

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



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)

(USD Preference Shares Stock Code: 4606)

Announcement on Contribution by Subsidiaries to Strategic Emerging Industry Development Fund

Highlights:

- Subsidiaries of China Construction Bank Corporation (the “**Bank**”) intend to contribute RMB5.3 billion (the “**Contribution**”) to the Strategic Emerging Industry Development Fund (tentative name, subject to the final registration with the competent market supervisory authorities, the “**Fund**” or the “**Partnership**”). The Fund is jointly launched by the Bank and the National Development and Reform Commission (the “**NDRC**”). The Fund is still under preparation and pending industrial and commercial registration.
- The Contribution has been considered and approved by the strategy development committee of the board of directors (the “**Board**”) of the Bank and approved by the chairman of the Board.
- The Contribution does not constitute a related party transaction, and it does not constitute a material asset restructuring.
- The Contribution is still under negotiation such that the final contribution and the subsequent progress are subject to uncertainties. The risks exist that the Contribution may not be fully implemented or may be terminated. If the cooperation is established, the implementation of the relevant provisions under the agreement is subject to the signing of relevant formal agreements and the performance of applicable decision-making procedures. All investors shall be aware of investment risks.

1. Summary of External Contribution

(1) Basic Information

In order to implement the national innovation-driven development strategy and meet the requests for the financial industry to serve the real economy, the Bank and the NDRC intend to jointly launch a Strategic Emerging Industry Development Fund.

Subsidiaries of the Bank actively participate in the Fund as cornerstone investors. CCB Life Insurance Company Limited (“**CCB Life**”) intends to contribute RMB3 billion. CCB International (Holdings) Limited (“**CCB International**”) intends to contribute RMB1 billion. CCB Financial Asset Investment Co., Ltd. (“**CCB Investment**”) intends to contribute RMB800 million. CCB Trust Co., Limited (“**CCB Trust**”) intends to contribute RMB500 million. CCB Life, CCB International, CCB Investment and CCB Trust are collectively referred to as four subsidiaries (the “**Four Subsidiaries**”). The Four Subsidiaries intend to contribute RMB5.3 billion in total to the Fund.

(2) Procedures of Deliberation

The 8th meeting of the strategy development committee of the Board of 2018 was held by way of circulation of written proposal. The Bank issued the written notice of the meeting on 23 November 2018, and received written votes of all members of the strategy development committee of the Board by 27 November 2018. The Proposal regarding Contribution by Subsidiaries to Strategic Emerging Industry Development Fund was considered and approved, pursuant to which the Four Subsidiaries were approved to contribute to the Fund: CCB Life will contribute RMB3 billion, CCB International will contribute RMB1 billion, CCB Investment will contribute RMB800 million and CCB Trust will contribute RMB500 million, totaling RMB5.3 billion. According to relevant rules, the external Contribution shall be reviewed by the strategy development committee of the Board and then be submitted to the chairman of the Board for approval, and it is not subject to the approval of the shareholders’ general meeting of the Bank. The external Contribution is still subject to the relevant procedures of the regulatory authorities.

(3) The Contribution is not a related-party transaction.

(4) The Contribution does not constitute a material asset restructuring.

2. Basic Information of the Parties of the Investment Agreement

(1) Manager

- 1) Name of the entity: CCB (Ningbo) Investment Management Co., Ltd. (“**CCB Ningbo**”), which intends to be renamed as CCB Equity Investment Management Co., Ltd. (建信股權投資管理有限責任公司) in the future;
- 2) Unified social credit code: 91330206309034428L;
- 3) Type of business: limited liability company (solely owned by a legal person, not invested or controlled by natural persons);

- 4) Date of establishment: 4 August 2014;
- 5) Registered address: 702, Office Building No.4, Business Centre, Mei Shan Avenue, Beilun District, Ningbo;
- 6) Legal representative: Qu Yinjun (曲寅軍);
- 7) Registered capital: RMB10 million;
- 8) Scope of business: investment management, investment consulting, industrial investments (deposit and saving, guarantee for financing, entrusted wealth management and fund raising (financing) from the general public and other financial businesses may not be carried out without approvals from financial and other regulatory authorities);
- 9) Shareholder: CCB Life Asset Management Co., Ltd.;
- 10) Registration and filing: CCB Ningbo is registered as a manager of private fund with Asset Management Association of China (Registration number: P1004749);
- 11) Other information: CCB Ningbo will act as, or incorporate a subsidiary to act as, the general partner of the Fund.

(2) Limited Partners

The Fund is still under preparation. In addition to the cornerstone investors (the Four Subsidiaries) mentioned above, the Fund will raise funds mainly from the local government funding agencies, insurance institutions and large enterprises with strong financial capabilities and guaranteed follow-up funding capacities, etc.

3. Basic Information of the Investment Target

- 1) Name: Strategic Emerging Industry Development Fund Partnership (Limited Partnership) (tentative name, subject to the actual registration with the market supervisory authorities);
- 2) Type of business: limited partnership;
- 3) Fund promoters: the NDRC and the Bank;
- 4) Fund specification: national level fund;
- 5) The scale of fund-raising: the target scale of the Fund is RMB30 billion;
- 6) Fund custodian: China Construction Bank Corporation;

- 7) Source of funds: the Fund will raise the funds mainly from the market, with the major targets being local governments, insurers, large enterprises and cornerstone investors (the Four Subsidiaries), etc;
- 8) Date of establishment: yet to be established;
- 9) Scope of business: equity investments in parent funds; venture capital investments; equity investments; investments in other equity investment funds; venture capital investments and equity investments on behalf of other venture capitals, equity investors and other institutions or individuals; entrusted management of investment funds; entrusted management of government guide funds; investment consulting and planning; investment management (excluding restricted items); investment consulting (excluding restricted items); entrusted asset management; enterprise management consulting (excluding restricted items); enterprise planning; establishment of equity investors, venture capitals, and management consultancies of equity investment and venture capital (tentative, subject to the actual registration with market supervisory authorities);
- 10) Fund manager: CCB Ningbo;
- 11) Decision-making mechanism: at the discretion of the investment decision-making committee of the Fund;
- 12) Arrangements of proceeds: Investors of the Fund shall take all the investment risks, without any guarantees on the principal or the proceeds. The manager has the right to obtain the distribution of excessive earnings, and the distribution ratio will be determined by referring to the market standard and the negotiations with the investors of the Fund;
- 13) Standard of the management fee: The Fund will pay management fee to the manager and the management fee rate will be determined by referring to the market standard and the negotiations with the investors of the Fund;
- 14) Targets of investment: strategic emerging industries.

4. Main Contents of the Proposed Agreement

(1) Scope of the Investment

The Fund will focus on strategic emerging industries. The specific scope of the investment includes:

- 1) investing, in the capacity of a limited partner, in private equity investment funds (i.e. sub-funds) that make equity investments, mezzanine investments, and investments in convertible debts, negotiable debts, debt-equity conversion and other funds with similar equity investment business in the PRC;
- 2) directly investing in target companies or target projects.

(2) Term of Business

The term of business of the Partnership is expected to be ten years. The term may be extended by the resolution of the general meeting of partners.

(3) Major Rights and Obligations of Partners

1) Limited Partners

- The limited partners shall be liable to the debts of the Partnership to the extent of the contribution subscribed to by the limited partners;
- The limited partners shall participate in, or send a proxy to participate in, the general meeting of partners and exercise their voting rights as per the Partnership agreement;
- The limited partners shall be entitled to proceeds as per the Partnership agreement.

2) General Partners

- The general partners shall be subject to unlimited liabilities to the debts of the Partnership;
- The general partners shall participate in the general meeting of partners and exercise their voting rights as per the Partnership agreement;
- The general partners shall execute the Partnership affairs;
- The general partners shall be entitled to the management fee and the performance-based compensations (if any) as per the Partnership agreement.

(4) Execution of Partnership Affairs

The partners executing the affairs of the Partnership are the general partners. The Partnership may change the partner executing the affairs of the Partnership only when the general partner exits, is removed from the Partnership or is replaced pursuant to the Partnership agreement.

The execution of the Partnership agreement by all partners shall mean that the general partners are selected as the partners executing the affairs of the Partnership.

(5) Management Structure

The Fund shall establish a general meeting of partners. The general meeting of partners shall consist of all partners, be responsible for resolutions on matters including amendments to the Partnership agreement, continuous fund raising after the expiry of the fund-raising period or when the funds raised have exceeded the total scale of the Partnership, and decisions on the removal or replacement of the general partners.

The Fund shall establish a council. The council shall review and decide on the Fund's development strategy and policy objectives, determine the target of the development of the Fund, render assistance to the fund raising and establishment of the Fund, review the performance of the Fund's support to the development of the strategic emerging industries, and provide supervision over and guidance to the Fund's investment direction, operation and related-party transactions.

The Fund shall establish an investment decision-making committee which shall be responsible for the decisions on the adoption of, investments in and exits from the specific projects of the Fund.

The Fund shall establish an expert consulting committee. The expert consulting committee shall advise the Fund on the industry development trends of the strategic emerging industries and on project related industry analyses. Based on the requirements of projects, the expert consulting committee could also participate in the decision making of major projects.

(6) Management Fee

The Fund will pay management fee to the manager and the management fee rate will be determined by referring to the market standard and the negotiations with the investors of the Fund.

(7) Distribution of Proceeds

The investors of the Fund shall take all the investment risks, without any guarantees on the principal or the proceeds. The manager has the right to obtain the distribution of excessive earnings, and the distribution ratio will be determined by referring to the market standard and the negotiations with the investors of the Fund.

(8) Dispute Resolution

Any and all disputes arising from or in connection with the Partnership agreement shall be first resolved through amicable negotiations between the parties. If such negotiations fail, such disputes shall be submitted to Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Centre) for arbitration in accordance with the then effective arbitration rules thereof. The seat of arbitration shall be Shanghai. The arbitral tribunal shall consist of three arbitrators. The arbitration award shall be final and binding upon the parties thereto.

(9) Conditions Precedent to the Agreement

The Partnership agreement shall take effect once it is signed by all the parties thereto.

5. Purposes of the Contribution and Impacts on the Bank

The Four Subsidiaries will raise their own funds for the Contribution.

The Bank participates in the launch of the Fund, which is an important action taken to support and serve the material strategies of the country and fully consistent with the three major strategic goals of the Bank. With the Contribution, the Bank will lead the competition in the future by laying out in strategic emerging industries in advance.

6. Risk Alert

During the implementation of this project, risks from all aspects may arise. The risks mainly include:

- 1) The Fund is under preparation, pending industrial and commercial registration. The closing of the fund-raising plan is subject to uncertainties.
- 2) The ultimate investment projects of the Fund are mainly equity investments, which feature long investment cycle and low liquidity with a long-term payback period.
- 3) The Fund may be affected by many factors such as macro-economic conditions, industrial cycles, investment targets, and investment management. The Bank is fully aware of the risks and uncertainties in the investment and will closely monitor the operation and management of the Fund, selection of investment targets, investment implementation and post-investment management based on the trends of macro-economic and the deep understanding and grasp of the development trends of the industries, so as to effectively reduce and avoid investment risks.
- 4) The Contribution is still under negotiation such that the final contribution and the subsequent progress are subject to uncertainties. The risks exist that the Contribution may not be fully implemented or may be terminated. If the cooperation is established, the implementation of the relevant provisions under the agreement is subject to the signing of relevant formal agreements and the performance of applicable decision-making procedures.

The Bank will disclose the relevant information according to the subsequent progress in strict compliance with applicable laws and regulations. Investors are advised to be cautious of the investment risks.

7. Miscellaneous

The Bank will, in a timely manner, carry out the approval procedures and disclose the relevant information, as required under the applicable rules of Shanghai Stock Exchange, the Memorandum Concerning Information Disclosure and the corporate governance rules. Investors are advised to make decisions prudently and be cautious of the investment risks.

Announcement of the captioned matters are hereby given.

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

28 November 2018

As at the date of this announcement, the executive directors of the Bank are Mr. Tian Guoli, Mr. Wang Zuji and Mr. Zhang Gengsheng; the non-executive directors of the Bank are Ms. Feng Bing, Mr. Zhu Hailin, Mr. Li Jun, Mr. Wu Min and Mr. Zhang Qi; and the independent non-executive directors of the Bank are Ms. Anita Fung Yuen Mei, Sir Malcolm Christopher McCarthy, Mr. Carl Walter, Mr. Chung Shui Ming Timpson, Mr. Kenneth Patrick Chung and Mr. Murray Horn.