate written authorization from the legal person.

If we fail to realize the full value on all or a significant portion of the collateral securing our loans or of guarantees on a timely basis, our overall asset quality and financial condition may be adversely affected as a result.

Future amendments to IAS 39 and interpretive guidance on its application may require us to change our loan provisioning practice.

Our allowance for impairment losses on loans and advances are determined in accordance with IAS 39 which became effective on January 1, 2005, on the recognition and measurement of financial instruments. The Authoritative Interpretative Bodies have been asked by their constituents to consider providing interpretive guidance relating to the application of IAS 39. The IASB may issue amendments to IAS 39 and the Authoritative Interpretive Bodies may issue authoritative interpretive guidance relating to IAS 39. Future amendments and interpretive guidance relating to IAS 39 may require us to change our current loan-provisioning practice and may significantly increase our allowance for impairment losses on loans and advances and may adversely affect our financial condition and results of operations.

A significant portion of our loans have maturities of one year or less or may be prepaid without incurring any penalty. A failure to renew such loans or prepayment on a substantial portion of our loans may reduce our interest income significantly.

A substantial majority of our loans are due within one year. As of December 31, 2006, loans to customers due within one year totaled RMB 292,386 million, representing 63.1% of our total loans. Moreover, the terms of our loans typically permit prepayment without penalty if certain conditions are satisfied. If our customers decide to borrow from our competitors or if alternative, more attractive financing methods emerge, these customers may prepay or not renew their loans upon maturity. For example, in May 2005, the PBOC promulgated regulations allowing qualified corporations to issue domestic short-term financing bonds, and the domestic commercial paper market has grown rapidly since then. See "Banking Industry in the PRC — Industry Trends — Rapid Growth of Direct Corporate Financing." As compared with bank loans, domestic short-term financing bonds has recently borne lower interest rates. If a substantial number of our customers which are qualified under the applicable regulations choose to issue domestic short-term financing bonds to fund their short-term capital needs, we may need to seek alternative use of funds. If such alternative use of funds generates lower yields, our business, financial condition and results of operations may be adversely affected.

RISKS RELATING TO OUR BUSINESS

We cannot assure you that our risk management and internal control policies and procedures can adequately control or protect us against credit and other risks.

We have in the past suffered from credit-quality problems, lapses in credit approval and control processes, internal control deficiencies and operational problems as a result of weaknesses in our risk management and internal controls. The deficiencies in our current system and practices may also adversely affect our ability to timely and accurately record, process, summarize and report financial and other data. We have significantly modified and enhanced our risk management policies and procedures in recent years in an effort to improve our risk management capabilities and enhance our internal controls, including our internal audit function. See "Risk Management — Overview." However, as these policies and procedures are relatively new, we will require additional time to fully measure the impact of, and evaluate compliance with, these policies and procedures. Moreover, our staff will require time to adapt to these policies and procedures, and we cannot assure you that our staff will be able to consistently follow or correctly apply these policies and procedures.

Our risk management capabilities are limited by the information, tools or technologies available to us. Furthermore, our ability to control market risk and liquidity risk is constrained by the current PRC laws and regulations that restrict the types of financial instruments and investments we may hold. See "Regulation and Supervision — PRC Regulation and Supervision — Regulation of Principal Commercial Banking Activities". If we are unable to effectively implement the enhanced risk management and internal control policies and procedures, or if we do not achieve our intended results of such policies and procedures in a timely manner, our asset quality, results of operations and financial condition may be materially and adversely affected.

We may encounter difficulties in effectively implementing centralized management and supervision of our branches, as well as consistent application of our policies throughout the bank; and we cannot assure you that it is always possible to detect and prevent fraud or other misconduct committed by our employees or third parties.

As of December 31, 2006, we had 446 branches and outlets throughout the PRC. Although we have continuously sought to enhance management and supervision of branches, we cannot assure you that we can always timely detect or prevent operational or management problems at our branches. In addition, due to limitations of our current information technology system, which is in the process of being upgraded, we are not always able to timely detect or effectively prevent operational or management problems at these branches.

There have been some cases involving fraud or other misconduct by employees or third parties against us in recent years. Although we are increasing our efforts to detect and prevent employee and outside parties' misconduct and fraud, it may not always be possible to detect or deter such activities, and the precautions we take to detect and deter these activities may not be effective in all cases. The occurrence of such activities could subject us to financial losses and sanctions imposed by governmental authorities, which may seriously harm our reputation. Types of misconduct by our employees in the past have included, among other things: fraud, theft, misappropriation of customers' funds, misappropriation of bank funds and improper guarantees. See "Risk Management — Operational Risk Management — Reporting and Monitoring of Non-compliance." Types of misconduct by third parties against us have included, among other things, fraud, theft and robbery. In addition, our employees may commit errors that could subject us to financial claims as well as regulatory actions. We cannot assure you that employee or third party misconduct, whether involving past acts that have gone undetected or future acts, will not have a material adverse effect on our business, results of operations and financial condition.

We are subject to liquidity risk.

As of December 31, 2006, our assets and liabilities with maturities of one year or less or overdue/repayable on demand totaled RMB 441,287 million and RMB 616,376 million, respectively. Accordingly, we had, and expect to continue to have, a significant mismatch between the maturities of our funding and the maturities of our assets. Customer deposits historically have been the main source of our funding and the main component of our liabilities. As of December 31, 2006, customer deposits with maturities of one year or less or payable on demand totaled RMB 572,861 million, or 92.9% of our total liabilities with maturities of one year or less or repayable on demand. In our experience, in part due to the lack of alternative investment products in China, our short-term customer deposits have generally not been withdrawn upon maturity and have thus represented a stable source of funding. However, we cannot assure you that this will continue to be the case, particularly as more alternative investment products become available. If a substantial portion of our depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, we may need to seek alternative sources of funding to meet our funding requirements. The availability of alternative sources of funding may be adversely affected by factors beyond our control, such as deterioration of market conditions and disruptions of the financial markets. For the foregoing reasons, if we fail to meet our liquidity requirements through customer deposits and other sources of funding, or if our sources of funding become more expensive, our liquidity position, results of operations and financial condition may be materially and adversely affected.

Our business is highly dependent on the proper functioning and improvement of our information technology infrastructure.

We are highly dependent on our information technology infrastructure to deliver services to our customers, manage risks, implement our internal control systems and manage and monitor our business operations.

We have backup data for our key data processing systems and communication networks and have established a catastrophe backup center to ensure the continuous operation of our businesses in the event of catastrophes or a failure of our primary systems. However, we do not backup all systems on a real-time basis and the effectiveness of our backup system may be materially affected by whether we can successfully implement complex procedures and the availability of financial and human resources. As a result, we cannot assure you that our business activities will not be disrupted if there is a partial or complete failure of any of our primary information technology systems or communication networks.

In addition, misappropriation of data by our employees and security breach caused by unauthorized access to our systems, or intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, could have a material adverse effect on our business, results of operations and financial condition.

Our current information technology systems do not cover all our business activities. As a result, we have to manually consolidate and process data in some of our business activities, which increases the risk of inaccuracies and limits our ability to make data available in a timely manner, and may have adverse impact on the management of our businesses. In addition, our information system has limitations in automatically processing and consolidating group borrower exposure across products, across related companies and across lending offices as well as measuring risks for off-balance sheet arrangements, including measuring concentration risks relating to such arrangements. These limitations on detecting customer concentration risk may affect our ability to monitor our group borrower concentration risk.

Our ability to upgrade our information technology systems on a timely and cost-effective basis is critical to maintain our competitiveness. We are making and intend to continue to make investments to improve or upgrade our information technology systems. Any failure to successfully upgrade, or any disruption in, our information technology infrastructure could materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to credit risk with respect to certain off-balance sheet commitments and guarantees.

In the normal course of our business, we make commitments and guarantees which are not reflected as liabilities on our balance sheet, including providing financial guarantees and letters of credit to guarantee the performance of our customers to third parties, and providing bank acceptances. See "Financial Information — Off-Balance Sheet Commitments." We are subject to credit risk on our commitments and guarantees because certain of our commitments and guarantees may need to be fulfilled as a result of non-performance by our customers. If we are not able to obtain repayment from our customers in respect of these commitments and guarantees, our results of operations and financials may be materially and adversely affected.

We are subject to risks associated with our derivative transactions.

We enter into swap, option and other derivative transactions primarily for hedging purposes and, to a lesser extent, on behalf of our customers. We are subject to market and operational risks associated with these transactions. With respect to derivative transactions on behalf of our customers, we are also exposed to the risk of our customers' failure to consummate transactions with us. In addition, the market practice and documentation for derivative transactions currently are not well developed in the PRC, and the PRC courts have limited experience in dealing with issues related to derivative transactions, which may further increase the risks associated with these transactions. In addition, our ability to adequately monitor, analyze and evaluate these derivative transactions is subject to the development of our information technology systems. Any significant losses we incur as a result of the derivative transactions we enter into may materially and adversely affect our financial condition and results of operations.

We cannot assure you that we will be able to successfully maintain our growth or otherwise obtain sufficient resources to support such growth.

Our rapid growth in recent years has placed significant demands on our managerial, operational and capital resources. The expansion of our business activities also exposes us to a number of risks and challenges, including limited or no experience in certain new business activities; recruiting, training and retaining personnel with the proper experience and knowledge to handle new and existing business activities and adequately staff our back office and support functions; and enhancing and expanding our risk management information technology systems to effectively manage the risks associated with these new business activities, products and services. Moreover, the measures that we are taking to expand our business activities and manage the risks associated with new business activities are relatively new and additional time will be required for our employees to implement and adjust to changes resulting from these new measures. In addition, these new measures may not have the desired effects on our corporate structure, corporate governance or other aspects of our operations. We cannot assure you that we will continue to grow at our current rate. In addition, we may not be able to achieve the intended results in these new business activities in all cases. To the extent that we are not able to manage our growth successfully or otherwise obtain sufficient resources to support such growth, our business, financial condition, results of operations and prospects may be adversely affected.

Our expanding range of products and services exposes us to new risks.

We have experienced rapid expansion in recent years and intend to continue to expand the range of our products and services. Expansion of our business activities exposes us to a number of risks and challenges, including the following:

- we may have limited or no experience in certain new business activities and may not compete effectively in these areas;
- there is no guarantee that our new business activities will meet our expectations of profitability;
- we will need to hire or retrain capable personnel, to conduct new business activities; and
- we must continually enhance the capability of our risk management and upgrade our information technology systems to support a broader range of activities.

If we are not able to achieve the intended results in new business areas due to any of the above or other factors, our business, results of operations and financial condition may be materially and adversely affected. In addition, if we fail to promptly identify and expand into new areas of business to meet the increasing demand for certain products and services, we may fail to maintain our market share or lose some of our existing customers to our competitors.

We face risks relating to the PRC banking regulatory requirements and guidelines.

We are subject to certain requirements and guidelines set by the PRC banking regulatory authorities, including capital adequacy requirements, operational requirements and restrictions on equity ownership in non-banking entities.

We are required by the CBRC to maintain a minimum core capital adequacy ratio of 4.0% and capital adequacy ratio of 8.0%. In recent years, our controlling shareholder, CITIC Group, has provided significant financial support to us to enhance our capital adequacy and enable us to meet capital adequacy requirements. We received from CITIC Group RMB 7.4 billion, RMB 8.6 billion and RMB 2.5 billion, as contribution to equity, in 2006, 2005 and 2004, respectively. In 2006 and 2004, we issued subordinated bonds and debt, respectively, each with an aggregate value of RMB 6.0 billion, that qualify as supplementary capital. As of December 31, 2006, our core capital adequacy ratio was 6.57% and our capital adequacy ratio was 9.41%. In addition to our proceeds from the Global Offering, we may be required to raise additional core or supplementary capital in the future in order to maintain our capital adequacy ratios above the minimum levels required under the CBRC regulations. We cannot assure you that CITIC Group will continue to provide additional financial support to us after the Global Offering.

In addition, our ability to obtain additional capital may be restricted by a number of factors, including:

- our future financial condition, results of operations and cash flows;
- any necessary government regulatory approvals;
- our credit rating;

- general market conditions for capital-raising activities by commercial banks and other financial institutions; and
- economic, political and other conditions both within and outside the PRC.

If we require additional capital in the future, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. Furthermore, the CBRC may increase the minimum capital adequacy requirements or change the method of calculating capital adequacy. Accordingly, although we currently meet the applicable capital adequacy requirements, we may face difficulties in meeting these requirements in the future. If we fail to meet the capital adequacy requirements, the CBRC may take certain actions against us, including restricting our asset growth, suspending all but our low-risk activities and imposing restrictions on the payment of dividends. Any of these actions could materially and adversely affect our reputation, results of operations and financial condition.

In addition, we are required or recommended to satisfy certain liquidity and operational ratio requirements and guidelines issued by regulatory authorities. During the three years ended December 31, 2006, we were on occasion unable to meet certain of these operational requirements and guidelines. See "Regulation and Supervision — PRC Regulation and Supervision — Operating Requirements — Operational and Risk Management Ratios."

As a PRC commercial bank, we are also restricted from holding equity interests in non-banking entities in the PRC. In the past we held certain equity interests in non-banking entities in the PRC. We had subsequently disposed of such holdings in June 2006.

We have not been subject to sanctions as a result of our failure to meet capital adequacy and operational requirements and equity ownership restrictions. However, we cannot assure you that we will be able to meet these requirements and guidelines at all times in the future, or that no sanction will be imposed on us in the future if we fail to do so. Possible sanctions may include fines, forfeiture of illegal gains, or in the most serious cases, revocation or imposition of restrictions on approvals on specific products or services we provide, or suspension of our business or revocation of our business license. If sanctions are imposed on us for the breaches of these or other requirements and guidelines, our reputation, business, results of operations and financial condition may be materially and adversely affected.

We do not possess the relevant land use rights certificates or building ownership certificates for some of the properties we own, and some of our lessors may not possess the relevant title certificates or have consent from the owners to sublet some of the properties occupied by us.

As of January 31, 2007, we leased approximately 754 properties with an aggregate lease area of approximately 405,403.46 square meters, primarily as business premises for our branch outlets, representing approximately 38.2% of the total area we occupy. Of those properties we leased as of that date, we failed to register the relevant lease agreements with the authorities with respect to 543 properties with an aggregate gross floor area of 263,741.45 square meters. With respect to 318 of the lease properties with an aggregate lease area of approximately 144,711.5 square meters, the lessors were not able to provide the title certificates or documents evidencing the authorization or consent of the owners of such properties. See "Business — Properties — Leased Properties." As a result, third parties may be able to challenge the validity of our leases. In addition, we cannot assure you that we will be able to renew our leases on terms acceptable to us upon their expiration. If any of our leases were terminated as a result of challenges by third parties or expiration, we may be forced to relocate these affected branch outlets and, if we fail to find suitable replacement sites on terms acceptable to us for a significant number of these affected branch outlets, our operations may be disrupted.

As of January 31, 2007, we occupied 248 properties with an aggregate gross floor area of approximately 655,289.99 square meters in China, including 50 properties with an aggregate gross floor area of approximately 61,798.73 square meters for which we do not have the relevant granted land use rights certificates or building ownership certificates or both. See "Business — Properties — Owned Properties." We are in the process of applying for the relevant granted land use rights and building ownership certificates that we do not yet hold. However, we may not be able to obtain certificates for all of the 50 properties due to various title defects or for other reasons. We cannot assure you that our ownership rights will not be adversely affected in respect of any parcels of land or buildings for which we were unable to obtain the relevant certificates, and as a result, we may be subject to lawsuits or other actions taken against us and we may, in most serious cases, be forced to move our premises.

Our principal shareholder is able to exercise significant influence over us.

CITIC Group wholly owned our bank prior to our establishment as a joint stock limited company on December 31, 2006. Immediately following the completion of the Global Offering and the A Share Offering (assuming that the Over-allotment Option is not exercised and BBVA and CIFH exercise their anti-dilution right and top-up right, respectively), CITIC Group will directly own approximately 63.71% of our outstanding shares. Accordingly, CITIC Group will be able to exercise significant influence over our bank, including, among other things:

- the timing and amount of the distribution of dividend;
- the issuance of new securities;
- the election of our directors and supervisors;
- our business strategies and policies;
- any plans relating to transactions affecting our bank, including mergers and acquisitions; and
- amendments to our articles of association.

At times, the interests of CITIC Group may not be consistent with the interests of our other shareholders. For example, it is possible that CITIC Group may take actions relating to our business or dividend policy that are not in the best interests of our other shareholders.

RISKS RELATING TO THE BANKING INDUSTRY IN CHINA

Our loan classification guidelines are different from those applicable to banks in certain other countries and regions.

We classify our loans using a five-category loan classification system, which complies with the CBRC's Loan Classification Principles. Our loan classifications are different in certain respects from those of banks in certain other countries and regions. For a detailed description of the loan classification in the PRC, see "Regulation and Supervision — PRC Regulation and Supervision — Loan Classification, Allowances and Write-offs." As a result, our classification of loans and advances under the Loan Classification Principles may differ from that which would be reported if we were located in other jurisdictions. In addition, PRC commercial banks, including us, may have limited experience in implementing the Loan Classification Principles since the Loan Classification Principles did not come into effect until 2002.

We are subject to fluctuations in interest rates and other market risks, which may be beyond our control.

As with most commercial banks, our results of operations depend to a great extent on our net interest income. In 2006, our net interest income represented 91.9% of our operating income. Interest rates in China historically were highly regulated and have been gradually liberalized in recent years. Currently, RMB-denominated loans are subject to minimum rates based on the PBOC benchmark rates, but generally are not subject to maximum rates. RMB-denominated deposits are subject to the PBOC benchmark rates as maximum rates but generally are not subject to minimum rates. Since January 1, 2004, the PBOC adjusted the overall benchmark rates for RMB-denominated loans and deposits in October 2004, the benchmark mortgage rates in March 2005, the benchmark rates for short-term loans and medium- and long-term loans in April 2006, and the overall benchmark rates for RMB-denominated loans and deposits in August 2006. In addition, increasing competition in the banking industry and further liberalization of the interest rate regime may result in more volatility in interest rates. Changes in market interest rates could affect the interest rates charged on our interest-earning assets differently from the interest rates paid on our interest-bearing liabilities.

Any adjustments to benchmark rates or changes in market interest rates may result in an increase in interest expense relative to interest income, leading to a reduction in our net interest income. In response to the recent liberalization of interest rates, we have sought to expand our non-interest-based banking business. However, we cannot assure you that we will be able to adjust the composition of our assets and liabilities portfolios and our product pricing to enable us to effectively respond to the further liberalization of interest rates.

We also undertake trading and investment activities involving forwards, options and other financial instruments both in China and abroad. Our income from these activities is subject to volatility, caused by, among other things, changes in interest rates and foreign currency exchange rates. For example, increases in interest rates generally have an adverse effect on the value of our fixed income securities portfolio. Furthermore, as the derivatives market has yet to fully develop in China, there is limited availability of risk management tools to enable us to reduce market risks.

Competition in the banking industry in China is increasing.

The banking industry in China is becoming increasingly competitive. See "Banking Industry in the PRC — Current Competitive Landscape." We currently compete principally with the Big Four commercial banks and other domestic commercial banks. In addition, we expect competition from foreign-invested banks to increase in the future, as regulatory restrictions on their geographical presence, customer base and operating licenses in China have been removed in December 2006 as part of China's commitments in its accession to WTO. Competition may also increase as a result of the CEPA which China entered into with Hong Kong and Macau. CEPA allows smaller Hong Kong and Macau banks to operate in the PRC. See "Banking Industry in the PRC — Industry Trends — Participation of Foreign Banks in China." Many of these banks compete with us for substantially the same loan, deposit and fee customers and some of them have greater financial, managerial and technical resources than we do. Increased competition from other banks may result in a decrease in the average yield and an increase in the average cost, thus reducing our net interest income, as well as a decrease in the fees we charge for our fee- and commission-based products and services, resulting in lower net profit.

Moreover, the PRC Government has, in recent years, implemented a series of measures designed to further liberalize the banking industry, including those relating to interest rates and fee- and commission-based products and services, which are changing the basis on which we compete with other banks for customers. The increased competitive pressure may adversely affect our business and prospects, the effectiveness of our strategies, our results of operations and financial condition by potentially:

- reducing our market share in our principal products and services;
- reducing the growth of our loan or deposit portfolios and other products and services;
- reducing our interest income, increasing our interest expense, and decreasing non-interest income as a percentage of operating income;
- reducing our fee and commission income;
- increasing our non-interest expenses, such as sales and marketing expenses;
- decreasing the quality of our assets; and
- increasing competition for recruitment of qualified managers and employees.

The rate of growth of China's banking industry may not be sustainable.

We expect the banking industry in China to expand as a result of anticipated growth in China's economy, increases in household income, further social welfare reforms, demographic changes and the opening of China's banking industry to foreign participants. However, it is not clear how certain trends and events, such as the pace of China's economic growth, China's commitment to WTO accession, the development of the domestic capital and insurance markets and the ongoing reform of the social welfare system will affect China's banking industry. In addition, China's banking industry has historically been burdened with a high level of non-performing loans, which need to be disposed of by the PRC Government's measures (including capital injections and adjustments of write-off policies), or the PRC banks themselves in the process of further development. Consequently, we cannot assure you that the rate of growth of China's banking industry will be sustainable.

China's banking regulatory environment is continually evolving and may change.

Our business could be directly affected by changes in PRC banking regulatory policies, laws and regulations, such as those affecting the extent to which we can engage in specific businesses, impose additional costs as well as changes in other governmental policies. The CBRC, upon its establishment in 2003, became the primary banking industry regulator and assumed the majority of the bank regulatory functions from the PBOC. Since its establishment, the CBRC has promulgated numerous bank regulations and guidelines. There may be uncertainties regarding the interpretation and applications of these regulations and guidelines. Our failure to comply with applicable rules may result in fines, forfeiture of illegal gains or, in most serious cases, suspension of our business or revocation of our business licenses. We cannot assure you that the laws and regulations governing the banking sector will not change in the future or that any such changes will not materially and adversely affect our business, results of operations and financial condition, nor can we assure you that we will be able to adapt to all such changes on a timely basis.

We face risks relating to the inspections and examinations by PRC and overseas regulatory authorities.

We are subject to periodic or other inspections and examinations by PRC regulatory authorities, including the MOF, the PBOC, the CBRC, the tax authorities, the SAIC and the SAFE, as well as by overseas regulatory authorities for our overseas operations, relating to compliance with the relevant laws, regulations and guidelines. Some of these inspections and examinations have resulted in fines and penalties for cases of non-compliance at our bank. See "Business — Legal and Administrative Proceedings — Administrative Proceedings." These fines and penalties have not, individually or in the aggregate, had a material and adverse effect on our business, results of operations or financial condition. We cannot assure you, however, that future examinations by PRC regulatory authorities would not result in fines and penalties that could materially and adversely affect our reputation, business, results of operations and financial condition.

The NAO from time to time performs audits of certain state-controlled companies in China and publishes its audit results. CITIC Group, our controlling shareholder, and its subsidiaries, including us, were mostly recently audited by the NAO in 1999. We cannot predict the timing or the outcome of our next NAO audit. If, as a result of any such audit, material irregularities or other instances of non-compliance were found to have been committed by us, we may be subject to fines and other administrative penalties, which may result in a material adverse effect on our reputation, business and prospects, as well as a decline in our H share price.

The effectiveness of our credit risk management is affected by the quality and scope of information available in the PRC.

The first nationwide personal credit information database commenced operation in January 2006. In addition, the PBOC launched a nationwide credit information database for corporate borrowers in the second half of 2006. Due to the limited history of these databases, and the limitations in the availability of information and the developing information infrastructure in the PRC, these nationwide credit information databases are generally under-developed. Without such information and until a unified nationwide credit database on corporate and retail borrowers is fully implemented, we will also rely on other publicly available resources and our internal resources. We have recently increased our efforts in gathering credit information of our borrowers. However, due to the limitations of the information infrastructure in the PRC, we cannot assure you that our assessment of the credit risks associated with a particular customer is based on complete, accurate or reliable information. As a result, our ability to effectively manage our credit risk may be materially and adversely affected.

Certain PRC regulations limit our ability to diversify our investments, and as a result, a decrease in the value of a particular type of investment may have a material adverse effect on our financial condition and results of operations.

As a result of current PRC regulatory restrictions, substantially all of our RMB-denominated investment assets are concentrated in a limited number of investments permitted for PRC commercial banks, such as PRC Government bonds, bonds issued by PRC policy banks, bonds and subordinated notes issued by PRC commercial banks, PBOC bills and short-term financing bonds issued by qualified domestic corporations. These restrictions on our ability to diversify our investment portfolio limit our ability to seek returns on our investments which are comparable with those of banks in other countries or to manage our liquidity in the same manner as banks in other countries. In addition, we are exposed to a certain level of risk as a result of the concentration of our RMB-denominated investments assets. For example, any deterioration of the financial condition of commercial banks in China would increase the risks associated with holding their bonds and subordinated notes. A decrease in the value of any of these types of investments could have a material adverse effect on our financial condition and results of operations.

We may not be able to detect money laundering and other illegal or improper activities, which could expose us to additional liability and harm our business.

We are required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in the PRC. These laws and regulations require us, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. We are in the process of implementing improvements to our anti-money laundering and anti-terrorism system. However, it is not clear when we will be able to fully implement such improvements and whether such improvements will be effective. While we have adopted policies and procedures aimed at detecting and preventing the use of our banking network for money laundering activities and by terrorists and terrorist-related organizations and individuals generally, such policies and procedures have in some cases only been recently adopted and may not completely eliminate instances where our bank may be used by other parties to engage in money laundering and other illegal and improper activities that may occur at our bank. To the extent we may fail to fully comply with applicable laws and regulations, the relevant government agencies to whom we report in the various jurisdictions have the power and authority to impose fines and other penalties on us, and we have been subject to such fines in the past. In addition, our business and reputation could suffer if customers use our bank for money laundering or illegal or improper purposes.

Some of our customers and the countries in which they are located may be subject to U.S. sanctions.

The United States currently imposes economic sanctions, which are administered by the U.S. Treasury Department's Office of Foreign Assets Control, or OFAC, and which apply only to U.S. persons and foreign subsidiaries of U.S. persons, with the objective of denying certain countries, including Iran, North Korea, Syria and Sudan, the ability to support international terrorism and, additionally in the case of Iran, North Korea and Syria, to pursue weapons of mass destruction and missile programs. While we engage in trade settlement and other services in U.S. dollars and other currencies with customers and in countries subject to the OFAC sanctions, we do not believe that these sanctions are applicable to any of our activities with these customers or in these countries. Nevertheless, we, like a number of non-U.S. banks, could be exposed to significant risk if it were determined that business relationships resulted in prohibited transactions with countries and entities that are the subject of U.S. sanctions. In addition, if a bank is determined to have violated such laws, it could face substantial penalties or other liabilities, and such determination could have a material adverse effect on its U.S. operations, its ability to conduct further business in the United States or involving U.S. persons, and its reputation. At this time, we cannot predict whether additional information may be sought, whether there will be inquiries or investigations by any of our regulators or other authorities, or whether any action may be taken by any of our regulators or other authorities as a result of these relationships.

We cannot assure you of the accuracy or comparability of facts, forecasts and statistics contained in this prospectus on China, its economy or its banking industry.

Facts, forecasts and statistics in this prospectus relating to China, China's economy and the Chinese and global banking industries, including our market share information, are derived from various official publications and publications of various government agencies and instrumentalities. However, we cannot guarantee the quality and reliability of such publications. In addition, these facts, forecasts and statistics have not been independently verified by us and therefore we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up to date. We have taken reasonable care in reproducing or extracting the information from such sources. However, because of possible flawed or ineffective methodologies underlying the published information or discrepancies between the published information and market practice and other problems, these facts, forecasts and other statistics may be inaccurate or may not be comparable from period to period or to facts, forecasts or statistics produced for other economies, and you should not unduly rely upon them.

Any acquisition of 5% or more of our total outstanding shares will require the CBRC's prior approval.

Under the current ownership restrictions imposed on investments in commercial banks in the PRC, any natural or legal person intending to acquire 5% or more of the total equity interest of a commercial bank is required to obtain the prior approval of the CBRC. See "Regulation and Supervision — PRC Regulation and Supervision — Restrictions on Equity Investments in Banks and Shareholders." As a result, if one of your investment goals is to acquire a substantial equity interest in us, your goal may not be achieved unless you are able to obtain the prior approval of the CBRC.

Our reputation may be adversely affected from negative media coverage of China's banking industry.

China's banking industry continues to be covered extensively and critically by various media, including with respect to incidents of fraud and issues relating to loan quality, capital adequacy, solvency and internal controls and management. Negative coverage, whether or not accurate and whether or not related to us, may have a material and adverse effect on our reputation and, consequently, may undermine depositor and investor confidence, resulting in liquidity shortages and declines in the price of our H Shares. Our business, financial condition, results of operations and prospects and the value of our investment may also be materially and adversely affected as a result.

RISKS RELATING TO THE PRC

China's economic, political and social conditions, as well as government policies, could affect our business.

Substantially all of our business, assets and operations are located in China. Accordingly, our results of operations, financial condition and business prospects are, to a significant degree, subject to the economic, political and legal developments in China. China's economy differs from the economies of more developed countries in many respects, including the level of government interference, foreign exchange controls and allocation of resources.

China's economy has historically been a planned economy. A substantial portion of productive assets in China is still owned by the PRC Government. The PRC Government also exercises significant control over China's economic growth through measures such as the allocation of resources, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the PRC Government has implemented economic reform measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. Such economic reform measures may be adjusted or modified or applied inconsistently from industry to industry, or across different regions of the country. As a result, we may not benefit from all such measures.

The PRC Government has the power to implement macroeconomic policies affecting China's economy. The PRC Government has implemented various policies in an effort to control the growth rate of certain industries and limit inflation. For example, beginning in the second half of 2003, the government implemented a series of macroeconomic policies, which included raising the benchmark interest rates, increasing the PBOC statutory deposit reserve ratio and imposing commercial bank lending guidelines that had the effect of restricting loans to certain industries. Certain of these macroeconomic policies may materially and adversely affect our asset quality, results of operations and financial condition.

China has been one of the world's fastest growing economies as measured by gross domestic product, or GDP, in recent years. However, China may not be able to sustain such a growth rate. In addition, any future calamities, including, among others, natural disasters and outbreak of contagious diseases, may cause a decrease in the level of economic activity and adversely affect economic growth in the PRC, Asia and elsewhere in the world. If China's economy experiences a significant downturn for any of the foregoing reasons, our financial condition and results of operations, as well as our future prospects, would be materially and adversely affected.

Interpretation of PRC laws and regulations may involve uncertainty.

We are organized under the laws of the PRC. The Chinese legal system is based on written statutes. Since the late 1970s, the PRC has promulgated laws and regulations dealing with such economic matters as the issuance and trading of securities, shareholders' interests, foreign investment, corporate organization and governance, commerce, taxation and trade. However, many of these laws and regulations are relatively new and continue to evolve, are subject to different interpretations, and may be inconsistently enforced. In addition, there is only a limited volume of published court decisions, which in any event may be cited for reference but are not binding on subsequent cases and have limited precedential value. These uncertainties relating to the interpretation of PRC laws and regulations can affect the legal remedies that are available to you and can adversely affect your legal protections.

Our articles of association provide that disputes between holders of our H Shares and us, our directors, supervisors and officers and the holders of our domestic shares, arising out of our articles of association or the PRC Company Law and related regulations, concerning the affairs of our company including the transfer of our shares, are to be resolved through arbitration by arbitration organizations in Hong Kong or China, rather than by a court of law. Awards that are made by Chinese arbitral authorities recognized under the Hong Kong Arbitration Ordinance can be enforced in Hong Kong. Hong Kong arbitral awards are also enforceable in China, subject to the satisfaction of certain PRC legal requirements. However, to our knowledge, no action has been brought in China by any holder of H Shares issued by a Chinese company to enforce an arbitral award. As a result, we are uncertain whether any action brought in China to enforce an arbitral award made in favor of holders of H Shares would succeed.

Although PRC laws, regulations and rules applicable to companies listed overseas do not distinguish between minority and controlling shareholders in terms of their rights and protections, we cannot guarantee that you will have the same protection afforded to a minority shareholder by companies incorporated under the laws of the United States, certain member states of the European Union or Hong Kong.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and substantially all of our business, assets and operations are located in China. In addition, a majority of our directors, supervisors and executive officers reside in China and substantially all of their assets are located in China. As a result, it may not be possible to effect service of process within the United States or elsewhere outside China upon us or such directors, supervisors or executive officers, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Moreover, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan or many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. As a result, recognition and enforcement in China or Hong Kong of judgments of a court in the United States and any of the other jurisdictions mentioned above in relation to any matter may be difficult or impossible.

Although we will be subject to the Hong Kong Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases upon the listing of our H Shares on the Hong Kong Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Hong Kong Listing Rules and must rely on the Hong Kong Stock Exchange to enforce its rules. The Hong Kong Listing Rules and Hong Kong Codes on Takeovers and Mergers and Share Repurchases do not have the force of law in Hong Kong.

Holders of H Shares may be subject to PRC taxation.

Under the PRC's current tax laws, regulations and codes, dividends paid by us to holders of H Shares outside China are currently exempt from PRC income tax. In addition, gains realized by individuals or enterprises upon the sale or other disposition of H Shares are currently exempt from PRC income tax. If the exemptions are withdrawn in the future, holders of H Shares may be subject to withholding taxes on dividends, which are currently imposed at the rate of 20%, or income tax on capital gains from the sale of equity interests, which may currently be imposed upon individuals at the rate of 20%. See "Appendix VI — Taxation and Foreign Exchange — Taxation — PRC."

The ability of our shareholders to pledge their shares is limited by applicable PRC legal and regulatory requirements.

Under the PRC Company Law, we may not accept our shares as collateral to secure any of our loans. In addition, any shareholder who owns 5% or more of our shares must give prior notice to our board of directors if it wishes to pledge its shares to any other lenders as collateral. See "Regulation and Supervision — PRC Regulation and Supervision — Restrictions on Equity Investments in Banks and Shareholders." As a result of the foregoing, you may be unable to pledge your shares in our bank as collateral unless you comply with applicable PRC legal and regulatory requirements.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are our net profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profits to enable us to make dividend distributions to our shareholders in the future, including in respect of periods which our financial statements indicate that our operations have been profitable. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

In addition, the CBRC has the discretionary authority to prohibit any bank that has a capital adequacy ratio below 8% or a core capital adequacy ratio below 4%, or has violated certain other PRC banking regulations, from paying dividends and other forms of distributions. See "Regulation and Supervision — PRC Regulation and Supervision — Regulations Regarding Capital Adequacy — CBRC Supervision of Capital Adequacy" and "— Principal Regulators — The CBRC."

We are subject to PRC Government controls on currency conversion and future movements in exchange rates.

We receive substantially all of our revenues in Renminbi, which currently is not a freely convertible currency. A portion of these revenues must be converted into other currencies to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments on declared dividends, if any, on our H Shares.

Capital account transactions in foreign currencies are subject to significant exchange controls and generally require the approval of PRC Government authorities, including the SAFE. Under China's existing foreign exchange regulations, following the completion of the Global Offering, by complying with certain procedural requirements, we will be able to pay dividends in foreign currencies without prior approval from the SAFE. However, in the future, the PRC Government may, at its discretion, take measures to restrict access to foreign currencies for current account transactions under certain circumstances. In this case, we may not be able to pay dividends in foreign currencies to our shareholders.

The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in China's and international political and economic conditions. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. From 1994 to July 20, 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On July 21, 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2% against the U.S. dollar. Since then and up to December 31, 2006 the Renminbi has appreciated by approximately 5.7% against the U.S. dollar. Any appreciation of the Renminbi against the U.S. dollar or any other foreign currencies may result in the decrease in the value of our foreign currency-denominated assets. Conversely, any devaluation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency terms. As of December 31, 2006, 8.8% of our assets and 9.1% of our liabilities were denominated in foreign currencies. Proceeds of the Global Offering will also be denominated in foreign currencies. We are also required to obtain the approval of the SAFE before converting significant sums of foreign currencies into Renminbi. All these factors could materially and adversely affect our financial condition, results of operations and compliance with capital adequacy ratios and operational ratios.

RISKS RELATING TO THE GLOBAL OFFERING

Future sales or perceived sales of substantial amounts of our H Shares, A Shares or other securities relating to our H Shares or A Shares in the public market, including any future offerings, could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise capital in the future, and may result in dilution of our shareholdings.

The market price of our H Shares could decline as a result of future sales of substantial amounts of our H Shares, A Shares or other securities relating to our H Shares or A Shares in the public market or the issuance of new H Shares, A Shares or other securities relating to our H Shares or A Shares, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our H Shares, A Shares or other securities relating to our H Shares or A Shares, could also materially and adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. In addition, our shareholders may experience dilution in their holdings to the extent we issue additional securities in future offerings.

The shares owned by our strategic investor, BBVA, which will be converted to H Shares upon completion of the Global Offering, are subject to transfer restrictions. Future sales of H Shares by BBVA after the expiry of or in breach of such transfer restrictions will result in an increase in the number of H Shares available on the market and may affect the market price of our H Shares.

In addition, in accordance with relevant PRC regulations regarding disposal of state-owned shares, CITIC Group will transfer to National Council for Social Security Fund, or SSF, 488,547,900 H Shares of our total issued share capital, respectively, immediately following completion of the Global Offering (or 561,830,000 H Shares in aggregate representing 1.44% of our total issued share capital assuming the Over-allotment Option is exercised in full). SSF has not entered into any undertaking restricting its disposal or resale of these H Shares, and as a result, may resell or otherwise dispose of these H Shares at any time after the Global Offering.

An active trading market for our H Shares may not develop, and their trading prices may fluctuate significantly.

Prior to the Global Offering and the A Share Offering, no public market for our shares has existed. We cannot assure you that a liquid public market for our H Shares will develop or be sustained after the Global Offering. In addition, the offer price of our H Shares is expected to be fixed by agreement among the Joint Global Coordinators (on behalf of the Underwriters) and our bank, and may not be indicative of the market price of our H Shares following the completion of the Global Offering. If an active public market for our H Shares does not develop after the Global Offering, the market price and liquidity of our H Shares may be adversely affected.

Because the initial public offering price of the H Shares is higher than the net tangible asset value per share, you will incur immediate dilution.

The initial public offering price of our H Shares is higher than the net tangible asset value per share of the outstanding shares issued to our existing shareholders. Therefore, purchasers of our H Shares in the Global Offering will experience an immediate dilution in net tangible asset value of HK$3.63 per H Share (assuming an offer price of HK$5.46 per share for our H Shares and RMB 5.40 per share for our A Shares, which is the mid-point of our indicative offer price ranges of the Global Offering and the A Share Offering, respectively, and assuming that the Over-allotment Option is not exercised), and our existing shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per share of their shares. In addition, holders of our H Shares may experience a significant dilution of their interest if we obtain additional capital in the future.

There will be a five business day time gap between pricing and trading of our H Shares offered in the Global Offering.

The initial price to the public of our H Shares sold in the Global Offering will be determined on the Price Determination Date. However, our H Shares will not commence trading on the Hong Kong Stock Exchange until they are delivered, which is expected to be five Hong Kong business days after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in our H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the trading prices of our H Shares could fall before trading begins as a result of adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

Dividends we declared in the past may not be indicative of our dividend policy in the future.

The dividends we distributed in respect of the year ended December 31, 2006 represented all of our distributable profits for 2006. A declaration of dividends is proposed by our board and the amount of any dividends will depend on various factors, including, without limitation, our results of operations, financial condition, future prospects and other factors which our board may determine are important. For further details of our dividend policy, see "Financial Information — Dividend Policy." We cannot guarantee if and when we will pay dividends in the future.

We are conducting a concurrent A Share Offering; the characteristics of the A share and H share markets are different.

We intend to conduct the A Share Offering in the PRC concurrently with the Global Offering and list such shares on the Shanghai Stock Exchange. It is anticipated that we will offer 2,301,932,654 A Shares in the A Share Offering, representing in the aggregate approximately 6.01% of our total outstanding shares immediately following the completion of both the A Share Offering and the Global Offering, assuming that the Over-allotment Option is not exercised and BBVA and CIFH exercise their anti-dilution right and top-up right, respectively. Our Global Offering and our A Share Offering are two separate and independent offerings, and neither offering is conditional upon the other. If for any reason we do not proceed with the A Share Offering as proposed, or if the number of our A Shares offered in the A Share Offering is reduced or the actual issue price for our A Shares is not within the estimated price range of our A Share Offering, the Global Offering may nevertheless proceed as described in this prospectus. Due to differences in the timetables and market practices for the Global Offering and the A Share Offering, you will not be notified of the final issue price or final size of our A Share Offering, and we cannot assure you that you will be notified of any delay or termination of the A Share Offering prior to the last time for lodging applications under the Hong Kong Public Offering.

Following the Global Offering and the A Share Offering, our H Shares will be traded on the Hong Kong Stock Exchange and our A Shares will be traded on the Shanghai Stock Exchange. Under the current laws and regulations, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H share and the A share markets. The H share and A share markets have different trading characteristics and investor bases, including different levels of retail and institutional participation. As a result of these differences, the trading prices of our H Shares and A Shares may not be the same. Fluctuations in our A share price may adversely affect our H share price.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding our Global Offering or the A Share Offering or information released by us in connection with the A Share Offering.

There may have been prior to the publication of this prospectus, and there may be subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us, the Global Offering and the A Share Offering. Such press and other media coverage may include references to certain events or information disclosed by us in China as part of the A Share Offering, including information relating to us and the A Share Offering. The prospectus and other information announced by us in connection with the A Share Offering are based on regulatory requirements and market practices in China, which are different from those applicable to the Global Offering. You should rely solely upon the information contained in this prospectus, the Application Forms and any formal announcements made by us in Hong Kong in making your investment decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares or A Shares, the Global Offering or the A Share Offering, or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions whether to invest in our H Shares or in the Global Offering.

We are also required, in connection with our A Share Offering, to make certain formal announcements in China relating to us and the A Share Offering, including the publication of our A Share prospectus. This information is released in connection with our A Share Offering pursuant to PRC regulatory requirements that are not applicable to the Global Offering. Certain announcements in relation to our A Share Offering will be published on the website of the Hong Kong Stock Exchange. However, such information and the prospectus for the A Share Offering do not and will not form part of this prospectus. Prospective investors in H Shares are reminded that, in making their decisions as to whether to purchase our H Shares, they should rely only on the financial, operational and other information included in this prospectus and the Application Forms. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and the Application Forms.