

FOR IMMEDIATE RELEASE



China Construction Bank (Asia) Announces Net Profit after Tax of HKD221 Million for the First Half of 2008

HONG KONG – September 29, 2008 – China Construction Bank (Asia) Corporation Limited (“CCB (Asia)”) today reported net profit after tax of HKD221 million for the first half of 2008.

During the first half of 2008, the bank achieved an impressive loan growth of 35% from the year end of 2007. Despite this remarkable total loan growth, net interest income declined by 19% or HKD81 million as compared with the same period last year, primarily attributable to net interest margin contraction due to higher funding costs in taking customer time deposits, issuing certificates of deposit and borrowing funds in the inter-bank market under the tight market conditions.

Non-interest income recorded a solid growth of HKD78 million or 38% as compared to the same period of last year, with across-the-board growth in revenue from investment and securities services, insurance services, foreign exchange and treasury related products. However, this income increase was entirely offset by the significant decline in net interest income. As a result, total operating income only recorded a small change as compared to that of the first half of last year.

Total operating expenses increased by 39% or HKD104 million over the same period last year, largely attributable to the increasing costs relating to integration in systems and operations, business and branch network expansion, and development of new products and services. In addition, loan impairment allowance write-back was lower than that of the same period of the prior year.

The bank’s asset quality continued to be very satisfactory. The ratio of loans overdue for more than three months to outstanding loans was only 0.01% at the end of June 2008.

CCB (Asia) President and Chief Executive Officer Charles Ma said, “With the strong support of our parent China Construction Bank Corporation, we have remarkably expanded our operation, branch network and assets base. Being the retail and commercial banking platform of China Construction Bank Corporation for business expansion in Hong Kong and Macau, we’ll continue our rapid growth strategy.”

Ma added that their parent bank has recently approved an injection of USD800 million new capital into the bank in support of the bank’s further branch network expansion, loan and asset growth, development of new products, systems and new lines of business and services.

“Since we are in the active expansion mode, it is expected that the expense level will be increasing in the next few years which will inevitably have short-term profitability impact for the bank.” Ma remarked. “However, we believe the bank’s overall earnings capability and competitive edge will be further enhanced in the long run with the expanded branch network and economy of scale, diversified loan and deposit mix, stronger and diversified customer base, and broadened range of products and services.”

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The bank's interim financial disclosure statements of 2008 is available for collection at the bank's branches or can be viewed through the bank's Web site at www.asia.ccb.com.

About China Construction Bank (Asia) Corporation Limited

Became a wholly-owned subsidiary of China Construction Bank Corporation ("CCB Corporation") on December 29, 2006, the bank, formerly known as Bank of America (Asia), was renamed to China Construction Bank (Asia) Corporation Limited ("CCB (Asia)") on December 30, 2006.

CCB (Asia) has 27 branches in Hong Kong and Macau. A wide array of consumer, retail and commercial banking products and services are offered to customers through these branches.

For Consumer Banking, CCB (Asia) offers conventional transactional, foreign exchange and cash services, as well as deposits, loans, investments, consolidated banking, insurance and electronic banking services. For Retail and Commercial Banking, the bank offers a variety of trade financing, factoring, foreign exchange, leasing, insurance, investment and electronic banking services. For more information, please visit www.asia.ccb.com.

About China Construction Bank Corporation

CCB Corporation, the parent company has a long history of operating in China. Its history dates back to 1954 when the People's Construction Bank of China was founded. This entity was renamed China Construction Bank in 1996. CCB Corporation was formed in September 2004 when it separated from its predecessor, China Construction Bank, and assumed its commercial banking business and related assets and liabilities. Headquartered in Beijing, CCB Corporation had a network of over 13,000 branches and sub-branches in Mainland China as of June 30, 2008, and maintained overseas branches in Hong Kong, Singapore, Frankfurt, Johannesburg, Tokyo and Seoul, and representative offices in London, New York and Sydney. CCB Corporation holds 100% interest of China Construction Bank (Asia) Corporation Limited and CCB International (Holdings) Co. Ltd., 75.1% interest of Sino-German Bausparkasse, 65% interest of CCB Principal Asset Management Co. Ltd. and 75.1% interest of CCB Financial Leasing Corporation Ltd. It has a staff count of approximately 300,000.

CCB Corporation began trading its H shares on the Stock Exchange of Hong Kong Limited on October 27, 2005 with Stock Code 0939. Its A shares started trading on the Shanghai Stock Exchange on September 25, 2007 with Stock Code 601939.

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For news enquiry, please contact:

Willa Wong
Vice President & Head of Corporate Communications
Planning, Marketing & Communications
China Construction Bank (Asia)
Tel : (852) 3718 2247
Email : willa.wong@asia.ccb.com
Web site : www.asia.ccb.com

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A. CONSOLIDATED INCOME STATEMENT

	Note	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Interest income		1,256,463	946,002
Interest expense		<u>(918,348)</u>	<u>(527,335)</u>
Net interest income	4	338,115	418,667
Net fees and commission income	5	124,509	111,738
Net gains from financial instruments at fair value through profit or loss	6	149,659	89,297
Other operating income	7	<u>6,972</u>	<u>2,148</u>
Total operating income		619,255	621,850
Operating expenses	8	<u>(374,023)</u>	<u>(270,019)</u>
Operating profit before impairment losses		245,232	351,831
Loan impairment released and other credit risk provisions	9	<u>3,407</u>	<u>30,031</u>
Operating profit		248,639	381,862
Share of profits of an associate		<u>9,543</u>	<u>12,420</u>
Profit before taxation		258,182	394,282
Taxation	10	<u>(37,532)</u>	<u>(67,062)</u>
Net profit attributable to shareholders		<u>220,650</u>	<u>327,220</u>

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B. CONSOLIDATED BALANCE SHEET

	Note	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000 (restated)
Assets			
Cash and balances with banks	11	14,383,934	6,596,883
Placements with banks maturing between one and twelve months		20,701,094	17,347,784
Advances to banks		7,079,802	257,407
Advances to customers	12	38,883,445	33,770,330
Financial instruments measured at fair value through profit or loss	13	3,283,532	2,397,206
Available-for-sale financial assets	14	1,726,168	1,813,192
Derivative financial instruments	15	669,156	358,621
Investment in an associate		114,120	104,577
Deferred tax assets		2,233	2,227
Property and equipment	16	161,887	151,557
Interests in leasehold land		75,770	76,670
Other assets		<u>596,011</u>	<u>1,099,865</u>
Total assets		<u>87,677,152</u>	<u>63,976,319</u>
Liabilities			
Deposits and balances of banks		37,003,510	17,824,020
Deposits from customers	17	36,575,611	34,480,361
Certificates of deposit issued	18	4,011,186	2,000,726
Derivative financial instruments	15	639,887	366,294
Current taxation		29,417	19,357
Other liabilities		<u>592,569</u>	<u>668,330</u>
Total liabilities		<u>78,852,180</u>	<u>55,359,088</u>
Equity			
Share capital		310,131	310,131
Reserves	19	<u>8,514,841</u>	<u>8,307,100</u>
Total equity		<u>8,824,972</u>	<u>8,617,231</u>
Total equity and liabilities		<u>87,677,152</u>	<u>63,976,319</u>

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C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 January 2008	310,131	1,103,667	7,203,433	8,617,231
Net change in fair value of available-for-sale financial assets	-	(12,909)	-	(12,909)
Net profit for the six months	-	-	220,650	220,650
Appropriation to general reserve	-	12,621	(12,621)	-
At 30 June 2008	<u>310,131</u>	<u>1,103,379</u>	<u>7,411,462</u>	<u>8,824,972</u>
At 1 January 2007	310,131	949,451	6,763,977	8,023,559
Net change in fair value of available-for-sale financial assets	-	(1,601)	-	(1,601)
Net profit for the year	-	-	603,571	603,571
Appropriations to regulatory reserve and general reserve	-	164,115	(164,115)	-
Rewarding success plan reserve	-	(8,298)	-	(8,298)
At 31 December 2007	<u>310,131</u>	<u>1,103,667</u>	<u>7,203,433</u>	<u>8,617,231</u>

D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(1) BASIS OF PREPARATION

This interim financial information disclosure statements have been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements.

(2) BASIS OF CONSOLIDATION

The interim financial information disclosure statements cover the consolidated positions of China Construction Bank (Asia) Corporation Limited (“the Bank”), all its subsidiaries (China Construction Bank (Macau) Corporation Limited (“CCBMCL”), CCB Securities Limited and CCB Nominees Limited) and an associate (QBE Hongkong & Shanghai Insurance Limited) (collectively referred to as “the Group”) up to 30 June 2008.

Unless otherwise stated, all financial information contained are prepared according to the consolidation basis for accounting purposes. In preparing the capital adequacy ratio of the Group, they are prepared according to the basis of consolidation for regulatory purposes. The main difference between the consolidation basis for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries and an associate whereas the latter includes the Bank and a subsidiary (CCBMCL) which conduct banking business.

(3) STATEMENT OF COMPLIANCE

In preparing the unaudited interim financial information disclosure statements for the first half of 2008, the Bank has fully complied with the disclosure provisions of the Banking (Disclosure) Rules.

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(4) NET INTEREST INCOME

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Interest income		
Interest income arising from financial assets that are not measured at fair value through profit or loss		
- Placements and advances to banks	624,853	154,794
- Advances to customers	600,811	763,603
- Available-for-sale financial assets	30,767	27,303
- Others	<u>32</u>	<u>302</u>
	1,256,463	946,002
Interest expense		
Interest expense arising from financial liabilities that are not measured at fair value through profit or loss		
- Deposits and balances of banks	471,806	14,659
- Deposits from customers	403,194	480,368
- Certificates of deposit issued	34,308	14,713
- Others	<u>931</u>	<u>551</u>
	910,239	510,291
Net interest expense on financial liabilities that are designated as fair value hedges		
- Certificates of deposit issued	13,624	14,678
- Interest rate swaps	<u>(5,515)</u>	<u>2,366</u>
	8,109	17,044
	<u>918,348</u>	<u>527,335</u>
Net interest income	<u>338,115</u>	<u>418,667</u>

There was no interest income accrued on impaired financial assets and interest income on the unwinding of discount on loan impairment losses for the six months ended 30 June 2008 and 30 June 2007.

Interest income from available-for-sale financial assets was mainly derived from unlisted debt securities.

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(5) NET FEES AND COMMISSION INCOME

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Fees and commission income	128,597	114,345
Fees and commission expense	<u>(4,088)</u>	<u>(2,607)</u>
Net fees and commission income	<u>124,509</u>	<u>111,738</u>

For the first half of 2008, the fees and commission income and expense, other than amounts included in determining the effective interest rate, relating to financial assets or financial liabilities not at fair value through profit or loss were HK\$22,043,918 (2007: HK\$21,866,584) and HK\$NIL (2007: HK\$NIL) respectively.

(6) NET GAINS FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Net trading income		
Foreign exchange contracts	90,914	35,184
Interest rates contracts	(6,019)	445
Currency swap contracts	2,483	-
Unlisted debt securities		
- interest income	55,165	53,958
- net gains	<u>1,629</u>	<u>-</u>
	<u>144,172</u>	<u>89,587</u>
Net gains from financial instruments designated at fair value through profit or loss		
Listed debt securities		
- interest income	8,300	-
- net losses	<u>(2,813)</u>	<u>(290)</u>
	<u>5,487</u>	<u>(290)</u>
	<u>149,659</u>	<u>89,297</u>

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(7) OTHER OPERATING INCOME

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Dividend income from unlisted available-for-sale equity financial assets	3,083	2,003
Others	<u>3,889</u>	<u>145</u>
	6,972	2,148
	=====	=====

(8) OPERATING EXPENSES

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Staff costs		
- salaries and other benefits	189,878	135,156
- pension and provident fund costs	<u>12,804</u>	<u>10,312</u>
	202,682	145,468
	-----	-----
Premises and equipment expenses excluding depreciation		
- rental of premises	61,186	51,500
- others	<u>26,600</u>	<u>19,346</u>
	87,786	70,846
	-----	-----
Auditors' remuneration	980	1,059
Depreciation	20,402	9,780
Amortisation of prepaid operating lease payment	900	390
Other operating expenses	<u>61,273</u>	<u>42,476</u>
	374,023	270,019
	=====	=====

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(9) LOAN IMPAIRMENT RELEASED AND OTHER CREDIT RISK PROVISIONS

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Individually assessed impairment allowances released	3,533	1,945
Collectively assessed impairment allowances (charged) / released	<u>(783)</u>	<u>28,399</u>
Impairment allowances on loans	2,750	30,344
Other credit risk provisions released / (charged)	<u>657</u>	<u>(313)</u>
	3,407	30,031
	=====	=====
Include in the above impairment allowances on loans released:		
- new and additional charges	(11,675)	(5,807)
- releases	9,233	32,267
- recoveries	<u>5,192</u>	<u>3,884</u>
	2,750	30,344
	=====	=====

(10) TAXATION

Taxation in the consolidated income statement represents:

	6 months ended 30 Jun 2008 HK\$'000	6 months ended 30 Jun 2007 HK\$'000
Provision for the period		
- Hong Kong	34,039	55,688
- Macau	<u>3,499</u>	<u>3,765</u>
	37,538	59,453
	-----	-----
Under provision in prior years:		
- Hong Kong	-	2,912
	-----	-----
Deferred taxation relating to the origination and reversal of temporary differences	<u>(6)</u>	<u>4,697</u>
	37,532	67,062
	=====	=====

The provision for Hong Kong profits tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the period. Taxation for the subsidiary in Macau is charged at the appropriate current rates of taxation ruling in Macau.

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(11) CASH AND BALANCES WITH BANKS

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Cash in hand	123,368	124,256
Balances with banks	700,687	326,124
Money at call and short notice with banks	<u>13,559,879</u>	<u>6,146,503</u>
	<u>14,383,934</u>	<u>6,596,883</u>

(12) ADVANCES TO CUSTOMERS

(a) Advances to customers less impairment

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000 (restated)
Gross advances to customers	38,968,074	33,859,440
Less: Impairment allowances		
- collectively assessed	(56,163)	(55,380)
- individually assessed	<u>(28,466)</u>	<u>(33,730)</u>
Net advances to customers	<u>38,883,445</u>	<u>33,770,330</u>
Included in advances to customers are:		
Trade bills	1,722,644	1,689,890
Less: Impairment allowances		
- collectively assessed	(22,546)	(25,662)
- individually assessed	<u>(2,988)</u>	<u>-</u>
	<u>1,697,110</u>	<u>1,664,228</u>

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(12) ADVANCES TO CUSTOMERS (continued)

(b) Impaired advances and allowances are analysed as follows:

	30 Jun 2008		31 Dec 2007	
	HK\$'000	% of gross advances	HK\$'000	% of gross advances
Gross impaired advances	45,710	0.12	49,581	0.15
Individual impairment allowances	<u>(28,466)</u>		<u>(33,730)</u>	
	17,244		15,851	
	=====		=====	
Net realisable value of collateral held against the impaired advances	28,815		32,558	
	=====		=====	

Impaired advances represent all loans recognised as classified loans for regulatory reporting purposes and are individually assessed loans with objective evidence of impairment.

The above individual impairment allowances were made after taking into account the realisable value of collateral in respect of such advances.

As at 30 June 2008 and as at 31 December 2007, there were no impaired advances in respect of advances to banks.

(13) FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 Jun 2008	31 Dec 2007
	HK\$'000	HK\$'000
Held for trading	2,943,747	2,054,844
Designated at fair value through profit or loss	<u>339,785</u>	<u>342,362</u>
	3,283,532	2,397,206
	=====	=====

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(13) FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Financial instruments measured at fair value through profit or loss analysed by type of issuer and place of listing are as follows:

	Trading		Designated at fair value through profit or loss	
	30 June 2008 HK\$'000	31 Dec 2007 HK\$'000	30 June 2008 HK\$'000	31 Dec 2007 HK\$'000
Treasury bills issued by central governments	145,632	108,738	-	-
Certificates of deposit by banks	387,964	388,814	-	-
Other debt securities issued by				
- banks	2,410,151	1,557,292	77,138	77,427
- corporate	-	-	262,647	264,935
	<u>2,943,747</u>	<u>2,054,844</u>	<u>339,785</u>	<u>342,362</u>
	=====	=====	=====	=====
Analysed by place of listing				
- listed in Hong Kong	-	-	74,365	75,277
- listed outside Hong Kong	-	-	265,420	267,085
- unlisted	<u>2,943,747</u>	<u>2,054,844</u>	<u>-</u>	<u>-</u>
	<u>2,943,747</u>	<u>2,054,844</u>	<u>339,785</u>	<u>342,362</u>
	=====	=====	=====	=====

(14) AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2008 HK\$'000	31 Dec 2007 HK\$'000
Treasury bills issued by central government	199,525	198,118
Certificates of deposit issued by banks	465,158	388,899
Other debt securities issued by		
- banks	953,982	1,119,167
- public sector entities	4,200	6,958
- corporate	<u>84,987</u>	<u>88,909</u>
	1,707,852	1,802,051
Equity shares issued by corporate	<u>18,316</u>	<u>11,141</u>
	<u>1,726,168</u>	<u>1,813,192</u>
	=====	=====
Analysed by place of listing		
- listed in Hong Kong	37,283	44,978
- listed outside Hong Kong	147,494	151,647
- unlisted	<u>1,541,391</u>	<u>1,616,567</u>
	<u>1,726,168</u>	<u>1,813,192</u>
	=====	=====

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(15) DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives include forward, swap and option transactions undertaken by the Group in the foreign exchange and interest rate markets. The Group uses of derivatives for proprietary trading and sale to customers as risk management products. These positions are actively managed through entering offsetting deals with external parties to ensure the Group's net exposures are within acceptable risk levels. No significant proprietary positions are maintained by the Group at the balance sheet date. The Group also uses derivatives, principally interest rate swaps, in the management of its own asset and liability portfolios and structural positions.

(a) Notional amounts of derivatives

	30 Jun 2008				31 Dec 2007			
	Held for trading HK\$'000	Managed in conjunction with financial instruments designated at fair value through profit or loss HK\$'000	Qualifying for hedge accounting HK\$'000	Total HK\$'000	Held for trading HK\$'000	Managed in conjunction with financial instruments designated at fair value through profit or loss HK\$'000	Qualifying for hedge accounting HK\$'000	Total HK\$'000
Exchange rate contracts								
- Forwards	29,561,253	-	-	29,561,253	15,522,551	-	-	15,522,551
- Options purchased	945,751	-	-	945,751	296,339	-	-	296,339
- Options written	945,751	-	-	945,751	296,360	-	-	296,360
Currency swaps	544,880	-	-	544,880	-	-	-	-
Interest rate swaps	<u>200,000</u>	<u>343,145</u>	<u>-</u>	<u>543,145</u>	<u>7,801</u>	<u>343,233</u>	<u>800,000</u>	<u>1,151,034</u>
	<u>32,197,635</u>	<u>343,145</u>	<u>-</u>	<u>32,540,780</u>	<u>16,123,051</u>	<u>343,233</u>	<u>800,000</u>	<u>17,266,284</u>

The notional amounts of these financial instruments indicate the volume of transactions outstanding and do not represent amounts at risk.

(b) Notional amounts of derivatives by remaining maturity analysis

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

	30 Jun 2008				31 Dec 2007			
	Total HK\$'000	1 year or less HK\$'000	Over 1 year to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000	1 year or less HK\$'000	Over 1 year to 5 years HK\$'000	Over 5 years HK\$'000
Exchange rate contracts								
- Forwards	29,561,253	29,561,253	-	-	15,522,551	15,522,551	-	-
- Options purchased	945,751	945,751	-	-	296,339	296,339	-	-
- Options written	945,751	945,751	-	-	296,360	296,360	-	-
Currency swaps	544,880	544,880	-	-	-	-	-	-
Interest rate swaps	<u>543,145</u>	<u>238,994</u>	<u>163,774</u>	<u>140,377</u>	<u>1,151,034</u>	<u>839,004</u>	<u>210,620</u>	<u>101,410</u>
	<u>32,540,780</u>	<u>32,236,629</u>	<u>163,774</u>	<u>140,377</u>	<u>17,266,284</u>	<u>16,954,254</u>	<u>210,620</u>	<u>101,410</u>

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(15) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values and credit risk weighted amounts of derivatives

	30 Jun 2008			31 Dec 2007		
	Fair value assets HK\$'000	Fair value liabilities HK\$'000	Credit risk weighted amount HK\$'000	Fair value assets HK\$'000	Fair value liabilities HK\$'000	Credit risk weighted amount HK\$'000
Exchange rate contracts						
- Forwards	665,854	628,691	36,798	342,780	356,357	45,404
- Options purchased	1,262	-	8,868	592	-	1,815
- Options written	-	-	-	-	592	-
Currency swaps	1,397	-	296	-	-	-
Interest rate swaps	<u>643</u>	<u>11,196</u>	<u>1,404</u>	<u>15,249</u>	<u>9,345</u>	<u>4,216</u>
	<u>669,156</u>	<u>639,887</u>	<u>47,366</u>	<u>358,621</u>	<u>366,294</u>	<u>51,435</u>

The credit risk weighted amount was calculated in accordance with the Banking (Capital) Rules and depends on the status of the counterparty and the maturing characteristics. The risk weights used range from 0% to 100% (2007: 0% to 100%) for exchange rate and interest rate contracts.

The Group did not enter into any bilateral netting arrangements during the period and accordingly these amounts are shown on gross basis.

(d) Fair value of derivative financial instruments designated as hedging instruments

The following is a summary of the fair value of derivatives held for fair value hedges purpose:

	30 Jun 2008		31 Dec 2007	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Interest rate swaps	-	-	14,883	-

The above interest rate swaps are used to hedge changes in the fair value of certain fixed rate liabilities due to movements in market interest rates. For the period ended 30 June 2008, the net gain on hedged items attributable to the hedged risk was HK\$725,927 (2007: net loss of HK\$4,604,878) while the net loss on hedging instruments was HK\$127,519 (2007: net gain of HK\$4,831,047).

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(16) PROPERTY AND EQUIPMENT

	Freehold land HK\$'000	Buildings HK\$'000	Leasehold improvements HK \$'000	Furniture and equipment HK\$'000	Total HK\$'000
Cost:					
At 1 January 2008	6,463	69,840	77,572	172,028	325,903
Additions	-	-	13,971	16,942	30,913
Disposals	<u>-</u>	<u>-</u>	<u>(1,812)</u>	<u>(10,839)</u>	<u>(12,651)</u>
At 30 June 2008	<u>6,463</u>	<u>69,840</u>	<u>89,731</u>	<u>178,131</u>	<u>344,165</u>
Accumulated depreciation:					
At 1 January 2008	-	23,458	43,011	107,877	174,346
Charge for the period	-	2,139	7,808	10,455	20,402
Disposals	<u>-</u>	<u>-</u>	<u>(1,812)</u>	<u>(10,658)</u>	<u>(12,470)</u>
At 30 June 2008	<u>-</u>	<u>25,597</u>	<u>49,007</u>	<u>107,674</u>	<u>182,278</u>
Net book value:					
At 30 June 2008	<u>6,463</u>	<u>44,243</u>	<u>40,724</u>	<u>70,457</u>	<u>161,887</u>
Cost:					
At 1 January 2007	6,463	37,193	43,661	130,408	217,725
Additions					
- through acquisition from ultimate controlling party and a fellow subsidiary	-	32,500	7,135	3,698	43,333
- others	-	551	26,776	44,077	71,404
Disposals	<u>-</u>	<u>(404)</u>	<u>-</u>	<u>(6,155)</u>	<u>(6,559)</u>
At 31 December 2007	<u>6,463</u>	<u>69,840</u>	<u>77,572</u>	<u>172,028</u>	<u>325,903</u>
Accumulated depreciation:					
At 1 January 2007	-	20,064	35,742	97,632	153,438
Charge for the year	-	3,394	7,269	15,579	26,242
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,334)</u>	<u>(5,334)</u>
At 31 December 2007	<u>-</u>	<u>23,458</u>	<u>43,011</u>	<u>107,877</u>	<u>174,346</u>
Net book value:					
At 31 December 2007	<u>6,463</u>	<u>46,382</u>	<u>34,561</u>	<u>64,151</u>	<u>151,557</u>

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(17) DEPOSITS FROM CUSTOMERS

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Demand deposits and current accounts	2,323,491	3,023,715
Saving deposits	5,601,350	5,151,031
Time and call deposits	28,578,451	26,209,640
Other deposits	<u>72,319</u>	<u>95,975</u>
	36,575,611	34,480,361
	=====	=====

(18) CERTIFICATES OF DEPOSIT ISSUED

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Issued at amortised cost	4,011,186	2,000,726
	=====	=====
Of which		
- hedged by interest rate swaps	-	800,726
	=====	=====

(19) RESERVES

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
General reserve	836,684	824,063
Investment revaluation reserve	(14,507)	(1,598)
Exchange reserve	(146)	(146)
Regulatory reserve	265,435	265,435
Other reserve	15,913	15,913
Retained profits	<u>7,411,462</u>	<u>7,203,433</u>
	8,514,841	8,307,100
	=====	=====

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained profits and in consultation with the Hong Kong Monetary Authority (“HKMA”).

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D. NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

(20) CONTINGENT LIABILITIES AND COMMITMENTS

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Direct credit substitutes	654,966	649,773
Transaction-related contingencies	47,848	18,625
Trade-related contingencies	517,758	758,461
Forward forward deposits placed	748,680	-
Other commitments:		
- which are unconditionally cancellable or automatically cancellable due to the deterioration in the credit worthiness of the borrower	2,934,409	2,667,029
- with an original maturity		
- under one year	615,771	1,243,134
- one year and over	<u>37,967</u>	<u>2,317</u>
	<u>5,557,399</u>	<u>5,339,339</u>

The aggregate credit risk weighted amounts of the above off-balance sheet exposures are as follows:

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Credit risk weighted amounts	<u>1,248,569</u>	<u>1,002,820</u>

Contingent liabilities and commitments are credit-related instruments which include letter of credits, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for the loans. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client defaults. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100% (2007: 0% to 100%).

(21) COMPARATIVE FIGURES

Certain comparative figure in Section D & E of this statement have been reclassified in order to have a better presentation on advances to banks and advances to customers.

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E. SUPPLEMENTARY FINANCIAL INFORMATION

(1) OVERDUE AND RESCHEDULED ASSETS

(a) Gross advances to customers overdue for more than three months:

	30 Jun 2008		31 Dec 2007	
	HK\$'000	% on total advances to customers	HK\$'000	% on total advances to customers
Six months or less but over three months	-	-	3,991	0.01
One year or less but over six months	-	-	11,592	0.03
Over one year	4,573	0.01	6,159	0.02
Total gross amount of advances overdue for more than three months	4,573	0.01	21,742	0.06
Individually assessed impairment allowances made in respect of the above overdue advances	1,027		7,301	
Net realisable value of collateral held against the overdue advances	4,275		24,149	
Covered portion of overdue advances	2,906		18,395	
Uncovered portion of overdue advances	1,667		3,347	
	4,573		21,742	

Collateral held with respect of overdue advances to customers is mainly residential, commercial and industrial properties.

As at 30 June 2008 and 31 December 2007, there were no overdue advances to banks.

(b) Reschedules advances to customers:

	30 Jun 2008		31 Dec 2007	
	HK\$'000	% on total advances to customers	HK\$'000	% on total advances to customers (restated)
Rescheduled advances to customers	23,692	0.06	25,931	0.08
	23,692	0.06	25,931	0.08

Reschedules advances are those advances which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or the inability of the borrower to meet the original repayment schedule and for which the revised payment terms are non-commercial to the Bank. The rescheduled advances are stated net of any advances that have subsequently become overdue for over three months and reported as overdue advances as above.

As at 30 June 2008 and 31 December 2007, there were no rescheduled advances to banks.

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E. SUPPLEMENTARY FINANCIAL INFORMATION

- (1) OVERDUE AND RESCHEDULED ASSETS (continued)
(c) Repossessed assets

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Repossessed properties	1,271 =====	12,367 =====

The amount represents the estimated market value of the repossessed assets as at 30 June 2008 and 31 December 2007.

- (d) Other overdue and rescheduled assets

As at 30 June 2008 and 31 December 2007, there were no other overdue and rescheduled assets.

- (2) CAPITAL ADEQUACY RATIO AND CAPITAL MANAGEMENT

	30 Jun 2008	31 Dec 2007
Capital adequacy ratio	16.08% =====	21.71% =====
Core capital adequacy ratio	16.07% =====	21.54% =====

At 30 June 2008, the capital adequacy ratio was computed on a consolidated basis, including the Bank and its subsidiary, China Construction Bank (Macau) Corporation Limited, in accordance with the Banking (Capital) Rules. Deductions from total capital base include investments in certain subsidiaries, namely CCB Securities Limited and CCB Nominees Limited, which conduct non-banking related businesses, and their risk weighted assets have not been consolidated into the total risk weighted assets of the Group.

In calculating the risk weighted assets, the Group adopted the Standardised (Credit Risk) Approach and the Standardised (Market Risk) Approach for credit risk and market risk respectively. For operational risk, the capital requirement is calculated by using the Basic Indicator Approach.

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E. SUPPLEMENTARY FINANCIAL INFORMATION

(3) CAPITAL BASE AFTER DEDUCTIONS

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000
Core capital:		
Paid-up ordinary share capital	310,131	310,131
Published reserves	7,861,699	7,286,318
Profit and loss account	198,190	575,381
Deduct: Deferred tax assets	<u>(2,707)</u>	<u>(2,644)</u>
Total core capital before deductions	8,367,313	8,169,186
Less: Deductions from core capital	<u>(300,257)</u>	<u>(258,205)</u>
 Total core capital after deductions	 8,067,056	 7,910,981
	-----	-----
Supplementary capital:		
Reserves attributable to fair value (losses)/gains on revaluation of holding of available-for-sale equities and debt securities	(14,507)	(1,598)
Regulatory reserve for general banking risks	265,435	265,435
Collectively assessed impairment allowances	<u>56,163</u>	<u>55,380</u>
Total supplementary capital before deductions	307,091	319,217
Less: Deductions from supplementary capital	<u>(300,258)</u>	<u>(258,206)</u>
 Total supplementary capital after deductions	 6,833	 61,011
	-----	-----
Total capital base before deductions	8,674,404	8,488,403
Total deductions from total capital base	<u>(600,515)</u>	<u>(516,411)</u>
 Total capital base after deductions	 8,073,889	 7,971,992
	=====	=====

(4) LIQUIDITY RATIO

	2008	2007
Average liquidity ratio for the six-months period ended 30 June	36.26%	34.26%
	=====	=====

The average liquidity ratio for the six-months period is calculated as the simple average of each calendar month's average liquidity ratio, which is computed on a single company basis as required by the HKMA for its regulatory purposes, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

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E. SUPPLEMENTARY FINANCIAL INFORMATION

(5) SEGMENTAL INFORMATION

(a) Gross advances to customers

(i) Gross advances to customers by industry sectors

Analysis of gross advances to customers covered by collateral is as follow:

	30 Jun 2008		31 Dec 2007	
	Outstanding balance HK\$'000	% of advances covered by collateral	Outstanding balance HK\$'000 (restated)	% of advances covered by collateral (restated)
Advances for use in Hong Kong:				
Industrial, commercial and financial				
- Property development	65,819	0.00	53,557	14.58
- Property investment	13,685,329	95.63	11,317,592	95.76
- Financial concerns	503,776	80.88	451,422	82.15
- Stockbrokers	18,801	100.00	68,800	56.40
- Wholesale and retail trade	983,573	76.02	921,162	80.54
- Manufacturing	1,397,962	45.11	1,017,819	55.77
- Transport and transport equipment	744,779	11.18	627,339	9.77
- Recreational activities	17,898	100.00	15,979	100.00
- Information technology	68,288	17.49	98,519	50.10
- Others	<u>1,904,871</u>	87.39	<u>2,377,225</u>	72.97
	19,391,096		16,949,414	
Individuals				
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	18,054	100.00	19,755	100.00
- Loans for the purchase of other residential properties	12,182,224	99.95	10,127,087	100.00
- Others	<u>3,364,791</u>	74.30	<u>3,145,364</u>	85.54
	15,565,069		13,292,206	
Trade finance	1,590,935	31.10	1,518,409	29.77
Advances for use outside Hong Kong	<u>2,420,974</u>	73.21	<u>2,099,411</u>	76.25
Total gross advances to customers	<u><u>38,968,074</u></u>		<u><u>33,859,440</u></u>	

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E. SUPPLEMENTARY FINANCIAL INFORMATION

(5) SEGMENTAL INFORMATION (continued)

(a) Gross advances to customers (continued)

(i) Gross advances to customers by industry sectors (continued)

Further analysis of gross advances to customers which constitute not less than 10% of gross advances to customers are as follows:

	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000 (restated)
(1) Property investment		
- Impaired advances	-	9,822
- Individually assessed impairment allowances	-	4,738
- Collectively assessed impairment allowances	7,649	9,154
- New impairment allowances charged during the period / year	-	7,347
- Advances written-off during the period / year	5,127	-
(2) Individuals - loans for the purchase of other residential properties		
- Impaired advances	1,271	4,775
- Individually assessed impairment allowances	461	1,652
- Collectively assessed impairment allowances	511	2,108
- New impairment allowances charged during the period / year	-	2,384
- Advances written-off during the period / year	280	498
(ii) Gross advances to customers by geographical areas		
	30 Jun 2008 HK\$'000	31 Dec 2007 HK\$'000 (restated)
Hong Kong	36,063,029	31,576,996
Others	<u>2,905,045</u>	<u>2,282,444</u>
	38,968,074 =====	33,859,440 =====

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E. SUPPLEMENTARY FINANCIAL INFORMATION

(5) SEGMENTAL INFORMATION (continued)

(a) Gross advances to customers (continued)

(iii) Impaired advances by geographical areas

	30 Jun 2008		31 Dec 2007	
	Gross impaired advances HK\$'000	Individually assessed impairment allowances HK\$'000	Gross impaired advances HK\$'000	Individually assessed impairment allowances HK\$'000
Hong Kong	45,710	28,466	49,581	33,730
	=====	=====	=====	=====

More than 90% of the collective impairment allowances were allocated to Hong Kong at 30 June 2008 and 31 December 2007.

The geographical analysis is based on location of the customers and has not been taken account of transfer of risk.

(b) Cross-border claims

Cross-border claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank, the risk will be transferred to the country where its head office is situated. Only regions constituting 10% or more of the aggregate cross-border claims are disclosed:

	Banks HK\$'000	Others HK\$'000	Total HK\$'000
At 30 June 2008			
Asia Pacific excluding Hong Kong	41,508,292	2,895,929	44,404,221
Europe	4,311,519	26,195	4,337,714
	=====	=====	=====
At 31 December 2007			
Asia Pacific excluding Hong Kong	21,069,777	1,945,295	23,015,072
Europe	6,256,642	57,301	6,313,943
	=====	=====	=====

The geographical analysis has been taken account of transfer of risk.

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(5) SEGMENTAL INFORMATION (continued)

(c) Geographical segments

	Total operating income \$'000	Profit before taxation \$'000	Total assets \$'000	Total liabilities \$'000	Contingent liabilities and commitments \$'000
At 30 June 2008					
Hong Kong	569,680	225,701	86,964,432	78,112,577	5,046,370
Macau	53,017	32,481	4,018,191	3,238,818	546,029
Less: Intra-group items	<u>(3,442)</u>	<u>-</u>	<u>(3,305,471)</u>	<u>(2,499,215)</u>	<u>(35,000)</u>
	<u>619,255</u>	<u>258,182</u>	<u>87,677,152</u>	<u>78,852,180</u>	<u>5,557,399</u>
At 31 December 2007					
Hong Kong	1,189,459	657,321	63,353,644	54,671,004	4,943,870
Macau	107,884	67,307	3,615,635	2,862,444	501,596
Less: Intra-group items	<u>(26,272)</u>	<u>-</u>	<u>(2,992,960)</u>	<u>(2,174,360)</u>	<u>(106,127)</u>
	<u>1,271,071</u>	<u>724,628</u>	<u>63,976,319</u>	<u>55,359,088</u>	<u>5,339,339</u>

The Bank, which is the main operating entity of the Group, operates in Hong Kong. A major subsidiary which carries on banking business is operating in Macau. The Group has credit exposure to many sectors of the economy. Credit risk of the Group's loan portfolio is spread over a diverse range of consumer and commercial customers.

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(6) NON-BANK MAINLAND EXPOSURES

Non-bank Mainland exposures are the Mainland exposures to non-bank counterparties. The categories follow the non-bank Mainland exposures submitted by the Bank to the HKMA pursuant to section 63 of the Hong Kong Banking Ordinance.

	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000	Individually assessed impairment allowances HK\$'000
At 30 June 2008				
Mainland entities Companies and individuals outside Mainland where the credit is granted for use in the Mainland	766,290	47,400	813,690	-
Other counterparties the exposure to whom are considered by the Bank to be non-bank Mainland exposures	1,270,289	215,150	1,485,439	-
	<u>98,168</u>	<u>206</u>	<u>98,374</u>	<u>-</u>
	<u>2,134,747</u>	<u>262,756</u>	<u>2,397,503</u>	<u>-</u>
	=====	=====	=====	=====
	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000	Individually assessed impairment allowances HK\$'000
At 31 December 2007				
Mainland entities Companies and individuals outside Mainland where the credit is granted for use in the Mainland	580,724	101,826	682,550	-
Other counterparties the exposure to whom are considered by the Bank to be non-bank Mainland exposures	1,298,600	909,994	2,208,594	1,245
	<u>19,192</u>	<u>-</u>	<u>19,192</u>	<u>-</u>
	<u>1,898,516</u>	<u>1,011,820</u>	<u>2,910,336</u>	<u>1,245</u>
	=====	=====	=====	=====

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E. SUPPLEMENTARY FINANCIAL INFORMATION

(7) CURRENCY CONCENTRATIONS

The Group had the following net foreign currency exposures which exceeded 10% of the net foreign currency exposure in all currencies:

	Total	Of which	
	HK\$'000	USD HK\$'000 equivalent	MOP HK\$'000 equivalent
At 30 June 2008			
Spot assets	48,994,183	45,411,566	439,397
Spot liabilities	(49,743,430)	(42,692,729)	(304,616)
Forward purchases	24,266,848	12,208,785	-
Forward sales	<u>(23,982,005)</u>	<u>(15,374,493)</u>	<u>(1,141)</u>
Net short position	(464,404)	(446,871)	133,640
	=====	=====	=====
Net structural position	423,447	-	423,447
	=====	=====	=====
	Total	Of which	
	HK\$'000	USD HK\$'000 equivalent	MOP HK\$'000 equivalent
At 31 December 2007			
Spot assets	30,539,583	29,497,094	608,506
Spot liabilities	(30,016,124)	(26,271,098)	(380,332)
Forward purchases	12,166,352	5,794,462	-
Forward sales	<u>(12,444,189)</u>	<u>(8,814,690)</u>	<u>(1,069)</u>
Net long position	245,622	205,768	227,105
	=====	=====	=====
Net structural position	423,447	-	423,447
	=====	=====	=====

The structural assets of the Group include investment in a subsidiary in Macau.

The net options position is calculated using the Simplified Approach and there was no net options position as at 30 June 2008 and 31 December 2007.