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**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)**

## **PROPOSED RIGHTS ISSUE OF A SHARES AND H SHARES**

The Board resolved on 29 April 2010 to seek the approval of the Shareholders for the Rights Issue and the relevant authorisations for the Rights Issue. The Rights Issue will comprise the issue of both the A Rights Shares and the H Rights Shares, in order to strengthen the capital base of the Bank.

The Rights Issue will be conducted on the basis of up to 0.7 Rights Shares for every ten (10) existing Shares, on the same basis for A Shares and H Shares, subject to final determination by the Board or any other person authorised by the Board prior to the Rights Issue through consultation with the sponsor(s)/lead underwriter(s) having regard to the market conditions and pursuant to the authorisation of the general meeting. A Rights Shares will be underwritten on a best efforts basis, H Rights Shares will be fully underwritten. The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares before the publication of the issue announcement, provided that the Subscription Price will not be lower than the most recent net asset value per Share of the Bank before the Rights Issue as determined by a domestic auditor in accordance with PRC GAAP. The final Subscription Price shall be determined by the Board or any other person authorised by the Board prior to the Rights Issue through consultation with the sponsor(s)/lead underwriter(s) having regard to the market conditions and pursuant to the authorisation of the general meeting. The Subscription Prices of A Rights Shares and H Rights Shares shall be the same after exchange rate adjustment.

On the basis of 233,689,084,000 Shares (comprising 9,000,000,000 A Shares and 224,689,084,000 H Shares) in issue as at the Latest Practicable Date and assuming no change in the issued share capital of the Bank between the Latest Practicable Date and the Share Registration Date, the Bank expects to allot and issue, on the assumption of up to 0.7 Rights Shares for every ten (10) existing Shares, no more than 16,358,235,880 Rights Shares (comprising 630,000,000 A Shares and 15,728,235,880 H Shares) in total. It is expected that the gross proceeds of the Rights Issue will be no more than RMB75 billion. The final amount of gross proceeds shall be determined by the actual Subscription Price and number of Rights Shares to be issued at the time of Rights Issue.

The Rights Issue will be subject to, among other matters, the approval of the Shareholders at the 2009 Annual General Meeting, the approval of the A Shareholders at the First A Shareholders Class Meeting of 2010 and the approval of the H Shareholders at the First H Shareholders Class Meeting of 2010. A circular containing the notices convening the 2009 Annual General Meeting and the First H Shareholders Class Meeting of 2010 will be delivered to the H Shareholders as soon as practicable in accordance with the Articles of Association of the Bank.

The Bank intends to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules.

Prior to the commencement of the H Share Rights Issue, the Bank will make a further announcement and issue the H Share Rights Prospectus, which will contain all relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Subscription Price, the period of closure of the register of members and the Share Registration Date, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares, the underwriting arrangements and the expected timetable of the Rights Issue.

This announcement is made pursuant to the general disclosure requirements under Rule 13.09(1) of the Hong Kong Listing Rules.

**The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the section headed “Conditions of the H Share Rights Issue”. If the conditions are not fulfilled, the H Share Rights Issue will not proceed. Investors are advised to exercise caution when dealing in the H Shares.**

## **Introduction**

The Board has resolved on 29 April 2010 that the issue of A Rights Shares and H Rights Shares by way of rights issue be approved. The proposed H Shares Rights Issue shall be conditional upon, among other matters:

- (i) Shareholders’ approval by special resolution at the 2009 Annual General Meeting, the First A Shareholders Class Meeting of 2010 and the First H Shareholders Class Meeting of 2010 in accordance with relevant provisions of the Articles of Association of the Bank; and
- (ii) the approval of the CSRC and other relevant regulatory authorities.

See “Conditions of the H Share Rights Issue” below.

In accordance with the Company Law of the People’s Republic of China, the Hong Kong Listing Rules and other relevant laws, regulations and regulatory rules, the Bank has met the conditions for the rights issue of A Shares and H Shares. The Board has considered and approved the proposed Rights Issue of A Shares and H Shares, specifically as set out below.

## Details of the Proposed Rights Issue of A Shares and H Shares

The Rights Issue will comprise an offer of A Rights Shares and an offer of H Rights Shares to A Shareholders and Qualified H Shareholders, respectively, on the terms set out below.

- (1) Type and nominal value of Rights Shares : Domestically listed RMB ordinary shares (A Shares) and overseas listed RMB ordinary shares (H Shares), with a nominal value of RMB1.00 per Share.
- (2) Proportion and number of Shares to be issued : The Rights Shares will be allotted to Shareholders on the basis of up to 0.7 Rights Shares for every ten (10) existing Shares, on the same basis for A Shares and H Shares, subject to final determination by the Board or any other person authorised by the Board prior to the Rights Issue through consultation with the sponsor(s)/lead underwriter(s) having regard to the market conditions and pursuant to the authorisation of the general meeting. A Rights Shares will be underwritten on a best efforts basis, H Rights Shares will be fully underwritten.

The number of A Shares and H Shares for the proposed Rights Issue shall be determined respectively based on the total number of A Shares as at the A Share Registration Date and the total number of H Shares as at the H Share Registration Date. On the basis of 233,689,084,000 Shares in issue as at 29 April 2010, the total number of Shares to be offered in the proposed Rights Issue shall be up to 16,358,235,880 (comprising 630,000,000 A Shares and 15,728,235,880 H Shares). It is expected that the gross proceeds of the Rights Issue will be no more than RMB75 billion. The final amount of gross proceeds shall be determined by the actual Subscription Price and number of Rights Shares to be issued at the time of Rights Issue.

- (3) Subscription Price for the Rights Shares : The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares before the publication of the issue announcement, provided that the Subscription Price will not be lower than the most recent net asset value per share of the Bank before the Rights Issue as determined by a domestic auditor in accordance with PRC GAAP. The final Subscription Price shall be determined by the Board or any other person authorised by the Board prior to the Rights Issue through consultation with the sponsor(s)/the lead underwriter(s) having regard to the market conditions and pursuant to the authorisation of the general meeting. The Subscription Prices of A Rights Shares and H Rights Shares shall be the same after exchange rate adjustment.

- (4) Target subscribers for the Rights Issue : The target subscribers of A Shares to be offered in the A Share Rights Issue shall be all the A Shareholders of the Bank as set out in the register of members after market closes on the A Share Registration Date, and the target subscribers of H Shares to be offered in the H Share Rights Issue shall be all the Qualified H Shareholders as determined on the H Share Registration Date.
- (5) Use of proceeds : All the proceeds raised from the Rights Issue, after deduction of issue expenses, shall be used to strengthen the capital base of the Bank.
- (6) Arrangements for the accumulated undistributed profits of the Bank prior to the Rights Issue : The accumulated undistributed profits of the Bank prior to the completion of the Rights Issue shall be shared by all Shareholders on a pro-rata basis after completion of the Rights Issue.
- (7) Effective period of the resolution : The effective period of the resolution on the proposed Rights Issue shall be 12 months starting from the date on which the resolution is approved by the Shareholders' general meeting, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

### **Qualified H Shareholders**

The Bank will send the H Share Rights Issue Prospectus to the Qualified H Shareholders (and to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue, a Shareholder must:

- (i) be registered as an H Shareholder of the Bank on the H Share Registration Date; and
- (ii) not be an Excluded Shareholder.

The Bank will announce before the commencement of the H Share Rights Issue, the date by which the H Shareholders must lodge any transfers of existing H Shares (together with the relevant H Share certificates) with the Bank's branch registrar in Hong Kong, in order for the transferee to be registered as an H Shareholder of the Bank on or before the H Share Registration Date.

### **H Share Registration Date**

The H Share Registration Date and the trading arrangements for the nil-paid H Rights Shares will be fixed by the Board and once so fixed, a further announcement will be made by the Bank. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the section headed "Conditions of the H Share Rights Issue". The H Share Registration Date will not precede the date of the 2009 Annual General Meeting and the Class Meetings or the date on which all relevant PRC governmental and regulatory approvals have been granted to the Bank in relation to the Rights Issue.

## **Trading of the H Rights Shares**

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the branch registrar of members of the Bank in Hong Kong will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Bank regarding the trading arrangements for the H Rights Shares (in both forms) after such arrangements have been finalised by the Board.

## **Status of the H Rights Shares**

The H Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

## **Rights of Overseas Shareholders**

The H Rights Issue Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Bank will make enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on advice received from the relevant legal advisers, the Board considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (that is, those Overseas Shareholders who are the Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Bank will send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for their information only, but the Bank will not send any provisional allotment letters or excess application forms to the Excluded Shareholders.

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after the commencement of the dealings in the nil-paid H Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid on a pro rata basis to the Excluded Shareholders, provided that the Bank will pay individual amounts of more than HK\$100 to the relevant Excluded Shareholders in Hong Kong dollars and will retain individual amounts of HK\$100 or less for its own benefit.

## **Application for Excess H Rights Shares**

Qualified H Shareholders of the Bank may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders and for any H Rights Shares provisionally allotted to the Qualified H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be dispatched to the Qualified H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares. The Board will allocate the excess H Rights Shares at its discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots.

### **Conditions of the H Share Rights Issue**

It is expected that the H Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the 2009 Annual General Meeting;
- (ii) the approval of the Rights Issue at the First H Shareholders Class Meeting of 2010 and the First A Shareholders Class Meeting of 2010, respectively;
- (iii) the approval of the Rights Issue by the CBRC;
- (iv) the approval of the Rights Issue by the CSRC;
- (v) the Listing Committee of the Hong Kong Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Bank accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Issue Prospectus; and
- (vi) the delivery to the Hong Kong Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

None of the above conditions for completion of the H Share Rights Issue may be waived by the Bank or has been satisfied as at the date of this announcement. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

### **Conditions of the A Share Rights Issue**

It is expected that the A Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the 2009 Annual General Meeting;
- (ii) the approval of the Rights Issue at the First A Shareholders Class Meeting of 2010 and the First H Shareholders Class Meeting of 2010, respectively;
- (iii) the approval of the Rights Issue by the CBRC;
- (iv) the approval of the Rights Issue by the CSRC;

- (v) the fulfillment by the controlling shareholder of the Bank of its public undertaking to be made prior to the convening of the Shareholders' general meeting with respect to the number of Shares it will subscribe; and
- (vi) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Share Rights Issue.

None of the above conditions for the completion of the A Share Rights Issue may be waived by the Bank or has been satisfied as at the date of this announcement. If the conditions are not fulfilled, the A Share Rights Issue will not proceed.

### **Registered Capital and Amendments to the Articles of Association**

As a result of the completion of the Rights Issue, the registered capital of the Bank will be increased and certain amendments will be made to the Articles of Association of the Bank in relation to such increase in the registered capital of the Bank. The Bank will duly comply with the relevant PRC laws and regulations and the requirements as set out under the Hong Kong Listing Rules in respect of such amendments to the Articles of Association of the Bank. Details of such amendments will be provided to the Shareholders in a further announcement to be issued by the Bank in due course

### **Underwriting**

The Bank intends to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules and such underwriting will be conducted in accordance with the requirements of the Hong Kong Listing Rules. Details of the underwriting arrangement in relation to the Rights Issue will be provided to the Shareholders in a further announcement on the Rights Issue to be issued by the Bank in due course.

The A Share Rights Issue will however proceed on a non-fully-underwritten basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations and as classified by the CSRC, the A Share Rights Issue may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Share Rights Issue. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Shares will be issued or allotted pursuant to such rights.

### **Further Announcement and Issuance of H Share Rights Issue Prospectus in relation to the Rights Issue**

Prior to the commencement of the H Share Rights Issue, the Bank will make a further announcement and issue the H Share Rights Issue Prospectus, which will contain all the relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Subscription Price, the period of closure of the register of members and the Share Registration Date, trading arrangements of the H Rights Shares, the arrangement for excess H Rights Shares, the underwriting arrangement and the expected timetable of the Rights Issue.

## Shareholding Structure of the Bank

The following table sets out the Bank's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue (assuming the Rights Issue is conducted on the basis of 0.7 Rights Shares for every ten (10) existing Shares with full subscription for the Rights Shares and assuming no change in the issued share capital of the Bank between the Latest Practicable Date and the Share Registration Date):

Share class	Total number of issued Shares before the Rights Issue as at the Latest Practicable Date	Percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue	Total number of issued Shares immediately after the Rights Issue	Percentage of the total number of issued Shares immediately after the Rights Issue
H Shares	224,689,084,000	96.15%	15,728,235,880	240,417,319,880	96.15%
A Shares	9,000,000,000	3.85%	630,000,000	9,630,000,000	3.85%
Total	233,689,084,000	100%	16,358,235,880	250,047,319,880	100%

The following table sets out the Bank's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue (assuming the Rights Issue is conducted on the basis of 0.7 Rights Shares for every ten (10) existing Shares with 70% subscription level for the A Rights shares and full subscription for the H Rights Shares and assuming no change in the issued share capital of the Bank between the Latest Practicable Date and the Share Registration Date):

Share class	Total number of issued Shares before the Rights Issue as at the Latest Practicable Date	Percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue	Total number of issued Shares immediately after the Rights Issue	Percentage of the total number of issued Shares immediately after the Rights Issue
H Shares	224,689,084,000	96.15%	15,728,235,880	240,417,319,880	96.22%
A Shares	9,000,000,000	3.85%	441,000,000	9,441,000,000	3.78%
Total	233,689,084,000	100%	16,169,235,880	249,858,319,880	100%

## Shareholders' Approvals

The Rights Issue will be subject to the approval of the Shareholders at the 2009 Annual General Meeting, the approval of the A Shareholders at the First A Shareholders Class Meeting of 2010 and the approval of the H Shareholders at the First H Shareholders Class Meeting of 2010.



## **Circular**

A circular containing, among other things, the notices convening the 2009 Annual General Meeting and the First H Shareholders Class Meeting of 2010 will be dispatched to the H Shareholders as soon as practicable in accordance with the Articles of Association of the Bank.

## **DEFINITIONS**

“2009 Annual General Meeting”	the annual general meeting of Shareholders of the Bank to be held on 24 June 2010
“A Rights Shares”	the new A Shares proposed to be allotted and issued to A Shareholders pursuant to the A Share Rights Issue (less any A shares not taken up by the A Shareholders)
“A Share(s)”	domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Bank, listed on the Shanghai Stock Exchange and traded in RMB
“A Share Registration Date”	a date to be determined by the Board or its authorised person(s) by reference to which entitlements to the A Share Rights Issue are to be determined
“A Share Rights Issue”	the proposed issue of up to 630,000,000 A Rights Shares at the Subscription Price on the basis of up to 0.7 A Rights Shares for every ten (10) existing A Shares held on the relevant A Share Registration Date
“A Shareholder(s)”	holder(s) of the A Shares
“Articles of Association”	the Articles of Association of the Bank (as amended from time to time)
“Bank”	China Construction Bank Corporation, a joint stock limited company duly incorporated in the PRC, whose H Shares and A Shares are listed on Hong Kong Stock Exchange (Stock Code: 939) and Shanghai Stock Exchange (Stock Code: 601939) respectively
“Board”	the board of directors of the Bank
“Class Meeting”	Relevant class meetings held on 24 June 2010, being the date of the 2009 Annual General Meeting, at which (i) A Shareholders and (ii) H Shareholders will consider and approve the Rights Issue of A and H Shares respectively
“CBRC”	China Banking Regulatory Commission
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Bank

“Excluded Shareholder(s)”	overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient to exclude any such Overseas Shareholder(s) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue
“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Bank, listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Registration Date”	a date to be determined by the Board or its authorised person(s) by reference to which entitlements to the H Share Rights Issue are to be determined
“H Share Rights Issue”	the proposed issue of up to 15,728,235,880 H Rights Shares at the Subscription Price on the basis of up to 0.7 H Rights Shares for every ten (10) existing H Shares held on the H Share Registration Date
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	29 April 2010, being the last practicable date to determine certain information as set forth herein prior to the publication of this announcement
“Overseas Shareholder(s)”	H Shareholders whose name(s) appear on the register of members of the Bank on the H Share Registration Date and whose registered address(es) is/are in a place outside Hong Kong
“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	the financial reporting standards of enterprises promulgated by Chinese Accounting Standards Committee under the Ministry of Finance of the PRC and related interpretation bulletins.
“Qualified H Shareholder(s)”	H Shareholders whose name(s) appear(s) on the register of members of the Bank on the H Share Registration Date and who are not Excluded Shareholders

“Rights Issue”	the A Share Rights Issue and the H Share Rights Issue
“Rights Share(s)”	the H Rights Share(s) and the A Rights Share(s)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the A and H Shares of the Bank
“Share Registration Date”	the A Share Registration Date and/or the H Share Registration Date
“Subscription Price”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue

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

29 April 2010

*As at the date of this announcement, the executive directors of the Bank are Mr. Guo Shuqing, Mr. Zhang Jianguo, Ms. Xin Shusen and Mr. Chen Zuofu; 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, Dame Jenny Shipley, Ms. Elaine La Roche, Mr. Wong Kai-Man and Mr. Tse Hau Yin, Aloysius.*