Overview

In connection with the enhancement of our overall competitiveness and shareholder value and our ongoing efforts to establish strategic cooperation with leading international financial institutions, we have entered into strategic investment arrangements with Banco Bilbao Vizcaya Argentaria, S.A., or BBVA. We believe these arrangements will be long-term and mutually beneficial to both banks.

BBVA is a multinational financial services company engaging mainly in retail banking, asset management, private banking, and wholesale banking operations worldwide. Registered in Bilbao, Spain, BBVA is a leading financial institution in Spain and Latin America, with additional presence in the United States, Europe and Asia. The shares of BBVA are listed on the Madrid Stock Exchange as well as the stock exchanges in Frankfurt, London, Luxembourg, Mexico City, Milan, New York, Paris and Zurich. As of December 31, 2005, BBVA had over 94,000 employees and 7,410 branches. BBVA ranked 410th on *Fortune*'s 2006 Global 500 based on its revenues in 2005. In addition, according to the ranking of top 1000 world banks by the British magazine "The Banker" in June 2006, BBVA ranked 19th in the world in terms of capitalization as of June 16th 2006 and 38th in terms of total assets as of December 31, 2005. Reflecting its strong presence in all major business areas and its sound management system, BBVA is among the most profitable major financial institutions in Europe, with a return-on-equity of 37.6% in 2006 and a non-performing loan ratio of 0.83% as of December 31, 2006.

As part of the strategic cooperation arrangements, on November 22, 2006, CITIC Group entered into a share and option purchase agreement with BBVA pursuant to which BBVA agreed to purchase a number of our shares and was granted a call option to purchase additional shares in us. Concurrently, CITIC Group, BBVA and we also entered into an investor rights agreement, which set forth certain rights and obligations of BBVA as our strategic investor. In addition, also concurrently, we entered into a strategic cooperation agreement with BBVA, which set forth the strategic cooperation arrangements between BBVA and us.

In addition, on November 22, 2006, BBVA entered into a subscription agreement with CIFH and a share purchase agreement with CITIC Group, pursuant to which BBVA agreed to subscribe from CIFH and purchase from CITIC Group a number of shares in CIFH. On the same date, BBVA entered into a cooperation memorandum of understanding with CIFH, which set forth the strategic cooperation arrangements between BBVA and CIFH/CKWB.

BBVA's Investment in Our Shares

Purchase of Our Shares

Under the share and option purchase agreement between CITIC Group and BBVA, BBVA purchased such number of our shares representing 4.83% of our outstanding shares immediately after the closing of such purchase on March 1, 2007 (the "Initial Closing"), for the U.S. dollar equivalent of RMB 4,885 million which, based on the agreed reference rate, equals US$ 629 million. If the Offer Price is higher than the purchase price per share, BBVA agreed to pay the difference between the Offer Price and the purchase price per share, up to the U.S. dollar equivalent of RMB 248 million. Pursuant to the investor rights agreement among CITIC Group, BBVA and us, all of our shares held by BBVA will be converted into overseas listed shares as part of the Global Offering.

CITIC Group also agreed to sell to BBVA 52,892,289 shares after the first anniversary of the Global Offering, representing 0.17% of our outstanding shares immediately prior to the Global Offering, at an aggregate purchase price of RMB 172 million. If the Offer Price is higher than RMB 3.42 per share, BBVA agreed to pay the difference between the Offer Price and RMB 3.42, up to the U.S. dollar equivalent of RMB 8.7 million. In addition, the purchase price shall be adjusted higher to include the cost of fund accruing from the Initial Closing to the completion date of the share purchase at the interest rate per annum of the one-year U.S. dollar LIBOR as of the Initial Closing. The proposed purchase and sale of such 52,892,289 shares have not been approved by the relevant PRC authorities. CITIC Group and us intend to seek approvals from the relevant PRC authorities prior to the proposed purchase and sale if such approvals are required. In addition, the delivery of these shares shall not take effect prior to the date that we comply with the public float requirements as then requested by Hong Kong Stock Exchange without taking into account of the shareholding of BBVA in us. See "— Investor's Shareholding Limitation and Right of First Offer."

The Call Option

BBVA was granted a call option to purchase from CITIC Group such number of shares, or option shares, representing 4.9% of our outstanding shares immediately after the relevant call option closing, or as shall result in the aggregate shareholding percentage of BBVA to be increased to 9.9% of our outstanding shares immediately after the relevant call option closing, whichever is greater. BBVA may nominate a third party other than those of our competitors set forth in the investor rights agreement, or the nominated investor, to purchase or subscribe the option shares if BBVA is prohibited by applicable laws from holding the option shares. The option shares will be H Shares if our shares are listed on the Hong Kong Stock Exchange, A Shares if our shares are listed only on a stock exchange in the PRC, or legal person shares if our shares are unlisted. The proposed purchase and sale of the call option shares have not been approved by the relevant PRC authorities. CITIC Group and us intend to seek approvals from the relevant PRC authorities prior to the exercise of the call option if such approvals are required. In addition, the delivery of the call option shares shall not take effect prior to the date that we comply with the public float requirements as then requested by Hong Kong Stock Exchange without taking into account of the shareholding of BBVA in us. See "— Investor's Shareholding Limitation and Right of First Offer."

The call option may be exercised in whole but not in part, and one time only by BBVA. If the Global Offering takes place within 12 months after the Initial Closing, the call option may be exercised from the date following the first anniversary of the Global Offering until the date falling on the third anniversary of the Global Offering. The exercise price of the call option will be determined as follows:

- If the call option is exercised between the date following the first anniversary of the Global Offering and the date that is two years after the Global Offering, the exercise price per share will be 110% of the Offer Price.
- If the call option is exercised between the date following the second anniversary of the Global Offering and the date that is three years after the Global Offering, the exercise price per share will be 125% of the Offer Price.

If the Global Offering does not take place within 12 months after the Initial Closing, the call option may be exercised at any time on and from the date following the second anniversary of the Global Offering until the date falling on the fourth anniversary of the Global Offering. Such period will be extended for a period equal to the overlapping portion of the lock-up period of CITIC Group during which CITIC Group is not permitted to transfer the option shares following the Global Offering under the rules and regulations of the relevant stock exchange). The exercise price then will be the fair value per share, which will be the average of the value as determined by the independent experts appointed by BBVA and CITIC Group.

Rights and Obligations of BBVA

Under the investor rights agreement entered into among CITIC Group, BBVA and us, BBVA's rights and obligations as our strategic investor include the following:

Corporate Governance

Except in limited circumstances, including dilution of BBVA's equity interest in us due to any exercise of Over-allotment Option in the Global Offering or the A Share Offering, for so long as BBVA, its affiliates and the nominated investor hold no less than 4.83% of our outstanding shares, BBVA will have the right to nominate one nominee to our board and CITIC Group and we have agreed to take all corporate actions to cause the nominee to be elected, subject to our organizational documents, the applicable laws and regulatory and stock exchange requirements. Under the PRC Company Law and our Articles of Association, the election of any of our directors is required to be approved by a majority of our shareholders present at the relevant shareholders' meeting. Our directors are not contractually obligated to elect the director nominated by BBVA to our board of directors. If elected, the director nominated by BBVA will be appointed to one or two of the following board committees: the strategy development committee, the audit and related party transactions control committee, the risk management committee and the nomination and compensation committee. Such director will have rights to attend meetings of any other board committees as an observer. Prior to the election of the BBVA-nominated director, BBVA may appoint an observer to attend the meetings of our board of directors and the meetings of our board committees. In addition, BBVA may nominate an alternate director to the BBVA-nominated director, or if such alternate director is not permitted under applicable laws, one particular person to act as the proxy of the BBVA-nominated director during any one-year period and attend the meetings of the board of directors and the four board committees mentioned above as an observer. The foregoing board nomination right and committee representation and attendance rights granted to BBVA and the obligations of CITIC Group and us to elect the director nominated by BBVA to our board of directors under the investor rights agreement will lapse upon our listing on the main board of Hong Kong Stock Exchange.

All of our directors are required to comply with the PRC Company Law, Hong Kong Listing Rule 3.08 and our Articles of Association and act in our best interests.

Transfer Restrictions

BBVA's shares purchased at the Initial Closing and any shares purchased pursuant to the call option generally may not be transferred until the third anniversary of the purchase of such shares, and additional shares issued to BBVA pursuant to its anti-dilution right (as described below) may not be transferred until the first anniversary of such issuance. After such date, CITIC Group has a right of first offer if BBVA intends to sell its shares in us. If CITIC Group does not accept the offer, BBVA may transfer such shares to any third party other than those of our competitors set forth in the investor rights agreement.

Investor's Shareholding Limitation and Right of First Offer

BBVA agreed that it would not acquire any additional equity securities in us prior to the earliest of (i) twelve months after the Global Offering, (ii) the exercise of the call option, or (iii) the expiration of the call option exercise period. Notwithstanding the foregoing, except in limited circumstances, if CITIC Group or any of its affiliates (other than CIFH and us) intends to sell its shares in us, BBVA may purchase such shares under a right of first offer. If BBVA does not accept the offer, CITIC Group or its affiliate may transfer its shares to any third party other than those competitors of BBVA set forth in the investor rights agreement. BBVA also agrees that it will not purchase our equity securities if, among other things, such purchase would disqualify us to be listed on the relevant eligible stock exchange or as a Chinese-invested commercial bank, or if such purchase would cause BBVA's equity interest in us to exceed equity interest held by CITIC Group and its affiliates.

CITIC Group has agreed with BBVA that, unless agreed upon otherwise, on or prior to the date falling 15 months after the Global Offering, CITIC Group should take all actions, such as converting the A Shares held by it into H Shares and transferring such H Shares to third parties, to procure that we comply with the public float requirements as then required by Hong Kong Stock Exchange without taking into account the shareholding of BBVA in us. BBVA agrees that it will not acquire any of our shares which will result in its shareholding in us to exceed 4.83% until we have complied with the public float requirements without taking into account of the shareholding of BBVA in us, provided that the delivery of the 52,892,289 shares or the call option shares from CITIC Group to BBVA pursuant to the share and option purchase agreement shall not take effect prior to the date that we comply with the foregoing public float requirements without taking into account of the shareholding of BBVA in us.

Exclusivity

BBVA agreed that, other than any passive investment of less than 3% of the total outstanding shares of a publicly traded company in the ordinary course of investment business, BBVA and its affiliates would not, without CITIC Group's prior written consent, voluntarily acquire or offer to acquire shares or securities convertible into shares of a bank (other than us) that is (i) a Chinese-invested commercial bank, or (ii) a wholly-foreign owned commercial bank incorporated in the PRC, a Sino-foreign joint venture commercial bank incorporated in the PRC, or a PRC branch of a bank incorporated outside the PRC, which is permitted to conduct RMB-denominated banking services in the PRC (each entity in (i) and (ii) a PRC bank for the purpose of this section). If BBVA or its affiliates intends to enter a merger or acquisition, which upon completion will result in BBVA or its affiliate directly or indirectly holding 5% or more equity interests in any PRC Bank, BBVA is required to seek written waivers from CITIC Group.

If we or our affiliates intend to enter a merger or acquisition, which upon completion will result in BBVA or its affiliate directly or indirectly holding less than 5% equity interests in us, we are required to seek written waivers from BBVA. In addition, we agreed not to issue or dispose any of our shares to acquire shares of those competitors of BBVA set forth in the investor rights agreement, except where such a competitor of BBVA has acquired less than 3% of the total number of our outstanding shares in a passive equity investment in the ordinary course of investment business.

In carrying out our obligations in relation to the exclusivity rights under the investor rights agreement, our directors are not required to take any actions which are inconsistent with their fiduciary duties under applicable laws and the Hong Kong Listing Rules.

Anti-dilution Right

Except in limited circumstances, if we issue additional ordinary shares or securities convertible into or exchangeable into additional shares in a public offering or otherwise, BBVA has a right to purchase such additional shares to maintain its percentage of ownership interest in our shares until and including the Global Offering and the concurrent A Share Offering. We also intend to grant BBVA anti-dilution right with respect to shares issuable under the Over-allotment Option. If the Over-allotment Option is exercised, BBVA would have the right to subscribe for additional H Shares to be issued under the Over-allotment Option. If the A Share Offering does not proceed concurrently with the Global Offering, BBVA's anti-dilution right will terminate immediately after the Global Offering.

Rule 10.04 of the Hong Kong Listing Rules provides that an existing shareholder may only subscribe for or purchase any securities for which listing is sought if such securities are not offered to them on a preferential basis and no preferential treatment is given to them in the allocation of the securities, and the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Hong Kong Listing Rules is achieved. We understand that BBVA intends to exercise its anti-dilution right with respect to the Global Offering, the Over-allotment Option and the A Share Offering and we have applied for and received a waiver pursuant to Rule 10.04 of the Hong Kong Listing Rules relating to BBVA's anti-dilution right. Pursuant to its anti-dilution right, BBVA is expected to purchase (i) 347,152,000 H Shares in the proposed concurrent Global Offering and A Share Offering (assuming that the Over-allotment Option is not exercised and CIFH exercises top-up right to maintain its shareholding at 15.17%) or (ii) 382,548,000 H Shares in the proposed concurrent Global Offering and A Share Offering (assuming that the Over-allotment Option is exercised in full and CIFH exercises its top-up right to top-up its shareholding to 15%). Shares issued pursuant to BBVA's exercise of its anti-dilution right may not be transferred until the first anniversary of the issuance of such shares. See "— Transfer Restrictions."

Information Rights

Except in limited circumstances, including dilution of BBVA's equity interest in us due to any exercise of Over-allotment Option in the Global Offering or the A Share Offering, for so long as BBVA, its affiliates and the nominated investor hold at least 4.83% of our total outstanding shares, we agreed to furnish to BBVA (i) our annual audited consolidated financial statements, (ii) our consolidated balance sheet, income statement and statement of profit distribution and appropriation after the end of each half-year period, (iii) our quarterly management information, (iv) documents delivered to all shareholders, (v) annual operating budget or business plan, and (vi) any other information that BBVA may reasonably require to prepare financial and management reports and making any filings. Such information rights granted to BBVA under the investor rights agreement will lapse upon our listing on the main board of Hong Kong Stock Exchange.

Protection of Investor's Interest

Except in limited circumstances, including dilution of BBVA's equity interest in us due to any exercise of Over-allotment Option in the Global Offering or the A Share Offering, for so long as BBVA, its affiliates and the nominated investor hold at least 4.83% of our total outstanding shares and subject to applicable PRC laws and regulatory and stock exchange requirements, we agreed to consult with BBVA prior to taking any corporate action in respect of the following matters:

- the transfer of the whole or substantially the whole of our share capital to another company;
- any form of reorganization, including merger with another company;
- the sale or disposal of any material assets or properties or the cessation of material operations;
- any change to our Articles of Association that may materially and adversely affect the rights of BBVA;
- any public offering;
- any issue of our ordinary shares, or any options, warrants or other rights to acquire, or securities convertible into or exchangeable for, our ordinary shares;
- any removal of any director appointed following nomination by BBVA; and
- our dividend policy and payment or declaration of any dividend.

Strategic Cooperation

Under the strategic cooperation agreement between BBVA and us, we agreed to, among others, the following rights and obligations.

Cooperation Committee

The strategic cooperation will be carried out under the guidance and supervision of a cooperation committee. The cooperation committee will consist of six members, three appointed by each of BBVA and our bank. The chairman of the cooperation committee will be appointed by us and the vice-chairman will be appointed by BBVA. The cooperation committee may establish specific working subcommittees with equal representation from each party. Each member of the cooperation committee will have one vote and decisions will take effect by majority vote and the affirmative vote of at least one member appointed by each party. The responsibilities of the cooperation committee include, among other things, determining the objectives of the strategic cooperation and identifying the steps to be taken in respect of the strategic cooperation. The cooperation committee has not been established as of the date of this prospectus.

Exclusivity

Establishment of Branches

BBVA agreed not to establish any presence other than representative offices in the PRC without our consent except in limited circumstances. We agreed not to establish any presence other than representative office in Spain.

Exclusivity in Key Business Cooperation Areas

BBVA agreed not to engage in, within the PRC, any business (except for limited existing businesses set forth in the strategic cooperation agreement) in certain "key business cooperation areas" and "core businesses" set forth in the strategic cooperation agreement on its own or with any third party, except in cooperation with us.

We agreed to grant BBVA a right of first offer on "core businesses" in respect of which we propose to cooperate with a foreign bank within the PRC. The forms of cooperation in "core business" areas include joint ventures, business cooperation units, cross-selling and agency business. If we propose to enter into a joint venture or business cooperation unit with a non-PRC commercial bank on a "core business", we agreed to first offer such opportunity to BBVA in writing, and such offer will remain open for an agreed period of time. The "core businesses" will initially be synonymous with the "key business cooperation areas", starting with the areas of retail banking, treasury business, risk management and information technology as set forth in the strategic cooperation agreement. The cooperation committee makes the determination on whether certain businesses are excluded from the definition of "core business" and thus not subject to the right of first offer. After the cooperation committee determines the first batch of "core business", all business that is not a "core business" shall not be subject to the right of first offer. Once BBVA and we enter into cooperation agreements with respect to all the business areas in the first batch of "core business", BBVA's right of first offer will cease to be of any effect. Furthermore, if the cooperation committee fails to identify the first batch of core businesses within a certain period after the Initial Closing, BBVA's right of first offer will cease to be of any effect. Such period will end on the later of (i) the date 18-months after the Initial Closing and (ii) the date one month after the date that we comply with the public float requirements as then requested by Hong Kong Stock Exchange without taking into account of the shareholding of BBVA in us. The exclusivity right of BBVA does not prohibit us from developing "core business" on our own or with domestic partners.

In addition, we agreed not to engage within the PRC any cooperation with a foreign bank in a key business cooperation area without giving due consideration to BBVA in good faith.

We and BBVA also agreed that credit card business would not be a key business cooperation area and that we would be free to carry on such business by ourselves. However, if we propose to cooperate with a foreign bank within the PRC in the credit card business, BBVA will have a right of first offer with respect to such credit card business for a certain period following the Initial Closing. Such period will end on the later of (i) the date 18-months after the Initial Closing and (ii) the date one month after the date that we comply with the public float requirements as then requested by Hong Kong Stock Exchange without taking into account of the shareholding of BBVA in us. Our exclusivity arrangements with BBVA are subject to the fiduciary duties of our directors under PRC Company Law, Hong Kong Listing Rule 3.08 and our Articles of Association.

Exclusivity in Non-Key Business Cooperation Areas

With respect to any business area other than the key business cooperation areas, BBVA agreed that, except activities in relation to (i) certain passive equity investments of less than 3% of the outstanding shares of a public company whose principal business is financial business or (ii) private equity investments in a company whose principal business is not financial business, it will not to engage in, within the PRC, any business except in cooperation with us and with a third party with the prior written approval of the cooperation committee. We agreed not to engage in, within the PRC, any cooperation with any non-PRC commercial bank without giving due consideration to BBVA in good faith.

Exclusivity in BBVA's Territories

In territories where BBVA has branches or subsidiaries, we agreed not to engage in any cooperation with any other bank without giving due consideration to BBVA in good faith.

Training and Expert Assistance

For the three-year period after the Initial Closing, BBVA agreed to send five experts per day on average to us in China to provide expert consulting assistance, and provide business training outside of China to ten employees of us per day on average. BBVA agreed to bear expenses, up to €1,000,000 per year, related to business training of our employees.

Technology Transfer

We and BBVA will agree and execute agreements relating to the transfer to us of technology over which BBVA has proprietary intellectual property and technology developed by BBVA.

Status of Strategic Cooperation

As at the Latest Practicable Date, we have not implemented any actual business cooperation with BBVA, including the establishment of joint ventures or business units.

BBVA's Investment in CIFH

Our promoter CIFH is the financial flagship of CITIC outside Mainland China. It is an investment holding company with interests in commercial banking as well as other non-bank financial services. Its main operating business is CKWB. CKWB is a Hong Kong incorporated and licensed bank which provides a range of banking services and financial solutions to both corporations and individuals, focusing on retail banking, wholesale banking and treasury services. CITIC Group is also the controlling shareholder of CIFH.

As part of CIFH's strategic vision to expand its regional capabilities, on November 22, 2006, CIFH entered into a subscription agreement with BBVA, under which BBVA, as a strategic investor, has agreed to subscribe for 668,574,374 shares of CIFH at a price of HK$5.83 each. On the same date, CITIC Group and BBVA entered into a share purchase agreement, under which CITIC Group agreed to sell to BBVA 167,143,593 shares of CIFH at a price of HK$5.83 each. On November 22, 2006, CIFH also entered into a non-legally binding cooperation memorandum of understanding with BBVA confirming the intention of the parties to pursue discussions in relation to business cooperation and proposed merger or acquisition by CIFH and/or CKWB of BBVA's existing wholesale banking business in Asia and an increase by BBVA of its shareholding interest in CIFH and/or a subscription for CKWB shares. Any future agreement or business arrangement will be subject to the requirements of the Hong Kong Listing Rules and other applicable laws and regulations. Both the subscription agreement and the share purchase agreement were completed on 1 March 2007 and, as at the Latest Practicable Date, BBVA held an interest of approximately 14.58% in CIFH. With effect from the completion of the subscription agreement, two directors nominated by BBVA were appointed as non-executive directors. BBVA is not a controlling shareholding shareholder of CIFH, and has no control over its management and operation through its two non-executive directors appointed to the board of CIFH. Even taking into account of BBVA's direct shareholding in us, BBVA is not able to assert any substantial influence over our management and operation through its shareholding in CIFH.

Cornerstone Investors

The Cornerstone Placing

As part of the International Offering, we and the Joint Global Coordinators have agreed to enter into placing agreements with the following investors, or the Cornerstone Investors, for the subscription by the Cornerstone Investors at the Offer Price for such number of shares that may be purchased with an aggregate of approximately HK$1,600 million, or the Cornerstone Placing. Assuming an offer price of HK$5.46 per share, being the mid-point of the price range set out in this prospectus, the total number of H Shares subscribed by the Cornerstone Investor would be 293,040,000, which represents (i) 0.77% of the shares outstanding immediately following the completion of the Global Offering and the A Share Offering assuming that the Over-allotment Option is not exercised, (ii) without giving effect to the A Share Offering, 0.81% of the shares outstanding immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised, or (iii) 5.10% of the total shares offered in the Global Offering and the A Share Offering excluding the H Shares to be issued to BBVA and CIFH pursuant to the exercise of their anti-dilution right and top-up right, respectively.

Mizuho Corporate Bank, Ltd

Mizuho Corporate Bank, Ltd. has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 1,000 shares) which may be purchased for approximately HK$400 million at the Offer Price. Assuming an offer price of HK$5.46 per share, being the mid-point of the price range set out in this prospectus, the total number of H Shares that the Mizuho Corporate Bank, Ltd. would subscribe for would be 73,260,000, which is (i) 0.19% of the shares outstanding immediately following the completion of the Global Offering and the A Share Offering, assuming that the Over-allotment Option is not exercised, (ii) without giving effect to the A Share Offering, 0.20% of the shares outstanding immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised, or (iii) 1.27% of the total shares offered in the Global Offering and the A Share Offering excluding the H Shares to be issued to BBVA and CIFH pursuant to the exercise of their anti-dilution right and top-up right, respectively.

Mizuho Corporate Bank, Ltd. is the wholesale banking arm of Mizuho Financial Group, a financial conglomerate, the ultimate holding company of which is Mizuho Financial Group, Inc. ("MFG"). MFG is listed on both the Tokyo Stock Exchange and the New York Stock Exchange with a market capitalisation of US$77.5 billion as of April 4, 2007. Mizuho Financial Group was formed in 2000 by combining the strengths of its predecessors, The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited and The Industrial Bank of Japan, Limited. Mizuho Financial Group has a large customer base and far reaching connections through its various business entities throughout Japan.

National Council For Social Security Fund

The National Council For Social Security Fund (the "SSF") has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 1,000 shares) which may be purchased for approximately HK$400 million at the Offer Price, through UBS AG in its capacity as the discretionary manager of the Hong Kong Equity Portfolio of SSF. Assuming an offer price of HK$5.46 per share, being the mid-point of the price range set out in this prospectus, the total number of H Shares that the SSF would subscribe for would be 73,260,000, which is (i) 0.19% of the shares outstanding immediately following the completion of the Global Offering and the A Share Offering, assuming that the Over-allotment Option is not exercised, (ii) without giving effect to the A Share Offering, 0.20% of the shares outstanding immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised, or (iii) 1.27% of the total shares offered in the Global Offering and the A Share Offering excluding the H Shares to be issued to BBVA and CIFH pursuant to the exercise of their anti-dilution right and top-up right, respectively.

The National Social Security Fund is a fund set up by the PRC Government to provide social security for the nation's aging population and to support the nation's economic development and social stability. It is funded by government appropriations and proceeds form disposals of state-owned shares and other capital raising activities approved by the State Council and its own investment returns. The SSF manages and operates the National Social Security Fund.

PICC Property and Casualty Company Limited

PICC Property and Casualty Company Limited ("PICC P&C") has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 1,000 shares) which may be purchased for approximately HK$400 million at the Offer Price. Assuming an offer price of HK$5.46 per share, being the mid-point of the price range set out in this prospectus, the total number of H Shares that PICC P&C would subscribe for would be 73,260,000, which is (i) 0.19% of the shares outstanding immediately following the completion of the Global Offering and the A Share Offering, assuming that the Over-allotment Option is not exercised, (ii) without giving effect to the A Share Offering, 0.20% of the shares outstanding immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised, or (iii) 1.27% of the total shares offered in the Global Offering and the A Share Offering excluding the H Shares to be issued to BBVA and CIFH pursuant to the exercise of their anti-dilution right and top-up right, respectively.

PICC P&C is a leading and one of the largest property and casualty insurance companies in China. Its predecessor, the People's Insurance Company of China, or PICC, was established in 1949 and has been regarded as one of the most long-standing and recognized insurance brands in China. PICC P&C provides a wide range of non-life insurance products. Its major product lines are motor vehicle insurance, commercial property insurance, homeowners insurance, cargo insurance, liability insurance, accidental insurance and credit and guarantee insurance, as well as reinsurance products relating to the above mentioned product lines. PICC P&C also conducts investment and assets management operations as permitted by PRC laws and regulations. PICC P&C was successfully listed on the Hong Kong Stock Exchange on November 6, 2003, and is the first Chinese financial institution whose shares are listed on an overseas exchange.

China Life Insurance (Group) Company and China Life Insurance Company Limited

China Life Insurance (Group) Company ("China Life Group") has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 1,000 Shares) which may be purchased for approximately HK$200 million at the Offer Price. Assuming an offer price of HK$5.46 per share, being the mid-point of the price range set out in this prospectus, the total number of H Shares that China Life Group would subscribe for would be 36,630,000, which is (i) 0.10% of the shares outstanding immediately following the completion of the Global Offering and the A Share Offering, assuming that the Over-allotment Option is not exercised, (ii) without giving effect to the A Share Offering, 0.10% of the shares outstanding immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised, or (iii) 0.64% of the total shares offered in the Global Offering and the A Share Offering excluding the H Shares to be issued to BBVA and CIFH pursuant to the exercise of their anti-dilution right and top-up right, respectively.

China Life Group, headquartered in Beijing, is a large state-owned financial and insurance enterprise. The subsidiaries of China Life Group include China Life Insurance Company Limited (a company listed on the Hong Kong Stock Exchange and the New York Stock Exchange), China Life Insurance Asset Management Company Limited and China Life Insurance (Overseas) Company Limited. China Life Group and its subsidiaries constitute one of the largest commercial insurance groups in Mainland China. China Life Group has been a Global Fortune 500 company since 2003. Apart from strengthening and developing life insurance and related asset management business through its subsidiaries, China Life Group focuses on capital management and new business development.

China Life Insurance Company Limited ("China Life Insurance") has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 1,000 shares) which may be purchased for approximately HK$200 million at the Offer Price. Assuming an offer price of HK$5.46 per share, being the mid-point of the price range set out in this prospectus, the total number of H Shares that China Life Insurance would subscribe for would be 36,630,000, which is (i) 0.10% of the shares outstanding immediately following the completion of the Global Offering and the A Share Offering, assuming that the Over-allotment Option is not exercised, (ii) without giving effect to the A Share Offering, 0.10% of the shares outstanding immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised, or (iii) 0.64% of the total shares offered in the Global Offering and the A Share Offering excluding the H Shares to be issued to BBVA and CIFH pursuant to the exercise of their anti-dilution right and top-up right, respectively.

China Life Insurance is a company incorporated on June 30, 2003 in the People's Republic of China. The Company was successfully listed on the New York Stock Exchange and the Hong Kong Stock Exchange in December 2003, and successfully listed on the Shanghai Stock Exchange in January 2007. China Life Insurance is one of the largest life insurance companies in China. China Life Insurance has an extensive distribution network in China, comprising exclusive agents, direct sales representatives, and dedicated and non-dedicated agencies. China Life Insurance's products and services include individual life insurance, group life insurance, accident and health insurance. China Life Insurance is a leading provider of annuity products and life insurance for both individuals and groups, and a leading provider of accident and health insurance. China Life Insurance also provides both individual and group accident and short-term health insurance policies. Through its controlling shareholding in China Life Insurance Assets Management Co., Ltd., China Life Insurance is one of the largest insurance asset management companies, and one of the largest institutional investors in China.

Restrictions on Disposal by the Cornerstone Investors

Each of the Cornerstone Investors would agree that without the prior written consent of us and all the Joint Global Coordinators, it will not whether directly or indirectly, at any time during the period of twelve months following the Listing Date, or the Lock-up Period, dispose of any of the H Shares subscribed pursuant to the Cornerstone Placing. After the Lock-up Period, the Cornerstone Investors have further agreed to inform us in writing prior to the disposal of any of their H Shares subscribed pursuant to the Cornerstone Placing.