

1. FURTHER INFORMATION ABOUT US

A. Incorporation

We were incorporated under the PRC laws as a joint stock limited company on December 31, 2006. Our principal place of business in Hong Kong is at Room 2106, 21/F, Tower Two, Lippo Centre, 89 Queensway, Hong Kong and have been registered as an oversea company under Part XI of the Hong Kong Companies Ordinance. Ms. KAM Mei Ha, Wendy of Flat G, 18/F, Hoi Wai Mansion, Riviera Gardens, Tsuen Wan, New Territories, Hong Kong have been appointed as our agent for the acceptance of service of legal process notices in Hong Kong.

B. Changes in share capital

(a) Our bank

At the time of the establishment as a joint stock limited company, our registered capital was RMB 31,113,111,400, divided into 31,113,111,400 shares of RMB 1.00 each, all of which were fully paid up or credited as fully paid up and were held by our promoters as follows:

<u>Name of promoter</u>	<u>Number and Type of shares</u>	<u>Approximate percentage of shareholding in the registered capital of our Company</u>
CITIC Group	26,394,202,200 state-owned shares	84.83%
CIFH	4,718,909,200 foreign legal person shares	15.17%

The following changes in the share capital of the Company have taken place since the date of its incorporation up to the date of this prospectus:

- on March 1, 2007, CITIC Group transferred 1,502,763,281 shares to BBVA for a consideration of US\$629 million, pursuant to the share and option purchase agreement between CITIC Group and BBVA dated November 22, 2006, as amended.

Immediately after the Global Offering and the A Share Offering, our registered capital will be RMB 38,300,523,054, made up of 11,595,699,381 H Shares and 26,704,823,673 A Shares (assuming that the Over-allotment Option is not exercised).

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

(b) Our subsidiary

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

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

C. Resolutions of our Shareholders⁽¹⁾

Resolutions were passed by our shareholders on February 2, 2007, pursuant to which, among other matters, our shareholders:

- (i) approved our listing plan which included, among other things:
 - simultaneous A and H shares listings on the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively through an initial public offering of A shares and H shares, respectively;
 - the offer of 2,302,000,000 A Shares pursuant to the A Share Offering and the offer of 3,453,000,000 H Shares pursuant to the Global Offering (excluding any exercise by BBVA and CIFH of their anti-dilution right and top-up right, respectively) which constitute 6% and not less than 9% of our total issued share capital, respectively;
 - the inclusion of an Over-allotment Option in the Global Offering;
 - maintaining CIFH's shareholding interest in us at a level of not less than 15% of our total issued share capital at the time of listing;
 - maintaining BBVA's shareholding interest in us at a level of not less than 4.83% of our total issued share capital at the time of listing;
 - as a part of the A Share Offering, offering of A shares in the PRC to qualified individuals and institutional investors; and
 - as a part of the Global Offering, offering of H Shares in the United States to QIBs and outside of the United States in reliance on Regulation S, offering of H Shares to the public and professional and institutional investors in Hong Kong and conducting a public offering without listing in Japan;
- (ii) authorized the board to amend, perfect and implement our listing plan as approved by our shareholders and senior management, including among other matters, drafting, amending, signing and submitting applications, relevant reports or materials relating to the proposed concurrent listing of A Shares and H Shares to the relevant authorities and to deal with approval, registration, filing, verification or other formalities;
- (iii) authorized the board to authorize any one of our executive directors or his authorized representative to implement matters specified in paragraph (ii) above; and
- (iv) approved amendments to our Articles of Association to comply with the requirements of applicable laws and regulations of the PRC and Hong Kong and authorized our board to further amend our Articles of Association in accordance with any comments made by the relevant regulatory authorities in the PRC and Hong Kong.

(1) Pursuant to resolutions passed by our shareholders on March 8, 2006, we propose to, inter alia, change the address of our registered office from Block C, Fuhua Mansion, 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, China to Jingcheng Mansion, 6 Xinyuan Nanlu, Chaoyang District, Beijing, China. Pursuant to resolutions passed by our shareholders on March 26, 2007, we propose to, inter alia, increase the number of our supervisors. Amendments to the Articles of Association in light of the above proposals were submitted by us to the CBRC, pending approval by the CBRC.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this prospectus which are or may be material:

- (a) a non-competition agreement dated March 13, 2007 entered into among us, CITIC Group and CIFH;
- (b) a loan transfer agreement dated June 30, 2006 between us and China Everbright Bank pursuant to which rights with respect to loans outstanding under loan agreements for the aggregate amount of RMB 2,000,000,000 in principal were transferred to China Everbright Bank in consideration of RMB 2,000,000,000;
- (c) an investor rights agreement dated November 22, 2006 among us, CITIC Group and BBVA in relation to certain investor rights of BBVA, including shareholders' rights relating to board matters, transfer restrictions and minority protection, in consideration of covenants contained therein. This agreement was amended by way of an Amendment No. 1 dated as of January 31, 2007 and an Amendment No. 2 dated as of March 27, 2007 made among the same parties;
- (d) a strategic cooperation agreement dated November 22, 2006 between us and BBVA in relation to certain business cooperation between BBVA and us. See "Our Strategic Investor and Other Investors" for details;
- (e) a trademark licence agreement dated March 14, 2007 between CITIC Group and us pursuant to which CITIC Group licensed certain trademarks to us on a non-exclusive basis for a term of two years for nil consideration. This agreement is supplemented by a letter of undertaking dated April 3, 2007 by CITIC Group to us pursuant to which the term of the licence in the above agreement is extended to so long as CITIC Group remains as our controlling shareholder;
- (f) Hong Kong Underwriting Agreement;
- (g) a placing agreement dated April 6, 2007 entered into by and among Mizuho Corporate Bank, Ltd., China International Capital Corporation Limited, CITIC Securities Co., Ltd., Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Lehman Brothers Asia Limited and us in relation to the placement and allocation of our H Shares for the purchase price of HK\$400 million;
- (h) a placing agreement dated April 6, 2007 entered into by and among China Life Insurance Company Limited, China International Capital Corporation Limited, CITIC Securities Co., Ltd., Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Lehman Brothers Asia Limited and us in relation to the placement and allocation of our H Shares for the purchase price of HK\$200 million;
- (i) a placing agreement dated April 6, 2007 entered into by and among China Life Group Insurance Group Company, China International Capital Corporation Limited, CITIC Securities Co., Ltd., Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Lehman Brothers Asia Limited and us in relation to the placement and allocation of our H Shares for the purchase price of HK\$200 million;
- (j) a placing agreement dated April 9, 2007 entered into by and among UBS AG (in its capacity as the discretionary manager of the Hong Kong Equity Portfolio of the National Council For Social Security Fund), China International Capital Corporation Limited, CITIC Securities Co., Ltd., Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Lehman Brothers Asia Limited and us in relation to the placement and allocation of our H Shares for the purchase price of HK\$400 million;

- (k) a placing agreement dated April 9, 2007 entered into by and among PICC Property and Casualty Company Limited, China International Capital Corporation Limited, CITIC Securities Co., Ltd., Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Lehman Brothers Asia Limited and us in relation to the placement and allocation of our H Shares for the purchase price of HK\$400 million; and
- (l) a letter agreement dated April 9, 2007 entered into by and among the National Council of Social Security Fund, China International Capital Corporation Limited, CITIC Securities Co., Ltd., Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Lehman Brothers Asia Limited and us in relation to the purchase of our H Shares through UBS AG as the discretionary manager of the National Council of Social Security Fund.

B. Intellectual property

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

Name	Class (Note)	Place of registration	Registration Date	Expiry Date	Registration Number
理财宝	36	PRC	December 21, 2001	December 20, 2011	1687725
理财宝	35	PRC	February 28, 2005	February 27, 2015	3574408
理财宝	36	PRC	August 21, 2005	August 20, 2015	3574407
TOB 贴心宝	36	PRC	February 21, 2006	February 20, 2016	3763460
家家乐	36	PRC	March 21, 2006	March 20, 2016	3753278
TOB 贴心保	36	PRC	February 21, 2006	February 20, 2016	3763459
乐家家	36	PRC	August 28, 2006	August 27, 2016	3753277

Note:

Class 35 — Advertising; business management; business administration; office functions. This class mainly includes services provided by individuals or entities which are intended: (1) to provide assistance in connection with the operation and management of business enterprises; (2) to provide assistance in connection with business activities or the management of business functions of industrial and commercial enterprises, as well as services provided by advertising departments in respect of various products or services with the aim of advertising and promotion to the public through various communication means.

Class 36 — Insurance, Financial Affairs, Monetary Affairs, Real Estate Affairs. This class includes monetary and financial services provided by financial and monetary businesses as well as various insurance policy-related services, in particular, it includes: (i) services relating to financial and monetary businesses; (ii) services provided by real estate administrators in relation to properties, such as leasing, valuation or funding services; and (iii) insurance-related services, including services provided by insurance agents or brokers and services provided to the insured and the insurer.

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

<u>Domain Name</u>	<u>Jucisdiction</u>	<u>Date of registration</u>
citicib.com.cn	PRC	September 22, 1998
citicbank.com	North America	January 28, 2005
中信銀行	PRC	November 12, 2004
citicb.cn	PRC	August 19, 2005
citicb.net.cn	PRC	August 19, 2005
ctbc.cn	PRC	August 19, 2005
citicb.net.cn	PRC	August 19, 2005
citicb.com	PRC	August 19, 2005
ctbc.com.cn	PRC	August 19, 2005
ctbc.net.cn	PRC	August 19, 2005
citicb.com.cn	PRC	August 19, 2005
chinaciticbank.com.cn	PRC	June 3, 2005
chinaciticbank.cn	PRC	June 3, 2005
chinaciticbank.net.cn	PRC	June 3, 2005
中信銀行.公司	PRC	June 3, 2005
中信銀行.网络	PRC	June 3, 2005
中信銀行.net	PRC	June 3, 2005
中信star信用卡	PRC	June 3, 2005
中信star	PRC	June 3, 2005
star信用卡	PRC	June 3, 2005
贵宾理财	PRC	June 3, 2005
人民币理财	PRC	June 3, 2005
理财宝	PRC	June 3, 2005
citicib.net.cn	PRC	June 3, 2005
chinaciticbank.com	PRC	June 3, 2005
chinaciticbank.net	PRC	June 3, 2005
citic-bank.com	PRC	June 3, 2005
citic-bank.net.cn	PRC	June 3, 2005
citic-bank.cn	PRC	June 3, 2005
citic-bank.com.cn	PRC	June 3, 2005
citic-bank.net	PRC	June 3, 2005
citicbank.net.cn	PRC	June 3, 2005
citicbank.com.cn	PRC	June 3, 2005
citicbank.net	PRC	June 3, 2005
citicbank.cn	PRC	June 3, 2005
citiccard.com (registered in the name of our Shenzhen branch only)	PRC	March 12, 2003

C. Our Depositors

Our five largest depositors accounted for less than 30% of the total balance of the deposits as at December 31, 2006.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

A. Particulars of Directors' and Supervisors' Service Contracts

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

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

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

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

B. Directors' and Supervisors' remuneration

The aggregate remuneration and benefits in kind granted to the directors and supervisors for the year ended December 31, 2006 amounted to approximately RMB 4 million. See Note 9 under Section V of the Accountants' Report in Appendix I to this prospectus for details.

The aggregate remuneration payable to, and benefits in kind receivable by, our existing directors and supervisors for the year ending December 31, 2007 will be determined with reference to the amounts granted in 2006 and the performance of our bank and other relevant factors. The aggregate remuneration payable to, and benefits in kind receivable by, our new directors and supervisors for the year ending December 31, 2007 will be determined based on the performance of our bank and other relevant factors. All such determinations will be made subject to our corporate governance requirements and relevant laws and regulations.

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

Immediately following the completion of the Global Offering, as far as the directors are aware, the following directors will have interests or short positions in our H Shares, underlying shares or debentures, or those of any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and to the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Hong Kong Listing Rules, in each case upon the listing of our H Shares on the Hong Kong Stock Exchange:

<u>Director's Name</u>	<u>Name of associated company in which shares are held</u>	<u>Class/Number of shares interested</u>	<u>Approximate percentage of the associated corporation's issued share capital</u>
KONG Dan	CIFH	1,600,000 ordinary shares of HK\$1.00 each ⁽¹⁾	0.03%
DOU Jianzhong	CIFH	400,000 ordinary shares of HK\$1.00 each ⁽²⁾	0.01%
CHAN Hui Dor Lam Doreen	CIFH	600,000 ordinary shares of HK\$1.00 each ⁽³⁾	0.01%
CHAN Hui Dor Lam Doreen	CIFH	2,674,689 ordinary shares of HK\$1.00 each	0.05%

Notes:

- (1) Share options granted by CIFH to Kong Dan on November 17, 2003 to subscribe for 400,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$3.540 each during an exercise period from November 17, 2005 to November 16, 2013; on April 6, 2004 to subscribe for 400,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$3.775 each during an exercise period from April 6, 2006 to April 5, 2014; on June 13, 2005 to subscribe for 400,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$2.925 each during an exercise period from June 13, 2007 to June 12, 2015; and on May 18, 2006 to

subscribe for 400,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$4.275 each during an exercise period from May 18, 2008 to May 17, 2016. As at the Latest Practicable Date, the share options had not been exercised.

- (2) Share option granted by CIFH to Dou Jianzhong on May 18, 2006 to subscribe for 400,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$4.275 each during an exercise period from May 18, 2008 to May 17, 2016. As at the Latest Practicable Date, the share option had not been exercised.
- (3) Share options granted by CIFH to Chan Hui Dor Lam Doreen on June 13, 2005 to subscribe for 300,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$2.925 each during an exercise period from June 13, 2007 to June 12, 2015 and on May 18, 2006 to subscribe for 300,000 ordinary shares of HK\$1.00 each of CIFH at an exercise price of HK\$4.275 each during an exercise period from May 18, 2008 to May 17, 2016. As at the Latest Practicable Date, the share options had not been exercised.

For the above purpose, the relevant provisions of the SFO will be interpreted as if they also apply to our supervisors. As far as the directors are aware, no supervisor or director will have any disclosable interests or short positions in our H Shares immediately following the completion of the Global Offering.

D. Substantial Shareholders

So far as our directors are aware, immediately following the completion of the Global Offering and A Share Offering and taking no account of any H Shares or A Shares which may be taken up under the Global Offering and A Share Offering or which may be issued pursuant to the exercise of the Over-allotment Option, but assuming the exercise by BBVA and CIFH of their anti-dilution right and top-up right, respectively, the following persons (not being our directors and supervisors) will have an interest or short position in the shares of our company which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our bank or any of our subsidiaries:

Long Position

<u>Name of interested party</u>	<u>Capacity</u>	<u>Number of H Shares in which the interested party has or is deemed to have interest in</u>	<u>Approximate percentage of shareholding in the registered capital of our company</u>
CITIC Group ⁽¹⁾⁽²⁾	Beneficial interest	24,402,891,019	63.71% ⁽⁴⁾
CIFH ⁽³⁾	Beneficial interest	5,810,189,200	15.17%
BBVA ⁽¹⁾⁽²⁾⁽³⁾	Beneficial interest	1,849,915,281	4.83% ⁽⁴⁾

- (1) CITIC Group agreed to sell to BBVA 52,892,289 shares after the first anniversary of the Global Offering, representing 0.17% of our outstanding number shares immediately prior to the Global Offering.
- (2) In addition to the agreement to sell described in note (1) above, CITIC Group also granted BBVA a call option to purchase from CITIC Group such number of 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. The option is exercisable one year after the date on which dealings in our H Shares commence on the Hong Kong Stock Exchange.
- (3) CIFH and BBVA have the right to subscribe for additional H Shares at the Offer Price. Please see “Our Strategic and Other Investors — Rights and Obligations of BBVA — Anti-dilution Right” and “Our Relationship with CITIC Group and Connected Transactions — Our Relationship with Our Promoters — CIFH Top-Up” for further details.
- (4) This shareholding percentage does not take into account events described in notes (1) and (2) above.

Short Position

<u>Name of interested party</u>	<u>Capacity</u>	<u>Number of H Shares in which the interested party has or is deemed to have interest in</u>	<u>Approximate percentage of shareholding in the registered capital of our company</u>
CITIC Group ⁽¹⁾	Beneficial interest	52,892,289	<i>See Note (1)</i>
CITIC Group ⁽²⁾	Beneficial interest	The greater of (i) such number of shares representing 4.9% of our outstanding shares immediately after the relevant call option closing, or (ii) such number of shares which shall result in the aggregate shareholding percentage of BBVA being increased to 9.9% of our outstanding shares immediately after the relevant call option closing.	<i>See Note (2)</i>

- (1) CITIC Group has agreed to sell to BBVA 52,892,289 shares after the first anniversary of the Global Offering, representing 0.17% of our outstanding number shares immediately prior to the Global Offering.
- (2) In addition to the agreement to sell described in note (1) above, CITIC Group also granted BBVA a call option to purchase from CITIC Group such number of 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. The option is exercisable one year after the date on which dealings in our H Shares commence on the Hong Kong Stock Exchange.

4. OTHER INFORMATION**A. Estate Duty**

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

B. Litigation

Save as disclosed in the section headed “Business — Legal and Administrative Proceedings” of this prospectus, and, so far as our directors are aware, no member of the Group is involved in any material litigation, arbitration or administrative proceedings that could, individually or in the aggregate, have a material adverse effect on our financial condition. So far as our directors are aware, no material litigation, arbitration or administrative proceedings are pending or threatened.

C. Sponsors

The listing of our H Shares on the Hong Kong Stock Exchange is sponsored by China International Capital Corporation (Hong Kong) Limited, CITIC Securities Corporate Finance (HK) Limited, Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Lehman Brothers Asia Limited.

Each of China International Capital Corporation (Hong Kong) Limited, Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Lehman Brothers Asia Limited has declared pursuant to Rule 3A.08 of the Hong Kong Listing Rules that it is independent pursuant to Rule 3A.07 of the Hong Kong Listing Rules.

CITIC Group holds an interest of approximately 28% in CITIC Securities Co. Ltd. and CITIC Securities Co. Ltd. indirectly holds approximately 88% shareholding in CITIC Securities Corporate

Finance (HK) Limited. Accordingly, CITIC Securities Corporate Finance (HK) Limited is not considered independent pursuant to Rule 3A.07 of the Hong Kong Listing Rules.

D. Promoters

The promoters of our Company are CITIC Group and CIFH. Save as disclosed in the prospectus, within the two years immediately preceding the date of this prospectus, no cash, security or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

E. Preliminary expenses

Our estimated preliminary expenses are approximately RMB 4.4 million which are payable by our company. As at the Latest Practicable Date, most of such expenses have been paid by us.

F. Qualification and consents of experts

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

<u>Name of expert</u>	<u>Qualification of expert</u>
China International Capital Corporation (Hong Kong) Limited	Deemed licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) as defined under the SFO
CITIC Securities Corporate Finance (HK) Limited	Licensed under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) as defined under the SFO
Citigroup Global Markets Asia Limited	Licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the SFO
The Hongkong and Shanghai Banking Corporation Limited	A registered institution to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and is also a licensed bank under the Banking Ordinance

<u>Name of expert</u>	<u>Qualification of expert</u>
Lehman Brothers Asia Limited	Licensed under the SFO for type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the SFO
KPMG	Certified Public Accountants
King & Wood	Registered law firm in the PRC
Sallmanns (Far East) Limited	Chartered Surveyors and Valuers

Each of the Joint Sponsors, KPMG, King & Wood and Sallmanns (Far East) Limited has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

G. Financial Advisors to the Company

China International Capital Corporation Limited, being the Company's financial advisor, advises generally on the reorganization and management structure of the company, assisting the Company in communicating with relevant regulatory authorities in obtaining their approvals for the reorganization and the Global Offering, in identifying the parties involved in the Global Offering, and in introducing strategic investors and obtaining relevant approvals.

China International Capital Corporation Limited and Merrill Lynch Far East Limited are appointed to act as advisors to our company in relation to the strategic investment process.

The Joint Sponsors have not relied on the work of the financial advisors in respect of the Global Offering.

H. No Material Adverse Change

Save as disclosed in this prospectus, the directors believe that there has been no material adverse change in our group's financial or trading position since December 31, 2006.

I. Binding Effect

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

J. Miscellaneous

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

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

- (c) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in paragraph 4E of this Appendix:
 - (i) is interested legally or beneficially in any of our shares or any shares in any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities;
- (d) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this prospectus to any of our promoters nor is any such securities or amount or benefit intended to be paid or allotted or given;
- (e) none of our directors or their respective associates has any interest in our top five borrowers or our top five depositors;
- (f) no authorized debentures of our Company and its subsidiaries have been issued;
- (g) there is no arrangement under which any director has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments during the current financial year;
- (h) save as those in the ordinary and usual course of our commercial banking business, there are no outstanding loans or guarantees granted or provided by any subsidiaries of our company to, or for the benefit of, any of our directors;
- (i) no director has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of our Company and its subsidiaries and which was effected by any subsidiaries of our Company in the current or immediately preceding financial year of our Company or which was effected during an earlier financial year and remains in any respect outstanding or unperformed;
- (j) within the two years preceding the date of this prospectus, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (k) no share or loan capital of our company is under option or is agreed conditionally or unconditionally to be put under option;
- (l) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (m) none of the equity and debt securities of our company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (n) we have no outstanding convertible debt securities;
- (o) our Company does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the PRC Sino-foreign Joint Venture Law;
- (p) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special items have been granted or paid to any director, proposed director, promoter, any of the parties listed in paragraph 4E of this Appendix nor any other person in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (q) there are no arrangements in existence under which future dividends are to be waived or agreed to be waived;
- (r) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months; and
- (s) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

K. Exemptions from Hong Kong Companies Ordinance Provisions and Parallel Rules under the Hong Kong Listing Rules*Property Valuation Report*

According to the valuation report set out in Appendix V to this prospectus, as of January 31, 2007, we owned 248 properties or units with an aggregate gross floor area of approximately 655,289.99 square meters in the PRC and office premises with an aggregate gross floor area of approximately 291.8 sq.m. in Hong Kong. As of January 31, 2007, we also contracted to acquire five properties with an aggregate floor area of approximately 22,159.17 sq.m. in the PRC. In addition, as of January 31, 2007, we leased approximately 754 properties with an aggregate lease area of approximately 405,403.46 square meters in the PRC. Owing to the substantial number of properties involved, we have applied to the SFC for an exemption and the Hong Kong Stock Exchange for a waiver from strict compliance with certain of the valuation report requirements contained in paragraph 34(2) of the Third Schedule to the Hong Kong Companies Ordinance and Rules 5.01, 5.06 and 19A.27(4) and paragraph 3(a) of Practice Note 16 of the Hong Kong Listing Rules, respectively, on the grounds that:

- (a) it would be unduly burdensome to include a fully compliant valuation report in this prospectus and the inclusion of such detailed information would be irrelevant to potential investors in a commercial bank; and
- (b) it would be unduly burdensome to prepare an English translation of the report, as substantially all of the properties are located in the PRC and consequently the underlying valuation and title information is in Chinese.

The exemption has been granted by the SFC under section 342A(1) of the Hong Kong Companies Ordinance, subject to the following conditions:

- (i) a valuation report in the Chinese language complying with all the requirements of paragraph 34 of the Third Schedule to the Companies Ordinance will be made available for inspection in accordance with Appendix X — “Documents Delivered to the Registrar of Companies and Available for Inspection”;
- (ii) the valuer’s letter and the valuer’s certificate containing a summary valuation of all the Group’s property interests be included in this prospectus in the form set out in Appendix V to this prospectus; and
- (iii) this prospectus shall set out particulars of this exemption.

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

- (i) a full valuation report in Chinese complying with all the requirements under the Listing Rules and paragraph 34 of Part II of the Third Schedule to the Companies Ordinance will be made available for inspection in accordance with Appendix X — “Documents Delivered to the Registrar of Companies and Available for Inspection”;
- (ii) a summary valuation of all property interests of us and our subsidiaries, as set out in Appendix V to this prospectus, has been included in this prospectus; and
- (iii) we obtain a Certificate of Exemption from the SFC in relation to compliance with relevant requirements under the Companies Ordinance.

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

L. Bilingual Prospectus

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