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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 company incorporated in the People's Republic of China with limited liability)

(Stock Code: 939)

**PROPOSED ISSUANCE OF
U.S.\$3,050,000,000 4.65% NON-CUMULATIVE PERPETUAL
OFFSHORE PREFERENCE SHARES**

Joint Global Coordinators

CCB International

HSBC

UBS

Standard Chartered Bank

Joint Bookrunners and Joint Lead Managers

CCB International

HSBC

UBS

Standard Chartered Bank

China Construction Bank (Asia)

BOCOM International

Citigroup

J.P. Morgan

Morgan Stanley

The Bank has entered into the Subscription Agreement with the Joint Global Coordinators and the Joint Lead Managers, pursuant to which the Joint Lead Managers have severally and not jointly agreed to (in respect of the Subscribing Managers) subscribe or (in respect of the Placing Managers) procure subscribers to subscribe for the Offshore Preference Shares to be issued by the Bank on the terms of the Subscription Agreement. The Offshore Preference Shares will have a par value of RMB100 each. Subject to the conditions described in the Subscription Agreement, the Offshore Preference Shares will be subscribed at a price equal to 100% of the Liquidation Preference (U.S.\$20 each). The Offshore Preference Shares will be issued fully paid in U.S. dollars.

The Offshore Preference Shares will be issued pursuant to the Articles, the Shareholder Resolutions and the delegated authority of the Chairman, the President or other senior management members of the Bank, acting individually or jointly. The Offshore Preference Shares to be issued will be treated as Additional Tier 1 Capital of the Bank pursuant to the Capital Management Rules issued by the CBRC.

Upon the Winding-Up of the Bank, the Offshore Preference Shareholders shall rank: (a) junior to holders of (i) all liabilities of the Bank including subordinated liabilities and (ii) obligations issued or guaranteed by the Bank that rank, or are expressed to rank, senior to the Offshore Preference Shares; (b) equally in all respects with each other and without preference among themselves and with the holders of Parity Obligations; and (c) in priority to holders of the Ordinary Shares. On such Winding-Up of the Bank, any remaining assets of the Bank shall, after the distributions in accordance with the Conditions have been made, be applied to the claims of the Offshore Preference Shareholders *pari passu* with the claims of holders of any Parity Obligations and in priority to the claims of the holders of Ordinary Shares.

The Offshore Preference Shares are perpetual and have no maturity date. The Offshore Preference Shares are not redeemable at the option of the Offshore Preference Shareholders, and the Offshore Preference Shareholders do not have the right to put back the Offshore Preference Shares to the Bank. However, the Bank may, subject to obtaining CBRC Approval and compliance with the Redemption Preconditions, upon prior notice to the Offshore Preference Shareholders and the Fiscal Agent, redeem in whole or in part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any accrued but unpaid dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption. Further details are described in the Conditions.

Subject as provided in the Conditions, each Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends. Each dividend will be payable annually in arrear on 16 December in each year when, as and if declared by the Board subject to certain conditions being met in the Conditions, and the first such Dividend Payment Date will be 16 December 2016. The Offshore Preference Shares will accrue dividends on their Liquidation Preference at the rate of: (a) 4.65% per annum, during the period beginning on and including the Issue Date and ending on but excluding the First Reset Date; and (b) thereafter, in respect of the period from and including the First Reset Date and each Reset Date falling thereafter to but excluding the immediately following Reset Date, the relevant Reset Dividend Rate. Subject to a resolution to be passed at a Shareholders' general meeting of the Bank on each such occasion, the Bank may elect to cancel (in whole or in part) any dividends in the manner set out in the Conditions.

If an Additional Tier 1 Capital Instrument Trigger Event or a Non-Viability Trigger Event occurs, subject to the conditions described in the Conditions, the Bank shall (having notified and obtained the consent of the CBRC but without the need for the consent of Offshore Preference Shareholders or Ordinary Shareholders) cancel any dividend in respect of the relevant Loss Absorption Amount that is unpaid accrued up to and including the Conversion Date, and irrevocably and compulsorily convert with effect from the Conversion Date all or some only of the Offshore Preference Shares into such number of H Shares as is equal to the Loss Absorption Amount divided by the effective Conversion Price rounded down to the nearest whole number of H Shares.

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trading Centre on 9 December 2015, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB19.56 billion. The Bank expects the net proceeds raised from the Offshore Preference Shares issuance, after deduction of the expenses relating to the issuance, to be approximately RMB19.51 billion and, subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, will be used to replenish the Bank's Additional Tier 1 Capital.

There are restrictions on the offer and sale of the Offshore Preference Shares in certain jurisdictions including, but not limited to, the United States, the PRC, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S.

The Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person. The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. The Offshore Preference Shares will be issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof.

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon Conversion of the Offshore Preference Shares. A further announcement will be made before listing of and dealings in the Offshore Preference Shares commence.

The Bank has been assigned a long-term rating of "A" by Standard & Poor's, a long-term rating of "A1" by Moody's and a long-term foreign currency credit rating of "A" by Fitch, and all the rating agencies have a stable outlook on the Bank's rating. The Offshore Preference Shares are expected to be rated "BB" by Standard & Poor's and "Ba2" by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Prospective investors should evaluate each rating independently of any other rating of the Offshore Preference Shares or other securities of the Bank.

Completion of the Subscription Agreement and issue of the Offshore Preference Shares is subject to the satisfaction or waiver of the conditions precedent therein. In addition, the Subscription Agreement and issue of the Offshore Preference Shares may be terminated in certain circumstances. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

The Bank has entered into the Subscription Agreement with the Joint Global Coordinators and the Joint Lead Managers, pursuant to which the Joint Lead Managers have severally and not jointly agreed to (in respect of the Subscribing Managers) subscribe or (in respect of the Placing Managers) procure subscribers to subscribe for the Offshore Preference Shares to be issued by the Bank on the terms of the Subscription Agreement.

The Offshore Preference Shares will be issued pursuant to the Articles, the Shareholder Resolutions and the delegated authority of the Chairman, the President or other senior management members of the Bank, acting individually or jointly. The Offshore Preference Shares to be issued will be treated as Additional Tier 1 Capital of the Bank pursuant to the Capital Management Rules issued by the CBRC.

There are restrictions on the offer and sale of the Offshore Preference Shares in certain jurisdictions including, but not limited to, the United States, the PRC, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S.

The Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person. The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. The Offshore Preference Shares will be issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof.

THE SUBSCRIPTION AGREEMENT

Date

9 December 2015

Parties

- (i) the Bank (as issuer);
- (ii) CCB International Capital Limited, The Hongkong and Shanghai Banking Corporation Limited, UBS AG, Hong Kong Branch and Standard Chartered Bank (as Joint Global Coordinators);
- (iii) CCB International Capital Limited and China Construction Bank (Asia) Corporation Limited (as Placing Managers); and
- (iv) The Hongkong and Shanghai Banking Corporation Limited, UBS AG, Hong Kong Branch, Standard Chartered Bank, BOCOM International Securities Limited, Citigroup Global Markets Limited, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc (as Subscribing Managers, and together with the Placing Managers, as the Joint Lead Managers)

Subscription

Subject to the fulfilment of the conditions set out below in the section headed “Conditions Precedent to the Subscription”, the Joint Lead Managers have severally and not jointly agreed to (in respect of the Subscribing Managers) subscribe or (in respect of the Placing Managers) procure subscribers to subscribe for the Offshore Preference Shares to be issued by the Bank. The Bank expects that the issuance of the Offshore Preference Shares will be completed on the Closing Date.

The Offshore Preference Shares will have a par value of RMB100 each. Subject to the conditions described in the Subscription Agreement, the Offshore Preference Shares will be subscribed at a price equal to 100% of the Liquidation Preference (U.S.\$20 each).

Subscribers

To the best of the Bank’s knowledge, information and belief, the Subscribing Managers are not connected persons (as defined in the Hong Kong Listing Rules) of the Bank.

The Joint Lead Managers have informed the Bank that no less than six qualified placees are intended to be procured by them for the Offshore Preference Shares but subject to a maximum limit of 200 qualified placees for the Offshore Preference Shares. The Offshore Preference Shares are not intended to be initially placed and may not be initially placed to connected persons of the Bank as defined in the Hong Kong Listing Rules. To the best of the Bank’s knowledge, information and belief, each of the placees (and its respective ultimate beneficial owners) intended to be procured by the Joint Lead Managers are not connected persons (as defined in the Hong Kong Listing Rules) of the Bank.

Conditions Precedent to the Subscription

The obligations of the Joint Lead Managers to subscribe and pay for or procure subscribers to subscribe and pay for the Offshore Preference Shares is conditional upon:

1. *Other Contracts*: the execution and delivery of the deed of covenant in respect of the Offshore Preference Shares and the Agency Agreement (together with the Subscription Agreement, the “**Contracts**”) by the respective parties on or before the Closing Date;
2. *Auditors’ Letter*: on each of the date of the final Offering Circular and the Closing Date, there having been delivered to the Joint Lead Managers a letter, in the form agreed between the Bank and the Joint Lead Managers, dated the date of the final Offering Circular and the Closing Date (as the case may be) and addressed to the Joint Lead Managers from PricewaterhouseCoopers, auditors of the Bank;
3. *Compliance*: on the Closing Date (a) the representations and warranties of the Bank in the Subscription Agreement being true, accurate and correct at, and as if made on, the Closing Date; and (b) the Bank having performed all of its obligations under the Subscription Agreement to be performed on or before the Closing Date and there having been delivered to the Joint Lead Managers a certificate substantially in the form set out in the Subscription Agreement, dated the Closing Date, signed by an authorised signatory of the Bank to such effect;
4. *Legal Opinions*: on or before the Closing Date, there having been delivered to the Joint Lead Managers, in form reasonably satisfactory to them, dated the Closing Date, (i) an opinion as to Hong Kong law from Clifford Chance, legal advisers to the Joint Lead Managers; (ii) an opinion as to PRC law from Global Law Offices, legal advisers to the Joint Lead Managers; and (iii) an opinion as to PRC law from Haiwen & Partners, legal advisers to the Bank;
5. *Authorisation*: on or before the Closing Date, the Bank having received all consents and approvals required in relation to the issue of the Offshore Preference Shares and the performance of its obligations under the Agency Agreement and the Offshore Preference Shares;
6. *Regulatory approvals*: on the Closing Date, the Bank having received the approvals of the CSRC and the CBRC in respect of the issue of the Offshore Preference Shares and such approvals remaining in full force and effect, and not altering the terms of any Contract, on the Closing Date;
7. *Listing*: on or before the Closing Date, the Hong Kong Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers to list the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares (or the Joint Lead Managers being reasonably satisfied that such listing will be granted); and
8. *Rating*: on or before the Closing Date, there having been delivered to the Joint Lead Managers, confirmations from Standard & Poor’s and Moody’s that they have assigned the rating of “BB” and “Ba2”, respectively, to the Offshore Preference Shares.

provided, however, that the Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the condition precedents specified in the paragraphs above other than paragraph 1.

Termination of the Subscription

Notwithstanding anything contained in the Subscription Agreement, the Joint Lead Managers (after consultation with the Bank, if practicable) may, by notice to the Bank, terminate the Subscription Agreement prior to the Closing Date in any of the following circumstances:

1. if there shall have come to the notice of any Joint Lead Manager any breach or alleged breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Bank's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions specified in the section headed "Conditions Precedent to the Subscription" above is not satisfied or waived by the Joint Lead Managers; and
3. if in the opinion of the Joint Lead Managers there shall have been such a change whether or not reasonably foreseeable at the date of the Subscription Agreement in national or international financial, political or economic conditions, currency exchange rates or exchange controls which in its view, is likely to prejudice materially the success of the offering and distribution of the Offshore Preference Shares or dealings in the Offshore Preference Shares in the secondary market.

PRINCIPAL TERMS OF THE OFFSHORE PREFERENCE SHARES

The Articles and the Conditions are written in Chinese. In the event of any inconsistency between (i) on the one hand, the Articles and the Conditions in Chinese and (ii) on the other hand, any translations of the Articles and the Conditions in other languages, the Chinese versions of the Articles and the Conditions shall prevail. In addition, in the event of any inconsistency between the Articles and the Conditions, the Articles shall prevail.

<i>Bank</i>	China Construction Bank Corporation
<i>Offering</i>	U.S.\$3,050,000,000 4.65% Non-Cumulative Perpetual Offshore Preference Shares
<i>Issue Price</i>	100%
<i>Liquidation Preference</i>	<p>The Offshore Preference Shares will be issued fully paid in U.S. dollars so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each.</p> <p>The Offshore Preference Shares will have a par value of RMB100 each according to regulatory requirements. The Liquidation Preference amount has been set to enable minimum denomination and integral multiples to align more closely with market practice.</p>
<i>Issue Date</i>	16 December 2015
<i>Maturity Date</i>	The Offshore Preference Shares are perpetual and have no maturity date. The Offshore Preference Shares are not redeemable at the option of the Offshore Preference Shareholders, and the Offshore Preference Shareholders do not have the right to put back the Offshore Preference Shares to the Bank.

*Book-entry and
Denomination*

While the Offshore Preference Shares are represented by the Global Certificate and the Global Certificate is held on behalf of the clearing systems, the Offshore Preference Shares will be recorded, transferred or converted on the basis of their Authorised Denomination (as defined below) and not number of Offshore Preference Shares.

The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof (each an “**Authorised Denomination**”).

The Offshore Preference Shares will initially be represented by a Global Certificate which will be registered in the name of a nominee of, and deposited with a common depository for, Euroclear and Clearstream, Luxembourg.

Currencies for Settlement

The Offshore Preference Shares will be issued fully paid in U.S. dollars.

*Status and Rights upon
Liquidation*

Upon the Winding-Up of the Bank, the Offshore Preference Shareholders shall rank: (a) junior to holders of (i) all liabilities of the Bank including subordinated liabilities and (ii) obligations issued or guaranteed by the Bank that rank, or are expressed to rank, senior to the Offshore Preference Shares; (b) equally in all respects with each other and without preference among themselves and with the holders of Parity Obligations; and (c) in priority to holders of the Ordinary Shares.

On such Winding-Up of the Bank, any remaining assets of the Bank shall, after the distributions in accordance with the Conditions have been made, be applied to the claims of the Offshore Preference Shareholders *pari passu* with the claims of holders of any Parity Obligations and in priority to the claims of the holders of Ordinary Shares.

Rights to Dividends

Subject as provided in the Conditions, each Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends. Each dividend will be payable, subject as provided under the Conditions, annually in arrear on 16 December in each year when, as and if declared by the Board. Subject as provided in the Conditions, the first such Dividend Payment Date will be 16 December 2016.

Dividends in respect of the Offshore Preference Shares for a Dividend Period shall be calculated by multiplying the relevant Dividend Rate by the Liquidation Preference of the Offshore Preference Shares and rounding the resulting figure to the nearest U.S. cent (half a U.S. cent being rounded upwards).

Dividend Rate

The Offshore Preference Shares will accrue dividends on their Liquidation Preference at the relevant Dividend Rate below:

- (a) from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.65% per annum; and
- (b) thereafter, in respect of the period from and including the First Reset Date and each Reset Date falling thereafter to but excluding the immediately following Reset Date, at the relevant Reset Dividend Rate.

Conditions to Distribution of Dividends

Notwithstanding any other provision in the Conditions, the payment of any dividend on any Dividend Payment Date is subject to:

- (a) the Board having passed a resolution to declare such dividend in accordance with the Articles;
- (b) the Bank having distributable after-tax profits (which are based on the undistributed profits of the Bank as shown in the financial statements of the Bank prepared in accordance with the Chinese Accounting Standards for Business Enterprises or the International Financial Reporting Standards, whichever is the lower), after making up for losses and setting aside amounts for the statutory reserve and general reserve in accordance with law; and
- (c) the relevant capital adequacy ratios of the Bank meeting the regulatory capital requirements for commercial banks.

Further, subject to a resolution to be passed at a Shareholders' general meeting of the Bank on each such occasion, the Bank may elect to cancel (in whole or in part) any dividend otherwise scheduled to be paid on a Dividend Payment Date in the manner set out in the Conditions. The Bank may at its discretion use the funds arising from the cancellation of such dividend to repay other indebtedness due and payable.

The cancellation of any amount of dividend in accordance with these provisions of the Conditions shall not constitute a default for any purpose by the Bank. Dividend payments are non-cumulative, and the Offshore Preference Shareholders shall have no right to any cancelled dividend amount, whether on a Winding-Up or otherwise.

*Restrictions Following
Cancellation of
Dividends*

If the Bank elects to cancel (in whole or in part) any dividend scheduled to be paid on a Dividend Payment Date (but not where such dividend has been cancelled pursuant to the Conditions upon the occurrence of a Trigger Event), the cancellation (in whole or in part) of such dividend on the Offshore Preference Shares will require a resolution to be passed at a Shareholders' general meeting. The Bank undertakes that any Shareholders' resolution that cancels (in whole or in part) a dividend on the Offshore Preference Shares will be a Parity Obligation Dividend Cancellation Resolution and undertakes that it will not propose to any Shareholders' general meeting a resolution to cancel any dividend on the Offshore Preference Shares that is not a Parity Obligation Dividend Cancellation Resolution.

If, on any Dividend Payment Date, payment of a dividend scheduled to be paid is not made in full by reason of the provisions described in the Conditions or otherwise (but not where such dividend has been cancelled pursuant to the Conditions upon the occurrence of a Trigger Event), the Bank shall not make any payment in cash on, and will procure that no distribution or dividend in cash or other payment in cash is made on, any Ordinary Shares or on any other class of shares or obligations that ranks or is expressed to rank junior to the Offshore Preference Shares unless or until the earlier of: (i) the dividend scheduled to be paid on any subsequent Dividend Payment Date is paid in full to Offshore Preference Shareholders; or (ii) the redemption or the purchase and cancellation or the Conversion of all outstanding Offshore Preference Shares.

Conversion

If an Additional Tier 1 Capital Instrument Trigger Event or a Non-Viability Trigger Event occurs, the Bank shall (having notified and obtained the consent of the CBRC but without the need for the consent of Offshore Preference Shareholders or Ordinary Shareholders):

- (a) cancel any dividend in respect of the relevant Loss Absorption Amount that is unpaid accrued up to and including the Conversion Date; and
- (b) irrevocably and compulsorily convert with effect from the Conversion Date all or some only of the Offshore Preference Shares into such number of H Shares as is equal to (i) the Loss Absorption Amount (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to RMB6.1153 and RMB0.7889 to HK\$1.00) divided by (ii) the effective Conversion Price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares, and any fractional share less than one H Share resulting from the Conversion will not be issued and no cash payment or other adjustment will be made in lieu thereof.

The H Shares issuable upon Conversion shall be issued to a nominee appointed by the Bank to hold on behalf of the Offshore Preference Shareholders in accordance with the Conditions.

Conversion Price

The initial conversion price for the Offshore Preference Shares is HK\$5.98 per H Share, subject to adjustment as described in the Conditions.

The initial conversion price is equal to the average trading price of the H Shares of the Bank for the 20 trading days preceding 12 December 2014, the date of announcement of the Board resolution in respect of the issuance plan of the Offshore Preference Shares, namely HK\$5.98 per H Share.

The Conversion Price shall be adjusted if and whenever:

- (a) the Bank issues any H Shares credited as fully paid up to the Shareholders by way of bonus issuance or capitalisation issue;
- (b) (i) the Bank issues any H Shares (other than any H Shares issued on the exercise of any rights of conversion into, or exchange or subscription for, or purchase of, H Shares) at a price per H Share which is less than the closing price per H Share (as published by the Hong Kong Stock Exchange) on the trading day immediately preceding the date of the first public announcement of such issuance of new shares (being the announcement containing the effective and irrevocable terms of such issuance) or (ii) the Bank issues any H Shares by way of a rights issue; and
- (c) in the event of any cancellation of repurchased shares, or merger or division of the Bank or any other circumstances that may lead to changes in the Bank's share class, number of shares or shareholders' equity and thereby affect the rights and interests of the preference shareholders of the Bank.

Optional Redemption

The Bank may, subject to obtaining CBRC Approval and compliance with the Redemption Preconditions, upon not less than 30 nor more than 60 days' notice to the Offshore Preference Shareholders and the Fiscal Agent, redeem in whole or in part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any accrued but unpaid dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption.

Taxation and Withholding All payments of Liquidation Preference or dividends in respect of the Offshore Preference Shares will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the PRC or any political subdivision or any authority thereof or therein having power to levy tax in the PRC, unless such withholding or deduction is required by the law of the PRC.

Limited Voting Rights Pursuant to the Articles, Offshore Preference Shareholders shall not be entitled to attend or vote at any general meeting of the Shareholders of the Bank, other than in the circumstances set out in the Conditions.

Only under certain circumstances as specified in the Articles and the Conditions may the Offshore Preference Shareholders be entitled to attend the Shareholders' meeting and vote only upon such special matters, and the Offshore Preference Shareholders will be entitled to one vote in respect of each outstanding Offshore Preference Share and vote as a separate class from the Ordinary Shareholders. The Offshore Preference Shares held by, or on behalf of, the Bank shall have no voting rights.

Prescription Any dividend unclaimed after a period of six years from the date when it became due for payment shall be forfeited and shall revert to the Bank, and the payment by the Board of any unclaimed dividend or other sum payable on or in respect of an Offshore Preference Share into a separate account shall not constitute the Bank a trustee in respect of it. No dividend or other monies payable on or in respect of the Offshore Preference Shares shall bear interest as against the Bank.

Restoration of Voting Rights Subject to the cancellation of restored voting rights as described in the Conditions, if a voting rights restoration event as specified in the Conditions occurs, as from the day immediately following the date on which the Shareholders' general meeting resolves that the Bank will not pay such dividend which triggers the voting rights restoration event in full, each holder of an Offshore Preference Share shall, to the extent permitted under applicable shareholding law, be entitled to attend and vote upon any resolution proposed at any shareholders' meeting as if he or she was the holder of the Ordinary Shares.

Governing Law The Offshore Preference Shares and the rights and obligations attached to them are governed by, and shall be construed in accordance with, PRC law.

Arbitration

If any dispute or claim concerning the Bank's business on the basis of the rights and obligations provided in the Articles or in the PRC Company Law or other relevant laws, regulations and rules arises between the Offshore Preference Shareholders and the Bank, between the Offshore Preference Shareholders and a director, a supervisor, president or other member of the senior management of the Bank or between the Offshore Preference Shareholders and a shareholder of domestic shares, the parties concerned shall submit the dispute or claim to arbitration.

Disputes concerning the definition of Offshore Preference Shareholders and the register of Offshore Preference Shareholders may not be required to be settled by means of arbitration.

Rating

The Bank has been assigned a long-term rating of "A" by Standard & Poor's, a long-term rating of "A1" by Moody's and a long-term foreign currency credit rating of "A" by Fitch, and all the rating agencies have a stable outlook on the Bank's rating. The Offshore Preference Shares are expected to be rated "BB" by Standard & Poor's and "Ba2" by Moody's.

*Relationship between
Offshore Preference
Shares and Domestic
Preference Shares*

The issuance of Domestic Preference Shares as approved by the Board resolution passed on 12 December 2014 and approved by the Shareholder Resolutions, and the issuance of Offshore Preference Shares as stated in the Offering Circular are independent from, without relevance to and not conditional upon each other. In the event either of the Domestic Preference Shares or the Offshore Preference Shares fails to be issued, the issuance of the other will not be affected.

APPLICATION FOR LISTING

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon Conversion of the Offshore Preference Shares pursuant to the Conditions. A further announcement will be made before listing of and dealings in the Offshore Preference Shares commence.

REASONS FOR THE ISSUANCE AND USE OF PROCEEDS

The Bank is a leading commercial bank in China providing a comprehensive range of banking products and financial services. The Bank was incorporated as a joint stock company in the PRC on 17 September 2004. The Bank provides convenient and quality banking services to its customers through an extensive network comprised of nationwide branches, self-service facilities and an electronic banking service platform. In 2015, the Group received 40 accolades from renowned local and international institutions. The Group ranked 2nd again by tier 1 capital in “Top 1000 World Banks” in 2015 by The Banker; the second place in “Global 2000” published by Forbes; the 29th place in “Fortune Global 500” published by Fortune, advancing by nine places over last year and the 9th place in “Fortune China 500” published by Fortune; the award of the “Best Bank in China 2015” by Global Finance, the “Best Largest Retail Bank in China” by Asian Banker, and two comprehensive awards, namely the “Best Social Responsible Financial Institution Award” and the “Best Livelihood Finance Award in Social Responsible Financial Institution Award”.

In order to further enhance overall competitiveness and sustainable development capacity of the Bank, the Bank proposes to conduct a non-public issuance of Offshore Preference Shares with an aggregate amount of not more than RMB20 billion or its equivalent to replenish the Bank’s Additional Tier 1 Capital.

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trading Centre on 9 December 2015, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB19.56 billion. The Bank expects the net proceeds raised from the Offshore Preference Shares issuance, after deduction of the expenses relating to the issuance, to be approximately RMB19.51 billion and, subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, will be used to replenish the Bank’s Additional Tier 1 Capital.

The Board considers that the proposed issuance of the Offshore Preference Shares is in the interests of the Bank and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Bank has not carried out any issue of equity securities for fund-raising purposes during the 12 months immediately preceding the date of this announcement.

The issuance of Domestic Preference Shares as approved by the Board resolution passed on 12 December 2014 and approved by the Shareholder Resolutions, and the issuance of Offshore Preference Shares as stated in the Offering Circular are independent from, without relevance to and not conditional upon each other. In the event either of the Domestic Preference Shares or the Offshore Preference Shares fails to be issued, the issuance of the other will not be affected.

CAPITAL POSITION OF THE BANK

Impact on the Bank's Share Capital

If there is no Trigger Event for Conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Bank. However, if Conversion is triggered, the Bank's ordinary share capital will be increased.

Assuming that an issue size equivalent to RMB20 billion of Offshore Preference Shares as approved by the Shareholders on 15 June 2015 were issued, and the simulated Conversion Price of the Conversion and voting right recovery were the average trading price of the H Shares of the Bank for the 20 trading days preceding the publication of the Board resolution approving the issuance of Offshore Preference Shares (being the total trading value of the H Shares of the Bank for such 20 preceding trading days divided by the total trading volume of the H Shares for the same 20 trading days, i.e. HK\$5.98 per share (equivalent to approximately RMB4.72 per share, using the exchange rate as at 11 December 2014 of RMB0.7889 to HK\$1.00)) and assuming all the Offshore Preference Shares were subject to Conversion, the Offshore Preference Shares to be converted to H Shares would not exceed 4,239,424,014 H Shares. For illustrative purposes only, the table below sets forth the impact on the Bank's share capital structure if all the Offshore Preference Shares under the proposed issuance were converted into H Shares pursuant to the Conversion:

Share Capital	As at 30 September 2015		After Conversion of all the Offshore Preference Shares	
	Shares (in RMB millions)	Percentage of share capital (%)	Shares (in RMB millions)	Percentage of share capital (%)
A Share	9,593.66	3.84	9,593.66	3.77
H Share	240,417.32	96.16	244,656.74	96.23
Total	<u>250,010.98</u>	<u>100.00</u>	<u>254,250.40</u>	<u>100.00</u>

As at 30 September 2015, the controlling shareholder of the Bank, Huijin held 692,581,776 A Shares and 142,590,494,651 H Shares, respectively, of the Bank, accounting for 57.31% of the total issued share capital of the Bank. After the Conversion of the Offshore Preference Shares into H Shares based on the abovementioned assumptions, the Huijin's shareholding would decrease to 56.36% although Huijin would remain the controlling shareholder of the Bank.

Impacts on Net Assets

The Offshore Preference Shares are considered equity instruments. Upon completion of the issuance of the Offshore Preference Shares, the net assets of the Bank will increase.

Impacts on Return on Equity and Earnings Per Ordinary Share Attributable to Equity Holders of the Bank

As the dividend payments to the Offshore Preference Shareholders will reduce the net profit after tax attributable to the equity holders of the Bank, based on the above calculation, the return on equity to the equity holders of the Bank and the earnings per Ordinary Share attributable to the equity holders of the Bank will decrease. However, the issuance of the Offshore Preference Shares will support the growth of interest generating assets of the Bank and increase revenue for the Bank. Therefore, since the proceeds from the offering of the Offshore Preference Shares are classified as Additional Tier 1 Capital, if the Bank maintains the current level of capital management efficiency, the issuance of the Offshore Preference Shares may have a positive impact on the return on equity to the equity holders of the Bank and the earnings per Ordinary Share attributable to equity holders of the Bank.

Impacts of the Issuance of the Offshore Preference Shares on the Bank's Regulatory Capital Indicators

The Capital Management Rules were implemented on 1 January 2013, which required commercial banks to satisfy the stipulated regulatory requirements on Capital Adequacy Ratio, including the minimum capital requirement, the reserve capital requirement, the countercyclical capital requirement, the supplementary capital requirement on global systemically important banks and the pillar 2 capital requirement, as detailed in the following table:

<u>Regulatory Requirements</u>	<u>Minimum capital requirement</u>
Core Tier 1 Capital Adequacy Ratio . . .	5%
Tier 1 Capital Adequacy Ratio	6%
Capital Adequacy Ratio	8%
Reserve capital requirement	The reserve capital requirement will be gradually introduced during the transition period, which is 0.5% at the end of 2013, 0.9% at the end of 2014, 1.3% at the end of 2015, 1.7% at the end of 2016, 2.1% at the end of 2017 and 2.5% at the end of 2018. It is satisfied through Core Tier 1 Capital.
Countercyclical capital requirement . . .	In certain circumstances, commercial banks are required to set aside funds for the account of the countercyclical capital beyond the minimum capital requirement and the reserve capital requirement. The countercyclical capital requirement is equal to 0-2.5% of the risk-weighted assets and it is satisfied through Core Tier 1 Capital.
Supplementary capital requirement on global systemically important banks . .	1% of the risk-weighted assets and to be satisfied through Core Tier 1 Capital.
Pillar 2 capital requirement	To be determined by CBRC under the pillar 2 framework.

Pursuant to the aforesaid requirements, the Core Tier 1 Capital Adequacy Ratio, the Tier 1 Capital Adequacy Ratio and the Capital Adequacy Ratio requirements for PRC commercial banks are 7.5%, 8.5% and 10.5%, respectively, at the end of 2018. For global systemically important banks, the Core Tier 1 Capital Adequacy Ratio, the Tier 1 Capital Adequacy Ratio and the Capital Adequacy Ratio requirements are 8.5%, 9.5% and 11.5%, respectively. As at 30 June 2015, the Group achieved a Core Tier 1 Capital Adequacy Ratio, Tier 1 Capital Adequacy Ratio and Capital Adequacy Ratio of 12.35%, 12.35% and 14.70%, respectively.

The FSB published its draft proposals for consultation in November 2014 and issued its final standards on total loss absorbing capacity on 9 November 2015. In November 2015, the Bank was designated a global systemically important bank by the FSB. Apart from the aforementioned requirement, the Bank will also be required to meet the requirements of global systemically important banks.

The following table sets out, for illustrative purposes only, information on certain of the Bank's regulatory capital indicators on an actual basis and as adjusted to give effect to the following assumptions: (i) that the issuance of the Offshore Preference Shares was completed on 1 January 2014 with an issue size of RMB20 billion and (ii) that dividends at (a) a dividend rate of 5% and 5.5% (such dividend rate is only for the purpose of illustrative calculation and is not the Bank's expected Dividend Rate of the Offshore Preference Shares to be issued) or (b) the actual Dividend Rate of 4.65% were fully paid, without taking into account any gains that may be generated from the use of proceeds or deducting any dividends paid to Offshore Preference Shareholders before tax.

	As at 30 September 2015							
	Actual		Adjusted				Based on Actual	
	Group	Bank	Based on Indicative Dividend Rate of 5%		Based on Indicative Dividend Rate of 5.5%		Dividend Rate	
			Group	Bank	Group	Bank	Group	Bank
	<i>(in RMB millions, unless otherwise specified)</i>							
Net Core Tier 1 Capital ⁽¹⁾	1,357,731	1,281,592	1,356,731	1,280,592	1,356,631	1,280,492	1,356,801	1,280,662
Net Tier 1 Capital ⁽²⁾	1,357,843	1,281,592	1,376,843	1,300,592	1,376,743	1,300,492	1,376,913	1,300,662
Net Capital ⁽²⁾	1,597,082	1,517,629	1,616,082	1,536,629	1,615,982	1,536,529	1,616,152	1,536,699
Core Tier 1 Capital								
Adequacy Ratio	12.73%	12.56%	12.72%	12.55%	12.72%	12.55%	12.72%	12.55%
Tier 1 Capital								
Adequacy Ratio	12.73%	12.56%	12.91%	12.74%	12.91%	12.74%	12.91%	12.74%
Capital Adequacy Ratio	14.97%	14.87%	15.15%	15.06%	15.15%	15.06%	15.15%	15.06%

Notes:

- (1) The calculation of net Core Tier 1 Capital (as adjusted) has taken into account the dividends paid on the Offshore Preference Shares and the corresponding reduction in capital reserves but does not take into account the increase in risk weighted assets, or the financial return/loss, from the use of proceeds raised from the issuance of the Offshore Preference Shares.
- (2) The calculation of net Core Tier 1 Capital (as adjusted) and net capital base (as adjusted) has taken into account the dividends paid on the Offshore Preference Shares and the corresponding reduction in capital reserves as well as the increase in Additional Tier 1 Capital from the issuance of the Offshore Preference Shares but does not take into account the increase in risk weighted assets, or the financial return/loss, from the use of proceeds raised from the issuance of the Offshore Preference Shares.

As calculated based on the financial information of the Bank as at 30 September 2015, after the issuance of the Offshore Preference Shares, the Group's Tier 1 Capital Adequacy Ratio will increase by 0.18 percentage points to 12.91% (on the basis the dividend rate is 5% or 5.5%), and its Capital Adequacy Ratio will increase by 0.18 percentage points to 15.15% (on the basis the dividend rate is 5% or 5.5%). Overall, the issuance of the Offshore Preference Shares should assist the Bank in continuing to meet the minimum capital requirements and raise its Tier 1 Capital Adequacy Ratio and Capital Adequacy Ratio. In addition, the issuance of the Offshore Preference Shares helps the Bank develop supplementary sources of funds to replenish its tier 1 capital as opposed to satisfying the Tier 1 Capital Adequacy Ratio requirement solely through the Core Tier 1 Capital of the Bank. Moreover, the issuance of the Offshore Preference Shares is conducive to alleviating the dilution effect on the equity interests of the Shareholders from funds raised through the issuance of Ordinary Shares, thereby optimising the capital structure of the Bank.

WAIVER FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

In connection with the listing of the Offshore Preference Shares, the Bank has applied to, and has been granted applicable waivers by, the Hong Kong Stock Exchange from strict compliance with a number of provisions of the Hong Kong Listing Rules.

Those waivers are applied on the following basis:

- The Offshore Preference Shares are more akin to fixed income products such as quasi-debt securities and they have more characteristics in common with debt securities than with equity securities. In particular, the Offshore Preference Shares have a fixed dividend rate and in the event of a redemption, the Offshore Preference Shares will be redeemed at 100% of their issue price. The Offshore Preference Shares may be converted to H Shares but such conversion will be mandatory and will only occur when there is an Additional Tier 1 Capital Instrument Trigger Event or if the Bank reaches a point of financial non-viability.
- The Offshore Preference Shares will be offered to institutional and professional investors only by way of a private placement and will not be made accessible to retail investors. The Offshore Preference Shares are structured in a way that they will not be "Eligible Securities" under the Hong Kong Listing Rules and will not be admitted to the Central Clearing and Settlement System for clearance and settlement. Trading of the Offshore Preference Shares is not expected to take place on the Hong Kong Stock Exchange either on issue or in the secondary market. Instead, the Offshore Preference Shares will be cleared and settled through Euroclear and Clearstream, Luxemburg which is similar to other professionals-only debt securities listed under Chapter 37 of the Hong Kong Listing Rules. The Offshore Preference Shares are therefore designed never to trade on, or otherwise use the facilities of, the Hong Kong Stock Exchange.

The waivers being sought by and granted to the Bank are broadly classified into the following categories:

- those in relation to qualifications of listing that are required to cater for the fact that the Offshore Preference Shares are fixed income securities offered only to professional investors;
- those that are required to enable the Offshore Preference Shares to be offered only to institutional and professional investors and not retail investors;

- those that are required to enable the Offshore Preference Shares to be structured in a way that meets the expectations of institutional and professional investors for these type of securities to allow for a plausible offering; and
- those that are required in order to enable the Bank not subject to compliance obligations that do not commensurate with the offering and listing of securities similar to debt securities that are made available only to institutional and professional investors.

The waivers being sought by and granted to the Bank are listed below:

- Rule 2.07A(2): Requirements for an express, positive confirmation in writing from each holder of the Offshore Preference Shares that corporate communications may be made available using electronic means, and all corporate communications be sent to holders of the Offshore Preference Shares
- Rule 2.07A(3): Requirement for providing the right of holder of the Offshore Preference Shares to request corporation communications in printed hardcopy form
- Rules 2.07C(1)(b)(i), 2.07C(4)(b), 2.07C(6) and 11.14: Requirements that the listing document should be made available to the public and be accompanied by a Chinese translation
- Rule 7.10: Placing guidelines in respect of placements of the Offshore Preference Shares to the general public
- First part of paragraph 3 and paragraphs 4, 5, 6, 8 and 10 of Appendix 6: Placing guidelines in respect of placements of the Offshore Preference Shares to the general public
- Rule 8.07: Requirement of adequate market and sufficient public interest for the Offshore Preference Shares
- Rule 8.08: Requirement of an open market for the Offshore Preference Shares
- Rules 8.13A and 9.21(2): Admission of the Offshore Preference Shares as Eligible Securities (as defined in the Hong Kong Listing Rules) by Hong Kong Securities Clearing Company Limited
- Rules 8.16 and 19A.13(3)(a): Appointment of an approved share registrar to maintain the register of members for the Offshore Preference Shares in Hong Kong
- Rule 9.23(2)(a): Requirement for marketing statements from the lead broker, any distributors and every Exchange Participant (as defined in the Hong Kong Listing Rules) with the Offshore Preference Shares to be placed
- Rule 9.23(2)(b) and paragraph 11 of Appendix 6: Submission of placee lists in respect of the Offshore Preference Shares
- Rules 11.12, 19A.26(1) and paragraph 2 of Appendix 1B: Requirement for a directors' statement of responsibility in respect of information contained in the listing document

- Rules 12.03, 12.04, 12.05 and 12.07: Requirements in respect of the timing, publication format and information to be disclosed in the formal notice for placing of the Offshore Preference Shares, and that the formal notice should be made available to the public and be made in both English and Chinese language
- Paragraphs 6(1), 6(3), 13, 30, 32, 39, 40(1) and 40(2) of Appendix 1B: Certain specific disclosure requirements in the listing document:
 - Paragraphs 6(1) and 6(3): details of the exchanges on which other debt securities are listed, and particulars of the dealing and settlement arrangements on each such exchange and between such exchanges
 - Paragraph 13: a statement of the net tangible asset backing for the Offshore Preference Shares
 - Paragraph 30: a working capital statement by the directors in respect of a period of at least 12 months
 - Paragraph 32: a statement of no material adverse change provided by the directors
 - Paragraph 39: particulars of directors' service contracts
 - Paragraphs 40(1) and 40(2): particulars of interests of directors in assets of the Bank and contracts or arrangements of significance
- Paragraph 5 of Appendix 8: Payment of transaction levy on the issuance of the Offshore Preference Shares
- Paragraph 6 of Appendix 8: Payment of trading fee on the issuance of the Offshore Preference Shares

Completion of the Subscription Agreement and issue of the Offshore Preference Shares is subject to the satisfaction or waiver of the conditions precedent therein. In addition, the Subscription Agreement and issue of the Offshore Preference Shares may be terminated in certain circumstances. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

- | | |
|-----------------------------|---|
| “A Shares” | ordinary share(s) of par value RMB1.00 each in the share capital of the Bank, which are listed on the Shanghai Stock Exchange under the stock code 601939 and traded in RMB |
| “Additional Tier 1 Capital” | has the meaning given to Additional Tier 1 Capital (其他一級資本) (or any equivalent or successor term) in the Capital Management Rules |

“Additional Tier 1 Capital Instrument Trigger Event”	if at any time, the Bank determines the Core Tier 1 Capital Adequacy Ratio of the Bank has fallen to 5.125% or below
“Agency Agreement”	the fiscal agency agreement in respect of the Offshore Preference Shares to be entered into between the Bank, The Bank of New York Mellon, London Branch as the fiscal agent, paying agent and calculation agent, The Bank of New York Mellon (Luxembourg) S.A. as the registrar and transfer agent, CCB (Asia) Trustee Company Limited as the receiving agent and the other paying and transfer agents named in it on or around 16 December 2015
“Articles”	the articles of association of the Bank
“Bank”	China Construction Bank Corporation
“Board”	the board of directors of the Bank
“Business Day”	a day, excluding a Saturday and a Sunday, on which banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and the city in which the specified office of the Calculation Agent is located
“Calculation Agent”	The Bank of New York Mellon, London Branch
“Capital Adequacy Ratio”	has the meaning given to it in the Capital Management Rules
“Capital Management Rules”	the Measures on Capital Management of Commercial Banks (Trial) (商業銀行資本管理辦法(試行)) issued by the CBRC on 7 June 2012 and which became effective on 1 January 2013 (as amended from time to time)
“CBRC”	the China Banking Regulatory Commission or any successor entity
“CBRC Approval”	such approval, consent or non-objection from, or notification required within prescribed periods to, the CBRC, or such waiver of the Capital Management Rules from the CBRC, as is required under the Capital Management Rules
“Clearstream, Luxembourg”	Clearstream Banking S.A.
“Closing Date”	16 December 2015, or such later date, not being later than 30 December 2015
“Conditions”	Terms and Conditions of the Offshore Preference Shares

“Conversion” or “Converted”	irrevocably and compulsorily conversion with effect from the Conversion Date of all or some only of the Offshore Preference Shares into such number of H Shares as is equal to (i) the Loss Absorption Amount (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to RMB6.1153 and RMB0.7889 to HK\$1.00) divided by (ii) the effective Conversion Price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares
“Conversion Date”	the day immediately following: <ul style="list-style-type: none"> (a) in respect of any Additional Tier 1 Capital Instrument Trigger Event, the date (whichever occurs later) on or by which the CBRC has decided such Additional Tier 1 Capital Instrument Trigger Event has occurred and notified the Bank of such Additional Tier 1 Capital Instrument Trigger Event and either CBRC or the Bank has made a public announcement of such Additional Tier 1 Capital Instrument Trigger Event; or (b) in respect of any Non-Viability Trigger Event, the date (whichever occurs later) on or by which the CBRC or the relevant authorities (as the case may be) has (i) decided such Non-Viability Trigger Event has occurred and notified the Bank of such Non-Viability Trigger Event and (ii) made a public announcement of such Non-Viability Trigger Event
“Conversion Price”	the initial conversion price for the Offshore Preference Shares is HK\$5.98 per H Share, subject to adjustment as described in the Conditions
“Core Tier 1 Capital”	has the meaning given to Core Tier 1 Capital (核心一級資本) (or any equivalent or successor term) in the Capital Management Rules
“Core Tier 1 Capital Adequacy Ratio”	as at any date has the meaning given to Core Tier 1 Capital Adequacy Ratio (核心一級資本充足率) (or any equivalent or successor term) in the Capital Management Rules, being the ratio of Core Tier 1 Capital of the Bank as of such date to the risk weighted assets of the Bank as of the same date, expressed as a percentage
“CSRC”	the China Securities Regulatory Commission or any successor entity
“Dividend Payment Date”	16 December in each year

“Dividend Period”	the period beginning on and including the Issue Date and ending on but excluding the next succeeding Dividend Payment Date and each successive period beginning on and including a Dividend Payment Date and ending on but excluding the next succeeding Dividend Payment Date
“Dividend Rate”	4.65% per annum or the applicable Reset Dividend Rate, as the case may be
“Domestic Preference Shares”	up to RMB60 billion of domestic preference shares of the Bank as approved by the Shareholders on 15 June 2015 and to be issued to domestic investors in the PRC and subscribed for in Renminbi
“Euroclear”	Euroclear Bank SA/NV
“First Reset Date”	16 December 2020
“Fiscal Agent”	The Bank of New York Mellon, London Branch
“Fitch”	Fitch Ratings Limited
“FSB”	the Financial Stability Board
“Global Certificate”	the global certificate representing the Offshore Preference Shares which will be registered in the name of a nominee of, and deposited with a common depository for, Euroclear and Clearstream, Luxembourg
“Group”	China Construction Bank Corporation and its subsidiaries
“H Shares”	overseas listed foreign share(s) of par value RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange under the stock code 0939 and traded in Hong Kong dollars
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Huijin”	Central Huijin Investment Ltd.
“Issue Date”	16 December 2015

“Joint Global Coordinators”	CCB International Capital Limited, The Hongkong and Shanghai Banking Corporation Limited, UBS AG, Hong Kong Branch and Standard Chartered Bank
“Joint Lead Managers”	CCB International Capital Limited, The Hongkong and Shanghai Banking Corporation Limited, UBS AG, Hong Kong Branch, Standard Chartered Bank, China Construction Bank (Asia) Corporation Limited, BOCOM International Securities Limited, Citigroup Global Markets Limited, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc
“Liquidation Preference”	the total issuance price of each Offshore Preference Share, which will be U.S.\$20
“Loss Absorption Amount”	<p>the aggregate Liquidation Preference of the Offshore Preference Shares to be Converted, with such aggregate number of Offshore Preference Shares to be Converted being:</p> <p>(a) in respect of an Additional Tier 1 Capital Instrument Trigger Event:</p> <p style="padding-left: 40px;">(i) the number of Offshore Preference Shares that (together with the write-off or conversion of any loss absorbing instruments) would be sufficient to restore the Bank’s Core Tier 1 Capital Adequacy Ratio to above 5.125%; or</p> <p style="padding-left: 40px;">(ii) if the Conversion of all the Offshore Preference Shares (together with the write-down or conversion of any loss absorbing instruments) would be insufficient to restore the Bank’s Core Tier 1 Capital Adequacy Ratio to above 5.125%, all of the Offshore Preference Shares; and</p> <p>(b) in respect of a Non-Viability Trigger Event, all of the Offshore Preference Shares</p>
“Moody’s”	Moody’s Investors Service Limited
“Non-Viability Trigger Event”	<p>the earlier of:</p> <p>(a) the CBRC having decided that without a conversion or write-off of the Bank’s capital the Bank would become non-viable; and</p> <p>(b) the relevant authorities having decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable</p>

“Offering Circular”	an offering circular dated 9 December 2015 for use in connection with the offer of the Offshore Preference Shares and the listing of the Offshore Preference Shares on the Hong Kong Stock Exchange
“Offshore Preference Shareholders”	registered holders of the Offshore Preference Shares
“Offshore Preference Shares”	the U.S.\$3,050,000,000 4.65% Non Cumulative Perpetual Offshore Preference Shares to be issued by the Bank outside the PRC to investors on or about the Issue Date
“Ordinary Shares”	the H Shares and the A Shares and any other class of ordinary shares of the Bank from time to time
“Parity Obligation Dividend Cancellation Resolution”	a resolution of the Shareholders that resolves irrevocably to cancel payment (and if in part, then on a <i>pari passu</i> basis) of each dividend or distribution falling due or scheduled for payment on the Offshore Preference Shares and any Parity Obligations outstanding on the date the resolution is passed, in each case for a period of 12 months (or such longer period as such resolution specifies which is in integral multiples of 12 months in excess thereof) following the date of such resolution
“Parity Obligations”	any other class of preference shares in the capital of the Bank from time to time and any other obligations that rank or are expressed to rank equally with the Offshore Preference Shares (either issued directly by the Bank or by a subsidiary where the terms of such obligations benefit from a guarantee or support agreement that rank or are expressed to rank equally to the Offshore Preference Shares), which shall, for the avoidance of doubt, include the Domestic Preference Shares
“Placing Managers”	CCB International Capital Limited and China Construction Bank (Asia) Corporation Limited
“PRC”	the People’s Republic of China, excluding, for purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and the region of Taiwan
“Redemption Preconditions”	<p>in relation to any redemption of the Offshore Preference Shares, the Bank’s compliance of the following conditions:</p> <p>(a) the Bank shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Bank has a sustainable income generating capability; or</p>

(b) the capital position of the Bank immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBRC

“Regulation S”	Regulation S under the Securities Act
“Reset Date”	the First Reset Date and each date that falls five, or a multiple of five, years following the First Reset Date
“Reset Dividend Rate”	the dividend rate per annum (expressed as a percentage) representing the sum of the 5-year U.S. Treasury Rate in relation to that Reset Period and a fixed margin of 2.974% per annum, as determined by the Calculation Agent on the day falling two Business Days prior to the Reset Date on which such Reset Period commences
“Reset Period”	the period from and including the First Reset Date to but excluding the next succeeding Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date
“RMB”, “CNY” or “Renminbi”	the lawful currency of the PRC
“Securities Act”	the U.S. Securities Act of 1933, as amended
“Shareholders” or “Ordinary Shareholders”	holders of Ordinary Shares
“Shareholder Resolutions”	the resolutions adopted by the Shareholders passed on 15 June 2015
“Standard and Poor’s”	Standard and Poor’s Ratings Group
“Subscription Agreement”	the subscription agreement in respect of the Offshore Preference Shares entered into between the Bank and the Joint Lead Managers on 9 December 2015
“Subscribing Managers”	the Joint Lead Managers other than the Placing Managers
“Tier 1 Capital Adequacy Ratio”	has the meaning given to Tier 1 Capital Adequacy Ratio (一級資本充足率) (or any equivalent or successor term) in the Capital Management Rules
“Trigger Event”	an Additional Tier 1 Capital Instrument Trigger Event or a Non-Viability Tigger Event, as the case may be
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

“U.S.\$” or “U.S. dollars” the lawful currency of the United States of America

“Winding-Up” proceedings in respect of the Bank for liquidation or dissolution or other similar proceedings in respect of the Bank (except for the purposes of a reconstruction, consolidation, amalgamation, merger or reorganisation the terms of which have previously been approved by a special resolution of the Offshore Preference Shareholders)

By order of the Board
China Construction Bank Corporation
Wang Zuji
Vice Chairman, Executive Director and President

10 December 2015

As at the date of this announcement, the executive directors of the Bank are Mr. Wang Hongzhang, Mr. Wang Zuji, Mr. Pang Xiusheng and Mr. Zhang Gengsheng; the non-executive directors of the Bank are Mr. Li Jun, Ms. Chen Yuanling, Ms. Hao Aiqun, Mr. Xu Tie, Mr. Guo Yanpeng and Mr. Dong Shi; and the independent non-executive directors of the Bank are Mr. Zhang Long, Ms. Elaine La Roche, Mr. Chung Shui Ming Timpson, Mr. Wim Kok, Mr. Murray Horn and Ms. Margaret Leung Ko May Yee.