



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)

REPORT FOR THE FIRST QUARTER OF 2008

The board of directors (the “Board”) of China Construction Bank Corporation (the “Bank”) is pleased to announce the unaudited consolidated results of the Bank and its subsidiaries (collectively the “Group”) for the period ended 31 March 2008, prepared under the International Financial Reporting Standards (IFRS). This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICE

- 1.1 The Board and the board of supervisors of the Bank and its directors, supervisors and senior management warrant that there are no false presentations or misleading statements contained in, or material omissions from, this report, and are severally and jointly responsible for the authenticity, accuracy and completeness of the information contained in this report.
- 1.2 This quarterly report has been reviewed and approved at the ninth meeting of the second Board of the Bank. 13 directors attended the meeting. Mr. Wang Yonggang delegated Mr. Zhang Xiangdong to attend the meeting; Lord Peter Levene and Ms. Elaine La Roche delegated Mr. Tse Hau Yin, Aloysius to attend the meeting; Mr. Liu Xianghui delegated Ms. Li Xiaoling to attend the meeting.
- 1.3 The financial statements contained in this quarterly report have not been audited.

2 CORPORATE PROFILE

2.1 Corporate information

Stock name	建設銀行
Stock code	601939 (A-share)
Listing venue	Shanghai Stock Exchange
Stock name	CCB
Stock code	939 (H-share)
Listing venue	The Stock Exchange of Hong Kong Limited
Secretary to the Board	Chen Caihong
Contact address	No. 25, Finance Street, Xicheng District, Beijing
Telephone	86-10-66215533
Facsimile	86-10-66218888
E-mail	ir@ccb.com

2.2 Major consolidated accounting information and financial indicators prepared under IFRS

(Expressed in millions of RMB unless otherwise stated)

	As at 31 March 2008	As at 31 December 2007	Change (%)
Total assets	6,875,030	6,598,177	4.20
Total equity attributable to shareholders of the Bank	447,015	420,977	6.19
Net asset value per share (in RMB)	1.92	1.81	6.08

(Expressed in millions of RMB unless otherwise stated)

	Three months ended 31 March 2008
Net cash used in operating activities	(13,204)
Net cash used in operating activities per share (in RMB)	(0.06)
Net profit	32,129
Net profit attributable to shareholders of the Bank	32,118
Earnings per share (basic and diluted, in RMB)	0.14
Annualised return on equity (period-end equity, %)	28.74
Annualised return on equity (weighted average equity, %) ¹	29.40

1. Calculated by dividing net profit attributable to shareholders by the weighted average of total equity attributable to shareholders for the period.
2. The Bank was listed on the Shanghai Stock Exchange in September 2007, and therefore the consolidated income statement and consolidated cash flow statement for the three months ended 31 March 2007 were not prepared.

2.3 The difference between the financial statements prepared under IFRS and those prepared under PRC GAAP

There is no difference in the net profit for the three months ended 31 March 2008 or total equity as at 31 March 2008 between the Group's consolidated financial statements prepared under PRC GAAP and the Group's consolidated financial statements prepared under IFRS.

2.4 Number of shareholders and details of top ten shareholders not subject to selling restrictions as at 31 March 2008

2.4.1 As at 31 March 2008, the Bank's total number of shareholders was 1,810,075, comprising 55,262 holders of H-shares and 1,754,813 holders of A-shares.

2.4.2 Top ten shareholders not subject to selling restrictions

Top ten shareholders not subject to selling restrictions (based on the register of shareholders as at 31 March 2008)

Name of shareholder	Number of shares not subject to selling restrictions	Type of shares
HKSCC Nominees Limited ¹	28,194,639,707	H-share
Fullerton Financial Holdings Pte. Ltd	8,254,445,375	H-share
Baosteel Group Corporation	3,000,000,000	H-share
China Yangtze Power Co. Limited	1,200,000,000	H-share
Reca Investment Limited	800,000,000	H-share
China Life Insurance Company Limited		
— Participating		
— Individual Participating		
— 005L — FH002 SH	233,696,000	A-share
China Life Insurance (Group) Company		
— Traditional		
— Ordinary Insurance Products	158,705,000	A-share
Bank of Communications		
— Bosera Growth Securities		
Investment Fund	139,751,503	A-share
China Life Insurance Company Limited		
— Traditional		
— Ordinary Insurance Products		
— 005L — CT001 SH	131,322,850	A-share
ICBC		
— Bosera Selected Equity Securities		
Investment Fund	122,922,802	A-share

1. State Grid Corporation of China, one of the promoters of the Bank, held 2,875,939,000 H-shares of the Bank as at 31 March 2008, which were held under the name of HKSCC Nominees Limited.
2. China Life Insurance Company Limited is a subsidiary controlled by China Life Insurance (Group) Company. Some of the above shareholders were managed by the same fund manager. Apart from this, the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

3 HIGHLIGHTS OF QUARTERLY BUSINESS DATA

The information of the Group contained in this quarterly report was expressed in RMB. For the three months ended 31 March 2008, the major business data of the Group were as follows:

- Total assets reached RMB6,875,030 million, an increase of RMB276,853 million or 4.20% over the end of last year. Total liabilities stood at RMB6,426,661 million, an increase of RMB250,765 million or 4.06% over the end of last year.
- Net loans and advances to customers reached RMB3,344,660 million, an increase of RMB161,431 million or 5.07% over the end of last year. Deposits from customers reached RMB5,638,618 million, an increase of RMB298,302 million or 5.59% over the end of last year.
- Total equity attributable to shareholders of the Bank was RMB447,015 million, an increase of RMB26,038 million or 6.19% over the end of last year.
- Compared to the end of last year, the non-performing loans were RMB76,036 million in accordance with the five-category classification standard, a decrease of RMB9,134 million; the non-performing loan ratio was 2.22%, down by 0.38 percentage points; the ratio of allowances to non-performing loans was 107.79%, up by 3.38 percentage points. The continuous improvement of asset quality of the Group was attributable to reinforcement of risk control and management, proactive adjustment of credit structure and accelerated non-performing loans disposal through means including securitisation.
- Core capital adequacy ratio was 10.26%, and capital adequacy ratio was 12.38%, which decreased by 0.11 percentage points and 0.20 percentage points respectively compared to the end of last year.
- The carrying value of the US sub-prime mortgage loan backed securities held by the Group was US\$343 million (equivalent to RMB2,405 million). The percentages of such securities with a Bloomberg composite rating of AAA, AA and A were 83.73%, 2.00% and 4.88% respectively.
- Net interest income reached RMB54,436 million, and net fee and commission income reached RMB10,724 million.

- Net profit was RMB32,129 million, of which the net profit attributable to shareholders of the Bank was RMB32,118 million. The income tax was RMB9,667 million; as the corporate income tax rate for domestic enterprises was reduced from 33% to 25% effective from 1 January 2008, the Group's effective income tax rate decreased to 23.13%.
- Net interest spread was 3.12%, and the net interest margin was 3.26%.

4 MAJOR ISSUES

4.1 Significant changes in major financial statements items, financial indicators and the causes thereof

Applicable Not applicable

(In millions of RMB unless otherwise stated)

	As at 31 March 2008	As at 31 December 2007	Change (%)	Causes of the change
Trading investments	39,609	29,819	32.83	Trading debt securities increased.
Deferred tax assets	71	35	102.86	The deferred tax assets of overseas branches and overseas subsidiaries increased.
Positive fair value of derivatives	23,672	14,632	61.78	The positive fair value of derivatives increased.
Amounts due to central banks	1,282	50,973	(97.48)	The repo transactions with the People's Bank of China decreased.
Negative fair value of derivatives	10,590	7,952	33.17	The negative fair value of customer driven derivatives increased.
Deferred tax liabilities	1,101	771	42.80	The domestic deferred tax liabilities increased as a result of the movement in the fair value of trading investments and available-for-sale investments, and that in the allowances for impairment losses on loans.

4.2 Development of major issues, related impacts and solutions

Applicable Not applicable

4.3 Fulfillment of undertakings by the company, shareholders and de-facto controllers

Applicable Not-applicable

Shareholders did not give new undertakings in the reporting period, and the undertakings that continue to be valid during the reporting period were the same as those disclosed in the prospectus. As at 31 March 2008, all undertakings given by the shareholders were fulfilled.

4.4 Warnings and explanations of any forecasted loss or significant change in accumulated net profit for the period from the beginning of the year to the end of the next reporting period compared to the same period last year

Applicable Not applicable

4.5 Details of securities investments

✓ Applicable □ Not applicable

No.	Stock code	Abbreviation	Number of shares held	Initial investment amount (in RMB)	Carrying amount at the end of the period (in RMB)	Carrying amount at the beginning of the period (in RMB)	Accounting item	Note
1	601600	CHALCO	709,773,136	883,586,630	13,753,274,056	25,168,555,403	Available-for-sale equity investments	Debt equity swap investment
2	000578	QINGHAI SALT LAKE	181,960,736	137,272,834	3,702,134,451	137,273,000	Available-for-sale equity investments	Debt equity swap investment
3	600068	CGGC	133,445,624	232,566,694	940,524,758	1,515,942,289	Available-for-sale equity investments	Debt equity swap investment
4	183(HK)	CIFH	168,599,268	114,649,373	604,419,938	772,161,730	Available-for-sale equity investments	Acquisition
5	600462	Y.S.B.P	50,600,000	41,248,000	300,318,886	358,280,857	Available-for-sale equity investments	Debt equity swap investment
6	000001	SDB	8,571,414	31,300,157	227,469,744	303,661,823	Available-for-sale equity investments	Establishment of investment, exercise of share options
7	600984	SCMC	24,347,042	44,050,000	197,688,994	318,587,329	Available-for-sale equity investments	Debt equity swap investment
8	1893(HK)	SINOMA	33,333,000	135,109,828	184,349,854	296,176,843	Trading investments	Indirectly held through an overseas subsidiary
9	151(HK)	WANT WANT CHINA ¹	51,894,000	140,229,191	134,620,023		Trading investments	Indirectly held through an overseas subsidiary
10	395(HK)	CHINA ZIRCONIUM	93,000,000	95,334,448	91,308,135	123,646,486	Trading investments	Indirectly held through an overseas subsidiary
		Total	—	1,855,347,155	20,136,108,839	28,994,285,760		

- These are international placing shares purchased on 29 February 2008.
- This table sets out the Group's securities investments classified as investment securities and trading investments in the consolidated balance sheet as at 31 March 2008, and the top ten stocks are listed by the carrying amount at the end of the period.

5 RELEASE OF QUARTERLY REPORT

This report is simultaneously available on the website of The Stock Exchange of Hong Kong Limited www.hkex.com.hk and our website www.ccb.com. The quarterly report prepared under PRC GAAP is simultaneously available on the website of Shanghai Stock Exchange www.sse.com.cn, the website of The Stock Exchange of Hong Kong Limited www.hkex.com.hk and our website www.ccb.com.

By order of the Board
China Construction Bank Corporation
Zhang Jianguo
Vice chairman, executive director and president

25 April 2008

As of the date of this announcement, the Bank's executive directors are Mr. Guo Shuqing, Mr. Zhang Jianguo, Mr. Zhao Lin and Mr. Luo Zhefu; non-executive directors are Mr. Wang Yonggang, Mr. Wang Yong, Ms. Wang Shumin, Mr. Liu Xianghui, Mr. Zhang Xiangdong, Ms. Li Xiaoling and Mr. Gregory L. Curl; and independent non-executive directors are Lord Peter Levene, Mr. Song Fengming, Ms. Jenny Shipley, Ms. Elaine La Roche, Mr. Wong Kai-Man and Mr. Tse Hau Yin, Aloysius.

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

Consolidated income statement for the three months ended 31 March 2008

(Expressed in millions of Renminbi unless otherwise stated)

	Three months ended 31 March 2008
	<i>(Unaudited)</i>
Interest income	83,614
Interest expense	(29,178)
Net interest income	54,436
Fee and commission income	11,083
Fee and commission expense	(359)
Net fee and commission income	10,724
Net trading gain	473
Dividend income	14
Net income arising from investment securities	484
Other operating loss, net	(1,015)
Operating income	65,116
Operating expenses	(21,769)
	43,347
Provisions for impairment losses on — loans and advances to customers	(261)
— others	(1,294)
Impairment losses	(1,555)
Share of profits less losses of associates	4

Consolidated income statement for the three months ended 31 March 2008 (continued)
(Expressed in millions of Renminbi unless otherwise stated)

	Three months ended 31 March 2008
	<u>(Unaudited)</u>
Profit before tax	41,796
Income tax	<u>(9,667)</u>
Net profit	<u>32,129</u>
Attributable to:	
Shareholders of the Bank	32,118
Minority interests	<u>11</u>
Net profit	<u>32,129</u>
Basic and diluted earnings per share (in RMB)	<u>0.14</u>

Zhang Jianguo
*Vice chairman, executive
director and president*

Tse Hau Yin, Aloysius
*Independent non-executive
director*

Li Xiaoling
Non-executive director

Consolidated balance sheet as at 31 March 2008
(Expressed in millions of Renminbi)

	As at 31 March 2008	As at 31 December 2007
	<i>(Unaudited)</i>	
Assets		
Cash and balances with central banks	1,022,470	967,374
Amounts due from banks and non-bank financial institutions	106,062	102,393
Trading investments	39,609	29,819
Positive fair value of derivatives	23,672	14,632
Loans and advances to customers	3,344,660	3,183,229
Investment securities	2,192,210	2,171,991
Interests in associates	1,784	1,099
Property and equipment	57,411	58,287
Goodwill	1,562	1,624
Deferred tax assets	71	35
Other assets	85,519	67,694
Total assets	6,875,030	6,598,177
Liabilities		
Amounts due to central banks	1,282	50,973
Amounts due to banks and non-bank financial institutions	586,878	606,061
Negative fair value of derivatives	10,590	7,952
Deposits from customers	5,638,618	5,340,316
Certificates of deposit issued	11,074	9,284
Current tax liabilities	34,921	28,022
Deferred tax liabilities	1,101	771
Other liabilities and provisions	102,266	92,589
Subordinated bonds issued	39,931	39,928
Total liabilities	6,426,661	6,175,896
Equity		
Share capital	233,689	233,689
Reserves	213,326	187,288
Total equity attributable to shareholders of the Bank	447,015	420,977
Minority interests	1,354	1,304
Total equity	448,369	422,281
Total equity and liabilities	6,875,030	6,598,177

Zhang Jianguo
Vice chairman, executive
director and president

Tse Hau Yin, Aloysius
Independent non-executive
director

Li Xiaoling
Non-executive director

Balance sheet of the Bank as at 31 March 2008
(Expressed in millions of Renminbi)

	As at 31 March 2008	As at 31 December 2007
	(Unaudited)	
Assets		
Cash and balances with central banks	1,022,169	967,106
Amounts due from banks and non-bank financial institutions	97,596	96,281
Trading investments	32,358	23,528
Positive fair value of derivatives	23,247	14,296
Loans and advances to customers	3,310,346	3,151,289
Investment securities	2,188,880	2,169,057
Investments in subsidiaries	4,193	4,006
Property and equipment	57,224	58,094
Deferred tax assets	68	33
Amounts due from subsidiaries	44,619	31,530
Other assets	84,177	66,619
Total assets	6,864,877	6,581,839
Liabilities		
Amounts due to central banks	1,282	50,973
Amounts due to banks and non-bank financial institutions	585,287	605,076
Amounts due to subsidiaries	31,823	23,083
Negative fair value of derivatives	10,590	7,609
Deposits from customers	5,606,376	5,307,797
Certificates of deposit issued	7,933	8,347
Current tax liabilities	34,810	27,878
Deferred tax liabilities	932	602
Other liabilities and provisions	100,467	91,029
Subordinated bonds issued	39,931	39,928
Total liabilities	6,419,431	6,162,322
Equity		
Share capital	233,689	233,689
Reserves	211,757	185,828
Total equity	445,446	419,517
Total equity and liabilities	6,864,877	6,581,839

Zhang Jianguo
Vice chairman, executive
director and president

Tse Hau Yin, Aloysius
Independent non-executive
director

Li Xiaoling
Non-executive director

Consolidated cash flow statement for the three months ended 31 March 2008

(Expressed in millions of Renminbi)

Three months ended
31 March 2008

(Unaudited)

Operating activities

Profit before tax	41,796
Adjustments for:	
— dividend income	(14)
— revaluation gain on investments and derivatives	(290)
— net gain on disposal of investments, property and equipment and other assets	(492)
— unwinding of discount	(410)
— share of profits less losses of associates	(4)
— unrealised foreign exchange loss	1,014
— depreciation charges and amortisation	2,221
— provisions for impairment losses	1,555
— interest expense on subordinated bonds issued	503
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	45,879

Changes in operating assets and liabilities:

Increase in balances with central banks	(90,052)
Increase in amounts due from banks and non-bank financial institutions	(21,877)
Increase in loans and advances to customers	(171,616)
Increase in other operating assets	(25,262)
Decrease in amounts due to central banks	(49,691)
Decrease in amounts due to banks and non-bank financial institutions	(16,598)
Increase in deposits from customers	305,411
Increase in certificates of deposit issued	2,244
Income tax paid	(694)
Increase in other operating liabilities	9,052
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Net cash used in operating activities	(13,204)

Consolidated cash flow statement for the three months ended 31 March 2008 (continued)
(Expressed in millions of Renminbi)

	Three months ended 31 March 2008
	<i>(Unaudited)</i>
Investing activities	
Proceeds from disposal and redemption of investment securities	274,004
Dividend received	14
Investment in a subsidiary	62
Proceeds from disposal of property and equipment and other assets	199
Payments on acquisition of investment securities	(312,677)
Payments on investment in associates	(363)
Payments on acquisition of property and equipment and other assets	(1,212)
Net cash used in investing activities	(39,973)
Financing activities	
Proceeds from securitisation	2,056
Net cash inflow from financing activities	2,056
Effect of foreign exchange rate changes on cash and cash equivalents	(1,113)
Net decrease in cash and cash equivalents	(52,234)
Cash and cash equivalents as at 1 January	180,508
Cash and cash equivalents as at 31 March	128,274
Cash flows from operating activities include:	
Interest received	76,957
Interest paid, excluding interest expense on subordinated bonds issued	(25,292)

Consolidated cash flow statement for the three months ended 31 March 2008 (continued)
(Expressed in millions of Renminbi)

Notes to consolidated cash flow statement

(a) Cash and cash equivalents

	Three months ended 31 March 2008
	<i>(Unaudited)</i>
Cash	29,392
Surplus deposit reserve	42,884
Amounts due from banks and non-bank financial institutions	106,062
Less: Amounts due over three months when acquired	(12,140)
Balances under resale agreements	(37,924)
	55,998
Total	128,274

Zhang Jianguo <i>Vice chairman, executive director and president</i>	Tse Hau Yin, Aloysius <i>Independent non-executive director</i>	Li Xiaoling <i>Non-executive director</i>
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