

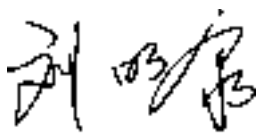
Chairman's Statement

With the support from investors and the continued efforts of its entire staff, the Company was successfully listed on The Stock Exchange of Hong Kong Limited on 25 July, 2002. The initial public offering of the Company is the largest public offering in Hong Kong so far in 2002. It is also one of the largest public offerings worldwide in 2002. This is also the first time ever that a state-owned commercial bank made use of overseas capital market. It goes without saying that the Company's public offering will have a positive impact on the capital market development in Hong Kong and the capital market reform in the mainland of China.

The Company launches its initial public offering in the face of depressed global stock markets and volatile capital market. Despite the unfavourable market conditions, the Company's initial public offering received tremendous market response which reflect investors' confidence in the Company's fundamentals and their expectations of the Company's future development. I take this opportunity to express my sincere gratitude to all our investors.

The Company's successful listing is achieved through its dedicated efforts. However, the listing is not the end of the story. Rather, it marks the beginning of a challenging era and brings the Company's development into a new horizon. There are important missions lying ahead on a winding road. Our mission is to improve the Company's competitive edge through listing. In order to meet the challenges ahead, the Company will establish a sound corporate governance practice, efficient management framework, modern operational concept and corporate culture. Following the listing, the Company's Management and entire staff are now actively adapting to the rules and operating environment applicable to a listed company both in concept and in practice. Under enhanced operational transparency and market scrutiny, we will strive to further develop our business, create shareholder value, keep up with our pace of development and realise our promises to our investors. At the same time, as a good corporate citizen, we will continue to dedicate our commitments and contributions to the society.

I believe that as the global economy gains momentum coupled with our continuing business development, improvement in asset quality and establishment of sound corporate governance practice, the Company will be able to establish itself as an international first class bank.



LIU Mingkang
Chairman
Hong Kong, 27 August 2002