

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)

Announcement on Approval for the Establishment of a Consumer Finance Company

Important Content:

- China Construction Bank Corporation (“**CCB**” or the “**Bank**”) intends to invest RMB6 billion to establish CCB Consumer Finance Co., Ltd. (“**CCB Consumer Finance Company**” or the “**Company**”), which will be managed as a tier-1 holding subsidiary of CCB (the “**Investment**”).
- The Investment has been considered and approved by the Board of Directors of CCB (the “**Board**”), and is not required to be submitted to the shareholders’ general meeting of CCB for approval.
- The Bank has received the approval from China Banking and Insurance Regulatory Commission (the “**CBIRC**”), pursuant to which the Bank has been approved to establish CCB Consumer Finance Company. After the establishment of CCB Consumer Finance Company is completed, it is required to submit an application to regulatory authorities for the opening pursuant to relevant provisions and procedures.

I. Overview of the Investment

To implement the national strategy of expanding domestic demand, promote the development of the consumer market, and expand the coverage of consumer finance through corporate-based and professional operation, CCB intends to establish CCB Consumer Finance Company with Beijing State-owned Assets Management Co., Ltd. (“**BSAM**”) and Wangfujing Group Co., Ltd. (“**Wangfujing**”). CCB Consumer Finance Company has a registered capital totaling RMB7.2 billion, of which CCB intends to contribute RMB6 billion, with a shareholding ratio of 83.33%; BSAM intends to contribute RMB800 million, with a shareholding ratio of 11.11%; and Wangfujing intends to contribute RMB400 million, with a shareholding ratio of 5.56%.

On 20 June 2019, the Board considered and approved the *Proposal on the Establishment of a Consumer Finance Subsidiary*, agreeing that CCB would contribute no more than RMB6 billion to establish a consumer finance company jointly with other investors. Voting results: there were 12 valid votes, including 12 voted in favor of the proposal, 0 voted against the proposal and 0 abstained from voting.

Given that there were uncertainties regarding the arrangement of the Investment when the Board considered and approved the above-mentioned proposal, upon due consideration, CCB decided to suspend the disclosure of the Investment and had completed the internal registration and approval procedures in relation to the suspension of disclosure in accordance with the relevant requirements of the suspension of listed companies' information disclosure of the Shanghai Stock Exchange and the *Administrative Measures for Suspension and Exemption of Information Disclosure of China Construction Bank Corporation*.

The Bank has recently received the *Approval from the CBIRC in respect of the the Establishment of CCB Consumer Finance Co., Ltd.* (Yin Bao Jian Fu [2022] No. 673), pursuant to which the Bank has been approved to establish CCB Consumer Finance Company. After the establishment of CCB Consumer Finance Company is completed, it is required to submit an application to regulatory authorities for the opening pursuant to relevant provisions and procedures.

The Investment does not constitute a notifiable transaction of the Bank under Chapter 14 and a connected transaction of the Bank under Chapter 14A of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

The Investment is not required to be submitted to the shareholders' general meeting of CCB for approval.

II. Basic Information of Investors

(i) China Construction Bank Corporation

Unified Social Credit Code: 911100001000044477

Legal representative: Tian Guoli

Domicile: No.25 Financial Street, Xicheng District, Beijing

Registered capital: RMB250,010,977,486

Type of business: Other limited company (listed)

Date of establishment: 17 September 2004

Scope of business: absorption of public deposits; granting of short, medium and long-term loans; domestic and overseas settlement; bill acceptance and discounting; issuance of financial bonds; agency issuance business, agency redemption, and underwriting of government bonds; trading of government bonds and financial bonds; interbank borrowing and lending; trading and agency trading of foreign exchange; bank card business; provision of letter of credit (L/C) services and guarantee; agency collection, payment and insurance business; safe box service; and other businesses as approved by China's banking industry regulatory authorities and other authorities.

As of 30 June 2022, Central Huijin Investment Ltd. (“**Central Huijin**”) directly held 195,941,976 shares of CCB (A-share), and Central Huijin’s wholly-owned subsidiary, Central Huijin Asset Management Ltd., directly held 496,639,800 shares of CCB (A-share). Combined together, these shares accounted for 0.28% of the total issued ordinary shares of the Bank. Central Huijin directly held 142,590,494,651 of CCB (H-share), which represented 57.03% of the total issued ordinary shares of the Bank. Central Huijin is the controlling shareholder of CCB.

Below are the major financial data of the Bank for the past year and the last reporting period:

	Unit: RMB millions	
Item	31 December 2021	30 June 2022
Total assets	30,253,979	33,689,078
Net assets	2,614,122	2,681,852
Operating income	824,246	435,970
Net profit	303,928	161,730

Note: The above are consolidated data of the group and those data for the first half of 2022 are unaudited.

(ii) Beijing State-owned Assets Management Co., Ltd.

Unified Social Credit Code: 911100004005921645

Legal representative: Yue Peng

Domicile: 16/F, Block B, Focus Building, No.19 Financial Street, Xicheng District, Beijing

Registered capital: RMB10 billion

Type of business: Limited liability company (wholly state-owned)

Date of establishment: 25 April 2001

Scope of business: asset management; project investment; and investment management.

The People’s Government of Beijing Municipality holds 100% of BSAM’s equity as its de facto controller.

Below are the major financial data of BSAM for the past year and the last reporting period:

Unit: RMB100 millions

Item	31 December 2021	30 June 2022
Total assets	1,783.19	1,875.7
Net assets	621.60	627.03
Operating income	202.75	66.73
Net profit	23.33	11.39

Note: Of the above financial data, the net profit is attributable to the parent company and those data for the first half of 2022 are unaudited.

There is no related-party relationship between BSAM and CCB.

(iii) Wangfujing Group Co., Ltd.

Unified Social Credit Code: 911100001013053805

Legal representative: Du Baoxiang

Domicile: No.255 Wangfujing Avenue, Dongcheng District, Beijing

Registered capital: RMB1,135,049,451

Type of business: Other limited company (listed)

Date of establishment: 28 April 1993

Scope of principal business: purchase and sale of general merchandise, equipment, and materials; beauty care; catering services; agent for family property insurance; electronic game; auto cargo freight; manufacturing and processing of clothing and knitted textiles; laundering and dyeing; on-site production and sale of bread and cakes; operation of children's entertainment facilities; interior decoration design; music appreciation; dancing parties; photography; amusement activities; warehousing; repair of household electrical appliances, electronic appliances, and daily necessities; repair of stationery goods; design, production, agency, and publication of domestic and foreign advertisements in China; equipment leasing; leasing of office and commercial premises; economic and trade consulting; business management consulting; technology promotion services; import and export of goods and technologies as well as import and export agent; and operation of duty-free stores.

As of 30 June 2022, Beijing Tourism Group Co., Ltd. directly held 372,776,396 shares of Wangfujing, accounting for 32.84% of its total issued shares and serving as its controlling shareholder. Wangfujing's de facto controller is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

Below are the major financial data of Wangfujing for the past year and the last reporting period:

Unit: RMB millions

Item	31 December 2021	30 June 2022
Total assets	39,150.58	39,246.70
Net assets	20,102.85	20,114.90
Operating income	12,753.08	5,744.15
Net profit	1,378.28	363.68

Note: The above are consolidated data of the group and those data for the first half of 2022 are unaudited.

There is no related-party relationship between Wangfujing and CCB.

III. Basic Information of the Investment Target

The registered capital of CCB Consumer Finance Company is RMB7.2 billion, which is contributed by CCB, BSAM, and Wangfujing, with their shareholding ratios being 83.33%, 11.11%, and 5.56%, respectively. The Company is registered in Beijing and its scope of business covers as follows: (i) granting personal consumption loans; (ii) accepting deposits of the shareholders' domestic subsidiaries and domestic shareholders; (iii) borrowing from domestic financial institutions; (iv) issuing financial bonds upon approval; (v) domestic interbank lending; (vi) consulting and agency services related to consumer finance; (vii) selling insurance products related to consumer loans as an agent; (viii) fixed-income securities investment business; (ix) other businesses as approved by CBIRC and other regulatory authorities.

CCB Consumer Finance Company will, in accordance with the *Company Law of the People's Republic of China*, the *Measures for the Administration of Pilot Consumer Finance Companies* and other laws, regulations and normative documents, establish a sound corporate governance structure, and develop a strict risk management and internal control mechanism as required by regulatory authorities and based on its business characteristics.

IV. Main Content of the Capital Contribution Agreement

On 14 June 2022, CCB, BSAM, and Wangfujing entered into the *Capital Contribution Agreement for the Establishment of CCB Consumer Finance Co., Ltd.* (the "**Capital Contribution Agreement**"). The main content of the Capital Contribution Agreement is as below:

i. Registered capital and equity structure

The registered capital of CCB Consumer Finance Company is RMB7.2 billion, of which CCB intends to contribute RMB6 billion with a shareholding ratio of 83.33%; BSAM intends to contribute RMB800 million with a shareholding ratio of 11.11%; and Wangfujing intends to contribute RMB400 million with a shareholding ratio of 5.56%.

ii. Board of directors and management

CCB Consumer Finance Company sets up a board of directors consisting of seven members, which should include one employee representative and at least two executive directors. The board of directors has a chairman who should be the legal representative of the Company.

CCB Consumer Finance Company has a president and several vice presidents.

iii. Liability for breach of contract

In the event that the Capital Contribution Agreement cannot be fully performed or performed at all due to the default of any party of the Capital Contribution Agreement, the defaulting party shall be held liable accordingly. One party or parties shall bear liability for compensation if the Company's interests are damaged due to its or their fault during the process of establishment of CCB Consumer Finance Company.

iv. Term and termination

Unless all parties otherwise agree or agree to extend its validity period, the Capital Contribution Agreement shall be automatically terminated if the Company fails to be established within 24 months since the date at which it is signed, or if the Company's preparatory group receives a notice from the CBIRC not approving the establishment of the Company.

v. Dispute resolution

All disputes arising out of or in connection with the interpretation and performance of the Capital Contribution Agreement shall be settled by and among all parties through amicable negotiations. If the parties fail to agree on the settlement of a dispute within thirty days after one party requests other parties to settle it by negotiation, the party can submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in Beijing as per its rules in force at that time. The arbitral award shall be final and binding on all parties.

V. Impact of the Investment on CCB

The Investment is financed by CCB's own funds.

The Investment is an important measure issued by CCB to boost and support consumption growth, stimulate household consumption potential, and enhance the fundamental role of consumption in economic development. The Investment is based on people's consumption upgrading needs and emerging consumption forms, supply of innovative products and services, to meet diversified and multi-level consumer demands and put the concept of inclusive finance into practice. Also, it will help the Group make further efforts in the consumer finance to create new growth drivers.

VI. Risk Analysis of the Investment

After the establishment of CCB Consumer Finance Company is completed, it is required to submit an application to regulatory authorities for the opening pursuant to relevant provisions and procedures.

Upon its establishment, CCB Consumer Finance Company may face uncertainties presented by macro-economy, industry policies, market competition, and other uncertain factors in its operation and management activities in future, which are likely to incur market risk, operational risk, management risks, etc. CCB will promote CCB Consumer Finance Company to continuously improve its internal control system and improve its risk prevention mechanism, with a view to actively guarding against and coping with the above-mentioned risks.

Announcement of the captioned matter is hereby given.

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

27 September 2022

As at the date of this announcement, the executive directors of the Bank are Mr. Tian Guoli and Mr. Zhang Jinliang; the non-executive directors of the Bank are Mr. Xu Jiandong, Mr. Zhang Qi, Mr. Tian Bo, Mr. Xia Yang, Ms. Shao Min and Ms. Liu Fang; and the independent non-executive directors of the Bank are Sir Malcolm Christopher McCarthy, Mr. Kenneth Patrick Chung, Mr. Graeme Wheeler, Mr. Michel Madelain, Mr. William Coen and Mr. Leung Kam Chung, Antony.