

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



**中国建设银行**

China Construction Bank

中國建設銀行股份有限公司

*China Construction Bank Corporation*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 939)**

## **Audit by the National Audit Office of the People's Republic of China**

In 2008, the National Audit Office of the People's Republic of China conducted a routine audit on the assets, liabilities and profits and losses of the headquarters and certain branches of China Construction Bank Corporation ("the Bank") for the year of 2007 and an extended and retrospective audit on relevant matters.

The audit result indicates that in recent years, by actively pushing forward shareholding system reform, the Bank's modern corporate governance mechanism has started to show its strength. By further enhancing the internal control organizational structure, streamlining business flow as well as strengthening internal audit measures, the effectiveness of internal control has been further improved. The profitability has been increasing each year, the amount and ratio of non-performing loans have both recorded a downward trend and the Bank's ability to withstand risk has been enhanced dramatically. State-owned assets and investments of all parties have realized value maintenance and appreciation.

This audit detected certain irregularities and room for improvement in the Bank's operations and management, which mainly include the following: a few branches and sub-branches experienced difficulties with their business operations, such as releasing loans in violation of relevant rules, loose post-release supervision etc.; there exist weaknesses in the information system management, certain parts of business management and day-to-day management. In certain suspected cases, insufficient regulation of individual sub-branches also allowed for certain individual enterprises to fraudulently obtain bank loans by colluding with the Bank's employees.

This audit is the first comprehensive audit and inspection of the Bank conducted by the National Audit Office since its last audit inspection of the Bank in 2002. The board of directors, board of supervisors and senior management of the Bank attached great importance to the issues raised by this audit, and convened various meetings specifically designated for these issues to study on measures for rectification and improvement. Most of the identified issues in this audit have already been rectified. The vast majority of the non-complying loans have been recovered and the outstanding amount will be recovered shortly; the relevant responsible parties have been seriously dealt with accordingly. Regarding the areas for improvement in the Bank's operations and management identified in this audit, the Bank has put into place effective measures and has streamlined the overall current systems to further regulate operational practice, enhance compliance awareness, improve the prevention of irregularities and control measures and raise the overall level of risk management and internal control.

The issues identified in this audit do not affect the Bank's overall operational performance or its financial statement.

By order of the Board  
**China Construction Bank Corporation**  
**Zhang Jianguo**  
*Vice Chairman, Executive Director and President*

22 June 2009

*As at the date of this announcement, the executive directors of the Bank are Mr. Guo Shuqing, Mr. Zhang Jianguo and Ms. Xin Shusen; the non-executive directors of the Bank are Mr. Wang Yonggang, Mr. Wang Yong, Ms. Wang Shumin, Mr. Liu Xianghui, Mr. Zhang Xiangdong, Ms. Li Xiaoling and Mr. Gregory L. Curl; and the independent non-executive directors of the Bank are Lord Peter Levene, Mr. Song Fengming, Ms. Jenny Shipley, Ms. Elaine La Roche, Mr. Wong Kai-Man and Mr. Tse Hau Yin, Aloysius.*